Huron Landing Authority

Financial Statements, Supplementary Information,
and
Independent Auditors' Report

Years Ended December 31, 2025 and 2024

Haynie

Table of Contents

Haynie

Independent Auditors' Report

Board of Directors
Huron Landing Authority
Breckenridge, Colorado

Opinion

We have audited the accompanying financial statements of Huron Landing Authority, a component unit of the Town of Breckenridge, Colorado, as of and for the years ended December 31, 2025 and 2024 and the related notes to the financial statements, which collectively comprise Huron Landing Authority'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 financial position of Huron Landing Authority, as of December 31, 2025 and 2024, and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Huron Landing Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Huron Landing Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Huron Landing Authority's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Haynie

Littleton, Colorado
March 9, 2026

Huron Landing Authority
Statements of Net Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Operating cash	$ 280,031	$ 327,897
Restricted cash – replacement reserves	55,907	49,256
Tenant security deposits	33,719	36,144
Accounts receivable	972	972
Prepaid expense	508	65
Total current assets	**371,137**	**414,334**
Capital assets:		
Land	270,000	270,000
Building	8,170,180	8,170,180
Capital, other	5,455	5,455
Total capital assets, at cost	8,445,635	8,445,635
Less accumulated depreciation	(1,430,737)	(1,226,346)
Total capital assets, net	**7,014,898**	**7,219,289**
Total assets	**$ 7,386,035**	**$ 7,633,623**

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

Huron Landing Authority
Statements of Net Position
December 31, 2025 and 2024

	2025	2024
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable	$ 7,083	$ 4,273
Accrued expenses	9,373	10,111
Prepaid rent	40,401	62,904
Tenant security deposits payable	33,719	36,144
Total current liabilities	**90,576**	**113,432**
Long term liabilities	**-**	**-**
Net position:		
Net investment in capital assets	7,014,898	7,219,289
Restricted for distribution under IGA	223,174	250,609
Restricted for emergency reserve – 3% TABOR	16,284	15,912
Unrestricted	41,103	34,381
Total net position	**7,295,459**	**7,520,191**
Total liabilities and net position	**$ 7,386,035**	**$ 7,633,623**

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

Huron Landing Authority
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2025 and 2024

	2025	2024
Revenues:		
Rental income	$ 534,524	$ 520,383
Other tenant charges	8,286	10,001
Total operating revenues	**542,810**	**530,384**
Costs and expenses:		
Personnel	67,173	59,447
Utilities	58,651	57,335
Administrative	63,867	66,399
Landscape and grounds	53,029	35,014
Property insurance	11,556	16,072
Repairs and maintenance	18,610	25,017
Janitorial	9,670	13,227
Depreciation	204,391	204,391
Total operating expenses	**486,947**	**476,902**
Net operating income	**55,863**	**53,482**
Nonoperating income (expenses):		
Interest income	3,875	6,300
Distributions to local governments	(272,986)	(314,811)
Reserve replacement expense	(11,484)	(9,294)
Total nonoperating expenses	**(280,595)**	**(317,805)**
Change in net position	**(224,732)**	**(264,323)**
Net position – beginning of year	7,520,191	7,784,514
Net position – end of year	**$ 7,295,459**	**$ 7,520,191**

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

Huron Landing Authority
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from customers	$ 520,307	$ 530,339
Cash paid to suppliers and contractors	(213,754)	(202,020)
Cash paid to personnel for services	(67,173)	(59,447)
Tenant security deposits	(2,425)	(717)
Interest received – operating cash	3,825	6,177
Net cash provided by operating activities	**240,780**	**274,332**
Cash flows from investing activities:		
Interest received – replacement reserves	50	123
Reserve replacement expense	(11,484)	(9,294)
Net cash used in investing activities	**(11,434)**	**(9,171)**
Cash flows financing activity:		
Distribution of net revenues to Town/County	(272,986)	(314,811)
Net cash used in financing activity	**(272,986)**	**(314,811)**
Net change in cash and restricted cash	**(43,640)**	**(49,650)**
Cash and restricted cash – beginning of year	413,297	462,947
Cash and restricted cash – end of year	**$ 369,657**	**$ 413,297**

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

Huron Landing Authority
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

		2025		2024
Reconciliation of net operating income to net cash provided by operating activities:				
Net operating income	$	55,863	$	53,482
Adjustments to reconcile net operating income to net cash provided by operating activities:				
Depreciation		204,391		204,391
Interest income – operations		3,825		6,177
Changes in assets and liabilities:				
Accounts receivable		-		(45)
Prepaid expenses		(443)		6
Accounts payable		2,810		970
Accrued expenses		(738)		5,068
Prepaid rent		(22,503)		5,000
Tenant security deposits payable		(2,425)		(717)
Net cash provided by operating activities	**$**	**240,780**	**$**	**274,332**
Statement of Net Position accounts included in cash and restricted cash:				
Operating cash	$	280,031	$	327,897
Replacement reserves		55,907		49,256
Tenant security deposits		33,719		36,144
	$	**369,657**	**$**	**413,297**

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

Huron Landing Authority
Notes to Financial Statements
December 31, 2025 and 2024

1. Definition of Reporting Entity

History and Business Activity

Huron Landing Authority (the Authority) was formed on April 11, 2017 as a public corporation. The Authority was created by an Intergovernmental Agreement (IGA) between the Town of Breckenridge (the Town), a Colorado municipal corporation and Summit County, Colorado, acting by and through the Board of County Commissioners of Summit County, Colorado (the County). The Authority is a political subdivision and a public corporation, separate and apart from the Town and County.

It was formed to acquire, construct and operate 26 units of workforce housing units known as Huron Landing (the Project). The Project's principal business is located in Breckenridge, Colorado and its principal business activities consists of owning, holding and operating the property located at on Huron Road in Breckenridge, Colorado. The Project was established through an IGA by the Town and County to jointly develop affordable workforce housing units. The Project is 51% owned by the Town and 49% owned by the County (the Owners).

The Authority will continue in existence in perpetuity unless terminated earlier, provided, however that the IGA shall not be terminated so long as the Authority has any bonds, notes or other obligations (including but not limited to, the project debt service for the Town's certification of participation issued to finance the Project) outstanding, unless provision for full payment by escrow or otherwise has been made.

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

The Authority has no employees. Personnel are employees of the management company and are billed to the Authority based on time spent. Certain managerial functions are contracted.

The Authority is not financially accountable for any other organization. The Authority is a special purpose government engaged in a business type activity and is a component unit of the Town. If the Authority suffers losses from the Project, it is agreed that the Town shall pay 51% and the County shall pay the remaining 49% of any such losses, subject to appropriation restrictions described in Note 4.

2. Summary of Significant Accounting Policies

The following summary of accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representations of the Authority's management, which is responsible for their integrity and objectivity. These policies conform to accounting principles generally accepted in the United States of America.

Basic Financial Statements

The Authority is a single purpose entity with one proprietary fund. The Statements of Net Position reports all financial and capital resources of the Authority. There are no deferred inflows or outflows. The Statement of Revenues, Expenses, and Changes in Net Position demonstrate the degree to which direct expenses offset single program revenue. Program revenue includes charges to tenants or applicants who use or directly benefit from the Project.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority consists of a one proprietary fund reported using the *economic resource measurement focus* and the accrual basis of accounting. The budget was prepared on the modified accrual basis of accounting which did not consider prepaid expenses and certain liabilities which are included in the accrual basis presentation.

Capital Assets

Capital assets include property and equipment. Conveyed capital assets are recorded at acquisition value as of the date received based on the donor's recent acquisition cost, constructions costs, professional fees, interim costs, soft costs and the developer fee. The depreciable life of the building is 40 years. The cost of improvements is capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the Statements of Revenues, Expenses and, Changes in Net Position.

Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangibles held and used by an entity are to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Through December 31, 2025 and 2024, no impairment of these assets has been recognized in the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Authority's primary source of revenue is rental income from residential lease contracts, which is accounted for in accordance with ASC 842, Leases. The Authority also earns certain revenue streams that represent non-lease components or service-type activities, which fall within the scope of ASC 606. These revenues primarily include parking income, pet income, employee apartment/garage, late fees/NSF fees, and credit application income. Revenue from these activities is recognized over time as the related services are provided.

In accordance with ASC 606-10-50-8, the following table presents revenue from contracts with customers disaggregated by type of service for the year ended December 31, 2025:

Parking income	$	5,446
Pet income		3,261
Employee apartment/garage		(1,709)
Late fees/NSF fees		748
Credit application income		540
Total	**$**	**8,286**

Employee apartment/garage is a contract income account for the discount offered for employee rental agreements. The Authority does not have contract assets or contract liabilities related to these revenues as payment is typically received monthly when services are rendered.

Accounts Receivable and Credit Losses

Accounts receivable includes tenant rents and other receivables. Management reviews tenant rents for collectability. As required under the current expected credit loss impairment model, this analysis includes a review of past due accounts and considers factors such as the credit quality of tenants, current economic conditions, and changes in tenant payment trends. When full collection of a lease receivable or future lease payment is not probable, a reserve for the receivable balance is charged against rental revenue and future rental revenue is recognized on a cash basis. The allowance computed under the expected credit loss impairment model was nominal at December 31, 2025 and 2024.

Statement of Cash Flows

Amounts classified as cash represent demand deposits and short-term investments with a maturity of three months or less.

2. Summary of Significant Accounting Policies (continued)

Risk and Uncertainties

The Authority is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where the property from which operations are conducted is located, or by the demand for such assisted living housing.

Subsequent Events

Management has evaluated subsequent events through March 9, 2026, the date which the financial statements were available to be issued.

Reclassification

Certain amounts previously reported in the 2024 financial statements were reclassified to conform to the 2025 presentation for comparative purposes.

3. Budgetary Information

Formal budgetary integration is employed as a management control device during the year for the fund. Formal budgetary integration is also employed to comply with the State of Colorado Budget Law. The Board of Directors adopted the Authority budget in accordance with Colorado Revised Statutes.

The budget is adopted on a basis which differs from GAAP in that capital expenditures are included in the budget, and contributions from and distributions to local governments are not included in the budget. Total fund expenses cannot exceed appropriations.

The Board of Directors may amend the budget subsequent to adoption, in accordance with provisions of Colorado Revised State Statutes.

4. Related Party Transactions

Intergovernmental Agreements

In an IGA dated January 15, 2016, prior to the formation of the Authority, the Owners agreed, among other matters:

- The land previously solely owned by the County would be conveyed to the Owners as tenants in common.

4. Related Party Transactions (continued)

Intergovernmental Agreements (continued)

- The Owners agreed to jointly develop the Project by executing a guaranteed maximum price construction contract with a general contractor approved by both Owners.
- The Town issued its certificates of participation that included the amount of $8,629,480 to finance the costs of developing and constructing the Project.
- The Town waived water plant investment fees, certain development permits, annexation costs, Town attorney fees and snow removal costs. The County provided contribution of the property, building permit fees, fees for inclusion in the sanitation Authority, sewer tap fees and cost of County staff and attorneys required for the IGA.
- Except for the in-kind services waived, the Owners agreed to each pay one-half of the total cost of developing, managing and maintaining the Project.

In an IGA dated April 11, 2017, which gave recognition to the IGA above, the Owners also agreed to form the Authority in a separate legal entity to own, operate, manage, control and rent the Project. The Project was then to be contributed to the Authority, with certain restrictions on the distribution of net operating revenues described in Note 6. Contributions of land and building of $270,000 and $8,170,180, respectively, were recorded at the Owners' cost, on July 14, 2017 and December 12, 2018, respectively, most of which was paid to the contractor under a guaranteed maximum price construction project.

5. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Land	$ 270,000	$ -	$ -	$ 270,000
Building	8,170,180	-	-	8,170,180
Capital, other	5,455	-	-	5,455
Total capital assets	8,445,635	-	-	8,445,635
Less accumulated depreciation	(1,226,346)	(204,391)	-	(1,430,737)
Capital assets, net	$ 7,219,289			$ 7,014,898

Depreciation expense for the years ended December 31, 2025 and 2024 was $204,391.

6. Commitments and Contingencies

Management Agreement

The Town is responsible by agreement with the Board of County Commissioners of Summit County, Colorado for managing the Project and has retained Corum Real Estate Group to provide property management services for the Project. The fee is the greater of 5% of monthly gross collected rents or $2,500 per month. For the years ended December 31, 2025 and 2024, management fee expense was $30,085 and $30,096, respectively.

Restrictions on Project Use

Certain qualifications and restrictions apply to tenants of the Project. Per the IGA, the Owners agreed that at initial lease-up 50% of the units in the Project would be offered for lease to persons who work in the Upper Blue River Basin and 50% to persons who work in Summit County. Subsequent to initial lease-up, units are to be leased to persons who work in Summit County.

Appropriations

The Town's and County's financial obligations after 2018 under the IGA are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available by the Town Council for the Town and the Board of County Commissioners of Summit County, Colorado for the County.

Distribution of Net Operating Revenues

In January 2016, the Town issued its certificates of participation that included the amount of $8,628,000 to finance the costs of developing and constructing the Project. In return, surplus cash of the Project, as calculated and agreed upon by the Project, the Town and, the County is to be paid to the Town and County until the debt has been fully paid. This payment is made as 50% to the Town and 50% to the County. In December 2019, the IGA was amended to state the Owners agree to share 50% by the Town and 50% by the County in the payment of that portion of the debt service that is not covered by the annual payment from the Project.

After full repayment of the debt, distributions shall be made to the Town and County in the same percentages. As of December 31, 2025 and 2024, a total of $2,096,389 and $1,823,403 had been paid to the Town and County towards the debt repayment, respectively. The Net Position Restricted for Distribution under the IGA represent estimated amounts to be distributed.

7. Concentration of Credit Risk

The Authority maintains cash balances at banks that are insured by the Federal Deposit Insurance Corporation (FDIC). Certain accounts are insured up to $250,000. At certain times of the year, cash balances may exceed this coverage. At December 31, 2025, cash balances at the institution exceeded FDIC coverage by approximately $120,000. The Authority has not formally adopted a deposit policy that limit the government's allowable deposits and address specific types of risk to such exposure.

8. Tax, Spending and Debt Limitations

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

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

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

Huron Landing Authority

Supplementary Information

Huron Landing Authority
Budgetary Comparison Schedule
Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Rental income	$ 532,547	$ 534,524	$ 1,977
Other income	11,064	8,286	(2,778)
Total income	543,611	542,810	(801)
Administrative	63,001	63,867	(866)
Personnel	65,022	67,173	(2,151)
Repairs and maintenance:			
HVAC/Plumbing	3,540	7,217	(3,677)
General repairs and maintenance	17,954	11,393	6,561
Total repairs and maintenance	21,494	18,610	2,884
Grounds	58,520	53,029	5,491
Utilities	57,825	58,651	(826)
Janitorial	14,069	9,670	4,399
Insurance	19,272	11,556	7,716
Total expenses	299,203	282,556	16,647
Total net operating income	244,408	260,254	15,846
Nonoperating revenues (expenses):			
Interest income	7,116	3,875	(3,241)
Replacement reserve	18,400	(11,484)	(29,884)
Replacement reserve deposits	(6,600)	(6,600)	-
Distributions to local governments	-	(272,986)	(272,986)
Total nonoperating revenues (expenses)	18,916	(287,195)	(306,111)
Net income, Non-GAAP basis	263,324	(26,941)	(290,265)
Net position – beginning of year	8,275,456	7,520,191	(755,265)
Net position – end of year	$ 8,538,780	$ 7,493,250	$ (1,045,530)
Change in net position, budgetary basis		$ (26,941)	
Adjustments:			
Depreciation		(204,391)	
Replacement reserve deposits		6,600	
Total adjustments		(197,791)	
Change in net position, GAAP basis		$ (224,732)	