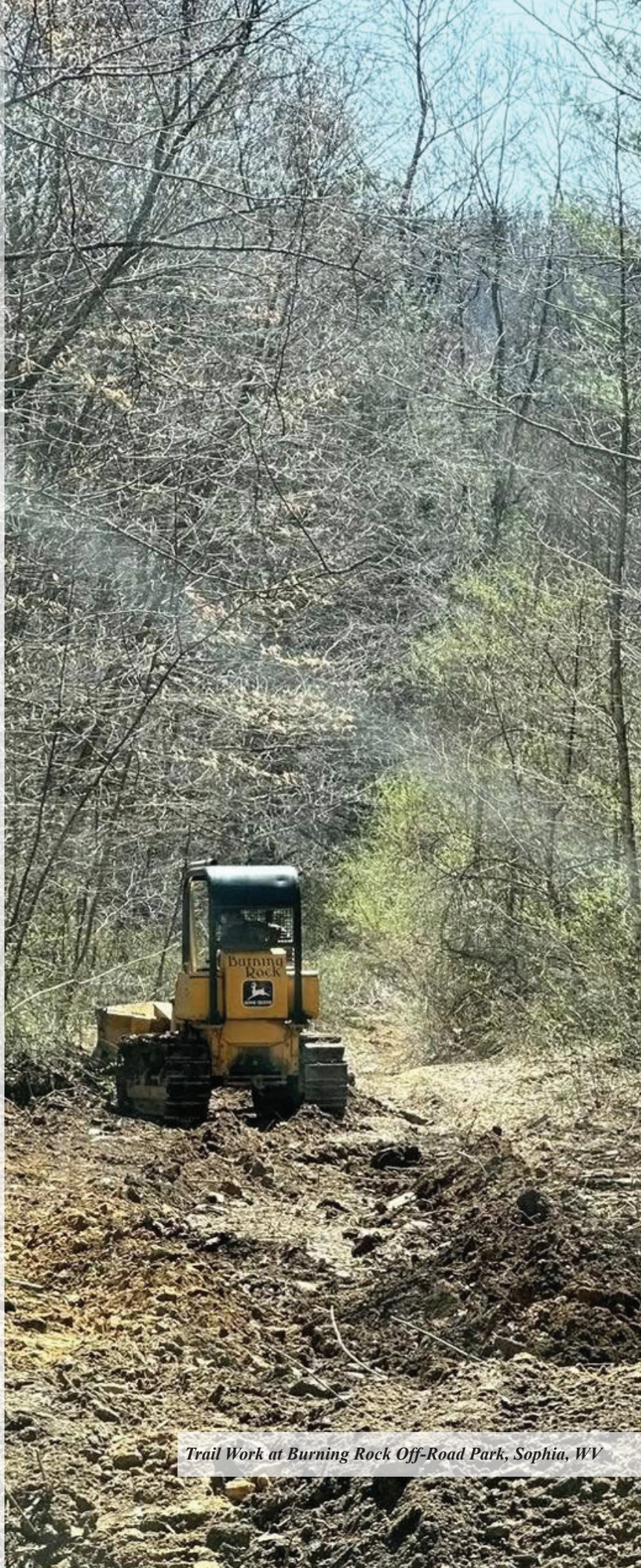


# 2024 ANNUAL REPORT

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[WWW.BEAVERPROPERTYCOLTD.COM](http://WWW.BEAVERPROPERTYCOLTD.COM)



*Trail Work at Burning Rock Off-Road Park, Sophia, WV*



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Beaver Coal Company, Limited d/b/a Beaver Property Company, Limited

<b>919 Conestoga Road Suite 214, Building 3 Rosemont, PA 19010</b>	<b>354 Log Cabin Road Beaver, WV 25813</b>
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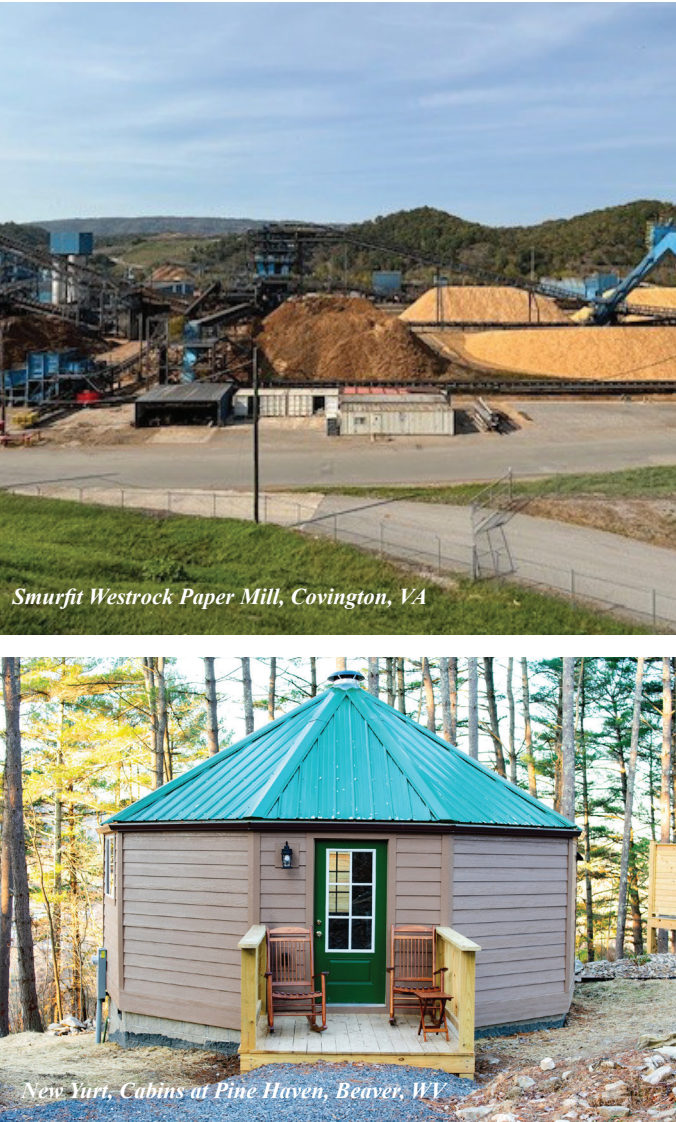
May 5, 2025

Limited Partners  
Beaver Coal Company, Limited d/b/a Beaver Property Company, Limited

Dear Limited Partner:

While the overall financial performance of Beaver Coal Company, Limited d/b/a Beaver Property Company, Limited (“Beaver”) remains sound, our performance compared to 2023 was off. Total revenue for Beaver declined 33.1% (\$4,287,740) to \$8,660,263 for the year primarily due to both reduced market pricing and lower volume of our lessee’s commodity activities in coal, timber, and natural gas. Our net income for 2024 was \$5,717,059 which was 43.1% (\$4,335,045) lower than 2023. The higher percentage reduction in net income was principally because our operating costs did not drop as fast as revenues, which reflects the fact that we are a fixed cost operation, albeit a low fixed cost operation. As a result, our income per share in 2024 was \$229.80. We distributed \$305.00 per share to our limited partners, or 132.7% of net income, by utilizing internally generated cash flow and excess liquidity on our balance sheet. Due to scheduled principal payments on mortgage loans, we also retired debt, equivalent to \$4.70 per share.

Coal: During 2024, coal revenue declined 45.0% (\$4,021,282) to \$4,968,669 due to lower production volumes from the active mines, reflecting the worldwide industrial slowdown, led by China, and a slight decrease in the minimum or deficiency charges paid by our inactive lessees under contract. Additionally, revenue was negatively impacted by lower metallurgical coal prices. Beaver owns the highest-grade metallurgical coal and not the lower-grade variety used in power plants. Coal sold to power utilities is expected to diminish over time and be replaced by more renewable energy sources, but metallurgical coal sells into the more resilient steel markets. We believe coking coal (for steel) will continue to have long-term demand worldwide, although pricing will be affected by the long-term contracts struck by our lessees, as influenced by market pricing. Coal royalties remain the largest segment of our business (57.3% of total revenue in 2024), but we have been making strides towards increasing revenue from surface leasing activities. These represent more predictable income streams, which we believe will help mitigate the effect of market price fluctuations in commodity products: metallurgical coal, timber, stone and natural gas.





Surface Leasing and Other Income: For the year, surface leasing and other income increased both in absolute dollar terms and as a percentage of total revenue. Specifically, revenue was up 1.2% (\$39,249) to \$2,782,096 due to higher residential and commercial leasing receipts throughout the property, partially offset by lower revenue in our hospitality activities at the Cabins at Pine Haven. We also incurred higher expenditures at the cabins in 2024 attributable to strategic increases in advertising and refurbishments. Our business plan on the surface is to rent commercial property to businesses that will construct their own buildings, thereby simplifying our role to that of a land-lessor. Overall, surface rentals and other income comprise 32.1% of total revenue in 2024.

Timber: Timber revenue dropped 28.4% (\$268,148) during 2024 to \$674,763. Timber, like coal, is a commodity-based revenue stream that reflects market pricing, and it was adversely impacted in 2024 by low housing-starts and the resultant drop in demand for new hardwood furniture. In periods of low demand and consequent soft market pricing, we seek to limit cutting to maximize the long-term value of our timber holdings. Given the current soft market for timber, we may pursue opportunities to purchase additional acreage at favorable pricing. In addition to the long-term benefit of having greater timber assets, timber pricing can sometimes act as a counterbalance to the cyclical pricing in other of our commodity businesses. Timber represented 7.8% of total revenue in 2024.

Stone: Stone royalties grew 10.2% (\$10,353) to \$111,566 in 2024 due to higher tonnage and stable pricing at the quarry. Stone royalties represented 1.3% of total revenue in 2024.

Natural Gas: Revenues from natural gas royalties were \$89,577 in 2024 (without giving effect to an overpayment by one of our lessees that will be recouped in 2025) which increased 22.0% (\$16,136) over the prior year. Currently, the amount remaining to be recouped is \$15,965. Natural gas royalties made up 1.0% of total revenue for 2024.

Emissions Reduction: We contract with third parties to reduce emissions by using flaring to eliminate dangerous methane gas drawn from active coal mines. The removal of methane gas from mines protects against interruptions and prevents the adverse environmental consequences of venting the gas directly into the atmosphere during the coal extraction process. In 2024, emissions reduction revenue fell 65.6% (\$64,048) to \$33,592. The decrease was due to lower flaring volumes at the mines and a reduction in the price that emissions reduction credits command in the market. Royalties from this activity represent 0.4% of total revenue in 2024.

Operating expenses increased 5.3% (\$119,992) to \$2,404,400 in 2024 primarily due to higher medical expenses for the staff, higher property maintenance expenses and higher overhead.

Through the first two months of 2025, coal royalties are lower than the comparable period in 2024 because of lower volumes and softer market pricing. Surface leasing and other income is up over last year due to stronger commercial lease revenue, though timber and stone are both down due to lower volumes of these commodities as referenced above.

We believe in the conservative long-term management of our commodity assets through the retention of good operators under lease to Beaver, combined with the development of our surface property and timber holdings, which should create a consistent and diversified lease income stream for the long-term benefit of our limited partners. Diversification, however, does not require us to incur outsized administrative expenses or to take operating risk which is best borne by tenants under lease.

At all times, we seek to maintain a conservative balance sheet with adequate reserves and liquidity, and limit the use of borrowed money, so that all obligations will be met, and timely opportunities may be pursued. We remain committed to distributing a large percentage of net income to our partners, consistent with past practice.

For Beaver, over 90% of our total revenue is “passive” meaning that it comes to us in the form of interest, royalties, or rent. This is important because as such, we are not subject to Publicly Traded Partnership Rules and are therefore not required to register with the SEC and are not taxed as a corporation. Our unit holders are taxed at their individual or “pass through” income tax rate which in most cases is ultimately less burdensome than the double taxation of the corporate equivalent.

We are optimistic about the long-term prospects for Beaver; however, we are uncertain about the prospects for the overall economy in the short term. As such, we plan to maintain a cautious outlook in 2025, especially in the area of expenses.

Thank you for your support,

Sincerely,



William B. McNamara,  
President, Beaver Management Corporation

Beaver Management Corporation

Directors:

James A. Beers  
William C. Bullitt  
Harry R. Madeira, Jr.  
William B. McNamara  
J. Thomas Moore  
Junius S. Morgan

Officers:

William B. McNamara, President  
William C. Bullitt, Vice President and Secretary  
Harry R. Madeira, Jr., Vice President and Treasurer



*Board of Directors: William B. McNamara, Harry R. Madeira, Jr., William C. Bullitt, J. Thomas Moore, James A. Beers and Junius S. Morgan*

**BEAVER COAL COMPANY, LIMITED**  
**Consolidated Financial Statements**  
**December 31, 2024 and 2023**  
**With Independent Auditor's Report**

## INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of  
Beaver Management Corporation and Limited Partners of Beaver Coal Company, Limited:

### Opinion

We have audited the consolidated financial statements of Beaver Coal Company, Limited (the “Partnership”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of income, equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2024 and 2023, and the results of their operations and their 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 (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership 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 opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor’s Responsibilities for the Audit of the Financial Statements

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership’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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership’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.

*Withum Smith+Brown, PC*

March 26, 2025

Beaver Coal Company, Limited  
Consolidated Balance Sheets  
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 4,645,819	\$ 6,082,868
Accounts receivable	743,766	1,437,244
Prepaid expenses	143,871	105,089
Unbilled rental income	369,080	346,576
Other assets	43,404	125,915
Land	3,511,890	3,511,890
Property and equipment, net	6,957,154	6,820,360
	<u>\$ 16,414,984</u>	<u>\$ 18,429,942</u>
Liabilities and Partnership Capital		
Liabilities		
Notes payable	\$ 415,982	\$ 532,886
Accounts payable and accrued expenses	229,509	201,402
Deferred revenue	158,556	185,226
Withholdings on distributions	626,384	619,813
Total liabilities	<u>1,430,431</u>	<u>1,539,327</u>
Partnership capital		
General partner - Beaver Management Corporation	5,000	5,000
Limited partners - 24,878 shares of interest	2,694,546	2,694,546
Undistributed earnings	<u>12,211,234</u>	<u>14,113,953</u>
Partnership capital - controlling interest	14,910,780	16,813,499
Noncontrolling interest	<u>73,773</u>	<u>77,116</u>
Total partnership capital	<u>14,984,553</u>	<u>16,890,615</u>
	<u>\$ 16,414,984</u>	<u>\$ 18,429,942</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Beaver Coal Company, Limited  
Consolidated Statements of Income  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>Revenues</b>		
Coal royalties	\$ 4,918,669	\$ 8,931,618
Minimum rental charges from coal lessees	50,000	58,333
Gas royalties from lessees	89,577	73,441
Timber royalties	674,763	942,911
Emission reduction royalties	33,592	97,640
Stone royalties	111,566	101,213
Rentals and other revenue	<u>2,782,096</u>	<u>2,742,847</u>
	<u>8,660,263</u>	<u>12,948,003</u>
<b>Expenses</b>		
Salaries and other administrative expenses, including fees paid to Beaver Management Corporation (\$329,000 in 2024 and \$304,000 in 2023)	2,404,400	2,284,408
Real property taxes, less amounts charged to lessees (\$973,680 in 2024 and \$903,538 in 2023)	<u>153,075</u>	<u>186,833</u>
	<u>2,557,475</u>	<u>2,471,241</u>
Operating income	<u>6,102,788</u>	<u>10,476,762</u>
<b>Other income (expense)</b>		
Depreciation and amortization	(370,629)	(386,979)
Gain (loss) on disposal of property and equipment	1,000	(17,068)
Interest expense	<u>(16,100)</u>	<u>(20,611)</u>
	<u>(385,729)</u>	<u>(424,658)</u>
<b>Consolidated net income</b>	5,717,059	10,052,104
Income allocable to noncontrolling interest	<u>17,890</u>	<u>16,902</u>
Income allocable to controlling interest	<u>\$ 5,699,169</u>	<u>\$ 10,035,202</u>

Beaver Coal Company, Limited  
Consolidated Statements of Equity  
Years Ended December 31, 2024 and 2023

	Partnership Capital		Noncontrolling		Total
	General Partner	Limited Partners	Undistributed Earnings	Interest	
<b>January 1, 2023</b>	\$ 5,000	\$ 2,694,546	\$ 13,300,713	\$ 76,770	\$ 16,077,029
Net income	-	-	10,035,202	16,902	10,052,104
Contributions	-	-	-	3,064	3,064
Distributions	-	-	(9,221,962)	(19,620)	(9,241,582)
<b>December 31, 2023</b>	5,000	2,694,546	14,113,953	77,116	16,890,615
Net income	-	-	5,699,169	17,890	5,717,059
Distributions	-	-	(7,601,888)	(21,233)	(7,623,121)
<b>December 31, 2024</b>	5,000	2,694,546	\$ 12,211,234	\$ 73,773	\$ 14,984,553



**Beaver Coal Company, Limited**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

	2024	2023
<b>Operating activities</b>		
Net income	\$ 5,717,059	\$ 10,052,104
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	370,629	386,979
(Gain) loss on disposal of property and equipment	(1,000)	17,068
Changes in operating assets and liabilities		
Accounts receivable	693,478	(438,117)
Prepaid expenses	(38,782)	6,430
Unbilled rental income	(22,504)	(6,216)
Other assets		
Accounts payable and accrued expenses	28,107	50,775
Deferred revenue	(26,670)	12,974
Withholdings on distributions	6,571	(180,187)
Net cash provided by operating activities	6,726,888	9,901,810
<b>Investing activities</b>		
Purchase of property and equipment	(507,423)	(511,337)
Proceeds from sale of property and equipment	1,000	888,518
Refund (deposit) on land purchase	82,511	(82,190)
Net cash provided by (used in) investing activities	(423,912)	294,991
<b>Financing activities</b>		
Distributions to limited partners	(7,587,790)	(9,204,860)
Distributions to general partner	(14,098)	(17,102)
Capital contributions by noncontrolling interest	-	3,064
Capital draws by noncontrolling interest	(21,233)	(19,620)
Repayments of notes payable	(116,904)	(112,392)
Net cash used in financing activities	(7,740,025)	(9,350,910)
Net change in cash and cash equivalents	(1,437,049)	845,891
<b>Cash and cash equivalents</b>		
Beginning of year	6,082,868	5,236,977
End of year	\$ 4,645,819	\$ 6,082,868
<b>Supplemental disclosure of cash flow information</b>		
Interest paid	\$ 16,100	\$ 20,611

**Beaver Coal Company, Limited**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024 and 2023**

**1. THE PARTNERSHIP**

Pursuant to the plan of liquidation of Beaver Coal Corporation as of December 29, 1967, the shareholders of the Corporation contributed assets, principally cash and coal lands, to Beaver Coal Company, Limited, a Pennsylvania limited partnership. The limited partnership agreement expired but was renewed in accordance with the agreement as of October 31, 1988 and October 31, 2009. The current limited partnership, also named Beaver Coal Company, Limited (the “Partnership”), will continue until October 31, 2030, unless previously terminated under a section of the agreement. The sole general partner of the Partnership is Beaver Management Corporation (“Beaver Management”). The Partnership derives its revenue principally from royalties and rents received from leased land located in West Virginia. The Partnership also owns an entity, Airport Road Mini-Storage, LLC, for which it has a 91% interest, for the purpose of building and maintaining mini-storage facilities. The Partnership also owns a wholly owned subsidiary, Woodlands Amenities, LLC, for the purpose of building and renting the Cabins at Pine Haven and the construction of Country Club Village for the sale of residential real estate. Country Club Village was sold in its entirety during the year ended December 31, 2023.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Partnership and its majority-owned subsidiary, Airport Road Mini-Storage, LLC, and the Partnership’s wholly owned subsidiary, Woodlands Amenities, LLC. All intercompany accounts and transactions have been eliminated.

**Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

**Concentrations of Credit Risk**

The Partnership maintains cash deposits at financial institutions located in Pennsylvania and West Virginia. These deposits may, at times, be in excess of the Federal Deposit Insurance Corporation (“FDIC”) insurance limit of \$250,000 or not be covered by the FDIC. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Partnership’s financial condition, results of operations, and cash flows.

Two customers accounted for 57% (29% and 28%, individually) of the Partnership’s revenues during the year ended December 31, 2024. As of December 31, 2024, two customers accounted for 64% (38% and 26%, individually) of the Partnership’s outstanding accounts receivable.

Two customers accounted for 69% (39% and 30%, individually) of the Partnership’s revenues during the year ended December 31, 2023. As of December 31, 2023, three customers accounted for 84% (52%, 19% and 13%, individually) of the Partnership’s outstanding accounts receivable.

**Cash and Cash Equivalents**

The Partnership considers all highly liquid investments with maturities of three months or less when purchased to be cash and cash equivalents.



Beaver Coal Company, Limited  
Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

Accounts Receivable

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Customer account balances with invoices dated over 60 days old are considered delinquent. Unpaid accounts receivable do not bear interest. Accounts receivable are stated at the amount billed to the customer. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. The Partnership has tracked historical loss information for its trade receivables and compiled historical credit loss percentages for different aging categories (current, 1-30 days past due, 31-60 days past due, 61-90 days past due, and more than 90 days past due).

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivables held at December 31, 2024 and 2023, because the composition of the accounts receivables at that date is consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Management also considered the forecasted market trends of its customers' industries and general economic conditions and has concluded that no adjustment to the historical loss rates is necessary. As a result, management applied the applicable credit loss rates to determine the expected credit loss estimate for each aging category. After calculating, management has determined that the impact is not significant and no accrual for an allowance for expected credit losses is necessary at December 31, 2024 and 2023.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Description	Estimated Life (Years)
Buildings	40
Property improvements	20
Machinery and office equipment	5-10
Vehicles	5

Income Taxes

The Partnership is not a taxpaying entity for federal and state income tax purposes, and thus no income tax expense has been recorded in the consolidated financial statements. Income from the Partnership is taxed to the partners in their individual or trust returns. The Partnership files a Return of Partnership Income with the U.S. federal, Pennsylvania, and West Virginia tax jurisdictions. There are no pending income tax examinations by the federal or state tax authorities. Management has evaluated the tax positions taken within its tax returns and does not believe there are any significant uncertain positions taken on the returns. There was no significant interest or penalties incurred in 2024 or 2023.

U.S. GAAP requires management to evaluate tax positions taken by the Partnership and to recognize a tax liability if the Partnership has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Partnership's tax positions and concluded that the Partnership had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

Beaver Coal Company, Limited  
Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

Advertising

Advertising costs are expensed as incurred. Total advertising expenses were \$47,146 and \$29,871 for the years ended December 31, 2024 and 2023, respectively.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Significant estimates include the accounts receivable allowance for expected credit losses and emission reduction royalties.

Revenue Recognition

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606). This new standard replaces all previous accounting guidance on this topic and eliminates all industry-specific guidance. The new revenue recognition guidance provides a unified model to determine how revenue is recognized. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In doing so, companies need to use more judgement and make more estimates than under prior guidance. Judgments include identifying performance obligations in the contract, estimating the amount of consideration to include in the transaction price, and allocating the transaction price to each performance obligation.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Partnership performs the following steps: (i) identify contracts with customers; (ii) identify performance obligation(s); (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s); and (v) recognize revenue when (or as) the Partnership satisfies each performance obligation. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting in Topic 606.

Beaver Coal Company, Limited derives its revenue principally from coal, gas, timber, and emission reduction royalties and rents received from leased land located in West Virginia. Airport Road Mini-Storage, LLC derives its revenue from rents received from mini-storage facility rentals. Woodlands Amenities, LLC derives its revenue primarily from rents received from cabin rentals.

The royalty revenue's performance obligation includes providing the lessee the right to mine and sell coal, extract and sell natural gas, timber the forests and sell the timber, and flare methane gas and sell emission reduction credits over the lease term. Revenue is recognized on a production basis by deferring the minimums until recoupment occurs through production and recognizing the excess royalties when received.

Rental revenue derived from leases is recognized upon transfer of control to the customer, which is typically upon when the customer is given the right to use the component under lease. No separate performance obligations are present within these contracts. The Partnership recognizes revenue from the lease agreements on a straight-line basis under the accrual basis of accounting. Any rental payments received prior to the rental period when earned are recorded as a liability (deferred revenue), and any rental income that is earned but not yet paid is recorded as an asset (unbilled rental income).

The accounts receivable balance at January 1, 2023, was \$999,127.

Beaver Coal Company, Limited  
Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

3. FAIR VALUE ACCOUNTING

The accounting pronouncement on fair value measurements identifies a hierarchy of valuation methods used to determine fair value, with each fair value measurement placed into the proper level based on the lowest level of significant input:

*Level 1* - Valuation is based on quoted prices for identical instruments traded in active markets.

*Level 2* - Valuation is based upon quoted market prices for similar instruments in active markets, quoted prices for identical instruments in markets that are not active, and a model-based valuation technique for which all significant assumptions are observed in the market.

*Level 3* - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities.

The following table represents the Partnership's fair value hierarchy for its cash equivalents measured at fair value on a recurring basis as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Government money market fund	\$ 1,606,919	\$ -	\$ -	\$ 1,606,919
Money market fund	65,791	-	-	65,791
	<u>\$ 1,672,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,672,710</u>

The following table represents the Partnership's fair value hierarchy for its cash equivalents measured at fair value on a recurring basis as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Government money market fund	\$ 2,481,265	\$ -	\$ -	\$ 2,481,265
Money market fund	61,059	-	-	61,059
	<u>\$ 2,542,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,542,324</u>

The government money market fund earned dividends of \$125,654 and \$116,883 during the years ended December 31, 2024 and 2023, respectively.

4. LAND

The Partnership holds fee and mineral rights to approximately 40,000 acres of coal-bearing lands and additionally holds approximately 9,600 acres without coal rights in Raleigh County, West Virginia. The property is recorded at cost. Depletion of the land is not recognized for financial reporting purposes until such time as the carrying value of the property exceeds its estimated net realizable value.

Beaver Coal Company, Limited  
Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2024	2023
Buildings	\$ 5,777,776	\$ 5,752,776
Property improvements	6,287,159	6,141,723
Machinery and office equipment	817,389	778,079
Vehicles	258,513	258,513
Construction in progress	592,650	294,973
	<u>13,733,487</u>	<u>13,226,064</u>
Less: Accumulated depreciation and amortization	<u>6,776,333</u>	<u>6,405,704</u>
	<u>\$ 6,957,154</u>	<u>\$ 6,820,360</u>

Depreciation and amortization expense was \$370,629 and \$386,979 for the years ended December 31, 2024 and 2023, respectively.

6. NOTES PAYABLE

The Partnership has a term loan outstanding from Summit Community Bank, which was acquired by Burke & Herbert Bank in May 2024, that matures in August 2028. This loan bears interest at 3.75% per annum and is due in monthly installments of interest and principal of \$8,365. The term loan is secured by real estate, assignment of rents, and leases. The principal due at December 31, 2024 and 2023 was \$338,790 and \$425,917, respectively.

The Partnership obtained a second term loan from Pioneer Community Bank on June 28, 2022, with a face value of \$151,341 and a maturity date of June 28, 2027. This loan bears interest at 2.99% per annum and is due in monthly installments of interest and principal of \$2,719. The term loan requires the Partnership to maintain certain financial covenants. The Partnership was in compliance with these covenants at December 31, 2024 and 2023. The term loan is secured by real estate. The principal due at December 31, 2024 and 2023, was \$77,192 and \$106,969, respectively.

Maturities of the notes payable for each of the next four years are as follows:

2025	\$ 119,732
2026	124,060
2027	110,819
2028	61,371
	<u>\$ 415,982</u>



7. COMMITMENTS

The coal leases specify minimum levels of production. If this minimum level is not achieved through production, the deficiency must be satisfied through payment of a minimum rental charge. Revenues received through production are classified as coal royalties, whereas revenues received as a result of satisfying the deficiency are classified as minimum rental charges. Subject to certain limitations, royalties paid for coal mined above the minimum levels paid in 2024 for all leases may reduce future production royalties in excess of the yearly minimum by \$371,586.

Minimum rentals and royalty payments to be received from these lessees and from business and residential leases for each of the five years subsequent to December 31, 2024 are as follows:

2025	\$ 2,381,448
2026	2,240,488
2027	2,247,591
2028	2,256,181
2029	2,287,742
	<u>\$ 11,413,450</u>

8. EMPLOYEE BENEFITS

401(k) Savings Plan

The Partnership has a defined contribution 401(k) savings plan covering substantially all employees meeting, on a nondiscretionary basis, the service requirements as specified in the plan document. The Partnership, at its discretion, will match participating employees' contributions for up to the maximum allowed by Internal Revenue Service regulations. The Partnership's matching contribution was \$51,501 and \$49,882 in 2024 and 2023, respectively.

9. CONTINGENCIES

The Partnership is subject to litigation in the normal course of business; however, there is no material litigation at this time. The Partnership is of the opinion that, based on information currently available, the resolution of any such legal matters would not have a material adverse effect on the consolidated financial statements.

10. MANAGEMENT FEE

The Partnership pays management fees to Beaver Management, the general partner of the Partnership, approximately equal to the expenses disbursed by Beaver Management during the year. Management fees amounted to \$329,000 and \$304,000 for the years ended December 31, 2024 and 2023, respectively. In addition, the Partnership pays distributions to Beaver Management equal to Beaver Management's proportionate interest as general partner of Beaver Coal Company, Limited.

11. SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through March 26, 2025, which is the date the consolidated financial statements were available to be issued. Based on this evaluation, the Partnership has determined that no subsequent events have occurred which require disclosure in or adjustment to the consolidated financial statements.

BCC RESERVE GRID 2024

Beaver Coal Company, Limited	TOTAL	HARDWOOD	SOFTWOOD	METALLURGICAL	NATURAL GAS	RESIDENTIAL	COMMERCIAL
Reserve Grid - 2024	ACRES	RESERVES (BDFT)	RESERVES (TONS)	COAL RESERVES (TONS)	WELLS	LEASES	LEASES
		Thousands	Thousands	Thousands			
Beginning of the Year - 2024	50,622	106,516	1,169	24,116	123	409	79
Acquisitions & Divestments	(70)				-	(1)	2
Production & Harvest		(2,727)	(32)	(613)			
Timber Growth		4,151	45				
End of the Year - 2024	50,552	107,940	1,182	23,503	123	408	81
Note: The above reserves are based upon appraisals conducted by independent appraisal firms.							

**LIMITED PARTNERSHIP UNIT TRANSFER:** In order to transfer or re-register the unit(s) of a limited partnership interest in Beaver Coal Company, Limited, the following steps should be taken:

The reverse side (“Assignment Section”) of the original Certificate of Interest must be completed in full by the owner/assignor. Also, the signature of the assignor must be medallion guaranteed by a bank or trust company. After the Assignment Section of the Certificate of Interest is fully completed and signed by both owner/ assignor and purchaser/ assignee, the Certificate of Interest should be forwarded to Beaver Coal Company, Limited, 106 Bay Drive, Stevensville, MD 21666 for authentication and re-registration. If the assignor is not the person who is named on the face of the Certificate of Interest, such as an executor, attorney in fact, trustee, etc., please also include documentation that the assignor is authorized to sign on behalf of the assigning entity, typically an entity board resolution and/or certificate of incumbency.

Under the provisions of the Beaver Coal Company Limited Partnership Agreement, the assignment is not effective unless and until the general partner, Beaver Management Corporation, consents thereto, and the general partner has the sole right to admit or deny new limited partners. After such consent is given, a new Certificate of Interest will be issued to the assignee/purchaser and sent to their address of record.

**LIMITED PARTNERSHIP UNIT PURCHASE AND SALE:** Beaver Coal Company, Limited is not involved in the purchase or sale of limited partnership units. The unit holder needs to complete those transactions privately or through a securities broker. Not all brokerage firms will agree to execute a purchase and sale agreement because Beaver Coal Company, Limited is a “non-reporting” limited partnership.

If a purchase or sale is done privately, Certificate of Interest holders/sellers should set the unit price privately with the willing buyer and refer to the process outlined in the above Unit Transfer section to complete the transaction and obtain a new Certificate of Interest for the new limited partner.

For purchases or sales completed with the assistance of a securities broker, the first step is to re-register the units into the “street” name of the securities broker being used for the sale, the process for which is outlined in the above Unit Transfer section. The next step is for the seller and buyer to agree, with the broker acting as intermediary, to set a sales price, pending Certificate of Interest transfer, and re-registration into the name of the purchaser.

Once the price has been set and funds have been exchanged, the next step is for the securities broker’s authorized representative to a) complete the Assignment Section as assignor, b) have the signature medallion guaranteed, and c) for the Assignment Section to be signed by the assignee/purchaser. The Certificate of Interest will then be sent to Beaver Coal Company, Limited for authentication and re-registration into the name of the assignee. Once the units are re-registered into the name of the assignee, the transaction can be considered complete.





[WWW.BEAVERPROPERTYCOLTD.COM](http://WWW.BEAVERPROPERTYCOLTD.COM)

*New Cozy Cottage, Cabins at Pine Haven, Beaver, WV*