

BLACKSTONE METROPOLITAN DISTRICT
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

**BLACKSTONE METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2023**

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Board of Directors
Blackstone Metropolitan District
Arapahoe County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Blackstone 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Blackstone Metropolitan District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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 opinions on the basic financial statements are 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 the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information and Continuing Disclosure Annual Information

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

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

Wipfli LLP

Wipfli LLP
Denver, Colorado
September 27, 2024

BASIC FINANCIAL STATEMENTS

**BLACKSTONE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 1,925,421
Cash and Investments - Restricted	2,768,774
Accounts Receivable - Assessments	107,948
Receivable - County Treasurer	11,279
Property Taxes Receivable	3,129,510
Prepaid Expense	34,125
Capital Assets, Not Being Depreciated	12,276,656
Capital Assets, Being Depreciated	2,435,752
Total Assets	22,689,465
LIABILITIES	
Accounts Payable	577,787
Retainage Payable	81,038
Accrued Bond Interest Payable	89,010
Prepaid Assessments	93,574
Noncurrent Liabilities:	
Due Within One Year	552,271
Due in More Than One Year	26,267,825
Total Liabilities	27,661,505
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	3,129,510
Total Deferred Inflows of Resources	3,129,510
NET POSITION	
Net Investment in Capital Assets	5,330,738
Restricted for:	
Emergency Reserves	63,400
Debt Service	690,138
Unrestricted	(14,185,826)
Total Net Position	\$ (8,101,550)

See accompanying Notes to Basic Financial Statements.

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

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 1,366,771	\$ 599,626	\$ -	\$ -	\$ (767,145)
Interest and Related Costs on Long-Term Debt	1,052,881	-	-	-	(1,052,881)
Total Governmental Activities	\$ 2,419,652	\$ 599,626	\$ -	\$ -	(1,820,026)
 GENERAL REVENUES					
Property Taxes					2,605,452
Regional Property Taxes					52,714
Specific Ownership Taxes					174,748
Net Investment Income					312,509
Oil and Gas Lease					25,740
Other Revenue					16,893
Total General Revenues					3,188,056
 CHANGE IN NET POSITION					
Net Position - Beginning of Year					(9,469,580)
 NET POSITION - END OF YEAR					
					\$ (8,101,550)

See accompanying Notes to Basic Financial Statements.

**BLACKSTONE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Capital Projects - Regional Improvements	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 1,925,421	\$ -	\$ -	\$ -	\$ 1,925,421
Cash and Investments - Restricted	63,400	1,773,225	931,702	447	2,768,774
Accounts Receivable - Assessments	107,948	-	-	-	107,948
Receivable - County Treasurer	5,356	5,923	-	-	11,279
Property Taxes Receivable	1,529,464	1,246,230	-	353,816	3,129,510
Prepaid Expense	34,125	-	-	-	34,125
	Total Assets	\$ 3,025,378	\$ 931,702	\$ 354,263	\$ 7,977,057
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 176,676	\$ -	\$ 400,664	\$ 447	\$ 577,787
Retainage Payable	-	-	81,038	-	81,038
Prepaid Assessments	93,574	-	-	-	93,574
	Total Liabilities	-	481,702	447	752,399
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	1,529,464	1,246,230	-	353,816	3,129,510
	Total Deferred Inflows of Resources	1,246,230	-	353,816	3,129,510
FUND BALANCES					
Nonspendable:					
Prepaid Expenses	34,125	-	-	-	34,125
Restricted for:					
Emergency Reserves	63,400	-	-	-	63,400
Debt Service	-	1,779,148	-	-	1,779,148
Committed for:					
Capital Projects	-	-	450,000	-	450,000
Unassigned	1,768,475	-	-	-	1,768,475
	Total Fund Balances	1,779,148	450,000	-	4,095,148
	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,025,378	\$ 931,702	\$ 354,263	
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 as assets in the funds.					
Capital Assets, Net					14,712,408
Long-term liabilities, including bonds payable and developer advances, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.					
Bonds Payable					(26,035,000)
Bond Premium					(785,096)
Accrued Interest on Bonds Payable					(89,010)
Net Position of Governmental Activities					\$ (8,101,550)

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Capital Projects	Capital Projects - Regional Improvements	Total Governmental Funds
REVENUES					
Property Taxes	\$ 1,209,674	\$ 1,395,778	\$ -	\$ -	\$ 2,605,452
Regional Property Taxes	-	-	-	52,714	52,714
Specific Ownership Taxes	83,290	91,458	-	-	174,748
Operations Fee (Homeowners)	544,315	-	-	-	544,315
Operations Fee (Vacant Lots)	3,120	-	-	-	3,120
Working Capital Fees	21,835	-	-	-	21,835
Design Review Fee	955	-	-	-	955
Legal Collection Fees	23,413	-	-	-	23,413
Violations and Late Fees	5,988	-	-	-	5,988
Net Investment Income	175,109	115,195	22,205	-	312,509
Oil and Gas Lease	25,740	-	-	-	25,740
Miscellaneous Income	16,893	-	-	-	16,893
Total Revenues	<u>2,110,332</u>	<u>1,602,431</u>	<u>22,205</u>	<u>52,714</u>	<u>3,787,682</u>
EXPENDITURES					
General:					
Accounting	58,058	-	-	-	58,058
Audit	5,700	-	-	-	5,700
County Treasurer's Fees	18,172	20,958	-	791	39,921
Director and Meeting Expense	1,940	-	-	-	1,940
Directors' Fees	4,000	-	-	-	4,000
Election	3,937	-	-	-	3,937
Insurance and Bonds	35,009	-	-	-	35,009
Legal	56,607	-	10,740	-	67,347
Miscellaneous	1,283	-	-	-	1,283
Payroll Taxes	306	-	-	-	306
Website	641	-	-	-	641
Regional Mill Levy - Payment to SARIA	-	-	-	51,923	51,923
Operations and Maintenance	1,087,013	-	-	-	1,087,013
Debt Service:					
Bond Interest - Series 2017	-	1,086,125	-	-	1,086,125
Bond Principal - Series 2017	-	450,000	-	-	450,000
Paying Agent Fees	-	450	-	-	450
Capital Projects:					
Reserve Study	-	-	3,250	-	3,250
Entryways/Roundabouts	-	-	1,750,806	-	1,750,806
Trees	-	-	289,190	-	289,190
Total Expenditures	<u>1,272,666</u>	<u>1,557,533</u>	<u>2,053,986</u>	<u>52,714</u>	<u>4,936,899</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	837,666	44,898	(2,031,781)	-	(1,149,217)
OTHER FINANCING SOURCES (USES)					
Transfers (to) from Other Funds	(2,031,781)	-	2,031,781	-	-
Total Other Financing Sources (Uses)	<u>(2,031,781)</u>	<u>-</u>	<u>2,031,781</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,194,115)	44,898	-	-	(1,149,217)
Fund Balances - Beginning of Year	3,060,115	1,734,250	450,000	-	5,244,365
FUND BALANCES - END OF YEAR	<u>\$ 1,866,000</u>	<u>\$ 1,779,148</u>	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 4,095,148</u>

See accompanying Notes to Basic Financial Statements.

**BLACKSTONE 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 \$ (1,149,217)

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 expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	2,039,996
Depreciation	(27,401)

The issuance of long-term debt (e.g., bonds, leases) 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 report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond Principal Payment	450,000
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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.

Change in Accrued Bond Interest Payable	1,500
Current Year Bond Issue Premium	53,152
	54,652

Change in Net Position of Governmental Activities	\$ 1,368,030
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**BLACKSTONE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property Taxes	\$ 1,209,674	\$ 1,209,674	\$ 1,209,674	\$ -
Specific Ownership Taxes	75,743	75,743	83,290	7,547
Operations Fee (Homeowners)	600,000	600,000	544,315	(55,685)
Operations Fee (Vacant Lots)	4,500	4,500	3,120	(1,380)
Working Capital Fees	50,000	50,000	21,835	(28,165)
Design Review Fee	4,000	4,000	955	(3,045)
Legal Collection Fees	20,000	20,000	23,413	3,413
Violations and Late Fees	15,000	15,000	5,988	(9,012)
Net Investment Income	36,305	75,305	175,109	99,804
Oil and Gas Lease	-	26,000	25,740	(260)
Other Revenue	10,000	10,000	16,893	6,893
Total Revenues	<u>2,025,222</u>	<u>2,090,222</u>	<u>2,110,332</u>	<u>20,110</u>
EXPENDITURES				
General Administration:				
Accounting	55,000	55,000	58,058	(3,058)
Audit	5,500	5,500	5,700	(200)
Contingency	24,472	24,472	-	24,472
County Treasurer's Fees	18,145	18,145	18,172	(27)
Director and Meeting Expense	2,000	2,000	1,940	60
Directors' Fees	5,000	5,000	4,000	1,000
Election	40,000	40,000	3,937	36,063
Insurance and Bonds	40,000	40,000	35,009	4,991
Legal	70,000	70,000	56,607	13,393
Miscellaneous	2,000	2,000	1,283	717
Payroll Taxes	383	383	306	77
Website	1,500	1,500	641	859
Operations and Maintenance:				
Community Activities	35,000	35,000	27,389	7,611
Design Review	12,000	12,000	6,005	5,995
Facilities Management - Contract	53,000	53,000	53,250	(250)
Facilities Management - Costs	25,000	25,000	20,106	4,894
Legal Collections	30,000	30,000	47,214	(17,214)
Contingency	35,000	35,000	-	35,000
Lighting	11,000	11,000	8,554	2,446
Gas and Electric	20,000	20,000	17,096	2,904
Ground Maintenance	25,000	25,000	6,023	18,977
Irrigation Repairs and Improvements	50,000	50,000	34,913	15,087
Landscape Contract	395,000	395,000	427,653	(32,653)
Landscape Improvements	50,000	50,000	36,220	13,780
Holiday Lights	25,000	25,000	5,269	19,731
Playground Inspection and Repair	11,000	11,000	185	10,815
Safety and Security	24,000	24,000	24,000	-
Snow Removal	35,000	35,000	-	35,000
Trash Removal	153,000	153,000	184,169	(31,169)
Trees/Shrubs/Beds	25,000	25,000	16,715	8,285
Miscellaneous	5,000	5,000	9,889	(4,889)
Water - Irrigation	140,000	140,000	162,363	(22,363)
Total Expenditures	<u>1,423,000</u>	<u>1,423,000</u>	<u>1,272,666</u>	<u>150,334</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	602,222	667,222	837,666	170,444
OTHER FINANCING SOURCES (USES)				
Transfers to Other Fund	(2,265,545)	(2,530,545)	(2,514,748)	15,797
Transfers from Other Funds	457,295	457,295	482,967	25,672
Total Other Financing Sources (Uses)	<u>(1,808,250)</u>	<u>(2,073,250)</u>	<u>(2,031,781)</u>	<u>41,469</u>
NET CHANGE IN FUND BALANCE	(1,206,028)	(1,406,028)	(1,194,115)	211,913
Fund Balance - Beginning of Year	<u>3,017,738</u>	<u>3,058,634</u>	<u>3,060,115</u>	<u>1,481</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,811,710</u>	<u>\$ 1,652,606</u>	<u>\$ 1,866,000</u>	<u>\$ 213,394</u>

See accompanying Notes to Basic Financial Statements.

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

NOTE 1 DEFINITION OF REPORTING ENTITY

, formerly High Plains Metropolitan District, (the District), a quasi-municipal corporation, and political subdivision of the State of Colorado was organized on November 27, 2002 concurrently with Beacon Point Metropolitan District (Beacon Point) and East Plains Metropolitan District (East Plains), and is governed pursuant to provisions of the Colorado Special District Act. The District is located entirely within the City of Aurora (City), County of Arapahoe, Colorado. On August 30, 2004, an Amended and Restated Consolidated Service Plan for the District, East Plains, and Beacon Point was approved by the City. The District was established to provide for the design, construction, installation, financing, and acquisition of certain street, traffic, and safety controls, water, sanitation, park and recreation improvements, and mosquito control.

On April 15, 2010, the District, along with Beacon Point and East Plains, adopted Resolution No. 2010-04-02, Joint Resolution of East Plains, Blackstone and Beacon Point Acknowledging and Authorizing the Dissolution of East Plains (Resolution). Pursuant to the Resolution, East Plains, Blackstone and Beacon Point acknowledged that the purposes for which East Plains was organized have been satisfied and in order to simplify and increase efficiency in provision of improvements and services to Blackstone and Beacon Point, it is in the best interests of East Plains, Blackstone and Beacon Point, and their respective constituents, for East Plains to seek dissolution and transfer its rights and obligations with respect to the provision of improvements and services to Blackstone and Beacon Point, as appropriate. The Resolution authorized East Plains to take the necessary actions to implement the dissolution.

In anticipation of the dissolution, on April 14, 2010, the District entered into two agreements with MS Rialto Blackstone CO, LLC (MS Rialto) and one agreement with Lennar Colorado, LLC (the Developer) whereby the District accepted the reimbursement obligations previously held by East Plains with respect to advances made by MS Rialto and/or the Developer for the benefit of the District.

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. On November 23, 2010, East Plains Metropolitan District was dissolved and all assets or liabilities of East Plains relating to the District were transferred to the District. As a result of the dissolution, the District is responsible for providing the day-to-day operations and administrative management and for constructing, owning, transferring, operating, and maintaining certain public facilities and services for the benefit of the District and for providing funding for the same.

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.

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

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

The District has no employees, and all operations and administrative functions are contracted.

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 instead as general revenues.

Separate financial statements are provided for 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.

**BLACKSTONE 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)**

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 government 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, specific ownership taxes, and operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

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 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.

The Capital Projects – Regional Improvements Fund is used to account for financial resources to be used for a regional improvement or to be remitted to the South Aurora Regional Improvement Authority or to the City.

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 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 annual budget for the year ending December 31, 2023.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 or investment 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.

Interfund Balances

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds (current portion of interfund loans) or advances to/from other funds (long-term portion of interfund loans). The interfund balances have been eliminated in the government-wide statements except for the residual balances between the governmental activities and business-type activities, which are reported as internal balances.

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 Commissioner 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 or, at the taxpayer's election, in equal installments in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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 infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are 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.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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 capital assets, as applicable.

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

Entryways/Monuments	30 Years
Lighting	15 Years

Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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 position 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.

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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

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

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	\$ 1,925,421
Cash and Investments - Restricted	<u>2,768,774</u>
Total Cash and Investments	<u><u>\$ 4,694,195</u></u>

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

Deposits with Financial Institutions	\$ 464,264
Investments	<u>4,229,931</u>
Total Cash and Investments	<u><u>\$ 4,694,195</u></u>

Deposits with Financial Institutions

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 balance and a carrying balance of \$464,264.

Investments

The District has not adopted a formal investment policy; however, the District follows the 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.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse 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	\$ 4,229,931

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.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Colotrust (Continued)

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 AAAs1 by Fitch Ratings. 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.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Capital Assets, Not Being Depreciated:				
Parks - Land Improvements	\$ 11,987,466	\$ 289,190	\$ -	\$ 12,276,656
Total Capital Assets, Not Being Depreciated	<u>\$ 11,987,466</u>	<u>\$ 289,190</u>	<u>\$ -</u>	<u>\$ 12,276,656</u>
Capital Assets, Being Depreciated:				
Entryways	\$ 343,626	\$ 1,750,806	\$ -	\$ 2,094,432
Lighting	58,322	-	-	58,322
Monumentation	361,759	-	-	361,759
Total Capital Assets, Being Depreciated	763,707	1,750,806	-	2,514,513
Less Accumulated Depreciation For:				
Entryways	19,775	11,454	-	31,229
Lighting	1,841	3,888	-	5,729
Monumentation	29,744	12,059	-	41,803
Total Accumulated Depreciation	<u>51,360</u>	<u>27,401</u>	<u>-</u>	<u>78,761</u>
Total Capital Assets, Being Depreciated	<u>712,347</u>	<u>1,723,405</u>	<u>-</u>	<u>2,435,752</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,699,813</u>	<u>\$ 2,012,595</u>	<u>\$ -</u>	<u>\$ 14,712,408</u>

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

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable					
Series 2017 Limited Tax General Obligation Bonds	\$ 26,485,000	\$ -	\$ 450,000	\$ 26,035,000	\$ 500,000
Unamortized Bond Premium - Series 2017	838,248	-	53,152	785,096	52,271
Subtotal of Bonds Payable	<u>27,323,248</u>	<u>-</u>	<u>503,152</u>	<u>26,820,096</u>	<u>552,271</u>
Total Long Term Obligations	<u>\$ 27,323,248</u>	<u>\$ -</u>	<u>\$ 503,152</u>	<u>\$ 26,820,096</u>	<u>\$ 552,271</u>

The details of the District’s long-term obligations are as follows:

General Obligation Bonds

\$27,415,000 General Obligation Refunding Bonds, Series 2017, Dated June 6, 2017

With interest at rates ranging from 2.375% to 5.000%, payable semi-annually on June 1 and December 1, beginning on December 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2019. The Series 2017 Bonds mature on December 1, 2047. The Series 2017 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity.

The proceeds from the sale of the 2017 Bonds were used to (i) refund the District’s outstanding Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2005A, (ii) fund an initial deposit of \$1,000,000 to the Surplus Account, and (iii) pay certain costs of issuance of the Bonds.

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue. The Bonds are also secured by amounts held by the Trustee in the Reserve Fund(s). Required Mill Levy means, so long as the Surplus Account is less than the Maximum Surplus Amount, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable and to make up any deficiencies in the Reserve Fund. The maximum Required Mill Levy is 40.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2023, the District had funded the Surplus Account to the Maximum Surplus Amount, removing the requirement for a minimum mill levy. For collection year 2024, the District levied 22.000 mills. The Series 2017 Bonds are additionally secured by a Bond Insurance Policy issued by National Public Finance Guarantee Corp, rated A by Standard & Poor’s.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Unused Lines of Credit

The Series 2017 Bonds do not have any unused lines of credit

Collateral

No assets have been pledged as collateral on the Series 2017 Bonds

Events of Default

The occurrence or existence of any one or more of the following events is to be an Event of Default under the Bond Resolution:

- (a) the District fails to impose the Required Mill Levy or to apply the Pledged Revenue as required therein;
- (b) payment of the principal of or redemption premium on any Bond is not made by the District when due;
- (c) payment of any interest on any Bond is not made by the District when due;
- (d) the District defaults in the performance of any other of its covenants in the Bond Resolution, and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District by the Owners of 25% in aggregate principal amount of the Bonds then Outstanding; or
- (e) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the debt represented by the Bonds.

Termination Events

The Series 2017 Bonds do not have a termination provision.

Acceleration

The Series 2017 Bonds are not subject to acceleration.

On May 15, 2017, the First Amendment to the SARSP was approved by the City, authorizing the District to issue one or more series of unlimited mill levy Bonds, or other Debt or obligations which are not subject to the Maximum Debt Mill Levy.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Bonded Debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	500,000	1,068,125	\$ 1,568,125
2025	520,000	1,048,125	1,568,125
2026	565,000	1,035,775	1,600,775
2027	595,000	1,007,525	1,602,525
2028	655,000	977,775	1,632,775
2029-2033	3,920,000	4,436,675	8,356,675
2034-2038	5,310,000	3,485,800	8,795,800
2039-2043	6,965,000	2,265,800	9,230,800
2044-2047	7,005,000	717,400	7,722,400
Total	<u>\$ 26,035,000</u>	<u>\$ 16,043,000</u>	<u>\$ 42,078,000</u>

Debt Authorization

As of December 31, 2023, the District had remaining voted debt authorization of approximately \$1,667,835,000. Per the District's SARSP, the District cannot issue debt in excess of \$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.

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 investments in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 14,712,408
Bond Premium (Net of Accumulated Amortization)	(274,627)
Bonds Payable	(9,107,043)
Net Investment in Capital Assets	<u>\$ 5,330,738</u>

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

NOTE 6 NET POSITION (CONTINUED)

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation, the District had restricted net position as of December 31, 2023, as follows:

Restricted Net Position	
Emergencies	\$ 63,400
Debt Service	690,138
Total Restricted Net Position	<u>\$ 753,538</u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 AGREEMENTS

Intergovernmental Agreements

On November 3, 2004, the District, along with East Plains and Beacon Point entered into an Amended and Restated Intergovernmental Agreement with the City of Aurora as amended September 26, 2008 by First Amendment (Service Plan IGA), as required by the Amended and Restated Consolidated Service Plan. On July 26, 2010, the District entered into a Second Amended and Restated Intergovernmental Agreement (SARIGA) concurrent with the approval of the SARSP. On May 15, 2017, the District entered into a First Amendment to the Second Amended and Restated Intergovernmental Agreement (FASARIGA). Under the SARIGA, the District must obtain the approval of the Aurora 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. Prior to the issuance of any privately placed debt, the District shall obtain a certificate from an External Financial Advisor certifying to the reasonableness of the interest rate and the structure. Pursuant to the SARIGA and the SARSP, the District is required to levy a regional mill levy and to remit it to an Aurora Regional Improvement (ARI) Authority or to the City under certain circumstances. Under the FASARIGA, the District is authorized to issue one or more series of unlimited mill levy Bond or other Debt or obligations which are not subject to the Maximum Debt Mill Levy for the purpose of refunding or refinancing the Debt outstanding at the date of the agreement.

The SARSP requires the District to dedicate certain public improvements to the City of Aurora 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.

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

NOTE 7 AGREEMENTS (CONTINUED)

Intergovernmental Agreements (Continued)

On July 10, 2017, the District entered into the South Aurora Regional Improvement Authority Establishment Agreement (SARIA), concurrently with Beacon Point, Forest Trace Metropolitan District No. 1, Forest Trace Metropolitan District No. 2, Forest Trace Metropolitan District No. 3, Sorrell Ranch Metropolitan District, Southlands Metropolitan District No. 2, Wheatlands Metropolitan District, Kings Point South Metropolitan District No. 1, Kings Point South Metropolitan District No. 2, Kings Point Metropolitan District No. 1, Whispering Pines Metropolitan District No. 1, Inspiration Metropolitan District, and Pronghorn Valley Metropolitan District (together, the SARIA Districts.) Upon execution of the agreement, the South Aurora Regional Improvement Authority (the Authority) was established for the purpose of planning, constructing, installing and financing the Regional Improvements designated in ARI Master Plans. On October 2, 2018, the District, along with the SARIA Districts entered into the First Amendment to the South Aurora Regional Improvement Authority Establishment Agreement (the FASARIAEA). Under the terms of the FASARIAEA, the District and SARIA District covenant to impose an ARI Mill Levy as set forth in such District's service plan, and to remit all proceeds of such District's ARI Mill Levy (net of County treasurer collection costs and excluding any specific ownership taxes received by the District as a result of its imposition of the ARI Mill Levy) to the Authority within 30 days of receipt by such District.

On December 8, 2017, the Parties to the SARIA IGA approved the SARIA ARI Master Plan No. 1 (ARI Master Plan No. 1). On June 15, 2018, the Parties to the SARIA IGA approved the SARIA ARI Master Plan No. 2 (ARI Master Plan No. 2), which supersedes ARI Master Plan No. 1. ARI Master Plan No. 2 prioritizes regional improvement projects within the Authority.

Oil and Gas Lease

On December 16, 2022, the District (lessor) and Axis Exploration LLC (lessee) entered into an Oil and Gas Lease and an Addendum to the Oil and Gas Lease to lease 8.58 acres of land owned by the District, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, and for operating for and producing therefrom oil and all gas of whatsoever nature of kind. The lease carries a primary term of four years from the date of the agreement and as long thereafter as oil or gas is produced from the premises. The District will receive a 20% royalty payment of the net proceeds realized from the sale of oil and gas and also a one-time bonus of \$25,740 received in 2023.

NOTE 8 INTERFUND AND OPERATING TRANSFERS

The transfers from the General Fund to the Capital Projects Fund was to fund capital projects.

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

NOTE 9 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. 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 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

On November 5, 2002, the District voters passed an election question to increase property taxes \$1,000,000 annually to pay the District's operations, maintenance, and other expenses. On November 4, 2004, the District voters passed an election question to increase property taxes \$625,000 annually to pay the District's operations, maintenance, and other expenses. Additionally, the District voters authorized the District to collect, retain, and spend all revenue 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

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

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,395,778	\$ 1,395,778	\$ -
Specific Ownership Taxes	83,747	91,458	7,711
Net Investment Income	25,000	115,195	90,195
Total Revenues	<u>1,504,525</u>	<u>1,602,431</u>	<u>97,906</u>
EXPENDITURES			
Contingency	4,488	-	4,488
County Treasurer's Fees	20,937	20,958	(21)
Bond Interest - Series 2017	1,086,125	1,086,125	-
Bond Principal - Series 2017	450,000	450,000	-
Paying Agent Fees	450	450	-
Total Expenditures	<u>1,562,000</u>	<u>1,557,533</u>	<u>4,467</u>
NET CHANGE IN FUND BALANCE	(57,475)	44,898	102,373
Fund Balance - Beginning of Year	<u>1,701,646</u>	<u>1,734,250</u>	<u>32,604</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,644,171</u>	<u>\$ 1,779,148</u>	<u>\$ 134,977</u>

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

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ 6,750	\$ 6,750	\$ 22,205	\$ 15,455
Total Revenues	<u>6,750</u>	<u>6,750</u>	<u>22,205</u>	<u>15,455</u>
EXPENDITURES				
Reserve Study	15,000	15,000	3,250	11,750
Entryways/Roundabouts	1,500,000	1,750,000	1,750,806	(806)
Trees	300,000	300,000	289,190	10,810
Contingency	-	15,000	-	15,000
Legal	-	-	10,740	(10,740)
Total Expenditures	<u>1,815,000</u>	<u>2,080,000</u>	<u>2,053,986</u>	<u>26,014</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,808,250)	(2,073,250)	(2,031,781)	41,469
OTHER FINANCING SOURCES				
Transfer from Other Fund	1,808,250	2,073,250	2,031,781	(41,469)
Total Other Financing Sources	<u>1,808,250</u>	<u>2,073,250</u>	<u>2,031,781</u>	<u>(41,469)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ -</u>

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

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Regional Property Taxes	\$ 52,713	\$ 52,714	\$ 52,714	\$ -
Total Revenues	<u>52,713</u>	<u>52,714</u>	<u>52,714</u>	<u>-</u>
EXPENDITURES				
County Treasurer's Fees - Regional Mill Levy	791	791	791	-
Regional Mill Levy - Payment to SARIA	51,922	51,923	51,923	-
Total Expenditures	<u>52,713</u>	<u>52,714</u>	<u>52,714</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

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

\$27,415,000 General Obligation Refunding Bonds
Series 2017, Dated June 6, 2017
Interest Rate Varying from 2.375% to 5.00%
Interest Payable June 1 and December 1,
Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 500,000	\$ 1,068,125	\$ 1,568,125
2025	520,000	1,048,125	1,568,125
2026	565,000	1,035,775	1,600,775
2027	595,000	1,007,525	1,602,525
2028	655,000	977,775	1,632,775
2029	685,000	945,025	1,630,025
2030	755,000	910,775	1,665,775
2031	780,000	886,237	1,666,237
2032	835,000	860,888	1,695,888
2033	865,000	833,750	1,698,750
2034	940,000	790,500	1,730,500
2035	990,000	743,500	1,733,500
2036	1,070,000	694,000	1,764,000
2037	1,115,000	651,200	1,766,200
2038	1,195,000	606,600	1,801,600
2039	1,245,000	558,800	1,803,800
2040	1,330,000	509,000	1,839,000
2041	1,380,000	455,800	1,835,800
2042	1,475,000	400,600	1,875,600
2043	1,535,000	341,600	1,876,600
2044	1,630,000	280,200	1,910,200
2045	1,695,000	215,000	1,910,000
2046	1,805,000	147,200	1,952,200
2047	1,875,000	75,000	1,950,000
Total	<u>\$ 26,035,000</u>	<u>\$ 16,043,000</u>	<u>\$ 42,078,000</u>

**BLACKSTONE 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	Mills Levied				Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	ARI	Total	Levied	Collected	
2019	\$ 34,918,090	30.000	35.000	1.105	66.105	\$ 2,308,260	\$ 2,267,263	98.22 %
2020	34,918,090	30.000	35.000	1.113	66.113	2,702,547	2,702,004	99.98
2021	40,887,691	30.000	35.000	1.113	66.113	2,839,408	2,838,836	99.98
2022	42,947,789	28.000	33.000	1.113	62.113	2,893,205	2,893,204	100.00
2023	46,579,659	26.000	30.000	1.133	57.133	2,658,165	2,658,166	100.00
Estimated for the Year Ending December 31,								
2024	\$ 56,646,800	27.000	22.000	6.246	55.246	\$ 3,129,510		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes and/or abatements of valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

**CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE GENERAL
OBLIGATION REFUNDING BONDS, SERIES 2017**

**BLACKSTONE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE GENERAL
OBLIGATION REFUNDING BONDS, SERIES 2017 (UNAUDITED)
DECEMBER 31, 2023**

History of Valuation and Mill Levies for the District

Levy/Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Fund Mill Levy	Regional Mill Levy ¹	Total Mill Levy
2011/2012	\$ 13,074,830	- %	15.500	50.000	1.000	66.500
2012/2013	13,696,900	4.76	15.500	50.000	1.000	66.500
2013/2014	14,374,650	4.95	15.500	50.000	1.000	66.500
2014/2015	14,563,493	1.31	20.000	50.000	1.000	71.000
2015/2016	20,266,417	39.16	20.000	50.000	1.000	71.000
2016/2017	23,027,942	13.63	20.000	50.000	1.000	71.000
2017/2018	28,662,891	24.47	20.000	45.000	1.105	66.105
2018/2019	34,918,090	21.82	30.000	35.000	1.105	66.105
2019/2020	40,877,691	17.07	30.000	35.000	1.113	66.113
2020/2021	42,947,798	5.06	30.000	35.000	1.113	66.113
2021/2022	46,579,695	8.46	28.000	33.000	1.113	62.113
2022/2023	46,525,922	(0.12)	26.000	30.000	1.133	57.133
2023/2024	56,646,800	21.75	27.000	22.000	6.246	55.246

¹Regional Mill Levy is the Aurora Regional Improvement "ARI" Mill Levy
Source - Arapahoe County Assessor's Office

History of Property Tax Collections

Levy/Collection Year	Taxes Levied	Taxes Collected	Tax Collections as Percent of Tax Levied
2011/2012	\$ 869,476	\$ 656,423	75.50 % (a)
2012/2013	910,844	883,884	97.04
2013/2014	955,914	941,365	98.48
2014/2015	1,034,008	1,034,008	100.00
2015/2016	1,438,915	1,424,410	98.99
2016/2017	1,634,984	1,631,106	99.76
2017/2018	1,894,760	1,892,446	99.88
2018/2019	2,308,260	2,267,263	98.22
2019/2020	2,702,547	2,702,004	99.98
2020/2021	2,839,408	2,838,836	99.98
2021/2022	2,893,205	2,893,204	100.00
2022/2023	2,658,165	2,658,166	100.00
2023/2024	3,129,510	1,431,121 (b)	45.73

(a) According to District officials, the low property tax collections in 2012 collection year were the result of property tax abatements in the amount of \$203,934

(b) Property taxes collected through March 31, 2024

Source - Arapahoe County Assessor's Office

**BLACKSTONE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE GENERAL
OBLIGATION REFUNDING BONDS, SERIES 2017 (UNAUDITED) (CONTINUED)
DECEMBER 31, 2023**

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

<u>Property Class</u>	<u>Assessed Valuation</u>	<u>Percentage of Assessed Valuation</u>	<u>Actual Valuation</u>	<u>Percentage of Actual Valuation</u>
Residential	\$ 53,296,143	94.09 %	\$ 792,009,259	98.51 %
Commercial	1,563,613	2.76	5,604,348	0.70
State Assessed	9,180	0.02	32,903	0.00
Natural Resources	33	0.00	118	0.00
Personal	1,298,865	2.29	4,655,430	0.58
Vacant Land	478,966	0.85	1,716,724	0.21
Total	\$ 56,646,800	100.00 %	\$ 804,018,782	100.00 %

Source - Arapahoe County Assessor's Office