

**Bellevue Station Metropolitan District No. 1
City and County of Denver, Colorado**

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2023

Belleview Station Metropolitan District No. 1

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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bellevue Station Metropolitan District No. 1
City and County of Denver, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of Bellevue Station Metropolitan District No. 1 (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 the District as of December 31, 2023, and the respective changes in financial position thereof, 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, 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 Responsibility 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted 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 opinions on the basic financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Economic Dependency

As disclosed in Note 9 of the financial statements, the District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, the District may be dependent upon the developer of the District's service area for funding of continued operations.

Fiscal Focus Partners, LLC

Arvada, Colorado
September 9, 2024

BASIC FINANCIAL STATEMENTS

Belleview Station Metropolitan District No. 1

STATEMENT OF NET POSITION

December 31, 2023

	Governmental Activities
Assets	
Cash and investments	\$ 43,411
Accounts receivable	6,984
Due from other governments	10,484
Prepaid expense	36,666
Capital assets, not being depreciated	4,269,835
Total Assets	4,367,380
Liabilities	
Accounts payable	100,261
Long-term obligations due in more than one year	650,976
Total Liabilities	751,237
Net Position	
Unrestricted	3,616,143
Total Net Position	\$ 3,616,143

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

Bellevue Station Metropolitan District No. 1
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Functions/Programs: Primary government	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General government	\$ 985,861	\$ 20,899	\$ -	\$ -	\$ (964,962)
Interest on long-term debt and related costs	42,039	-	-	-	(42,039)
Total primary government	\$ 1,027,900	\$ 20,899	\$ -	\$ -	(1,007,001)
 General Revenues:					
Intergovernmental revenue - Bellevue Station Metropolitan District No. 2					2,267,329
Total general revenues					2,267,329
Change in net position					1,260,328
Net position - beginning					2,355,815
Net position - ending					\$ 3,616,143

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

Belleview Station Metropolitan District No. 1

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets			
Cash and investments	\$ 43,411	\$ -	\$ 43,411
Accounts receivable	6,984	-	6,984
Due from other funds	65,207	-	65,207
Due from other governments	10,484	-	10,484
Prepaid Expense	36,666	-	36,666
Total Assets	<u>162,752</u>	<u>-</u>	<u>162,752</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	73,092	27,169	100,261
Due to other funds	-	65,207	65,207
Total Liabilities	<u>73,092</u>	<u>92,376</u>	<u>165,468</u>
Fund Balances			
Nonspendable			
Prepaid expenditures	36,666	-	36,666
Unassigned			
General government	52,994	(92,376)	(39,382)
Total Fund Balances	<u>89,660</u>	<u>(92,376)</u>	<u>(2,716)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 162,752</u>	<u>\$ -</u>	

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	\$ 4,269,835
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Long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:

Developer advance payable	(633,351)
Accrued interest on developer advance	<u>(17,625)</u>

Net position of governmental activities	<u>\$ 3,616,143</u>
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The accompanying Notes to Financial Statements are an integral part of these statements.

Bellevue Station Metropolitan District No. 1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues			
Transfers from Bellevue Station No. 2	\$ 892,254	\$ 1,375,075	\$ 2,267,329
Rental income	20,899	-	20,899
Total revenues	<u>913,153</u>	<u>1,375,075</u>	<u>2,288,228</u>
Expenditures			
General government			
Accounting	48,692	-	48,692
Audit	6,300	-	6,300
District and facilities management	81,649	-	81,649
Dues and memberships	1,613	-	1,613
Elections	4,422	-	4,422
Insurance and bonds	3,118	-	3,118
Landscaping	251,885	-	251,885
Legal	35,546	-	35,546
Promotional activities	182,393	-	182,393
Repairs and maintenance	93,692	-	93,692
Security	65,000	-	65,000
Snow removal	113,989	-	113,989
Website	15,933	-	15,933
Utilities	8,096	-	8,096
Project management	-	73,533	73,533
Capital outlay	-	1,084,226	1,084,226
Total expenditures	<u>912,328</u>	<u>1,157,759</u>	<u>2,070,087</u>
Excess of revenue over (under) expenditures	<u>825</u>	<u>217,316</u>	<u>218,141</u>
Other financing sources (uses)			
Developer advances	-	633,351	633,351
Repay developer advances - principal	(15,965)	(879,628)	(895,593)
Repay developer advances - interest	(858)	(41,872)	(42,730)
Total other financing sources (uses)	<u>(16,823)</u>	<u>(288,149)</u>	<u>(304,972)</u>
Net change in fund balances	(15,998)	(70,833)	(86,831)
Fund balances (deficit) - beginning	<u>105,658</u>	<u>(21,543)</u>	<u>84,115</u>
Fund balances (deficit) - ending	<u>\$ 89,660</u>	<u>\$ (92,376)</u>	<u>\$ (2,716)</u>

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

Belleview Station Metropolitan District No. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds	\$	(86,831)
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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		1,084,226
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Long-term debt (e.g. bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Developer advances received		(633,351)
Developer repayment - principal		895,593

Some revenues and 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.

Accrued interest payable developer advances - change in liability		691
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Change in net position of governmental activities	\$	<u>1,260,328</u>
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The accompanying Notes to Financial Statements are an integral part of these statements.

Bellevue Station Metropolitan District No. 1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Transfers from Bellevue Station No. 2	\$ 1,100,000	\$ 892,254	\$ (207,746)
Rental income	15,000	20,899	5,899
Event income	30,000	-	(30,000)
Total revenues	<u>1,145,000</u>	<u>913,153</u>	<u>(231,847)</u>
EXPENDITURES			
Accounting	51,000	48,692	2,308
Audit	6,000	6,300	(300)
District and facilities management	100,000	81,649	18,351
Dues, licenses and fees	4,500	1,613	2,887
Elections	5,000	4,422	578
Insurance and bonds	3,000	3,118	(118)
Landscaping	229,000	251,885	(22,885)
Legal	33,000	35,546	(2,546)
Promotional activities	230,000	182,393	47,607
Repairs and maintenance	100,000	93,692	6,308
Security	33,000	65,000	(32,000)
Snow removal	123,000	113,989	9,011
Website	6,000	15,933	(9,933)
Utilities	5,000	8,096	(3,096)
Miscellaneous	500	-	500
Contingency	91,000	-	91,000
Total expenditures	<u>1,020,000</u>	<u>912,328</u>	<u>107,672</u>
Excess of revenues over (under) expenditures	<u>125,000</u>	<u>825</u>	<u>(124,175)</u>
Other financing sources (uses)			
Developer advance	20,000	-	(20,000)
Repay developer advances	(40,000)	(16,823)	23,177
Total other financing sources (uses)	<u>(20,000)</u>	<u>(16,823)</u>	<u>3,177</u>
Net change in fund balance	105,000	(15,998)	(120,998)
Fund balance - beginning	59,601	105,658	46,057
Fund balance - ending	<u>\$ 164,601</u>	<u>\$ 89,660</u>	<u>\$ (74,941)</u>

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

Bellevue Station Metropolitan District No. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Note 1 – Reporting Entity

Bellevue Station Metropolitan District No. 1 (formerly Madre Metropolitan District No. 1) (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the city and County of Denver, Colorado, on November 21, 2005, in conjunction with Bellevue Station Metropolitan District No. 2 (District No. 2) and Bellevue Station Metropolitan District No. 3 (District No. 3) (collectively, the Districts) and is governed by the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes) and other applicable statutes governing political subdivisions. The District's boundaries are located in the city and County of Denver, Colorado (Denver). The District was organized to provide financing and construction of streets, water, sanitary sewer, storm drainage, traffic and safety signals, and park and recreation improvements.

As discussed in the District's Service Plan, which is dated July 11, 2005, and was approved by Denver City Council, the District is designated as the control district and will be responsible for coordinating the financing and construction of all public services and improvements mentioned above. The improvements will be for the use and benefit of the residents of the Districts, as well as for all citizens of the metropolitan Denver area and the State of Colorado. District No. 2 and District No. 3 will function as taxing districts. District No. 2 has issued general obligation debt, may issue additional debt in the future, and currently levies taxes for operations, maintenance, and debt service of the District. District No. 3 may, in the future, issue general obligation bonds to be used to fund improvements and/or levy taxes for operations, maintenance, debt service or capital expenditures of the District.

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 is not financially accountable for the Bellevue Station Public Improvement Company (PIC), which was formed on June 30, 2014, for the initial purpose of imposing public improvement fees to help provide public parking in coordination with the District. The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including District Nos. 2 and 3.

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

Bellevue Station Metropolitan District No. 1

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

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 (i.e., the statement of net position and the statement of activities) report information on 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 of resources and the sum of liabilities and deferred inflows of resources of the District 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.

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 intergovernmental revenues. 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.

Bellevue Station Metropolitan District No. 1

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

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 for those required to be accounted for in another fund.

The capital projects fund is used to account for financial resources to be used for the acquisition and construction of capital facilities and other assets.

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 by fund without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

Pooled Cash

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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column of the government-wide financial statements. Capital assets are defined by the District as those assets with a cost of \$5,000 or greater. 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 the net investment in capital assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements for which the District retains title are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable, using the straight-line method.

There were no depreciable capital assets at year-end, as the capital assets are classified as construction in progress and are intended to be dedicated to other governmental entities.

Bellevue Station Metropolitan District No. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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 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. 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:

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

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision-making authority, the Board of Directors prior to the end of the current fiscal year. 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 above criteria.

The capital projects fund reported a deficit fund balance at December 31, 2023. The deficit is expected to be eliminated in 2024 via transfers from District No. 2 and developer advances.

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

Belleview Station Metropolitan District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

Note 3 – Cash and Investments

Cash and investments are reflected on the December 31, 2023 statement of net position as follows:

Cash and investments	<u>\$ 43,411</u>
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Cash and investments as of December 31, 2023 consist of the following:

Deposits with financial institutions	<u>\$ 43,411</u>
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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. As of December 31, 2023, the federal insurance limit was \$250,000. 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 equal to 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 \$43,411.

Investments

The District has not adopted a formal investment policy, but follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the District.

Bellevue Station Metropolitan District No. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- 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

The District has no investments as of December 31, 2023.

Note 4 – Capital Assets

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

	Balance December 31, 2022	Additions	Dedications to other Governments	Balance December 31, 2023
Capital assets, not being depreciated				
Construction in progress	<u>\$3,185,609</u>	<u>\$1,084,226</u>	<u>\$ -</u>	<u>\$ 4,269,835</u>

The District did not incur any depreciation expense during 2023.

Note 5 – Long-Term Obligations

Advance and Reimbursement Agreement

The District and the Front Range Land and Development Company (the Developer) have entered into an Advance and Reimbursement Agreement dated January 12, 2006. Pursuant to the Advance and Reimbursement Agreement, the Developer has agreed to advance funds for financing the costs associated with the formation of the District, District operations, and construction of District improvements after formation. Advances made by the Developer shall accrue interest at 7.5% per annum from the time of deposit into the District's account until repaid. The District shall make payments for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements, or debt service costs. The balance owing to the Developer at December 31, 2023, is set forth below:

Belleview Station Metropolitan District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

	Balance at December 31, 2022	Additions	Repayments	Balance at December 31, 2023	Due Within One Year
Developer advances	\$ 895,593	\$ 633,351	\$ (895,593)	\$ 633,351	\$ -
Accrued interest - Developer advances	18,316	42,039	(42,730)	17,625	-
	<u>\$ 913,909</u>	<u>\$ 675,390</u>	<u>\$ (938,323)</u>	<u>\$ 650,976</u>	<u>\$ -</u>

On November 1, 2005, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$1,005,000,000. At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 1, 2005 Election	Remaining at December 31, 2023
Street improvements	\$ 125,000,000	\$ 125,000,000
Traffic and safety controls	125,000,000	125,000,000
Water supply	125,000,000	125,000,000
Sanitary sewer	125,000,000	125,000,000
Parks and recreational facilities	125,000,000	125,000,000
IGA - Public improvements	125,000,000	125,000,000
IGA - Debt	125,000,000	125,000,000
Operations and Maintenance	5,000,000	5,000,000
Bond refunding	125,000,000	125,000,000
Total	<u>\$ 1,005,000,000</u>	<u>\$ 1,005,000,000</u>

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. Per the Service Plan, the District is limited to issuing \$125,000,000 in debt. In addition, the maximum debt service mill levy for the District is 50 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District.

Bellevue Station Metropolitan District No. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Note 6 – Net Position

The District reports net position consisting of one component – unrestricted, which amounted to \$3,616,143 as of December 31, 2023

Note 7 – Related Parties

The Developer of the property which constitutes the District is Front Range Land and Development Company (the Developer). The members of the Board of Directors of the District are owners of or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Additionally, all of the members of the Board of Directors are owners of Madre Investment Company, LLC. In addition, the Developer provides financial, management, and construction management oversight to the District. During 2023, the District incurred \$75,423 in financial and management fees and \$54,916 in facilities management fees. As of December 31, 2023, \$12,393 is payable to the Developer related to management fees.

Note 8 – Agreements

On April 5, 2023, the District, Bellevue Station Public Improvement Company and Bellevue Station Master Property Owners Association, Inc (collectively the Parties) entered into a consultant and vendor services agreement with TBW Enterprises DBA Gum Pop Presents (Vendor) for specified event services. The Parties will compensate the Vendor \$25,000 in exchange for the vendor marketing, advertising, and producing events within the District. The District's portion of the compensation is \$10,000. The Parties may terminate the agreement upon 60 days' written notice to the Vendor.

On April 1, 2021, the District entered into a license agreement with BvS Hospitality, LLC (Vendor). Under the agreement, the District consents to the Vendor the use of the pavilion facilities for a temporary Beer Garden in exchange for 7% of all gross sales. This agreement terminates on March 31, 2022, but may be extended in one-year intervals through and including March 31, 2026. The agreement has been extended past March 31, 2025.

Note 9 – Economic Dependency

The District has not yet established an independent revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer and District No. 2.

Note 10 – Risk Management

Except as provided in Colorado Governmental Immunity Act §24-10-101, et seq., the District may be 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.

Bellevue Station Metropolitan District No. 1

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

The District is a member of the Colorado Special District Property and Liability Pool (the Pool) as of December 31, 2023. 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 11 – 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.

On November 1, 2005, the District voters passed an election question allowing the District to increase property taxes up to \$5,000,000 annually, without limitation of rate, to pay the District's operations, maintenance, and other expenses.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District receives its operating revenues from District No. 2. Therefore, the Emergency Reserves related to the District's revenues are reported in District No. 2.

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.

SUPPLEMENTAL INFORMATION

Belleview Station Metropolitan District No. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Transfers from Belleview Station No. 2	\$ 3,100,000	\$ 1,375,075	\$ (1,724,925)
Total revenues	<u>3,100,000</u>	<u>1,375,075</u>	<u>(1,724,925)</u>
EXPENDITURES			
Streetscapes	800,000	739,603	60,397
Engineering	200,000	103,242	96,758
Block F park land	2,000,000	-	2,000,000
Landscaping improvements	-	241,381	(241,381)
Public art	60,000	-	60,000
Project management	50,000	73,533	(23,533)
Contingency	100,000	-	100,000
Total expenditures	<u>3,210,000</u>	<u>1,157,759</u>	<u>2,052,241</u>
Excess of revenues (under) expenditures	<u>(110,000)</u>	<u>217,316</u>	<u>327,316</u>
Other financing sources (uses)			
Developer advance	1,060,000	633,351	(426,649)
Repay developer advances	(1,000,000)	(921,500)	78,500
Total other financing sources (uses)	<u>60,000</u>	<u>(288,149)</u>	<u>(348,149)</u>
Net change in fund balance	(50,000)	(70,833)	(20,833)
Fund balance - beginning	<u>158,597</u>	<u>(21,543)</u>	<u>(180,140)</u>
Fund balance - ending	<u>\$ 108,597</u>	<u>\$ (92,376)</u>	<u>\$ (200,973)</u>