

**BEACON POINT METROPOLITAN DISTRICT
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**


YEAR ENDED DECEMBER 31, 2023


**BEACON POINT METROPOLITAN DISTRICT
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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
Beacon Point Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Beacon Point Metropolitan District (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Beacon Point Metropolitan District, as of December 31, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beacon Point Metropolitan District 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 Beacon Point 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.

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 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 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 Beacon Point 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Beacon Point Metropolitan District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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.

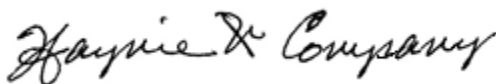
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Beacon Point Metropolitan District'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. 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information continuing disclosure sections included in the annual report. The other information and continuing disclosure sections, as listed in the table of contents, do not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Littleton, Colorado
September 27, 2024

BASIC FINANCIAL STATEMENTS

**BEACON POINT METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 218,970
Cash and Investments - Restricted	989,888
Receivable - Assessments and Fees	25,006
Receivable - County Treasurer	8,460
Property Taxes Receivable	2,464,251
Prepaid Expenses	43,598
Bond Insurance, Net of Amortization	67,240
Capital Assets, Not Being Depreciated	11,277,371
Capital Assets, Net of Accumulated Depreciation	<u>1,822,043</u>
Total Assets	<u>16,984,807</u>
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized Cost of Refunding	<u>372,471</u>
Total Deferred Outflow of Resources	<u>372,471</u>
LIABILITIES	
Accounts Payable	70,636
Prepaid Assessments & Fees	53,130
Accrued Interest Payable	64,484
Noncurrent Liabilities:	
Due Within One Year	465,000
Due in More Than One Year	<u>18,199,527</u>
Total Liabilities	<u>18,852,777</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenues	<u>2,464,251</u>
Total Deferred Inflows of Resources	<u>2,464,251</u>
NET POSITION	
Net Investment in Capital Assets	1,822,043
Restricted for:	
Emergency Reserves	52,200
Debt Service	558,299
Capital Projects	320,030
Unrestricted	<u>(6,712,322)</u>
Total Net Position	<u><u>\$ (3,959,750)</u></u>

See accompanying Notes to Basic Financial Statements.

**BEACON POINT METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Program Revenues		Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
FUNCTIONS/PROGRAMS	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
Primary Government:				
Governmental Activities:				
General Government	\$ 1,425,813	\$ -	\$ -	\$ (680,151)
Interest and Related Costs on Long-Term Debt	881,735	-	-	(881,735)
Total Governmental Activities	\$ 2,307,548	\$ -	\$ -	(1,561,886)
GENERAL REVENUES				
Property Taxes				1,946,062
Property Taxes - Regional Mill Levy				47,552
Specific Ownership Taxes				130,763
Interest Income				79,715
Other Income				135,960
Total General Revenues				2,340,052
CHANGE IN NET POSITION				
Net Position - Beginning of Year				778,166
				(4,737,916)
NET POSITION - END OF YEAR				
				\$ (3,959,750)

See accompanying Notes to Basic Financial Statements.

**BEACON POINT METROPOLITAN DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

ASSETS	General	Debt Service	Capital Projects	Total Governmental Fund
Cash and Investments	\$ 218,970	\$ -	\$ -	\$ 218,970
Cash and Investments - Restricted	52,200	617,658	320,030	989,888
Receivable - Assessments and Fees	25,006	-	-	25,006
Accounts receivable - Other	67,980	-	-	67,980
Receivable - County Treasurer	3,335	5,125	-	8,460
Property Taxes Receivable	1,248,491	1,215,760	-	2,464,251
Prepaid Expenses	43,598	-	-	43,598
Total Assets	\$ 1,659,580	\$ 1,838,543	\$ 320,030	\$ 3,818,153
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 70,636	\$ -	\$ -	\$ 70,636
Prepaid Assessments & Fees	53,130	-	-	53,130
Total Liabilities	123,766	-	-	123,766
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	1,248,491	1,215,760	-	2,464,251
Total Deferred Inflows of Resources	1,248,491	1,215,760	-	2,464,251
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	43,598	-	-	43,598
Restricted for:				
Emergency Reserves	52,200	-	-	52,200
Debt Service	-	622,783	-	622,783
Capital Projects	-	-	320,030	320,030
Assigned:				
For Subsequent Year's Expenditures	64,800	-	-	64,800
Unassigned	126,725	-	-	126,725
Total Fund Balances	287,323	622,783	320,030	1,230,136
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,659,580	\$ 1,838,543	\$ 320,030	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets, Not Being Depreciated	11,277,371
Capital Assets, Net of Accumulated Depreciation	1,822,043

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

Cost of Refunding	372,471
Bond Insurance	67,240

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(18,570,000)
Bonds Premium	(94,527)
Accrued Interest on Bonds Payable	(64,484)

Net Position of Governmental Activities	\$ (3,959,750)
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See accompanying Notes to Basic Financial Statements.

**BEACON POINT METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Fund
REVENUES				
Property Taxes	\$ 785,896	\$ 1,160,166	\$ -	\$ 1,946,062
Property Taxes - Regional Mill Levy	-	47,552	-	47,552
Specific Ownership Taxes	51,548	79,215	-	130,763
Interest Income	18,470	52,592	8,653	79,715
Other Income Late Fees	5,492	-	-	5,492
Operations Fee	732,220	-	-	732,220
Other Revenue	135,960	-	-	135,960
Transfer Fees	7,950	-	-	7,950
Total Revenues	1,737,536	1,339,525	8,653	3,085,714
EXPENDITURES				
General, Administrative, and Operations:				
Accounting	55,635	-	-	55,635
Audit	6,200	-	-	6,200
County Treasurer's Fees	11,799	-	-	11,799
District Management	90,670	-	-	90,670
Insurance and Bonds	45,727	-	-	45,727
Covenant Enforcement	490	-	-	490
Legal - General	79,989	-	-	79,989
Legal - Collections	14,804	-	-	14,804
Miscellaneous and Fees	54,395	-	-	54,395
Election Expense	3,635	-	-	3,635
Street Repairs and Maintenance	1,000	-	-	1,000
Recreational Expense	16,879	-	-	16,879
Landscaping	192,180	-	-	192,180
Landscape Irrigation Mulch Bed	9,927	-	-	9,927
Landscape Irrigation Repair	70,742	-	-	70,742
Holiday Lights	4,600	-	-	4,600
Water Irrigation	140,901	-	-	140,901
Vandalism Repair	9,530	-	-	9,530
Tree Replacement and Maintenance	101,279	-	-	101,279
Lighting Maintenance	15,777	-	-	15,777
General Administration	15,492	-	-	15,492
Website and Social Media	4,237	-	-	4,237
Architecture Review	23,156	-	-	23,156
Clubhouse Maintenance	64,401	-	-	64,401
Water and Sewer - Clubhouse	7,205	-	-	7,205
Clubhouse and Pool Staffing	158,430	-	-	158,430
Pool Repairs and Supplies	42,438	-	-	42,438
Recreation Amenity Maintenance	2,812	-	-	2,812
Equipment Replacement and Repair	18,368	-	-	18,368
Gas and Electric - Clubhouse	34,743	-	-	34,743
Trash Collection	149,590	-	-	149,590

See accompanying Notes to Basic Financial Statements.

**BEACON POINT METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Fund</u>
EXPENDITURES (CONTINUED)				
Debt Service :				
County Treasurer's Fee	\$ -	\$ 17,419	\$ -	\$ 17,419
County Treasurer's Fees - Regional Mill Levy	-	714	-	714
Paying Agent Fees	-	300	-	300
Regional Mill Levy	-	46,838	-	46,838
Bond Interest GO Bonds	-	790,606	-	790,606
Bond Principal GO Bonds	-	420,000	-	420,000
Total Expenditures	<u>1,447,031</u>	<u>1,275,877</u>	<u>-</u>	<u>2,722,908</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	290,505	63,648	8,653	362,806
OTHER FINANCING SOURCES (USES)				
Transfer In/Out	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	140,505	63,648	158,653	362,806
Fund Balances - Beginning of Year	<u>146,818</u>	<u>559,135</u>	<u>161,377</u>	<u>867,330</u>
FUND BALANCES - END OF YEAR	<u>\$ 287,323</u>	<u>\$ 622,783</u>	<u>\$ 320,030</u>	<u>\$ 1,230,136</u>

See accompanying Notes to Basic Financial Statements.

**BEACON POINT METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 362,806

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation/amortization expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	153,845
Depreciation	(132,627)

The issuance of long-term debt (e.g., Loans and Developer Advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Bond Principal Payment	420,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Bond Premium - Amortization	7,464
Cost of Refunding - Amortization	(29,412)
Bond Insurance - Amortization	(5,310)
Accrued Interest on Bonds - Change in Liability	1,400

Change in Net Position of Governmental Activities	\$ 778,166
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**BEACON POINT METROPOLITAN DISTRICT
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 785,896	\$ 785,896	\$ -
Specific Ownership Taxes	47,154	51,548	4,394
Interest Income	3,000	18,470	15,470
Other Income Late Fees	1,000	5,492	4,492
Operations Fee	676,800	732,220	55,420
Other Revenue	-	135,960	135,960
Transfer Fees	10,000	7,950	(2,050)
Total Revenues	1,523,850	1,737,536	213,686
EXPENDITURES			
General, Administrative, and Operations:			
Accounting	40,250	55,635	(15,385)
Audit	6,000	6,200	(200)
County Treasurer's Fees	11,788	11,799	(11)
District Management	95,000	90,670	4,330
Insurance and Bonds	41,300	45,727	(4,427)
Covenant Enforcement	20,000	490	19,510
Legal - General	66,000	79,989	(13,989)
Legal - Collections	5,000	14,804	(9,804)
Miscellaneous and Fees	20,000	54,395	(34,395)
Election Expense	35,000	3,635	31,365
Street Repairs and Maintenance	20,000	1,000	19,000
Recreational Expense	15,000	16,879	(1,879)
Landscaping	192,180	192,180	-
Landscape Irrigation Mulch Bed	25,000	9,927	15,073
Landscape Irrigation Repair	40,000	70,742	(30,742)
Holiday Lights	20,000	4,600	15,400
Water Irrigation	230,000	140,901	89,099
Vandalism Repair	5,000	9,530	(4,530)
Tree Replacement and Maintenance	110,000	101,279	8,721
Lighting Maintenance	20,000	15,777	4,223
General Administration	5,000	15,492	(10,492)
Website and Social Media	1,000	4,237	(3,237)
Architecture Review	5,000	23,156	(18,156)
Trash Collection	149,500	149,590	(90)

See accompanying Notes to Basic Financial Statements.

**BEACON POINT METROPOLITAN DISTRICT
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES (CONTINUED)			
General, Administrative, and Operations (Continued):			
Clubhouse Maintenance	\$ 30,000	\$ 64,401	\$ (34,401)
Water and Sewer - Clubhouse	7,000	7,205	(205)
Clubhouse and Pool Staffing	155,500	158,430	(2,930)
Pool Repairs and Supplies	30,000	42,438	(12,438)
Recreation Amenity Maintenance	10,000	2,812	7,188
Equipment Replacement and Repair	20,000	18,368	1,632
Gas and Electric - Clubhouse	42,000	34,743	7,257
Contingency	127,482	-	127,482
Total Expenditures	<u>1,600,000</u>	<u>1,447,031</u>	<u>152,969</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(76,150)	290,505	366,655
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	50,000	-	(50,000)
Transfers to Other Funds	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(150,000)</u>	<u>(50,000)</u>
NET CHANGE IN FUND BALANCE	(176,150)	140,505	316,655
Fund Balance - Beginning of Year	<u>-</u>	<u>146,818</u>	<u>146,818</u>
FUND BALANCE - END OF YEAR	<u>\$ (176,150)</u>	<u>\$ 287,323</u>	<u>\$ 463,473</u>

See accompanying Notes to Basic Financial Statements.

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Beacon Point Metropolitan District (the District) was organized on November 27, 2002, concurrently with High Plains Metropolitan District (High Plains) and East Plains Metropolitan District (East Plains), as a quasi-municipal corporation and political subdivision of the state of Colorado established under the State of Colorado Special District Act. On August 30, 2004, the City of Aurora, Colorado (the City) approved an Amended and Restated Consolidated Service Plan for the District, High Plains and East Plains (ARCSP). On March 10, 2006, the ARCSP was modified through adoption of a Resolution Adopting Non-Material Modifications to the ARCSP, adopted by the districts.

The District was established to provide sanitation, water, streets, traffic and safety controls, parks and recreation, storm drainage, transportation, and other related public improvements for the benefit of the residents, taxpayers, and service users within the District's boundaries. The District's primary revenues are property taxes and operations fees. The District is governed by a five-member elected Board of Directors.

On July 26, 2010, in anticipation of the dissolution of East Plains, a Second Amended and Restated Service Plan (SARSP) for the District was approved by the City, segregating the rights and responsibilities of the districts. The SARSP superseded, in its entirety, the ARCSP, as modified. On November 9, 2010, East Plains was dissolved and all assets and liabilities of East Plains relating to the District were transferred to the District. On May 11, 2015, the SARSP was further amended by a First Amendment to the SARSP to remove the mill levy cap to allow the District to refund the District's Series 2005A Bonds and Series 2014 Bonds through the issuance of the Series 2015 Bonds at a more favorable interest rate.

Prior to the dissolution of East Plains, the District served as one of two "Taxing Districts" while High Plains served as the other "Taxing District" and East Plains served as the "Operating District." The Operating District was responsible for providing the day-to-day operations and administrative management for all three districts. The District entered into a District Facilities Construction and Service Agreement with East Plains (FCSA) which set forth the rights and obligations of the Taxing District to fully fund, and of the Operating District to construct, own, or transfer and to operate and maintain, public facilities and services of benefit to both the District and East Plains. The FCSA was terminated upon the dissolution of East Plains. The District now operates independently of High Plains.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide 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 District has no employees, and all operations and administrative functions are contracted.

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its general fund and debt service fund annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities' column in the government-wide financial statements. Capital assets are generally defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Building and Improvements	30 Years
Irrigation and Playground Improvements	15 Years
Equipment	7 to 10 Years

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance 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. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 218,970
Cash and Investments - Restricted	989,888
Total Cash and Investments	\$ 1,208,858

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 160,194
Investments	<u>1,048,664</u>
Total Cash and Investments	<u><u>\$ 1,208,858</u></u>

Cash 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. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District's cash deposits had a bank and carrying balance of \$160,194.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities of the World Bank
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 1,048,664

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAaf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023, are as follows:

	Balance - December 31, 2022	Additions	Reductions/ Disposal	Balance - December 31, 2023
Capital Assets, Not Being Depreciated:				
Land/Land Improvements	\$ 11,277,371	\$ -	\$ -	\$ 11,277,371
Total Capital Assets, Not Being Depreciated	11,277,371	-	-	11,277,371
Capital Assets, Being Depreciated:				
Building - Recreation Center	2,704,795	-	-	2,704,795
Pool Equipment	55,167	7,562	-	62,729
Streetscapes	152,826	135,138	-	287,964
Irrigation System	48,000	-	-	48,000
Fitness Equipment	36,765	-	-	36,765
Recreational Improvements	-	11,145	-	11,145
Playground Equipment	21,325	-	-	21,325
Total Capital Assets, Being Depreciated	3,018,878	153,845	-	3,172,723
Less: Accumulated Depreciation for:				
Building - Recreation Center	(1,148,284)	(109,018)	-	(1,257,302)
Pool Equipment	(19,182)	(8,871)	-	(28,053)
Streetscapes	(4,837)	(8,765)	-	(13,602)
Irrigation System	(13,903)	(3,200)	-	(17,103)
Fitness Equipment	(31,360)	(1,351)	-	(32,711)
Playground Equipment	(487)	(1,422)	-	(1,909)
Total Accumulated Depreciation	(1,218,053)	(132,627)	-	(1,350,680)
Capital Assets Being Depreciated, Net	1,800,825	21,218	-	1,822,043
Governmental Activities Capital Assets, Net	\$ 13,078,196	\$ 21,218	\$ -	\$ 13,099,414

Depreciation expense, totaling \$132,627, was charged to the general government function of the District for the year ended December 31, 2023.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance - December 31, 2022	Additions	Retirements	Balance - December 31, 2023	Due Within One Year
General Obligation Refunding					
Bonds Series 2015	\$ 18,990,000	\$ -	\$ 420,000	\$ 18,570,000	\$ 465,000
Series 2015 Premium	101,991	-	7,464	94,527	-
Total	\$ 19,091,991	\$ -	\$ 427,464	\$ 18,664,527	\$ 465,000

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Refunding Bonds, Series 2015

On June 17, 2015, the District issued \$21,170,000 of General Obligation Refunding Bonds, Series 2015 (Series 2015 Bonds) for the purpose of advance refunding all of the District's outstanding Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2005A (Series 2005A Bonds), refunding on a current basis the District's Subordinate Limited Tax General Obligation Bonds, Series 2014 (Series 2014 Bonds, together with the Series 2005A Bonds, the Refunded Bonds), and paying the costs of issuance of the Series 2015 Bonds. The Series 2015 Bonds bear interest between the rates of 3.0% - 5.0%, payable semiannually on each June 1 and December 1, commencing on December 1, 2015. The Series 2015 Bonds are due December 1, 2044, and the Bonds maturing on or after December 1, 2026, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, and if in part, in such order of maturities as the District shall determine and by lot within bonds of the same maturity and bearing the same interest rate on December 1, 2025, and on any date thereafter, at a redemption price equal to the par amount thereof (with no redemption premium) plus interest to the redemption date. The Bonds maturing on December 1, 2030, are subject to mandatory redemption, prior to maturity, in part, by lot in such manner as the paying agent shall determine, on December 1 of each year. Concurrently with the issuance of the Series 2015 Bonds, Assured Guaranty Municipal Corp (AGM) issued a Municipal Bond Insurance Policy guaranteeing the scheduled payment of principal and interest payments when due. AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings. The insurance extends over the life of the issue and cannot be canceled by AGM.

The Series 2015 Bonds are secured by ad valorem taxes on all of the taxable property within the District and specific ownership taxes associated with the debt service mills.

As a result of the issuance of the Series 2015 Bonds, the Refunded Bonds are considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The reacquisition price of the old debt exceeded the net carrying amount by \$635,871. This amount is recorded as a deferred outflow and is being amortized over the original remaining life of the Refunded Bonds. The refunding resulted in an economic gain of \$5,076,862 due to the average interest rate of the Series 2015 Bonds being lower than the Refunded Bonds.

Events of default

For the Series 2015 Bonds, events of default occur if the District fails to pay principal and interest on the Senior Bonds when due and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Termination Events

The Series 2015 Bonds are not subject to early termination.

Acceleration

The Series 2015 Bonds are not subject to acceleration.

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Refunding Bonds, Series 2015 (Continued)

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 465,000	\$ 773,807	\$ 1,238,807
2025	475,000	759,856	1,234,856
2026	515,000	745,606	1,260,606
2027	540,000	719,856	1,259,856
2028	595,000	692,856	1,287,856
2029-2033	3,590,000	3,000,531	6,590,531
2034-2038	4,765,000	2,171,082	6,936,082
2039-2043	6,180,000	1,089,000	7,269,000
2044	1,445,000	59,607	1,504,607
Total	<u>\$ 18,570,000</u>	<u>\$ 10,012,201</u>	<u>\$ 28,582,201</u>

Authorized Debt

At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized November 5, 2004 Election</u>	<u>Authorization Used 2005</u>	<u>Authorization Used 2014</u>	<u>Remaining at December 31, 2023</u>
Public Improvements	<u>\$ 1,350,000,000</u>	<u>\$ 27,865,000</u>	<u>\$ 5,065,000</u>	<u>\$ 1,317,070,000</u>
Total	<u>\$ 1,350,000,000</u>	<u>\$ 27,865,000</u>	<u>\$ 5,065,000</u>	<u>\$ 1,317,070,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$100,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets of \$1,822,043.

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NET POSITION (CONTINUED)

The restricted component of net position includes assets that are restricted for use by external parties such as creditors, grantors or contributors, or as imposed by laws and regulations of other governments, or as imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 52,200
Debt Service	558,299
Capital Projects	320,030
Total Restricted Net Position	\$ 930,529

The District had a deficit unrestricted net position as of December 31, 2023. The deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities.

NOTE 7 AGREEMENTS

Fee Resolution

Pursuant to a Resolution Concerning the Imposition of District Fees, dated July 31, 2018, (the Fee Resolution), the Board of Directors approved an Amended and Restated Resolution Concerning the Imposition of An Operations Fee and a transfer fee against properties within the District. The operations fee of \$140 per quarter is payable by each single-family unit and each multi-family residential dwelling unit. The transfer fee, previously referred to as the working capital fee, of \$250 per completed dwelling unit is due and payable at the time of any sale, transfer or re-sale of any single or multiple family dwelling unit for which a certificate of occupancy has been issued. Per the Fee Resolution and Colorado law, each operations fee and/or transfer fee shall, until paid, constitute a perpetual lien on and against the real property in question until paid in full. On November 14, 2018, the District adopted the First Amendment to the Amended And Restated Resolution Concerning The Imposition Of An Operations Fee, increasing the operations fee to \$150 per quarter effective January 1, 2019. On October 13, 2021 the District adopted a Second Amendment to the Amended and Restated Resolution Concerning the Imposition of an operations fee to \$200 per quarter effective January 1, 2022.

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Intergovernmental Agreement with the City of Aurora

On November 3, 2004, the District, along with East Plains and High Plains, entered into an Amended and Restated Intergovernmental Agreement with the City, which was amended on September 26, 2008, by a First Amendment thereto (collectively, the ARCSP IGA), as required by the ARCSP. On July 26, 2010, the District and the City entered into the Second Amended and Restated Intergovernmental Agreement (SARIGA) concurrent with the approval of the SARSP. Under the SARIGA, the District must obtain the approval of the City Council prior to any inclusion of property outside of the service area into the boundaries of the District or any consolidation with any other special district. On June 3, 2015, the District and City entered into a First Amendment to the SARIGA (First Amendment to SARIGA) authorizing the District to issue one or more series of unlimited mill levy bonds or other obligations which are not subject to the Maximum Debt Mill Levy (as defined in the First Amendment to SARIGA) for the purpose of refunding or refinancing the Outstanding Bond Obligations (as defined in the First Amendment to SARIGA).

The SARSP requires the District to dedicate certain public improvements to the City or other appropriate jurisdiction or owners' association for ownership and maintenance. The District is not authorized to operate or maintain any part of the improvements, other than park and recreation improvements, drainage improvements including detention and retention ponds, trickle channels, and all necessary or proper equipment or appurtenances thereto unless the provision of such operation and maintenance is pursuant to an intergovernmental agreement with the City.

Pursuant to the SARIGA and the SARSP, the District is required to levy a regional mill levy (ARI Mill Levy) and to remit it to an Aurora Regional Improvement Authority (ARI Authority) or to the City under certain circumstances.

South Aurora Regional Improvement Authority

On July 10, 2017, the District became a member of the South Aurora Regional Improvement Authority (SARIA), an ARI Authority. The Authority was formed upon the execution of the "South Aurora Regional Improvement Authority Establish Agreement" (the Original Establishment Agreement) by and among the City and 11 of the current 16 Member Districts (collectively, the City and the Member Districts are referred to as the Members). During 2018, five additional Member Districts joined the Authority. The Original Establishment Agreement was amended pursuant to a First Amendment dated August 30, 2018 (together with the Original Establishment Agreement, the Establishment Agreement). On December 20, 2018, the Authority issued \$11,265,000 Special Revenue Bonds, Series 2018, and pursuant to the Establishment Agreement, the District's ARI Mill Levy has been pledged by the Authority for repayment of these bonds. The ARI Mill Levy collected prior to January 1, 2017 may be retained by the District to be used for any lawful purchase.

**BEACON POINT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. 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 funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 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 which 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.

On November 5, 2002, the District's voters passed an election question to increase property taxes \$1,000,000, annually, without limitation of rate, to pay the District's operational and maintenance costs. On November 2, 2004, the District's voters passed an additional increase of \$625,000 for a total limit of \$1,625,000. Additionally, the District's electors also authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

The District'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, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**BEACON POINT METROPOLITAN DISTRICT
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,160,165	\$ 1,160,165	\$ 1,160,166	\$ 1
Property Taxes - Regional Mill Levy	47,552	47,552	47,552	-
Specific Ownership Taxes	72,463	72,463	79,215	6,752
Interest Income	11,115	11,115	52,592	41,477
Total Revenues	<u>1,291,295</u>	<u>1,291,295</u>	<u>1,339,525</u>	<u>48,230</u>
EXPENDITURES				
County Treasurer's Fee	17,402	17,702	17,419	283
County Treasurer's Fees - Regional Mill Levy	713	713	714	(1)
Paying Agent Fees	300	300	300	-
Regional Mill Levy	46,839	46,839	46,838	1
Bond Interest GO Bonds	790,606	790,606	790,606	-
Bond Principal GO Bonds	420,000	420,000	420,000	-
Total Expenditures	<u>1,275,860</u>	<u>1,276,160</u>	<u>1,275,877</u>	<u>283</u>
NET CHANGE IN FUND BALANCE	15,435	15,135	63,648	48,513
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>559,135</u>	<u>559,135</u>
FUND BALANCE - END OF YEAR	<u>\$ 15,435</u>	<u>\$ 15,135</u>	<u>\$ 622,783</u>	<u>\$ 607,648</u>

**BEACON POINT METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 2,200	\$ 8,653	\$ 6,453
Total Revenues	<u>2,200</u>	<u>8,653</u>	<u>6,453</u>
EXPENDITURES			
Recreational Improvements	190,000	-	190,000
Total Expenditures	<u>190,000</u>	<u>-</u>	<u>190,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(187,800)	8,653	196,453
OTHER FINANCING SOURCES (USES)			
Transfer from Other Funds	150,000	150,000	-
Transfer to Other Funds	(50,000)	-	50,000
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>150,000</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCE	(87,800)	158,653	246,453
Fund Balance - Beginning of Year	<u>-</u>	<u>161,377</u>	<u>161,377</u>
FUND BALANCE - END OF YEAR	<u>\$ (87,800)</u>	<u>\$ 320,030</u>	<u>\$ 407,830</u>

OTHER INFORMATION

**BEACON POINT METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

\$21,170,000 General Obligation Limited Tax
Refunding Bonds, Series 2015
Dated June 17, 2015
Interest Rate 3.000%-5.000%
Principal Due December 1
Interest Payable June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 465,000	\$ 773,807	\$ 1,238,807
2025	475,000	759,856	1,234,856
2026	515,000	745,606	1,260,606
2027	540,000	719,856	1,259,856
2028	595,000	692,856	1,287,856
2029	625,000	663,107	1,288,107
2030	680,000	631,856	1,311,856
2031	715,000	597,856	1,312,856
2032	770,000	569,256	1,339,256
2033	800,000	538,456	1,338,456
2034	860,000	506,457	1,366,457
2035	895,000	472,056	1,367,056
2036	955,000	436,257	1,391,257
2037	995,000	398,056	1,393,056
2038	1,060,000	358,256	1,418,256
2039	1,105,000	314,532	1,419,532
2040	1,180,000	268,950	1,448,950
2041	1,230,000	220,275	1,450,275
2042	1,305,000	169,537	1,474,537
2043	1,360,000	115,706	1,475,706
2044	1,445,000	59,607	1,504,607
	<u>1,445,000</u>	<u>59,607</u>	<u>1,504,607</u>
Total	<u>\$ 18,570,000</u>	<u>\$ 10,012,201</u>	<u>\$ 28,582,201</u>

**BEACON POINT METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Percent Change	Mills Levied		Property Taxes		Percentage Collected to Levied
			General	Debt Service	Levied	Collected	
2019	\$ 32,374,133	2.20 %	16.000	35.000	\$ 1,686,789	\$ 1,686,791	100.00 %
2020	36,026,581	11.30	19.000	31.000	1,801,329	1,800,129	99.93
2021	36,218,471	0.50	19.000	31.000	1,810,924	1,810,925	100.00
2022	37,144,516	0.03	21.000	31.000	1,931,515	1,931,525	100.00
2023	36,411,037	(0.02)	21.584	31.863	1,946,061	1,946,062	100.00
Estimated for the Year Ending December 31, 2024	\$ 45,650,330	25.38 %	27.349	25.367	\$ 2,406,503		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

**CONTINUING DISCLOSURE – ADDITIONAL DISTRICT INFORMATION
REQUIRED BY GENERAL OBLIGATION LIMITED TAX REFUNDING
AND IMPROVEMENT BONDS, SERIES 2015**

**BEACON POINT METROPOLITAN DISTRICT
CONTINUING DISCLOSURE – ADDITIONAL DISTRICT INFORMATION
YEAR ENDED DECEMBER 31, 2023**

2023 Assessed and "Actual" Valuation of Classes of Property in the District

<u>Class</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>	<u>"Actual" Valuation</u>	<u>Percent of "Actual" Valuation</u>
Residential	\$ 35,243,293	96.79 %	\$ 507,096,700	99.21 %
State Assessed	6,910	0.02	2,595,036	0.51
Vacant Land	412,438	1.13	1,422,200	0.28
Personal Property	748,396	2.06	9,469	0.00
Total	<u>\$ 36,411,037</u>	<u>100.00 %</u>	<u>\$ 511,123,405</u>	<u>100.00 %</u>

Total 2023 Mill Levy

<u>Taxing Entity</u>	<u>Mill Levy</u>
Cherry Creek School District No. 5	47.567
Arapahoe County	11.206
Developmental Disability	1.000
City of Aurora	8.407
Urban Drainage & Flood and Control District	0.900
Urban Drainage & Flood and Control District - South Platte	0.100
Overlapping Mill Levy	<u>69.180</u>
Beacon Point Metro District	53.981
Total Mill Levy	<u><u>123.161</u></u>

Source: Assessed and Actual Valuations were obtained from the Arapahoe County website.