

BELLEVIEW VILLAGE METROPOLITAN DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

**BELLEVIEW VILLAGE METROPOLITAN DISTRICT
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bellevue Village Metropolitan District
Jefferson County, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2023, and the respective changes in financial position, and the respective budgetary comparisons for the General Fund and the Special Revenue 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. 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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

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 opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The Other 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 we do not express an opinion or any form of assurance thereon.

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

Duggio & Associates, P.C.

August 21, 2024

BASIC FINANCIAL STATEMENTS

**BELLEVIEW VILLAGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 22,247
Cash and Investments - Restricted	611,279
Receivable - County Treasurer	822
Accounts Receivable	8,886
Property Taxes Receivable	297,079
Capital Assets, Not Being Depreciated:	
Construction in Progress	4,807,272
Total Assets	<u>5,747,585</u>
LIABILITIES	
Accounts Payable	86,666
Prepaid Operations Fees	10,752
Accrued Interest	14,314
Noncurrent Liabilities:	
Due Within One Year	15,000
Due in More Than One Year	6,297,339
Total Liabilities	<u>6,424,071</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	297,079
Total Deferred Inflows of Resources	<u>297,079</u>
NET POSITION	
Restricted for:	
Emergency Reserves	6,300
Debt Service	215,020
Unrestricted	<u>(1,194,885)</u>
Total Net Position	<u>\$ (973,565)</u>

See accompanying Notes to Basic Financial Statements.

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

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions
				Net Revenues (Expenses) and Changes in Net Position
Primary Government:				
Governmental Activities:				
General Government	\$ 218,053	\$ 151,975	\$ 20,000	\$ (46,078)
Interest and Related Costs on Long-Term Debt	368,445	-	-	(368,445)
Total Governmental Activities	\$ 586,498	\$ 151,975	\$ 20,000	\$ (414,523)
GENERAL REVENUES				
Property Taxes				185,311
Specific Ownership Taxes				13,262
Interest Income				23,978
Total General Revenues				222,551
CHANGE IN NET POSITION				(191,972)
Net Position - Beginning of Year				(781,593)
NET POSITION - END OF YEAR				\$ (973,565)

See accompanying Notes to Basic Financial Statements.

**BELLEVUE VILLAGE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Special Revenue	Debt Service	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 22,247	\$ -	\$ -	\$ 22,247
Cash and Investments - Restricted	1,700	77,927	531,652	611,279
Receivable - County Treasurer	235	-	587	822
Accounts Receivable	-	8,886	-	8,886
Due from Other Funds	4,000	-	-	4,000
Property Taxes Receivable	84,880	-	212,199	297,079
Total Assets	\$ 113,062	\$ 86,813	\$ 744,438	\$ 944,313
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 23,153	\$ 63,513	\$ -	\$ 86,666
Prepaid Operations Fees	-	10,752	-	10,752
Due to Other Funds	-	-	4,000	4,000
Total Liabilities	23,153	74,265	4,000	101,418
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	84,880	-	212,199	297,079
Total Deferred Inflows of Resources	84,880	-	212,199	297,079
FUND BALANCES				
Restricted for:				
Emergency Reserves	1,700	4,600	-	6,300
Debt Service	-	-	528,239	528,239
Unassigned	3,329	7,948	-	11,277
Total Fund Balances	5,029	12,548	528,239	545,816
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 113,062	\$ 86,813	\$ 744,438	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				4,807,272
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(3,470,000)
Accrued Interest on Bonds Payable				(14,314)
Developer Advance Payable				(2,383,673)
Accrued Interest on Developer Advance				(458,666)
Net Position of Governmental Activities				\$ (973,565)

See accompanying Notes to Basic Financial Statements.

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

	General	Special Revenue	Debt Service	Total Governmental Funds
REVENUES				
Property Taxes	\$ 52,945	\$ -	\$ 132,366	\$ 185,311
Specific Ownership Taxes	3,789	-	9,473	13,262
Net Investment Income	13	-	23,965	23,978
Operations Fees	-	151,975	-	151,975
Total Revenues	<u>56,747</u>	<u>151,975</u>	<u>165,804</u>	<u>374,526</u>
EXPENDITURES				
Current:				
Accounting	35,215	-	-	35,215
Admin management/architectural control	-	434	-	434
Alley repairs and maintenance	-	230	-	230
Alley snow removal	-	8,498	-	8,498
Audit	5,000	-	-	5,000
Billing	-	19,946	-	19,946
County Treasurer's Fees	794	-	1,986	2,780
Covenant enforcement	-	10,734	-	10,734
District Management	-	44,737	-	44,737
Dues and membership	384	-	-	384
Election Expense	2,831	-	-	2,831
Engineering	13,311	-	-	13,311
Front/Rear yard landscape maintenance	-	6,515	-	6,515
Insurance	3,479	-	-	3,479
Landscape Maintenance	-	7,790	-	7,790
Legal	17,612	-	-	17,612
Miscellaneous	-	422	-	422
Repairs and maintenance	-	1,310	-	1,310
Snow Removal	-	35,704	-	35,704
Website	-	655	-	655
Winter watering	-	2,452	-	2,452
Debt Service:				
Bond Interest	-	-	171,765	171,765
Paying Agent Fees	-	-	4,000	4,000
Total Expenditures	<u>78,626</u>	<u>139,427</u>	<u>177,751</u>	<u>395,804</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(21,879)	12,548	(11,947)	(21,278)
OTHER FINANCING SOURCES (USES)				
Developer Contribution	20,000	-	-	20,000
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCES	(1,879)	12,548	(11,947)	(1,278)
Fund Balances - Beginning of Year	<u>6,908</u>	<u>-</u>	<u>540,186</u>	<u>547,094</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,029</u>	<u>\$ 12,548</u>	<u>\$ 528,239</u>	<u>\$ 545,816</u>

See accompanying Notes to Basic Financial Statements.

**BELLEVIEW VILLAGE METROPOLITAN DISTRICT
 RECONCILIATION OF THE STATEMENTS 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 - Governmental Funds	\$ (1,278)
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Amounts reported for governmental activities in the statement of activities are different because:

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.

Accrued Interest on Developer Advance	(190,694)
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Change in Net Position of Governmental Activities	\$ (191,972)
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**BELLEVIEW VILLAGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 52,945	\$ 52,945	\$ -
Specific Ownership Tax	3,706	3,789	83
Interest Income	-	13	13
Total Revenues	<u>56,651</u>	<u>56,747</u>	<u>96</u>
EXPENDITURES			
Current:			
Accounting	30,000	35,215	(5,215)
Auditing	5,000	5,000	-
County Treasurer's Fee	794	794	-
Directors' fees	2,000	-	2,000
Dues and membership	400	384	16
Engineering	10,000	13,311	(3,311)
Election	5,000	2,831	2,169
Insurance	4,500	3,479	1,021
Legal	40,000	17,612	22,388
Miscellaneous	2,306	-	2,306
Total Expenditures	<u>100,000</u>	<u>78,626</u>	<u>21,374</u>
OTHER FINANCING SOURCES (USES)			
Transfer In (Out)	(39,200)	-	39,200
Developer Contribution	82,100	20,000	(62,100)
Total Other Financing Sources (Uses)	<u>42,900</u>	<u>20,000</u>	<u>(22,900)</u>
NET CHANGE IN FUND BALANCE	(449)	(1,879)	(1,430)
Fund Balance - Beginning of Year	<u>2,170</u>	<u>6,908</u>	<u>4,738</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,721</u>	<u>\$ 5,029</u>	<u>\$ 3,308</u>

See accompanying Notes to Basic Financial Statements.

**BELLEVIEW VILLAGE METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Operations Fees	\$ 97,000	\$ 151,975	\$ 151,975	\$ -
Total Revenues	<u>97,000</u>	<u>151,975</u>	<u>151,975</u>	<u>-</u>
EXPENDITURES				
Current:				
Admin management/architectural control	2,500	550	434	116
Alley repairs and maintenance	3,500	500	230	270
Alley snow removal	12,000	9,000	8,498	502
Billing	10,000	20,000	19,946	54
Covenant enforcement	10,000	11,000	10,734	266
District management	35,000	50,000	44,737	5,263
Events	1,000	-	-	-
Front/Rear yard landscape maintenance	27,000	6,600	6,515	85
Irrigation repairs	3,700	-	-	-
Landscape maintenance	10,000	3,500	7,790	(4,290)
Miscellaneous	-	1,000	422	578
Mosquito control	250	-	-	-
Pest control	500	1,200	-	1,200
Repairs and maintenance	1,000	4,500	1,310	3,190
Snow removal	8,000	36,000	35,704	296
Street sweeping	750	750	-	750
Utilities - electric	450	450	-	450
Utilities - storm drainage	250	250	-	250
Utility locates	500	-	-	-
Utilities - water	2,000	-	-	-
Website	5,000	700	655	45
Winter watering	1,000	2,500	2,452	48
Total Expenditures	<u>134,400</u>	<u>148,500</u>	<u>139,427</u>	<u>9,073</u>
OTHER FINANCING SOURCES (USES)				
Transfer In (Out)	39,200	-	-	-
Total Other Financing Sources (Uses)	<u>39,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,800	3,475	12,548	9,073
Fund Balance - Beginning of Year	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>(1,200)</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,000</u>	<u>\$ 4,675</u>	<u>\$ 12,548</u>	<u>\$ 7,873</u>

See accompanying Notes to Basic Financial Statements.

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

NOTE 1 DEFINITION OF REPORTING ENTITY

Bellevue Village Metropolitan District (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 Jefferson County recorded on December 1, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide for construction and financing for street, safety protection, mosquito control, and covenant enforcement.

At the organizational election of the eligible electors of the District on November 8, 2016, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the acquisition, construction, installation, and completion of certain public improvements.

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

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

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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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 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, and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation 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 Special Revenue Fund is used to account for Operations Fees received and expenditures incurred in connection with operations and maintenance of the District.

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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 has amended its annual budget for the year ended December 31, 2023.

Pooled Cash and Investments

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

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.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, 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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column 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 the net investment in capital assets component of the District's net position.

Deferred Inflows of Resources

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

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government'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. 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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

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

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

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position and Balance Sheet:

Cash and Investments	\$ 22,247
Cash and Investments - Restricted	611,279
Total Cash	\$ 633,526

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

Deposits with Financial Institutions	\$ 103,553
Investments	529,973
Total Cash and Investments	\$ 633,526

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.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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 \$103,553.

Investments

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

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

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

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

- . Obligations of the United States, certain U.S. government agency securities 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>
Morgan Stanley Institutional Liquidity Funds	Weighted-Average 6 Days	\$ 529,973
Total		<u>\$ 529,973</u>

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Morgan Stanley Institutional Liquidity Funds

At December 31, 2023, all of District's funds held in trust accounts at United Missouri Bank were invested in the Morgan Stanley Institutional Liquidity Funds Treasury Portfolio that are valued using quoted market prices in active markets for identical assets. This portfolio is managed by Morgan Stanley and each share is equal in value to \$1.00. The fund is AAAM rated by Standard & Poor's and invests in a process that seeks to select maturities based on the shape of the money market yield curve and on expectations as to future shifts in the level and shape of the curve, taking into consideration such factors as current short-term interest rates, Federal Reserve policy regarding interest rates, and U.S. economic activity. The average maturity of the underlying securities is 90 days or less.

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2022	Increases	Decreases	Balance - December 31, 2023
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 4,807,272	\$ -	\$ -	\$ 4,807,272
Total Capital Assets, Not Being Depreciated	<u>\$ 4,807,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,807,272</u>

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in 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:					
2020 Bonds	\$ 3,470,000	\$ -	\$ -	\$ 3,470,000	\$ 15,000
Total Bonds Payable	3,470,000	-	-	3,470,000	15,000
Other Debts:					
Developer Advances - Capital - Richmond	2,383,673	-	-	2,383,673	-
Accrued Interest on Developer Advances - Capital - Richmond	267,972	190,694	-	458,666	-
Total Long-Term Obligations	<u>\$ 6,121,645</u>	<u>\$ 190,694</u>	<u>\$ -</u>	<u>\$ 6,312,339</u>	<u>\$ 15,000</u>

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

Bond Proceeds

The District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020 on August 27, 2020, in the par amount of \$3,470,000 (Series 2020 Bonds). Proceeds from the sale of the Series 2020 Bonds were used to (a) pay or reimburse Project Costs, (b) fund a portion of the interest to accrue on the Series 2020 Bonds, (c) fund an initial deposit to the Surplus Fund, and (d) pay the costs of issuing the Series 2020 Bonds.

Bond Details

The Series 2020 Bonds bear interest at 4.95% payable semi-annually to the extent of Pledged Revenue available on June 1 and December 1 (Interest Payment Dates), beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, commencing on December 1, 2024. The Bonds mature on December 1, 2050. To the extent principal of the Bonds is not paid when due, such principal shall remain outstanding until paid. To the extent interest on the Series 2020 Bonds is not paid when due, such unpaid interest shall compound on each interest payment date, at the rate then borne by the Series 2020 Bonds. The Series 2020 Bonds are not subject to early termination. The Series 2020 Bonds are not subject to acceleration. The Series 2020 Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Series 2020 Bonds.

Events of Default of the Bonds

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Pledged Revenue

The Series 2020 Bonds are secured by and payable solely from and to the extent of Pledged Revenue, which means the moneys derived by the District from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (a) the Property Tax Revenues; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to impose an ad valorem mill levy upon all property subject to taxation by the District in the amount of the Required Mill Levy, as defined therein, but not in excess of 50.000 mills (subject to adjustment and subject to conversion of an unlimited mill levy at such time that the District's Senior Debt to Assessed Value Ratio is 50% or less, each as described therein).

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Required Mill Levy (Continued)

Prior to the Conversion Date as defined in the Indenture of Trust, an ad valorem mill levy shall be imposed upon all taxable property of the District each year in an amount which is sufficient to fund the Bond Fund for the relevant Bond Year and pay the Bond Requirements as they come due in such Bond Year (less any amount thereof representing Capitalized Interest on deposit in the Bond Fund, and solely in the discretion of the District any amount then on deposit in the Surplus Fund in excess of the Maximum Surplus Amount), and, if necessary, an amount sufficient to fund the Surplus Fund to the Maximum Surplus Amount and any surplus fund securing Additional Bonds to the applicable Parity Surplus Amount, but not in excess of 50.000 mills (subject to adjustment) provided, however, (i) for so long as the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, the Required Mill Levy shall be equal to but not less than 50.000 mills (subject to adjustment), or such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Property Tax Revenues (A) sufficient to pay the Bond Requirements as the same become due and payable, and to fully fund the Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with Capitalized Interest on deposit in the Bond Fund, and amounts on deposit in the Surplus Fund and any surplus fund securing Additional Bonds and Permitted Refunding Bonds, will pay the Bond Requirements in full in the year such levy is collected, and (ii) that on and after the Conversion Date the mill levy shall be unlimited and imposed in such amount as is necessary to pay the Bond Requirements for the relevant Bond Year as they come due and to fund the Surplus Fund to the Maximum Surplus Amount.

Optional Redemption

The Series 2020 Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of 3% declining 1% per year for the next two years and no redemption premium thereafter.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 15,000	\$ 171,765	\$ 186,765
2025	15,000	171,023	186,023
2026	25,000	170,280	195,280
2027	25,000	169,043	194,043
2028	35,000	167,805	202,805
2029-2033	245,000	809,326	1,054,326
2034-2038	445,000	730,126	1,175,126
2039-2043	690,000	596,724	1,286,724
2044-2048	1,025,000	394,764	1,419,764
2049-2050	950,000	81,675	1,031,675
Total	<u>\$ 3,470,000</u>	<u>\$ 3,462,531</u>	<u>\$ 6,932,531</u>

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

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

	November 8, 2016 Election	Used Series 2020	Remaining at December 31, 2023
Transportation System	\$ 5,700,000	\$ -	\$ 5,700,000
Street Improvements	5,700,000	3,470,000	2,230,000
Mosquito Control	5,700,000	-	5,700,000
Traffic and Safety Controls	5,700,000	-	5,700,000
Security Improvements	5,700,000	-	5,700,000
Total	<u>\$ 28,500,000</u>	<u>\$ 3,470,000</u>	<u>\$ 25,030,000</u>

Per the District's Service Plan, the District cannot issue debt in excess of \$5,700,000. Following the issuance of the Series 2020 Bonds, there is \$2,230,000 of Service Plan debt authorization remaining.

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes net position that is 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:	
Emergency Reserves	\$ 6,300
Debt Service	215,020
Total Restricted Net Position	<u>\$ 221,320</u>

The District has a deficit in unrestricted net position. This deficit is primarily due to costs of bonds issuance, interest paid on bonds to date, and operating expenses paid by advances from Developer.

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

NOTE 7 RELATED PARTIES

The property within the District is being developed by Richmond American Homes of Colorado, Inc. (the Developer). During 2023, all the members of the Board of Directors were officers or employees of, or otherwise associated with the Developer, and may have conflicts of interest in matters involving the District.

Facilities Funding and Acquisition Agreement – Developer

The District and the Developer entered into a Facilities Funding and Acquisition Agreement on August 21, 2020, effective as of August 19, 2019 (FFAA). Pursuant to the FFAA, the Developer agreed to design and construct for the District's acquisition public improvements and other facilities and services that benefit the property within the District in accordance with the Service Plan, and the District agreed to reimburse the Developer for related expenses, subject to cost verification and other terms of the FFAA.

The parties agreed that only completed phases of work shall be eligible for reimbursement by the District. The District agrees to reimburse the Developer for certified construction costs related to improvements together with simple interest that shall accrue on amounts reimbursable to the Developer under the FFAA, until paid, at the rate of eight percent (8%) per annum.

As of December 31, 2023, outstanding advances under the FFAA totaled \$2,383,673 and accrued interest totaled \$458,666.

Multi-Year Operation Funding Agreement – Developer

The District and the Developer entered into a Multi-Year Operation Funding Agreement on August 21, 2020, with an effective date of August 6, 2020, which was amended by that certain First Amendment to Multi-Year Operation Funding Agreement dated November 3, 2020, effective August 6, 2020 (OFA), for the purposes of funding operations and maintenance costs. The OFA sets forth the terms upon which the Developer has agreed to advance funds necessary to fund the District's operations and maintenance expenses up to the Shortfall Amount (as defined in the OFA) for each Shortfall Period (as defined in the OFA). Per the terms of OFA the Developer waives the right to reimbursement for funds advanced by the Developer under the OFA.

NOTE 8 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 8 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

At an election held on November 8, 2016, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all ad valorem property taxes and fees of the District without regard to any limitations under TABOR.

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'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

**BELLEVIEW VILLAGE 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	\$ 132,365	\$ 132,366	\$ 1
Specific Ownership Tax	9,266	9,473	207
Interest income	-	23,965	23,965
Total Revenues	<u>141,631</u>	<u>165,804</u>	<u>24,173</u>
EXPENDITURES			
Debt Service:			
County Treasurer's Fee	1,985	1,986	(1)
Paying agent fees	5,000	4,000	1,000
Bond interest	171,765	171,765	-
Contingency	21,250	-	21,250
Total Expenditures	<u>200,000</u>	<u>177,751</u>	<u>22,249</u>
NET CHANGE IN FUND BALANCE	(58,369)	(11,947)	46,422
Fund Balance - Beginning of Year	<u>534,789</u>	<u>540,186</u>	<u>5,397</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 476,420</u></u>	<u><u>\$ 528,239</u></u>	<u><u>\$ 51,819</u></u>

OTHER INFORMATION

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

Bonds and Interest Maturing in the Year Ending December 31,	\$3,470,000 General Obligation (Limited Tax Convertible to Unlimited Tax), Series 2020 Issued August 27, 2020 Principal Due Annually December 1 Interest at 4.95% Due June 1 and December 1		
	Principal	Interest	Total
2024	\$ 15,000	\$ 171,765	\$ 186,765
2025	15,000	171,023	186,023
2026	25,000	170,280	195,280
2027	25,000	169,043	194,043
2028	35,000	167,805	202,805
2029	35,000	166,073	201,073
2030	45,000	164,340	209,340
2031	45,000	162,113	207,113
2032	60,000	159,885	219,885
2033	60,000	156,915	216,915
2034	75,000	153,945	228,945
2035	75,000	150,233	225,233
2036	90,000	146,520	236,520
2037	95,000	142,065	237,065
2038	110,000	137,363	247,363
2039	115,000	131,918	246,918
2040	130,000	126,225	256,225
2041	135,000	119,790	254,790
2042	150,000	113,108	263,108
2043	160,000	105,683	265,683
2044	180,000	97,763	277,763
2045	185,000	88,853	273,853
2046	205,000	79,695	284,695
2047	215,000	69,548	284,548
2048	240,000	58,905	298,905
2049	250,000	47,025	297,025
2050	700,000	34,650	734,650
Total	<u>\$ 3,470,000</u>	<u>\$ 3,462,531</u>	<u>\$ 6,932,531</u>

**BELLEVIEW VILLAGE METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation for Current Year Property Tax Levy	Percent Increase (Decrease)	Mills Levied for		Total Property Taxes		Percent Collected to Levied
			General	Debt Service	Levied	Collected	
2018	\$ 66,119	36.75 %	55.277	0.000	\$ 3,654	\$ 6,072	166.13 %
2019	66,619	0.76	55.277	0.000	3,682	3,683	100.03
2020	66,019	(0.90)	22.266	55.664	5,144	5,145	100.00
2021	1,210,054	1732.89	22.266	55.664	94,299	94,015	99.70
2022	2,970,686	145.50	22.266	55.664	231,505	224,117	96.81
2023	2,465,905	(16.99)	21.471	53.678	185,310	185,311	100.00
Estimated for Calendar Year Ending December 31, 2024	\$ 3,370,642	36.69 %	25.182	62.955	\$ 297,079		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.