**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
EAGLE COUNTY, COLORADO

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
FOR THE YEAR ENDED
DECEMBER 31, 2024

Board of Directors

Tracy Erickson - President
Jason Cowles - Vice President
Tom Pohl – Secretary/ Treasurer
Joanna Kerwin – Assistant Secretary/ Treasurer
Tom Edwards - Director

Administrative Staff

Ture Nycum – Executive Director
Sanjok Timilsina – Finance Director

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M & H
Maggard
& Hood, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Officers and Directors
Mountain Recreation Metropolitan District
Edwards, Colorado

# INDEPENDENT AUDITOR'S REPORT

***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mountain Recreation Metropolitan District as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Mountain Recreation Metropolitan District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Mountain Recreation Metropolitan District as of December 31, 2024 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mountain Recreation Metropolitan District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism through 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 Mountain Recreation Metropolitan 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mountain Recreation Metropolitan District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, listed as required supplementary information in the table of contents, 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 accounting 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 supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

Maggard & Hood, P.C.

MAGGARD & HOOD, P.C.
*Glenwood Springs, Colorado*
*June 23, 2025*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Established in 1980, the Mountain Recreation Metropolitan District, (the "District") has continually strived to provide the communities of Eagle County with a wide variety of quality, affordable recreational activities and facilities. The District's boundaries encompass an estimated area of 840 square miles in Eagle County, Colorado including the communities of Eagle, Edwards, Gypsum, Bond, McCoy, Cordillera, Lake Creek and Wolcott.

The Management's Discussion and Analysis of the Mountain Recreation Metropolitan District's financial performance provides an overview of the District's financial activities for the fiscal year. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

## FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2024 are as follows:

- The mill levy assessed by the District is 3.650 mills. These levies are assessed on all taxable properties within the District boundaries located in Eagle County.
- The District's *overall* net position increased $1,966,757, or 11% from the previous fiscal year.
- General Revenues accounted for $5,353,326 or 60% of all revenues. These general revenues include taxes, grants, interest and other revenues not related to specific programs. Program specific revenues, in the form of charges for services, operating and capital grants and contributions, were $3,560,788 or 40% of the District's total revenues of $8,914,114.
- The District had $6,947,357 of expenses. Of these expenses $3,560,788 were offset by program specific revenues. General Revenues (primarily property taxes) were adequate to provide for the remaining expenses, including depreciation of capital assets.

## USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements,* and *required supplementary information*. The basic financial statements include two types of information on the same statement that present different views of the District:

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- *Fund financial statements* that focus on *individual parts* of the District government, reporting the District's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Additional supplemental information has also been included to enhance the reader's understanding of the financial statements.

## REPORTING ON THE DISTRICT AS A WHOLE

### *Statement of Net Position and Statement of Activities*

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to that used by most private sector companies, taking into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide financial statements is on the overall financial position and activities of the District. These financial statements are constructed around the concept of a primary government, the District.

The statement of net position and statement of activities report the District's *net position* and changes therein. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws, statutorily required reserves, facility conditions, frequency of fires within the District and other factors. In the statement of net position and the statement of activities, the Districts operations are reported as a "Governmental Activity." Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. All of the District's programs and services are currently reported here.

## FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant funds – not the District as a whole. 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's major governmental funds include the General Fund and Conservation Trust Fund. Like other state and local governments, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Unlike government-wide financial statements, the focus of the fund financial statements is directed to specific activities of the District rather than the District as a whole. Such information may be useful in evaluating a government's near-term financing requirements.

### Governmental Funds

The District's activity is reported as a governmental fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is provided in reconciliations following the fund financial statements. The District maintains the following governmental funds:

***General Fund*** – used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

***Capital Projects Fund*** – used to account for funds for the acquisition of lands, construction of major capital improvements and projects, and acquisition equipment.

***Conservation Trust Fund*** – used to account for funds received and restricted as to use in acquisition, development and maintenance of conservation sites pursuant to Colorado Revised Statutes. The fund has been designated by management to be used for all outdoor facility maintenance and operational expenses, as an approved conservation expenditure.

## NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## THE DISTRICT AS A WHOLE

### *Statement of Net Position*

The perspective of the Statement of Net Position is of the District as a whole. Following is a summary of the District's net position for the current and prior fiscal year:

| | Governmental Activities | | |
|---|---|---|---|
| | 2024 | 2023 | Increase (Decrease) |
| ASSETS: | | | |
| Current and Other Assets | $ 11,805,291 | $ 11,397,735 | $ 407,556 |
| Capital Assets, Net | 13,250,490 | 11,618,882 | 1,631,608 |
| Total Assets | 25,055,781 | 23,016,617 | 2,039,164 |
| LIABILITIES: | | | |
| Current and Other Liabilities | 475,958 | 384,619 | 91,339 |
| Total Liabilities | 475,958 | 384,619 | 91,339 |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Unavailable Revenues - | | | |
| Property Taxes | 4,653,658 | 4,458,282 | 195,376 |
| Related to Leases | 71,274 | 285,582 | (214,308) |
| Total Deferred Inflows of Resources | 4,724,932 | 4,743,864 | (18,932) |
| NET POSITION: | | | |
| Invested in Capital Assets, Net of Related Debt | 13,250,490 | 11,618,882 | 1,631,608 |
| Restricted for Conservation Trust | 13,946 | 13,946 | - |
| Restricted for Capital Projects | 2,205,497 | - | 2,205,497 |
| Restricted for Emergencies | 257,000 | 186,000 | 71,000 |
| Unrestricted | 4,127,958 | 6,069,306 | (1,941,348) |
| Total Net Position | $ 19,854,891 | $ 17,888,134 | $ 1,966,757 |

The District's current assets increased from the prior year. The District's cash and equivalents and other current assets increased $407,556. Increases occurred in cash reserves as well as property taxes receivable, taxes assessed in 2024 to be collected in 2025.

Increases in Capital Assets were the result of current year additions exceeding current year depreciation. A notable asset addition included construction progress costs for a joint project with the Town of Eagle to construct a new pool facility Eagle, Colorado. The facility is anticipated to be completed in May 2025. Other additions included the purchase of motorized equipment and improvements at the Edward Fieldhouse.

The increase in deferred inflows of resources, which consists of property taxes to be collected in 2025, reflects changes in the overall assessed valuation of properties within the District's boundaries. This will impact the amount of funds available to provide recreation programs and service during the next fiscal year.

The net position of the District improved over the past fiscal year. This is primarily due to the surplus generated by revenues exceeding expenditures. The restricted portion of District's net position reflects statutorily required Emergency Reserves *(see Note 10).*

**THE DISTRICT AS A WHOLE – *CONTINUED***

***Statement of Activities***

The perspective of the Statement of Activities is also of the District as a whole. The statement of activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those costs. The following detail reflects the total cost of services supported by program revenues and general property taxes, as well as other general revenues, resulting in the overall change in net position for the current fiscal year:

| | Governmental Activities | | |
|---|---|---|---|
| | 2024 | 2023 | Increase (Decrease) |
| REVENUES: | | | |
| *Program Revenues:* | | | |
| Charges for Services & Sales - | | | |
| Eagle Pool/ Ice Rink | $ 525,006 | $ 533,164 | $ (8,158) |
| Gypsum Recreation Center | 1,684,627 | 1,717,401 | (32,774) |
| Edwards Field House | 698,888 | 758,214 | (59,326) |
| Outdoor Recreation Programs | 351,927 | 311,053 | 40,874 |
| Operating Grants & Contributions | 159,352 | 186,766 | (27,414) |
| Capital Grants & Contributions | 140,988 | 211,221 | (70,233) |
| *General Revenues:* | | | |
| Property Taxes | 4,650,493 | 3,091,702 | 1,558,791 |
| Specific Ownership Taxes | 217,696 | 178,179 | 39,517 |
| Investment & Other Income | 451,672 | 308,631 | 143,041 |
| Miscellaneous | 33,465 | 7,568 | 25,897 |
| Total Revenues | 8,914,114 | 7,303,899 | 1,610,215 |
| EXPENSES: | | | |
| Administration | 1,791,548 | 1,935,840 | 144,292 |
| Eagle Pool/Ice Rink | 1,017,308 | 958,862 | (58,446) |
| Gypsum Recreation Center | 1,965,238 | 1,894,964 | (70,274) |
| Edwards Field House | 1,187,032 | 1,085,621 | (101,411) |
| Outdoor Recreation Programs | 986,231 | 834,786 | (151,446) |
| Total Expenses | 6,947,357 | 6,710,073 | (237,284) |
| Increase (Decrease) in Net Position | $ 1,966,757 | $ 593,826 | $ 1,372,931 |

The District's revenues include property taxes assessed in the prior year and collected in the current year to support general operations. The District's program expenses consist of operational expenses and depreciation expense on capital assets. Current year operating grants and contributions consist of Conservation Trust lottery monies received. Overall net position increased $1,966,757 from the prior fiscal year.

Overall District expenditures exceeded the prior as the result of a district wide increase in wages and compensation. In addition, utilities cost and general maintenance at the specific facilities increased. Outdoor recreation increases included associated costs of administering programs not directly associated with a facility. These costs include maintenance of the Eagle Sports Complex, Freedom Park and McCoy Field.

**THE DISTRICT AS A WHOLE – *CONTINUED***

As indicated above, the statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services, and the remaining net cost of program services which are supported by taxes and other general revenues:

| | Total Cost of Services | | Net Cost of Services | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Administration | $ 1,791,548 | $ 1,935,840 | $ 1,791,548 | $ 1,935,840 |
| Eagle Pool/Ice Rink | 1,017,308 | 958,862 | 492,302 | 425,698 |
| Gypsum Recreation Center | 1,965,238 | 1,894,964 | 280,611 | 177,563 |
| Edwards Field House | 1,187,032 | 1,085,621 | 488,144 | 327,407 |
| Outdoor Rec. Programs | 986,231 | 834,786 | 333,964 | 125,746 |
| Total Expenses | $ 6,947,357 | $ 6,710,073 | $ 3,386,569 | $ 2,992,254 |

For all programs provided by the District, the dependence on taxes and other general revenues is apparent. For 2024 and 2023 approximately 49% and 45% of program services were supported through taxes and other general revenues. The community as a whole is the primary support for the District's activities.

**THE DISTRICT'S FUNDS**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. As discussed above, for financial reporting purposes the District's General Fund and Conservation Trust Fund are considered governmental funds and are reported on the modified accrual basis of accounting. At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans are presented as a revenue item while outflows for capital outlay and debt service payments are presented as an expenditure item, as these items represent current period financial resources and uses.

The General Fund ending fund balance decreased $1,855,127 from $6,340,105 to $4,484,978 during the current fiscal year. This represents the excess of current period expenses (financial uses) over current period revenues (financial resources). The ending fund balance of $4,484,97 is the amount of net resources available for future spending. Most financial resources are from property and specific ownership taxes, as well as program fees. The majority of expenses are directly related to providing recreation programs and maintenance of recreation facilities.

The Capital Projects ending fund balance increased $2,205,497 from $0 to $2,205,497during the current fiscal year. This represents the excess of current period revenues (financial resources) over current period expenses (financial uses). The fund was created by transferring $3,000,000 of reserved funds from the General Fund. The ending fund balance of $2,205,497 is the amount of net resources available for future Capital type projects and expenditures.

The Conservation Trust Fund ending fund balance increased $0 from $13,946 to $13,946 during the current fiscal year. This represents an excess of current period revenues (financial resources) over current period expenses (financial uses). The ending fund balance of $13,946 is the amount of net resources available for future Conservation Trust purposes.

The District, pursuant to the TABOR Amendment, reserves funds for emergencies. As discussed in the notes of the financial statements, the District reserves 3% of the total of all operational expenses every fiscal year. As operational expenses increase, this reserve will grow accordingly. At the end of each fiscal year, if the emergency reserves were not used, the funds are carried into the next year's operational funds.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The District's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note 1 (D)* of the financial statements. The Board of Directors and management strive to budget appropriate amounts for each line item. This year's budget variations are not expected to have a significant effect on future services or liquidity.

### *General Fund Resources (Inflows)*

The District's general fund final budgetary revenues and other financing sources in the amount of $8,595,018 exceeded budgeted expectations of $7,881,907 by $713,111, or approximately 9%. Positive variances occurred for the Gypsum Recreation Center. General property and specific ownership taxes on motorized vehicles along with investment earnings aided in providing and expanding recreation opportunities to the District's citizens. It is not anticipated that these variances will have a significant impact on future services.

### *General Fund Charges to Appropriations (Outflows)*

The District's general fund final budgetary expenditures and other financing uses in the amount of $10,450,145 were $419,846 less than the final appropriated balance of $10,869,991. Savings occurred for the majority of budgeted departments, except for the Gypsum Recreation Center where wages and contracted services related to expanded pool operations were more than expected. Overall, expenditures were 3.8 % less than anticipated.

### *General Fund Unappropriated Fund Balance*

The General Fund ending fund balance carryover to fiscal year 2024 is $4,484,978.

## CAPITAL ASSETS

At the end of 2024, the District had a total of $13,250,490 invested in capital assets of governmental activities. The following reflects the balances at the current and prior fiscal year-end:

| Capital Assets Net of Depreciation | 2024 | 2023 |
|---|---|---|
| Edwards Field House/Equipment | $ 5,634,649 | $ 5,774,379 |
| Pool and Ice Rink Facility and Equipment | 3,737,425 | 1,712,648 |
| Outdoor Recreation Equipment | 3,613,179 | 3,839,708 |
| Gypsum Recreation Center Equipment | 88,997 | 135,899 |
| General Recreation Equipment | - | - |
| Administration | 176,240 | 156,248 |
| Total Capital Assets | $ 13,250,490 | $ 11,618,882 |

## DEBT ADMINISTRATION

The District has no outstanding debt other than accrued compensated absences of $100,138.

## ECONOMIC CONDITIONS AND OUTLOOK

In 2024, the District will continue its policy of providing extensive recreation services for the residents within the District's boundaries consistent with available resources, as well as operations of the Gypsum Recreation Center, the Eagle Pool and Ice Rink facilities and the Edwards Field House. The District provides opportunities for its constituents to partake in a variety of recreational activities including sports as swimming, soccer, ice hockey, tennis, gymnastics, lacrosse, volleyball, basketball, pickleball and football, as well as a wide-reaching menu of health and wellness, outdoor recreation, and licensed school age childcare programs and services. The District's 2024 budget strategy is to levy an operating mill levy to cover the shortfall in fees collected compared to the general operating costs (including capital replacement expenditures) of the District. For the purpose of meeting all general operating expenses of the District during the next budget year, the District has levied a tax of 3.650 mills upon the total 2024 assessed valuation of taxable property within the District.

The District has appropriated $9,495,448 General Fund, $1,930,657 Capital Projects Fund and $1,605,078 Conservation fund for spending in the 2025 fiscal year. Expenditures are expected to exceed revenue, the net impact of which is a decrease in fund balance during 2025 of $1,476,748. The 2025 overall ending fund balance is budgeted to be $4,955,674.

The Eagle Pool was closed in 2022 because of some unforeseen damages caused by sub surface soil compaction. The Town of Eagle and the District have agreed to jointly replace the pool in its current location. Consultant cost estimates for a pool project in that location are approximately $15 million. The Pool will remain closed for summer 2024. The potential increase in property tax revenue in 2024 due to the increase in assessed value will help to manage immediate maintenance needs of the recreation centers managed by the District including creating reserves to fund the replacement of Eagle Pool. However, due to high inflation, funding is not likely to be sufficient to support expansion beyond current service levels. A thoughtful balancing of operating and capital resources is required to ensure services best meet community needs.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact the:

Mountain Recreation Metropolitan District - Administration Office
PO Box 1891
Edwards, CO 81632
Phone: (970) 688-7328

# GOVERNMENT - WIDE FINANCIAL STATEMENTS

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
STATEMENT OF NET POSITION
December 31, 2024

| | Governmental Activities |
|---|---|
| ASSETS: | |
| Cash and Cash Equivalents | $ 6,655,911 |
| Receivables: | |
| Accounts Receivable | 80,852 |
| Cash with County Treasurer | 20,292 |
| Other Intergovernmental | 183,709 |
| Property Taxes | 4,653,658 |
| Lease Receivable – Net Present Value | 77,241 |
| Prepaid Expenses | 122,852 |
| Capital Assets: | |
| Capital Assets, Net of Accumulated Depreciation | 13,250,490 |
| Right-to-use Lease Assets, Net of Amortization | 10,776 |
| TOTAL ASSETS | 25,055,781 |
| LIABILITIES: | |
| Accounts Payable | 119,736 |
| Accrued Wages & Related Liabilities | 103,014 |
| Unearned Revenue | 142,412 |
| Lease Obligations – Net Present Value | 10,658 |
| Accrued Vacation and Comp Time | 100,138 |
| TOTAL LIABILITIES | 475,958 |
| DEFERRED INFLOWS OF RESOURCES: | |
| Unavailable Revenues – Property Taxes | 4,653,658 |
| Related to Leases | 71,274 |
| TOTAL DEFERRED INFLOW OF RESOURCES | 4,724,932 |
| NET POSITION: | |
| Invested in Capital Assets, Net of Related Debt | 13,250,490 |
| Restricted for Conservation Trust | 13,946 |
| Restricted for Capital Projects | 2,205,497 |
| Restricted for Emergencies | 257,000 |
| Unrestricted | 4,127,958 |
| TOTAL NET POSITION | $ 19,854,891 |

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

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2024

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---|---|---|---|---|---|
| | Expenses | Charges For Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Governmental activities: | | | | | |
| Administration | $ 1,791,548 | $ - | $ - | $ - | $ (1,791,548) |
| Eagle Pool & Ice Rink | 1,017,308 | 525,006 | - | - | (492,302) |
| Gypsum Recreation Center | 1,965,238 | 1,684,627 | - | - | (280,611) |
| Edwards Field House | 1,187,032 | 698,888 | - | - | (488,144) |
| Community Recreation | 986,231 | 351,927 | 159,352 | 140,988 | (333,964) |
| Total Primary Government | $ 6,947,357 | $ 3,260,448 | $ 159,352 | $ 140,988 | (3,386,569) |

| | |
|---|---|
| General Revenues: | |
| Property Taxes | 4,650,493 |
| Specific Ownership Tax | 217,696 |
| Delinquent Interest Taxes | 6,482 |
| Net Investment Income | 445,190 |
| Miscellaneous Income | 33,465 |
| Total General Revenues | 5,353,326 |
| Change in Net Position | 1,966,757 |
| Net Position Beginning of year | 17,888,134 |
| Net Position End of Year | $ 19,854,891 |

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

# FUND FINANCIAL STATEMENTS

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

| | General Fund | Capital Projects Fund | Special Revenue Conservation Trust Fund | Total Governmental Funds |
|---|---|---|---|---|
| ASSETS: | | | | |
| Cash and Cash Equivalents | $ 4,436,468 | $ 2,205,497 | $ 13,946 | $ 6,655,911 |
| Receivables: | | | | |
| Accounts Receivable | 80,852 | - | - | 80,852 |
| Lease Receivable – Net Present Value | 77,241 | - | - | 77,241 |
| Cash with County Treasurer | 20,292 | - | - | 20,282 |
| Other Intergovernmental | 183,709 | - | - | 183,709 |
| Property Taxes | 4,653,658 | - | - | 4,653,658 |
| Prepaid Expense | 122,852 | - | - | 122,852 |
| Total Assets | $ 9,575,072 | $ 2,205,497 | $ 13,946 | $ 11,794,515 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE: | | | | |
| Liabilities: | | | | |
| Accounts Payable | $ 119,736 | $ - | $ - | $ 119,736 |
| Accrued Wages & Related Liabilities | 103,014 | - | - | 103,014 |
| Unearned Revenue | 142,412 | - | - | 142,412 |
| Total Liabilities | 365,162 | - | - | 365,162 |
| Deferred Inflow of Resources: | | | | |
| Unavailable Revenue from Property Taxes | 4,653,658 | - | - | 4,653,658 |
| Related to Leases | 71,274 | - | - | 71,274 |
| Total Deferred Inflow of Resources | 4,724,932 | - | - | 4,724,932 |
| Fund Balances: | | | | |
| Non-Spendable | 122,852 | - | - | 122,852 |
| Restricted for Conservation Trust | - | - | 13,946 | 13,946 |
| Restricted for Capital Projects | - | 2,205,497 | - | 2,205,497 |
| Restricted for Emergencies | 257,000 | - | - | 257,000 |
| Unassigned | 4,105,126 | - | - | 4,105,126 |
| Total Fund Balances | 4,484,978 | 2,205,497 | 13,946 | 6,704,421 |
| Total Liabilities, Deferred Inflows and Fund Balances | $ 9,575,072 | $ 2,205,497 | $ 13,946 | $ 11,794,515 |

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

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2024

| | | |
|---|---|---|
| TOTAL GOVERNMENTAL FUND BALANCES | | $ 6,704,421 |
| Amounts reported for governmental activities on the statement of net position are different because of the following: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | |
| Governmental Capital Assets | $ 21,542,003 | |
| Less Accumulated Depreciation | (8,291,513) | 13,250,490 |
| Right-of-use (ROU) Lease Asset used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds: | | |
| Lease Assets | $ 49,737 | |
| Less Accumulated Amortization | (38,961) | 10,776 |
| Some liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds: | | |
| Compensated Absences | $ (100,138) | |
| Present Value of Lease Obligations | (10,658) | (110,796) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | | $ 19,854,891 |

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

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2024

| | General Fund | Capital Projects Fund | Special Revenue Conservation Trust Fund | Total Governmental Funds |
|---|---|---|---|---|
| REVENUES: | | | | |
| Property Taxes | $ 4,650,493 | $ - | $ - | $ 4,650,493 |
| Specific Ownership Tax | 217,696 | - | - | 217,696 |
| Taxes – Delinquent Interest | 6,482 | - | - | 6,482 |
| Eagle Pool & Ice Rink | 525,006 | - | - | 525,006 |
| Gypsum Recreation Center | 1,684,627 | - | - | 1,684,627 |
| Edwards Field House | 698,888 | - | - | 698,888 |
| Outdoor Recreation | 230,483 | - | 121,444 | 351,927 |
| State Lottery Funds | - | - | 159,352 | 159,352 |
| Investment Earnings - Net | 445,190 | - | - | 445,190 |
| Capital Sponsorship | 132,688 | - | 8,300 | 140,988 |
| Miscellaneous | 3,465 | 30,000 | - | 33,465 |
| Total Revenues | 8,595,018 | 30,000 | 289,096 | 8,914,114 |
| EXPENDITURES: | | | | |
| Administration | 1,722,461 | - | - | 1,722,461 |
| Eagle Pool & Ice Rink Operations | 867,086 | - | - | 867,086 |
| Gypsum Recreation Center | 1,868,336 | - | - | 1,868,336 |
| Edwards Field House | 881,444 | - | - | 881,444 |
| Outdoor Recreation | 345,325 | - | 380,673 | 725,998 |
| Capital Outlay – Capital Projects & Improvements | - | 2,475,103 | 23,316 | 2,498,419 |
| Total Expenditures | 5,684,652 | 2,475,103 | 403,989 | 8,563,744 |
| Excess of Revenues Over (Under) Expenditures | 2,910,366 | (2,445,103) | (114,893) | 350,370 |
| Other Financing Sources and (Uses): | | | | |
| Transfer from Other Funds | - | 4,650,600 | 114,893 | 4,765,493 |
| Transfer (to) Other Funds | (4,765,493) | - | - | (4,765,493) |
| Total Other Financing Sources | (4,765,493) | 4,650,600 | 114,893 | - |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures | (1,855,127) | 2,205,497 | - | 350,370 |
| FUND BALANCE – BEGINNING OF YEAR | 6,340,105 | - | 13,946 | 6,354,051 |
| FUND BALANCE – ENDING OF YEAR | $ 4,484,978 | $ 2,205,497 | $ 13,946 | $ 6,704,421 |

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

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2024

| | | |
|---|---|---|
| NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS | | $ 350,370 |
| Amounts reported for governmental activities on the Statement of Activities are different because of the following: | | |
| The net book value of asset dispositions are not reported in the governmental funds as they are not a current financial use. This is the amount by which the net book value of assets disposed exceeded proceeds, if applicable, in the current year: | | (6,968) |
| Governmental Funds report current year capital asset acquisitions as expenditures; however, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capitalized assets in the current year: | | |
| Capitalized Assets | $ 2,364,715 | |
| Depreciation | (726,139) | 1,638,576 |
| Compensated absences not payable from current resources are not reported as expenditures of the current year. In the Statement of Activities these costs represent expenses of the current year. This is the amount by which accrued vacation increased this year. | | (15,170) |
| Some expenses reported in the Statement of Activities do not require current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Change in Present Value ROU Lease Asset/Liabilities | | (51) |
| CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES | | $ 1,966,757 |

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

## *NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accounting policies of the Mountain Recreation Metropolitan District, herein referred to as the District, conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Significant accounting policies of the District are described below.

### A. Financial Reporting Entity

The Mountain Recreation Metropolitan District (the "District"), a political subdivision of the State of Colorado, was formed in 1980 for the purpose of providing recreational facilities for the residents and taxpayers of Eagle County.

The District is governed by an elected Board of Directors which is responsible for setting policy, appointing personnel and adopting an annual budget in accordance with state statutes. The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes.

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 that 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's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity, nor is the District a component unit of any other government. The District's financial statements include the accounts of all District operations.

### B. Basis of Presentation

*GOVERNMENT-WIDE STATEMENTS*

The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities.

In the statement of activities, direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

*NOTE 1 -* *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued*

B. Basis of Presentation - *continued*

*FUND FINANCIAL STATEMENTS*

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

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The District's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled. The various funds of the District are outlined as follows:

*Governmental Funds*
Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures, other financing uses, and special items) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fund - used to account for all financial resources, 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 statutory laws.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition of fixed assets or construction of major capital projects (other than those financed by the General or other funds).

Conservation Trust Fund –used to account for proceeds of special revenue sources (lottery proceeds) that are legally restricted to expenditures for conservation purposes (park and recreation improvements). The fund has been designated by management to be used for all outdoor facility maintenance and operational expenses, as an approved conservation expenditure. Shortfalls will be supported by the General Fund.

C. Basis of Accounting

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*
The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, consist of property taxes. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

*NOTE 1 -* *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued*

C. Basis of Accounting - *continued*

*FUND FINANCIAL STATEMENTS*
Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. The District considers all revenues available if they are collected within 60 days after year-end. The following material revenue sources are considered susceptible to accrual because they are both measurable and available to finance expenditures of the current period:

- Property Taxes
- Specific Ownership Taxes

Taxpayer-assessed local property and specific ownership taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due. Proceeds of general long-term liabilities are reported as other financing sources.

D. Property Taxes Receivable and Deferred Inflows

Property taxes are levied on December 15, and attach as an enforceable lien on property on January 1st of the following year. They may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes 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 16th. Property taxes are levied and collected on behalf of the District by Eagle County and are reported as revenue when received by the County Treasurer. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31; however, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflow.

The District also reports long-term lease revenue as a deferred inflow, revenue is recognized as an inflow of resources in the period that the amount become available and earned.

E. Budgets and Budgetary Accounting

The District uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 15, the District staff submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A "Notice of Budget" is published when the budget is received.

2. Public hearings are held to obtain taxpayer comments.

3. Prior to December 15, the Board adopts, by resolution, the budget for the ensuing fiscal year and certifies the tax levy to the Board of County Commissioners.

*NOTE 1 -* *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued*

E. Budgets and Budgetary Accounting – *continued*

4. On or before December 31, the Board adopts an annual appropriating resolution in which such sums of money are appropriated as the Board deems necessary to defray all expenses and liabilities of the District during the ensuing year.

5. The District's budgets are adopted on a basis consistent with generally accepted accounting principles for governmental entities. Annual appropriated budgets are adopted for all funds. The level of control in the budget at which expenditures exceed appropriations is at the fund level.

6. After adoption of the budget ordinance, the District may make by ordinance the following changes: a) supplemental appropriations to the extent of revenues in excess of the estimated budget; b) emergency appropriations; c) reduction of appropriations for which originally estimated revenues are insufficient.

7. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on final legally amended budgets.

8. Budget appropriations lapse at the end of each year.

The District legally adopted annual budgets for all of the District's funds for 2025.

The budget for the Governmental Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

F. Cash and Cash Equivalents / Fair Value of Financial Instruments

The District's policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills, and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimate fair value. Additional cash disclosures are found in *Note 2* of the financial statements.

The District has a number of financial instruments, including cash and cash equivalents, receivables, and accounts payable, none of which are held for trading purposes. The District estimates the fair values of its financial instruments at December 31, 2024 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

G. Net Position / Fund Balance –

In the government-wide financial statements, net position is classified as follows:

*Invested in Capital Assets, Net of Related Debt* – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

*NOTE 1 -* *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued*

G. Net Position / Fund Balance – *continued*

*Restricted* – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

*Unrestricted* – represents the amount which is not restricted for any purpose. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

In the governmental funds, fund balances are classified as follows:

*Non-Spendable* – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

*Restricted* – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

*Conservation Trust* – Amounts on deposit received from lottery monies from the State of Colorado *restricted* for use in the acquisition, development and maintenance of new conservation and recreation sites pursuant to Colorado Revised Statutes.

*Emergency Reserves* – As discussed in *Note 10*, Colorado voters passed an amendment to the State Constitution, one of the provisions of which requires local governments to establish an emergency reserve which is calculated at 3% of certain expenditures. These funds may only be expended in cases of emergencies as defined by the amendment, and are used to fund appropriations only after unrestricted resources are depleted.

*Committed* – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board of Directors). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

*Assigned* – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned* – the residual for the general fund.

It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available. Committed and assigned amounts are considered to have been spent first when an expenditure is incurred for purposes for which such categories and unassigned amounts are available.

*NOTE 1 -* *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued*

H. Capital and Right-of-Use Assets - Depreciation and Amortization

All capital assets purchased or acquired with an original cost in excess of the capitalization threshold $5,000 set by the District are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at estimated fair value on the date of the donation. Repairs and maintenance are recorded as expenditures as incurred; while additions, improvements and capital outlays that significantly extend the useful life of an asset are capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|---|---|
| Equipment & Furniture | 5-20 years |
| Infrastructure | 20-50 years |

The District also reports leased assets at the Net Present Value of future payments and amortizes leased assets over the lessor of the lease term or the useful life.

I. Vacation, Sick Leave and Other Compensated Absences

The District's policy is to permit full-time, non-temporary personnel to accumulate a limited amount of earned but unused vacation leave which may be paid upon separation from District service. In accordance with this criterion, the District has accrued a liability for compensated absences which is reflected in long-term obligations in the government-wide statement of net position. For governmental funds, the liability for compensated absences is not reflected since it is anticipated that none of the liability will be liquidated with expendable available current financial resources.

J. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

K. Inter-fund Receivables and Payables

To the extent that operating expenses are paid by another fund and/or transfers are made between the funds and these advances have not been repaid as of year-end, balances of inter-fund amounts receivable or payable are recorded.

L. Fair Value Measurement/ Investment Valuation

The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, fair value hierarchy categorizes the inputs used to measure the fair value into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. At December 31, 2024, the District investments in CSIP were reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

*NOTE 1 -* *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued*

M. Prepaid Expenses

Payments that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

N. Leases

*Lessee* - The District is lessee for noncancellable leases of office equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines the following:

*Discount Rate:* The District uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the District uses the daily United States Treasury Yield Rate.

*Lease Term:* The lease term includes the noncancellable period of the lease and extended term(s) that the District is reasonably certain to exercise.

*Lease Payments:* Lease payments included in the measurement of the lease liability are composed of fixed increasing payments, and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position

*Lessor* - The District is lessor for noncancellable leases of land and buildings. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

N. Leases -*continued*

Key estimates and judgments include how the District determines the following:

*Discount Rate*: The District uses the daily United States Treasury Yield Rate as the discount rate to discount the expected lease receipts to present value.

*Lease Term:* The lease term includes the noncancellable period of the lease and extended term(s) that the District is reasonably certain the lessee will exercise.

*Lease Receipts:* Lease receipts included in the measurement of the lease receivable are composed of fixed and increasing payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

## *NOTE 2 - CASH AND INVESTMENTS*

### Deposits

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in collateral pools. There is no custodial credit risk for public deposits collateralized under the PDPA.

The District has adopted a formal investment policy, the primary objectives of which are 1) Safety of Principal (to protect against the loss of any principal); 2) Liquidity (to ensure that funds are available to meet obligations as necessary; and 3) Yield (to optimize returns within the appropriate safety and liquidity restraints). The standard of a "prudent investor" is used which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for preservation, considering the probably safety of their capital as well as the probable income to be derived. This policy applies to the investment of all financial assets and all funds of the District over which it exercises financial control."

*NOTE 2 -* *CASH AND INVESTMENTS - continued*

The District uses the following guidelines to ensure proper diversification:

| Instrument | % of Portfolio Allowed | Maximum % Per Issuer |
|---|---|---|
| U.S. Treasuries | 100% | 100% |
| U.S. Agencies | 75% | 50% |
| Repurchase Agreements | 100% | 50% |

*COLORADO STATEWIDE INVESTMENT PROGRAM*
As of December 31, 2024, the District had $ invested in the Colorado Statewide Investment Program ("CSIP"). CSIP is an investment program that provides professional investment services designed specifically to meet the cash management needs of Colorado governments, non-profit institutions and other institutional entities. CSIP's goal is to help member institutions achieve their objectives of safety, liquidity and competitive returns.

CSIP invests in the Colorado Investors Class of the PFM Funds Prime Series ("the Fund"), a money market mutual fund registered under the Investment Company Act of 1940, as amended. The Fund is managed to maintain a dollar-weighted average portfolio of 60 days or less and seeks to maintain a constant net asset value ("NAV") per share of $1.00.

Program elements:

- Daily liquidity
- Competitive money market returns
- Unlimited number of deposits and withdrawals
- Transactions by wire and ACH
- Sub-accounting to track multiple funds/accounts
- Dedicated Program website

The Fund invests in obligations of the United States government and its agencies, high quality fixed income securities of U.S. companies and obligations of financial institutions. The District's CSIP investments are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

The District's total cash and cash equivalents at December 31, 2024 are classified below:

| | |
|---|---|
| Checking/Savings/Certificate of Deposit | $ 2,806,734 |
| Local Government Investment Pools | 3,851,721 |
| Total Bank Balances | 6,658,455 |
| Outstanding Items | (2,544) |
| Total Cash and Cash Equivalents | $ 6,655,911 |

At December 31, 2024 the District's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute. The District had bank balances of $291,463 of which the entire amount was covered by FDIC insurance. As of December 31, 2024, the District had invested $2,515,271in Certificates of Deposit of which $2,514,256 was covered by FDIC and the remaining $1,005 by PDPA.

*NOTE 2 -* *CASH AND INVESTMENTS - continued*

Included in cash and cash equivalents are investments rated as follows:

Subject to Public Depository Act –

| Investments | Fair Value | Credit Rating | Rating Agency |
|---|---|---|---|
| CSIP Accounts | $ 3,851,721 | AAAm | Standard & Poors |
| Certificates of Deposit | $ 2,514,256 | Not Rated | - |

Risk Disclosures

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits District investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The District has deposits in CSIP investments with ratings as provided above.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. District policy places no limit on the amount the District may invest in any one issuer; however, the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All District investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk disclosure requirements.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows as approved by the Board. The District's investments in CSIP are not considered to be subject to material interest rate risk.

Investment subject to interest rate risk disclosures are shown below:

| | Fair Value | Maturities |
|---|---|---|
| Certificate of Deposit | $ 244,461 | 01/30/25 |
| Certificate of Deposit | 105,180 | 02/05/25 |
| Certificate of Deposit | 221,650 | 12/10/25 |
| Certificate of Deposit | 227,299 | 11/30/26 |
| Certificate of Deposit | 227,364 | 12/10/26 |
| Certificate of Deposit | 245,662 | 12/29/27 |
| Certificate of Deposit | 250,000 | 12/30/27 |
| Certificate of Deposit | 246,774 | 02/10/28 |
| Certificate of Deposit | 249,363 | 03/08/28 |
| Certificate of Deposit | 250,000 | 12/29/28 |
| Certificate of Deposit | 246,515 | 01/12/29 |
| Total | $ 2,514,256 | |

Investments are stated at market value of $2,514,256. The value includes $7,267 of accrued interest at December 31, 2024.

The District was not subject to foreign currency risk as of December 31, 2024.

*NOTE 3 -* *LEASES RECEIVABLE*

The District leases assets to multiple entities. The leases bear annual interest ranging from 0.36% to 2.73% and may be subject to annual Consumer Price Index ("CPI") adjustments which was measured and included in the District's original recognition of each agreement's receivable. Variable revenues are recognized when the estimated CPI adjustment differs from actual. In accordance with generally accepted accounting principles, the outstanding lease receivable balances have been recorded as a receivable and deferred inflow of resources. There is a difference between reductions in receivables and deferred inflow when lease terms specify lease payment adjustments (i.e., subject to CPI adjustments) throughout the term of the lease, and these differences are recognized as an adjustment to leases principal revenue.

| *GOVERNMENTAL ACTIVITIES* | Balances 01/01/24 | Additions | Deletions | Balances 12/31/24 | Amounts Receivable in One Year |
|---|---|---|---|---|---|
| Leases | $ 304,576 | $ - | $ (227,335) | $ 77,241 | $ 31,496 |
| Total Governmental Activities | $ 304,576 | $ - | $ (227,335) | $ 77,241 | $ 31,496 |

The following lease receivables are outstanding as of December 31, 2024:

*Vail Health:* The District Leases space to Vail Health. Beginning in 2017, the District began leasing space in Edwards Fieldhouse and Gypsum Recreation Center to be used by Vail Health. Each lease is for 10 years and calls for monthly payments of $3,952 per month for the Edwards Fieldhouse and $2,419 per month for the Gypsum Recreation Center. The District and Vail Health agreed to terminate the Edwards Fieldhouse location in March 2024.

*SOS Outreach:* In 2020 the District began leasing space to be used by SOS Outreach. The lease is for 5 years and calls for monthly payments of $2,463.

*La Patrona:* In 2024 the District began leasing space to be used by La Patrona. The lease is for 2 years and calls for monthly payments begin at $167 per month.

*NOTE 4 -* *CAPITAL ASSETS AND RIGHT-OF-USE LEASE ASSETS*

A summary of changes in Capital Assets follows:

| | Balance 01/01/24 | Additions | Disposals | Balance 12/31/24 |
|---|---|---|---|---|
| *Non-Depreciable Capital Assets:* | | | | |
| Work in Process | $ 125,000 | $ 2,125,000 | $ - | $ 2,250,000 |
| *Depreciable Capital Assets:* | | | | |
| Administration | 414,251 | 73,856 | (7,366) | 480,741 |
| Pool/Ice Rink & Equip | 2,936,918 | - | - | 2,936,918 |
| Gypsum Rec Center Equip | 336,101 | - | - | 336,101 |
| Edwards Field House and Equipment | 8,707,163 | 165,859 | - | 8,873,022 |
| Community Recreation | 6,681,109 | - | (31,464) | 6,649,645 |
| Recreation Equipment | 15,576 | - | - | 15,576 |
| Accumulated Depreciation | (7,597,236) | (726,139) | 31,862 | (8,291,513) |
| Governmental Activities Capital Assets, Net | $ 11,618,882 | $ 1,638,576 | $ (6,968) | $ 13,250,490 |

*NOTE 4 -* *CAPITAL ASSETS AND RIGHT-OF-USE LEASE ASSETS - continued*

Depreciation is calculated using the straight-line method. For the year ending December 31, 2024 depreciation expense in the amount of $ was allocated to the various District functions as follows:

| | |
|---|---|
| Administration | $ 53,866 |
| Eagle Pool/Ice Rink | 100,222 |
| Gypsum Recreation Center | 46,902 |
| Edwards Field House | 305,588 |
| Community Recreation | 219,561 |
| Recreation Equipment | - |
| Total Depreciation | $ 726,139 |

*Governmental Activities:*
Right-of-use lease assets for the fiscal year ending December 31, 2024, which are amortized over the shorter of the lease term or the useful life of the underlying asset, were as follows:

| *GOVERNMENTAL ACTIVITIES* | 01/01/24 | Additions | Retirements | 12/31/24 |
|---|---|---|---|---|
| Right-of-use Lease Assets | $ 49,737 | $ - | $ - | $ 49,737 |
| Less Accumulated Amortization | (29,013) | (9,948) | - | (38,961) |
| ROU LEASE ASSETS, NET | $ 20,724 | $ (9,948) | $ - | $ 10,776 |

*NOTE 5 -* *LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS*

A summary of changes in General Long-term Debt as of December 31, 2024 follows:

| | Balances 01/01/24 | Additions | Reductions | Balance 12/31/24 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Compensated Absences | $ 84,968 | $ 44,337 | $ (29,167) | $ 100,138 | $ - |
| Total | $ 84,968 | $ 44,337 | $ (29,167) | $ 100,138 | $ - |

Lease Commitments
The District has implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases,* for government-wide Statement of Net Assets recognition of leases and note disclosure of certain information about lease arrangements.

As discussed in Note 5, the District is the lessee of office equipment. The District determines whether a contract is a lease at inception. Identified leases are subsequently measured, classified and recognized as lease commitments and leases with contractual terms longer than twelve months as either operating or finance. The District's equipment leases generally have terms from one to five years.

Right-to-use assets and lease obligations for operating leases are included in "ROU Lease Assets" and "Present Value of Lease Liability", respectively, in the Statement of Net Position. Leased assets represent the District's right to use an underlying asset for the lease term and lease liabilities represent the District's obligation to make lease payments arising from the lease, which are subject to annual appropriation.

*NOTE 5 -* *LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS - continued*

Operating right-of-use assets and associated lease liabilities are recognized based on the present value of future minimum lease payments to be made over the expected lease term, generally using the risk-free discount rate at the commencement date in determining the present value of future payments.

Changes in the District's lease commitments during the fiscal year ended December 31, 2024 are as follows:

| GOVERNMENTAL ACTIVITIES | Balance (at NPV) 01/01/24 | Additions | Reductions | Balance (at NPV) 12/31/24 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| GOVERNMENTAL LEASE LIABILITIES | $ 20,555 | $ - | $ (9,897) | $ 10,658 | $ |

Following are the required future minimum base rental payments under the District's leases.

| Year Ended December 31, | |
|---|---|
| 2025 | $ 9,480 |
| 2026 | 818 |
| 2027 | - |
| 2028 | - |
| 2029 | - |
| Thereafter | - |

The lease service payments are included in the General Fund

*NOTE 6 -* *DEFERRED COMPENSATION PLAN*

Plan Description

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the Colorado Retirement Association (CRA). The CRA provides retirement and death benefits for members and their beneficiaries. Plan participation is voluntary and available to any full-time, non-temporary/ seasonal employee of the District with 1 year of service. All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries. The annual financial report that includes financial statements and required supplementary information for the plan may be obtained through the plan's website at www.cra-online.org .

Funding Policy

The CRA is funded by member contributions of includable compensation to a maximum level set by the Internal Revenue Service. Employee contributions are matched by the District up to 10% of the employee's wages and vest immediately with the employee when made. Any employer contributions made during the plan year apply toward the maximum deferral limits mentioned above. The District's and members' contributions to the CRA 457 plan for the year ended December 31, 2024 were $110,516 and $96,650 respectively, totaling $207,166.

*NOTE 7 -* *DEFINED CONTRIBUTION PENSION PLAN*

Plan Description
Mountain Recreation Metropolitan District contributes to the Colorado Retirement Association (CRA) Defined Contribution 401(a) Plan administered by CCOERA. All employees of the District are enrolled in the plan, in lieu of Social Security, upon date of hire. Employees' retirement accounts under the 401(a) plans are 100% vested and become property of the employee. The annual financial report that includes financial statements and required supplementary information for the plan may be obtained through its website at: www.cra-online.org.

Funding Policy
Employees' with 0-5 years of service contribute 3.75% of their compensation on a mandatory basis to the plan, and the District contributes 3.75% of the employees' gross compensation to the plan. Employees' with 6 plus years of continuous employment contribute 6% of their compensation on a mandatory basis, with a District contribution of 6% of the employees' gross compensation. The District's and members' contributions to the 401(a) plans for the year ended December 31, 2024 were each $142,678 totaling $285,356.

*NOTE 8 -* *RISK MANAGEMENT*

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). 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 up to the values declared and liability coverage for claims up to $1,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years. The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and accumulated funds, the Pool may require additional contributions from the members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. During the year ended December 31, 2024, the pool made no distributions to the District.

*NOTE 9 -* *CONTINGENCIES*

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statement as of December 31, 2024.

*NOTE 10 -* *INTERGOVERNMENTAL AGREEMENTS & COMMITMENTS*

Eagle Pool and Ice Rink Agreement
The Mountain Recreation Metropolitan District and the Town of Eagle, Colorado, entered into an agreement for the construction, ownership and operation of a recreation facility, consisting of a community swimming pool and ice rink, located in Eagle, Colorado. The recreation facility was conveyed to the District in 2003 and the Town retained full fee simple title to the ground upon which the facilities are constructed. The District is responsible for operation and maintenance of the recreation facilities.

Gypsum Community Recreation Center Agreement
The Mountain Recreation Metropolitan District and the Town of Gypsum, Colorado, entered into an agreement for the construction, ownership and operation of a community recreation facility located in Gypsum, Colorado. The District is responsible for the operation and maintenance of the community recreation center and the Town retains full fee simple title to the community center and community center site. Pursuant to the agreement, a contribution in the amount of $183,709 is due to the District from the Town for the fiscal year ended December 31, 2024 to cover one half of the operational deficits.

Other Intergovernmental Agreements
The Mountain Recreation Metropolitan District and other governmental entities have entered into agreements for the use of various facilities & parks located in the District boundaries. A complete listing is available at the District Administration Office and filed with the Colorado Department of Local Affairs.

*NOTE 11 -* *COMPLIANCE*

TABOR AMENDMENT - REVENUE AND SPENDING LIMITATION

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

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years. In 1996, the District's electorate voted to allow the District to collect, retain, and expend revenues notwithstanding any of TABOR's restrictions. Such provisions were made effective January 1, 1997.

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 spending (excluding bonded debt service). The required reserve at December 31, 2024 is approximately $257,000.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. However, the entity has made certain interpretations of the Amendment's language in order to determine its compliance.

*NOTE 12 -* *GASB STATEMENT 101, Compensated Absences*

GASB Statement 101, *Compensated Absences,* became effective for periods after December 15, 2023. This Statement requires compensated absences to be recognized for:

1. Leave that has not been used
2. Leave that has been used but not yet been paid or settled through noncash means
3. Leave is attributed to services already rendered
4. Leave accumulates
5. The Leave is more likely than not to be used for time off or otherwise paid in cash or settled through non- cash means.

The implementation of GASB 101 did not change how the District estimates compensated absences as all liabilities paid upon termination have historically been included in the estimate.

*NOTE 13 -* *SUBSEQUENT EVENTS*

Management has evaluated events subsequent to December 31, 2024 through the issuance date of this report. There have been no material events noted during this period that would impact the results reflected in this report or the District's results going forward.

# REQUIRED SUPPLEMENTAL INFORMATION

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
– BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended December 31, 2024

| | General Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
| BUDGETARY REVENUES: | | | | |
| Property Taxes | $ 4,458,282 | $ 4,458,282 | $ 4,650,493 | $ 192,211 |
| Specific Ownership Taxes | 155,000 | 155,000 | 217,696 | 62,696 |
| Taxes – Delinquent Interest | 4,000 | 4,000 | 6,482 | 2,482 |
| Eagle Pool & Ice Rink Revenue | 528,443 | 528,443 | 525,006 | (3,437) |
| Gypsum Recreation Center Revenue | 1,592,013 | 1,592,013 | 1,684,627 | 92,614 |
| Edwards Field House | 694,269 | 694,269 | 698,888 | 4,619 |
| Outdoor Recreation | 235,050 | 235,050 | 230,483 | (4,567) |
| Interest Income | 90,000 | 90,000 | 445,190 | 355,190 |
| Capital Sponsorship | 119,850 | 119,850 | 132,688 | 12,838 |
| Miscellaneous Income | 5,000 | 5,000 | 3,465 | (1,535) |
| TOTAL BUDGETARY REVENUES | 7,881,907 | 7,881,907 | 8,595,018 | 713,111 |
| BUDGETARY EXPENDITURES: | | | | |
| Administration | 2,005,774 | 2,005,774 | 1,722,461 | 283,313 |
| Eagle Pool & Ice Rink Operations | 964,382 | 964,382 | 867,086 | 97,296 |
| Gypsum Recreation Center | 1,755,444 | 1,755,444 | 1,868,336 | (112,892) |
| Edwards Field House | 939,059 | 939,059 | 881,444 | 57,615 |
| Outdoor Recreation | 353,745 | 353,745 | 345,325 | 8,420 |
| Capital Expenditures | - | - | - | - |
| TOTAL BUDGETARY EXPENDITURES | 6,018,404 | 6,018,404 | 5,684,652 | 333,752 |
| Other Financing Sources: | | | | |
| Transfer (from) to Other Funds | 4,851,587 | 4,851,587 | 4,765,493 | 86,094 |
| TOTAL BUDGETARY EXPENDITURES AND OTHER FINANCING USES | 10,869,991 | 10,869,991 | 10,450,145 | 419,846 |
| Excess of Budgetary Revenues and Other Sources Over (Under) Budgetary Expenditures | (2,988,084) | (2,988,084) | (1,855,127) | 1,132,957 |
| FUND BALANCE – BEGINNING OF YEAR | 5,743,374 | 5,743,374 | 6,340,105 | 596,731 |
| FUND BALANCE – END OF YEAR | $ 2,755,290 | $ 2,755,290 | $ 4,484,978 | $ 1,729,688 |

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

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
– BUDGET AND ACTUAL –CAPITAL PROJECTS FUND
For the Year Ended December 31, 2024

| | Capital Projects Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Budgetary Revenues: | | | | |
| Sale of Assets | $ - | $ - | $ 30,000 | $ 30,000 |
| Total Budgetary Revenues | - | - | 30,000 | 30,000 |
| Other Financing Sources: | | | | |
| Transfers (to) from Other Funds | 4,650,600 | 4,650,600 | 4,650,600 | - |
| Total Budgetary Revenue and Other Financing Sources: | 4,650,600 | 4,650,600 | 4,680,600 | 30,000 |
| Budgetary Expenditures: | | | | |
| Capital Expenditures | 2,934,600 | 2,934,600 | 2,475,103 | 459,497 |
| Total Budgetary Expenditures | 2,934,600 | 2,934,600 | 2,475,103 | 459,497 |
| Excess of Budgetary Revenues and Other Uses Over (Under) Budgetary Expenditures | 1,716,000 | 1,716,000 | 2,205,497 | 498,497 |
| FUND BALANCE – BEGINNING OF YEAR | - | - | - | - |
| FUND BALANCE – END OF YEAR | $ 1,716,000 | $ 1,716,000 | $ 2,205,497 | $ 489,497 |

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

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
– BUDGET AND ACTUAL – SPECIAL REVENUE CONSERVATION TRUST FUND
For the Year Ended December 31, 2024

| | Conservation Trust Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Budgetary Revenues: | | | | |
| State Lottery Funds | $ 160,000 | $ 160,000 | $ 159,352 | $ (648) |
| Grant and Sponsorship | 8,000 | 8,000 | 8,300 | 300 |
| Eagle Sports Complex Rental | 39,395 | 39,395 | 35,397 | (3,998) |
| Freedom Park Field Rental | 60,066 | 60,066 | 75,547 | 15,481 |
| Eagle County Reimbursement | 10,500 | 10,500 | 10,500 | - |
| Interest income | - | - | - | - |
| Total Budgetary Revenues | 277,961 | 277,961 | 298,096 | 11,135 |
| Other Financing Sources: | | | | |
| Transfers (to) from Other Funds | 200,987 | 200,987 | 114,893 | (86,094) |
| Total Budgetary Revenue and Other Financing Sources: | 478,948 | 478,948 | 403,989 | (74,959) |
| Budgetary Expenditures: | | | | |
| Eagle Sports Complex | 155,908 | 155,908 | 146,507 | 9,401 |
| Freedom Park | 202,188 | 202,188 | 212,940 | (10,752) |
| McCoy Field | 10,852 | 10,852 | 21,226 | (10,374) |
| Capital Expenditures | 110,000 | 110,000 | 23,316 | 86,684 |
| Total Budgetary Expenditures | 478,948 | 478,948 | 403,989 | 74,959 |
| Excess of Budgetary Revenues and Other Uses Over (Under) Expenditures | - | - | - | - |
| FUND BALANCE – BEGINNING OF YEAR | - | - | 13,946 | 13,946 |
| FUND BALANCE – END OF YEAR | $ - | $ - | $ 13,946 | $ 13,946 |

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

SUPPLEMENTAL INFORMATION

*Capital Projects Expenditures and Improvements – Budget and Actual*

**MOUNTAIN RECREATION METROPOLITAN DISTRICT**
CAPITAL PROJECTS EXPENDITURES AND IMPROVEMENTS – BUDGET AND ACTUAL
For the Year Ended December 31, 2024

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| CAPITAL PROJECTS FUND | | | | |
| Capital Reserve – EPIR | $ 50,000 | $ 50,000 | $ 50,000 | $ - |
| Capital Reserve – GRC | 50,000 | 50,000 | 50,000 | - |
| Computers/Office Equipment | 19,850 | 19,850 | 10,426 | 9,424 |
| Vehicles and Equipment | 35,000 | 35,000 | 63,430 | (28,430) |
| Eagle Area Minor Projects | 44,150 | 44,150 | 6,782 | 37,368 |
| Eagle Facility Contributions | 2,000,000 | 2,000,000 | 2,125,000 | (125,000) |
| Eagle Pool Annual Debt | 325,000 | 325,000 | - | 325,000 |
| Edwards Area Minor Projects | - | - | 140,495 | (140,495) |
| Edwards Area Capital Projects | 402,100 | 402,100 | - | 402,100 |
| Field House Capital Replacement | - | - | 28,970 | (28,970) |
| Gypsum Area Minor Projects | 8,500 | 8,500 | - | 8,500 |
| Total Capital Projects Fund | 2,934,600 | 2,934,600 | 2,475,103 | 459,497 |
| CONSERVATION TRUST FUND | | | | |
| Eagle Complex Capital Improvements | 75,000 | 75,000 | 14,000 | 61,000 |
| Vehicles and Equipment | 10,000 | 10,000 | 9,316 | 684 |
| McCoy Pavillion Addition | 25,000 | 25,000 | | 25,000 |
| Total Conservation Trust Fund | 110,000 | 110,000 | 23,316 | 86,684 |
| Total Capital Expenditures and Improvements | $ 3,044,600 | $ 3,044,600 | $ 2,498,419 | $ 546,684 |
| Less non-capitalized Expenditures and Improvements | | | (133,704) | |
| Total Capitalized Assets | | | $ 2,364,715 | |

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