

Bellevue Station Metropolitan District No. 2

Financial Statements
with Independent Auditor's Report

December 31, 2025



Bellevue Station Metropolitan District No. 2

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Independent Auditor's Report

Board of Directors
Bellevue Station Metropolitan District No. 2
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Bellevue Station Metropolitan District No. 2 (the District), as of and for the year ended December 31, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof 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.

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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 and *Government 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

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



The District has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are 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 listed in the table of contents 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 listed in the table of contents. The other information comprises the Schedule of debt service requirements to maturity - Series 2020 Loan, Schedule of debt service requirements to maturity - Series 2021A-1 Loan, Schedule of debt service requirements to maturity - Series 2021A-2 Loan, and Summary of Assessed Valuation, Mill Levy and Property Taxes Collected, but 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.

Hick & Company, PC

Englewood, Colorado
August 21, 2026



Basic Financial Statements

Bellevue Station Metropolitan District No. 2
Statement of Net Position
December 31, 2025

	Governmental Activities
Assets	
Cash and Investments	\$ 649,274
Cash and Investments - Restricted	7,741,726
Property Taxes Receivable	3,958,463
Due from County Treasurer	18,263
Prepaid Expenses	31,287
Capital Assets, Being Depreciated	<u>3,300,851</u>
Total Assets	<u>15,699,864</u>
Deferred Outflows of Resources	
Loss on Debt Refunding	<u>749,820</u>
Total Deferred Outflows of Resources	<u>749,820</u>
Liabilities	
Accounts Payable	907
Accrued Interest	106,429
Noncurrent Liabilities	
Due in One Year	993,000
Due in More Than One Year	<u>44,066,000</u>
Total Liabilities	<u>45,166,336</u>
Deferred Inflows of Resources	
Property Tax Revenue	<u>3,958,463</u>
Total Deferred Inflows of Resources	<u>3,958,463</u>
Net Position	
Restricted	
Emergency Reserve	42,424
Debt Service	3,300,027
Unrestricted	<u>(36,017,566)</u>
Total Net Position	<u>\$ (32,675,115)</u>

Bellevue Station Metropolitan District No. 2

Statement of Activities For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position
Primary Government			
<i>Governmental Activities</i>			
General Government	\$ 4,654,436	\$ -	\$ (4,654,436)
Interest and Fiscal Charges on Long-Term Debt	<u>1,350,241</u>	<u>-</u>	<u>(1,350,241)</u>
Total Governmental Activities	<u>\$ 6,004,677</u>	<u>\$ -</u>	<u>(6,004,677)</u>
		General Revenues	
		Property Tax	4,411,513
		Specific Ownership Tax	210,551
		Investment Income	<u>414,269</u>
		Total General Revenues and Transfers	<u>5,036,333</u>
		Change in Net Position	(968,344)
		Net Position, Beginning of Year	<u>(31,706,771)</u>
		Net Position, End of Year	<u>\$ (32,675,115)</u>

Bellevue Station Metropolitan District No. 2

Balance Sheet Governmental Funds December 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and Investments	\$ 649,274	\$ -	\$ -	\$ 649,274
Cash and Investments - Restricted	-	3,180,869	4,560,857	7,741,726
Property Taxes Receivable	1,199,534	2,758,929	-	3,958,463
Due from County Treasurer	5,534	12,729	-	18,263
Prepaid Items	31,287	-	-	31,287
Total Assets	<u>\$ 1,885,629</u>	<u>\$ 5,952,527</u>	<u>\$ 4,560,857</u>	<u>\$ 12,399,013</u>
Liabilities				
Accounts Payable	\$ 907	\$ -	\$ -	\$ 907
Total Liabilities	<u>907</u>	<u>-</u>	<u>-</u>	<u>907</u>
Deferred Inflows of Resources				
Property Tax Revenue	1,199,534	2,758,929	-	3,958,463
Fund Balance				
Restricted for:				
Emergency Reserve	42,424	-	-	42,424
Debt Service	-	3,193,598	-	3,193,598
Unrestricted, Unassigned	642,764	-	4,560,857	5,203,621
Total Fund Balance	<u>685,188</u>	<u>3,193,598</u>	<u>4,560,857</u>	<u>8,439,643</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,885,629</u>	<u>\$ 5,952,527</u>	<u>\$ 4,560,857</u>	<u>12,399,013</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 in governmental funds.

3,300,851

Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.

Bond Payable	(45,059,000)
Accrued Interest	(106,429)
Loss on Debt Refunding	<u>749,820</u>

Total Net Position of Governmental Activities

\$ (32,675,115)

Bellevue Station Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Property Taxes	\$ 1,336,822	\$ 3,074,691	\$ -	\$ 4,411,513
Specific Ownership Taxes	63,803	146,748	-	210,551
Interest Income	13,520	177,992	222,757	414,269
	<u>1,414,145</u>	<u>3,399,431</u>	<u>222,757</u>	<u>5,036,333</u>
Expenditures				
General Government	1,046,878	261,169	3,000,000	4,308,047
Debt Service				
Principal	-	926,000	-	926,000
Interest and Fiscal Charges	-	1,307,883	-	1,307,883
	<u>1,046,878</u>	<u>2,495,052</u>	<u>3,000,000</u>	<u>6,541,930</u>
Excess Revenues Over (Under) Expenditures	367,267	904,379	(2,777,243)	(1,505,597)
Other Financing Sources (Uses)				
Transfers In (Out)	(79,970)	-	79,970	-
	<u>(79,970)</u>	<u>-</u>	<u>79,970</u>	<u>-</u>
Net Change in Fund Balance	287,297	904,379	(2,697,273)	(1,505,597)
Fund Balances, Beginning of Year	<u>397,891</u>	<u>2,289,219</u>	<u>7,258,130</u>	<u>9,945,240</u>
Fund Balances, End of Year	<u>\$ 685,188</u>	<u>\$ 3,193,598</u>	<u>\$ 4,560,857</u>	<u>\$ 8,439,643</u>

Bellevue Station Metropolitan District No. 2
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of the Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2025

**Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:**

Net Change in Fund Balance of the Governmental Funds	\$ (1,505,597)
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation	(346,389)
Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources.	
Principal Payment	926,000
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 Interest Payable	2,144
Amortization of Loss on Debt Refunding	(44,502)
Change in Net Position of Governmental Activities	\$ <u>(968,344)</u>

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Bellevue Station Metropolitan District No. 2 (formerly Madre Metropolitan District No. 2) (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized in conjunction with Bellevue Station Metropolitan District No. 1 (District No. 1) and Bellevue Station Metropolitan District No. 3 (District No. 3) (collectively, the Districts) by order and decree of the District Court for the City and County of Denver, Colorado, on December 9, 2005, 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, District No. 1 is designated as the control district and is 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 functions as the taxing district. District No. 2 has issued general obligation debt and may issue additional debt in the future. The District currently levies taxes for operations, maintenance, and debt service. Taxes collected for operations and maintenance are transferred to District No. 1. 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 District No. 1.

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 any other organization, nor is the District a component unit of any other primary governmental entity, including District Nos. 1 and 3.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The government-wide financial statements (i.e., the governmental funds balance sheet/statement of net position and the statement of governmental fund revenues, expenditures and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. The effect of interfund activity has been removed from these statements.

The statement of net position reports on all financial and capital resources of the District. The difference between (a) assets and deferred outflows of resources and the (b) 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 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 the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 revenue to be available if they are collected within 60 days of the end of the current fiscal period. Sources of revenue susceptible to accrual include property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available when cash is received by the District.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

(Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when the District receives the cash.

The District reports the following major governmental funds:

General Fund - the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be reported in another fund.

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

Capital Projects Fund - used to account for financial resources to be used for the acquisition and construction of capital facilities and other assets.

Budgets and Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of 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 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 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.

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Continued)

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.

Estimates

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

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 fixed assets, as applicable, using the straight-line method. The District's streetscape improvements are being depreciated over 15 years.

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 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.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes (Continued)

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

Facility Fees

During 2007, the District imposed upon property owners within the District a facility fee. The first 500 water taps purchased from Denver Suburban Water District (DSWD) will have a rate of \$3,925 times the size equivalency. After the first 500 taps purchased from DSWD, or if a tap is purchased from an entity other than DSWD, the facility fee rate is \$7,850 times the size equivalency.

Tap size equivalencies are as follows:

- $\frac{3}{4}$ " = 1
- 1" = 2
- 1 $\frac{1}{4}$ " = 3
- 1 $\frac{1}{2}$ " = 4
- 2" = 8
- 3" = 18
- 4" = 36
- 6" = 94

On March 28, 2013, the Denver Suburban Water District (DSWS) was officially dissolved. According to the Dissolution and Assumption of Services Intergovernmental Agreement between Denver Suburban Water District and the Goldsmith Metropolitan District, effective as of September 1, 2012, the Goldsmith Metropolitan District assumes all services previously provided by the Denver Suburban Water District.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, cost of refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

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.

Fund Balances

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 inventory or prepaid expenses) 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.

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.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

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.

Subsequent Events

We have evaluated subsequent events through August 21, 2026, the date the financial statements were available to be issued.

Note 2: Cash and Investments

Cash and investments - restricted as of December 31, 2025 consist of the following:

Cash and Investments	\$ 649,274
Cash and Investments - Restricted	<u>7,741,726</u>
	<u>\$ 8,391,000</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 deposits 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 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, 2025, the District had no cash deposits.

Investments

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

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 2: Cash and Investments (Continued)

Investments (Continued)

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

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
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2025, the District had the following investments:

	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Under 60 days	\$ 2,948,742
Morgan Stanley Institutional Liquidity Funds	Under 60 days	5,442,258
		<u>\$ 8,391,000</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios - CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, and any security allowed under CRS 24-75-601.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 2: Cash and Investments (Continued)

CSAFE *(Continued)*

CSAFE CORE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as a safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of December 31, 2025, the District has \$2,948,742 invested in CSAFE.

Morgan Stanley Institutional Liquidity Funds Treasury Portfolio

The District's funds that are included in the trust accounts at the Zion Bank are invested in the Morgan Stanley Institutional Liquidity Funds Treasury Portfolio (MSILF Treasury Fund). This portfolio is managed by Morgan Stanley and each share is equal in value to \$1.00. Morgan Stanley may invest in U.S. Treasury securities, or repurchase agreements collateralized by U.S. Treasury securities. The fund is AAmmf rated by Fitch 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. The District records its investments in Morgan Stanley at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of December 31, 2025, the District had \$5,442,258 invested in the fund, all of which was restricted for the repayment of bond principal and interest.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 2: Cash and Investments (Continued)

Fair Value Measurement and Application

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's investments are not required to be categorized within the fair value hierarchy. The District values its investment in CSAFE using the net asset value method (NAV) per share.

Note 3: Capital Assets

Changes in capital assets for the year ended December 31, 2025 are as follows:

	Balance 12/31/24	Additions	Deletions	Transfers	Balance 12/31/25
Capital Assets, <i>Being Depreciated</i>					
Infrastructure	\$ 5,195,830	\$ -	\$ -	\$ -	\$ 5,195,830
Less Accumulated Depreciation Infrastructure	(1,548,590)	(346,389)	-	-	(1,894,979)
Total Capital Assets, <i>Being Depreciated, net</i>	3,647,240	(346,389)	-	-	3,300,851
Total Capital Assets	<u>\$ 3,647,240</u>	<u>\$ (346,389)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,300,851</u>

Note 4: Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2025 are as follows:

	Balance 12/31/24	Additions	Reductions	Balance 12/31/25	Due Within One Year
Notes from direct borrowings and placements					
Series 2020	\$ 7,680,000	\$ -	\$ (470,000)	\$ 7,210,000	\$ 450,000
Series 2021A-1	32,802,000	-	(343,000)	32,459,000	422,000
Series 2021A-2	5,503,000	-	(113,000)	5,390,000	121,000
Total	<u>\$ 45,985,000</u>	<u>\$ -</u>	<u>\$ (926,000)</u>	<u>\$ 45,059,000</u>	<u>\$ 993,000</u>

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 4: Long-Term Obligations (Continued)

The following are descriptions of the District's long-term obligations.

Series 2020 Tax-Exempt Refunding Loan

On October 26, 2020, the District entered into \$9,405,000 Series 2020 Tax-Exempt Refunding Loan (Series 2020 Loan), with interest of 2.70% per annum. Interest is payable semi-annually on June 1 and December 1, commencing on December 1, 2020. Mandatory principal payments are due on December 1, commencing on December 1, 2021, with final payment due on December 1, 2040. At its option, the District may prepay all or any part of the principal of the Loan upon payment to the Bank of the principal amount so prepaid, and accrued interest thereon to the prepayment date. The Series 2020 Loan is secured by (1) the Required Mill Levy, (2) that portion of the Specific Ownership Tax allocable to the Required Mill Levy, and (3) Capital fees, if imposed, and (4) any other legally available moneys which the District determines in its sole discretion to apply as pledged revenue. Proceeds of the Series 2020 Loan were used to (1) refund Series 2007B bonds, and (2) pay the costs of issuing the Series 2020 Loan.

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

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 450,000	\$ 194,670	\$ 644,670
2027	365,000	182,520	547,520
2028	305,000	172,665	477,665
2029	315,000	164,430	479,430
2030	345,000	155,925	500,925
2031 - 2035	2,000,000	630,180	2,630,180
2036 - 2040	<u>3,430,000</u>	<u>329,940</u>	<u>3,759,940</u>
Total	<u>\$ 7,210,000</u>	<u>\$ 1,830,330</u>	<u>\$ 9,040,330</u>

Series 2021A-1 Loan

On October 7, 2021, the District entered into \$33,100,000 Series 2021A-1 Loan, with an interest rate of 2.860% per annum. Interest is payable semi-annually on June 1 and December 1, commencing on December 1, 2021. Mandatory principal payments are due on December 1, commencing on December 1, 2022, with final payment due on December 1, 2051. The Series 2021A-1 Loan is secured by (1) the Required Mill Levy, (2) that portion of the Specific Ownership Tax allocable to the Required Mill Levy, (3) Capital fees, if imposed, and (4) any other legally available moneys which the District determines in its sole discretion to apply as pledged revenue. Proceeds of the Series 2021A-1 Loan were used to (1) refund Series 2017 bonds, (2) pay the costs of issuing the Series 2021A-1 Loan, and (3) fund the costs of capital improvements.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 4: Long-Term Obligations (Continued)

Series 2021A-1 Loan *(Continued)*

For the purpose of paying the principal of and interest on the Loan, there shall be levied on all taxable property of the District, in addition to all other taxes, direct annual taxes in the amount of the Required Mill Levy, not to exceed 50 mills, such Required Mill Levy to be imposed in each of the years 2021 to 2040, inclusive (for collection in 2022 to 2041, inclusive), and to the extent necessary to repay any unpaid principal or interest due on the Loan, in each year thereafter until the principal of and interest on the Loan is fully paid, satisfied, and discharged. Nothing herein shall be construed to require the District to levy an ad valorem property tax in excess of the Required Mill Levy.

The District may, at its option, prepay the Loan in whole, or with the consent of the Bank, in part, on any Interest Payment Date, as follows:

Prepayment Prior to December 1, 2026; Premium. If the Loan is prepaid on any Interest Payment Date prior to December 1, 2026, the prepayment price shall equal the principal amount of the Loan so prepaid plus accrued interest thereon to the date of such prepayment together with a 1.0% prepayment fee of the principal amount so prepaid (the Premium).

Prepayment on and after December 1, 2026. If the Loan is prepaid on any business day on or after December 1, 2026, the prepayment price shall equal the principal amount of the Loan so prepaid, plus accrued interest thereon to the date of such prepayment, without Premium.

Notwithstanding the forgoing provisions, (a) prepayment of the Loan with excess mill levy revenue will not be subject to the Premium, and (b) if the amount of the Premium on any proposed prepayment date exceeds the maximum amount permitted under then-applicable law, then the Loan shall be considered non-prepayable to that extent. Any partial prepayments of the Loan shall be applied first against the principal payment due on the Maturity Date, and then in inverse order of maturity.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 4: Long-Term Obligations (Continued)

Series 2021A-1 Loan (Continued)

The District's Series 2021A-1 Loan will mature as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 422,000	\$ 928,327	\$ 1,350,327
2027	532,000	916,258	1,448,258
2028	654,000	901,043	1,555,043
2029	671,000	882,339	1,553,339
2030	707,000	863,148	1,570,148
2031 - 2035	3,962,000	3,997,594	7,959,594
2036 - 2040	4,818,000	3,383,065	8,201,065
2041 - 2045	8,043,000	3,603,715	11,646,715
2046 - 2050	10,256,000	1,973,880	12,229,880
2051	<u>2,394,000</u>	<u>107,730</u>	<u>2,501,730</u>
Total	<u>\$ 32,459,000</u>	<u>\$ 17,557,099</u>	<u>\$ 50,016,099</u>

Series 2021A-2 Loan

On October 7, 2021, the District entered into \$5,761,000 Series 2021A-2 Loan, with an interest rate of 2.860% per annum. Interest is payable semi-annually on June 1 and December 1, commencing on December 1, 2021. Mandatory principal payments are due on December 1, commencing on December 1, 2022, with final payment due on December 1, 2051. The Series 2021A-2 Loan is secured by (1) the Required Mill Levy, (2) that portion of the Specific Ownership Tax allocable to the Required Mill Levy, (3) Capital fees, if imposed, and (4) any other legally available moneys which the District determines in its sole discretion to apply as pledged revenue. Proceeds of the Series 2021A-2 Loan were used to (1) pay the costs of issuing the Series 2021A-2 Loan, and (2) fund the costs of capital improvements.

For the purpose of paying the principal of and interest on the Loan, there shall be levied on all taxable property of the District, in addition to all other taxes, direct annual taxes in the amount of the Required Mill Levy, not to exceed 50 mills, such Required Mill Levy to be imposed in each of the years 2021 to 2040, inclusive (for collection in 2022 to 2041, inclusive), and to the extent necessary to repay any unpaid principal or interest due on the Loan, in each year thereafter until the principal of and interest on the Loan is fully paid, satisfied, and discharged. Nothing herein shall be construed to require the District to levy an ad valorem property tax in excess of the Required Mill Levy.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 4: Long-Term Obligations (Continued)

Series 2021A-2 Loan (Continued)

The District may, at its option, prepay the Loan in whole, or, with the consent of the Bank, in part, on any Interest Payment Date, as follows:

Prepayment Prior to December 1, 2026; Premium. If the Loan is prepaid on any Interest Payment Date prior to December 1, 2026, the prepayment price shall equal the principal amount of the Loan so prepaid plus accrued interest thereon to the date of such prepayment together with a 1.0% prepayment fee of the principal amount so prepaid (the Premium).

Prepayment on and after December 1, 2026. If the Loan is prepaid on any business day on or after December 1, 2026, the prepayment price shall equal the principal amount of the Loan so prepaid, plus accrued interest thereon to the date of such prepayment, without Premium.

Notwithstanding the forgoing provisions, (a) prepayment of the Loan with excess mill levy revenue will not be subject to the Premium, and (b) if the amount of the Premium on any proposed prepayment date exceeds the maximum amount permitted under then-applicable law, then the Loan shall be considered non-prepayable to that extent. Any partial prepayments of the Loan shall be applied first against the principal payment due on the Maturity Date, and then in inverse order of maturity.

The District's Series 2021A-2 Loan will mature as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 121,000	\$ 154,154	\$ 275,154
2027	125,000	150,693	275,693
2028	134,000	147,118	281,118
2029	137,000	143,286	280,286
2030	147,000	139,368	286,368
2031 - 2035	831,000	630,373	1,461,373
2036 - 2040	1,035,000	500,299	1,535,299
2041 - 2045	1,110,000	498,181	1,608,181
2046 - 2050	1,420,000	272,925	1,692,925
2051	330,000	14,850	344,850
Total	<u>\$ 5,390,000</u>	<u>\$ 2,651,247</u>	<u>\$ 8,041,247</u>

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 4: Long-Term Obligations (Continued)

Events of Default (Series 2020 Loan, Series 2021A-1 Loan, Series 2021A-2 Loan)

The occurrence of any one or more of the following events or conditions shall constitute an Event of Default:

- a) the District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by this Loan Agreement;
- b) the District fails to pay the principal of or interest on the Loan or any other amount payable to the Bank hereunder when due;
- c) the District fails to observe or perform any of the covenants, agreements, or conditions on the part of the District in this Loan Agreement or the other Financing Documents, and the District fails to remedy the same within 30 days after the Bank has provided the District with notice thereof; provided however, that there shall be no Event of Default for failure to observe or perform any of the covenants, agreements, or conditions on the part of the District in this Loan Agreement or the other Financing Documents which are qualified by the phrase "to the extent permitted by law" or by phrases of similar import, if a court or other tribunal of competent jurisdiction has determined in a final, non-appealable judgment that such covenants, agreements, or conditions are not permitted by law;
- d) any representation or warranty made by the District in this Loan Agreement or in any other Financing Document or any certificate, instrument, financial, or other statement furnished by the District to the Bank, proves to have been untrue or incomplete in any material respect when made or deemed made;
- e) the occurrence and continuance of an event of default or an event of nonperformance under the Custodial Agreement or any of the other Financing Documents after the expiration of any grace period;
- f) default in the payment of principal of or interest when due on any Debt of the District and continuance of such default beyond any grace period;
- g) the pledge of the Pledged Revenue or any other security interest created hereunder or under the Custodial Agreement fails to be fully enforceable with the priority required hereunder or thereunder;
- h) any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$50,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest, pay, or satisfy such judgment or court order for 30 days;
- i) a change occurs in the financial or operating conditions of the District, or the occurrence of any other event that, in the Bank's reasonable judgment, will have a materially adverse impact on the ability of the District to generate Pledged Revenue sufficient to satisfy the District's obligations under this Loan Agreement or its other obligations, and the District fails to cure such condition within the time specified by the Bank in a written notice thereof from the Bank;

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 4: Long-Term Obligations (Continued)

Events of Default (Series 2020 Loan, Series 2021A-1 Loan, Series 2021A-2 Loan)

(Continued)

- j) the District shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or (i) the District shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the District any case, proceeding, or other action of a nature referred to in Section 7.01 (k) hereof and the same shall remain undismissed; or (iii) there shall be commenced against the District any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal, within 30 days from the entry thereof; or (iv) the District shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above;
- k) this Loan Agreement, the Custodial Agreement, or any other Financing Document, or any material provision hereof or thereof, ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District denies it has any or further liability under any such document to which it is a party;
- l) any pledge or security interest created hereunder or under the Custodial Agreement fails to be fully enforceable with the priority required hereunder or thereunder, or the District defaults in the payment of any amounts due to the Custodian under the Custodial Agreement and fails to remedy the same within thirty (30) days after notice thereof;
- m) the District's auditor delivers a qualified opinion with respect to the District's status as an on-going concern;
- n) any funds or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established hereunder or under the Custodial Agreement shall become subject to any writ, judgment, warrant, attachment, execution, or similar process.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 4: Long-Term Obligations (Continued)

Authorized Debt

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, 2025, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized 11/01/05 Election	Authorization used for 2007 Bonds	Authorization used for 2017 Bonds	Authorization used for 2020 Loan	Authorization used for 2021A-1 Loan	Authorization used for 2021A-2 Loan	Remaining at 12/31/25
Street Improvements	\$ 125,000,000	\$ 16,982,279	\$ 5,106,285	\$ -	\$ 1,368,077	\$ 3,341,380	\$ 98,201,979
Traffic and Safety Controls	125,000,000	-	-	-	-	-	125,000,000
Water Supply	125,000,000	1,171,192	352,157	-	94,350	230,440	123,151,861
Sanitary Sewer	125,000,000	11,126,321	3,345,497	-	896,326	2,189,180	107,442,676
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	-	3,051,061	9,405,000	30,741,247	-	81,802,692
Total	\$ 1,005,000,000	\$ 29,279,792	\$ 11,855,000	\$ 9,405,000	\$ 33,100,000	\$ 5,761,000	\$ 915,599,208

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, however, debt refinanced at a lower interest rate does not require the use of electoral authorization. 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.

Note 5: Related Party Transactions

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, some of the members of the Board of Directors are owners of Madre Investment Company, LLC. During the year ended December 31, 2025, the District incurred \$6,216 in accounting fees to the Developer.

Advance and Reimbursement Agreement

The District and 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. No amounts are outstanding under the Agreement at December 31, 2025.

Bellevue Station Metropolitan District No. 2

Notes to Financial Statements

December 31, 2025

Note 6: 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.

The District is a member of the Colorado Special District Property and Liability Pool (the Pool) as of December 31, 2025. 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 7: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, referred to 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 and 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.

Required Supplementary Information

Bellevue Station Metropolitan District No. 2
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Property Taxes	\$ 1,335,216	\$ 1,336,822	\$ 1,606
Specific Ownership Taxes	66,761	63,803	(2,958)
Interest Income	11,200	13,520	2,320
Total Revenues	<u>1,413,177</u>	<u>1,414,145</u>	<u>968</u>
Expenditures			
General Government	1,689,300	1,046,878	642,422
Total Expenditures	<u>1,689,300</u>	<u>1,046,878</u>	<u>642,422</u>
Excess Revenues Over (Under) Expenditures	(276,123)	367,267	643,390
Other Financing Sources (Uses)			
Transfers In (Out)	<u>-</u>	<u>(79,970)</u>	<u>(79,970)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(79,970)</u>	<u>(79,970)</u>
Net Change in Fund Balance	(276,123)	287,297	563,420
Fund Balance, Beginning of Year	<u>422,190</u>	<u>397,891</u>	<u>(24,299)</u>
Fund Balance, End of Year	<u>\$ 146,067</u>	<u>\$ 685,188</u>	<u>\$ 539,121</u>

Bellevue Station Metropolitan District No. 2

Notes to Required Supplementary Information
December 31, 2025

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the District. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The District follows these procedures to establish the budgetary information reflected in the financial statements:

- In October, management submits to the District's Board a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the District's Board.
- Budgets are legally adopted for all funds of the District. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Colorado governments may not exceed budgeted appropriations at the fund level.
- All appropriations lapse at year end.

Supplementary Information

Bellevue Station Metropolitan District No. 2
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
General Property Taxes	\$ 3,070,997	\$ 3,074,691	\$ 3,694
Specific Ownership Taxes	153,550	146,748	(6,802)
Interest Income	92,000	177,992	85,992
Total Revenues	<u>3,316,547</u>	<u>3,399,431</u>	<u>82,884</u>
Expenditures			
General Government	577,117	261,169	315,948
Debt Service			
Principal	926,000	926,000	-
Interest and Fiscal Charges	1,306,883	1,307,883	(1,000)
Total Expenditures	<u>2,810,000</u>	<u>2,495,052</u>	<u>314,948</u>
Excess Revenues Over (Under) Expenditures	506,547	904,379	397,832
Net Change in Fund Balance	506,547	904,379	397,832
Fund Balance, <i>Beginning of Year</i>	<u>2,129,598</u>	<u>2,289,219</u>	<u>159,621</u>
Fund Balance, <i>End of Year</i>	<u>\$ 2,636,145</u>	<u>\$ 3,193,598</u>	<u>\$ 557,453</u>

Bellevue Station Metropolitan District No. 2
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest Income	\$ 240,000	\$ 222,757	\$ (17,243)
Total Revenues	<u>240,000</u>	<u>222,757</u>	<u>(17,243)</u>
Expenditures			
General Government	3,000,000	3,000,000	-
Total Expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	(2,760,000)	(2,777,243)	(17,243)
Other Financing Sources (Uses)			
Transfers In (Out)	-	79,970	79,970
Total Other Financing Sources (Uses)	<u>-</u>	<u>79,970</u>	<u>79,970</u>
Net Change in Fund Balance	(2,760,000)	(2,697,273)	62,727
Fund Balance, Beginning of Year	<u>7,433,711</u>	<u>7,258,130</u>	<u>(175,581)</u>
Fund Balance, End of Year	<u>\$ 4,673,711</u>	<u>\$ 4,560,857</u>	<u>\$ (112,854)</u>

Other Information

Bellevue Station Metropolitan District No. 2
Schedule of Debt Service Requirements to Maturity - Series 2020 Loan
For the Year Ended December 31, 2025

Loan and Interest Maturing During the Year Ending December 31,	Interest Rate 2.70%		
	Interest Payable June 1 and December 1		
	Principal Payable December 1		
	Principal	Interest	Total
2026	\$ 450,000	\$ 194,670	\$ 644,670
2027	365,000	182,520	547,520
2028	305,000	172,665	477,665
2029	315,000	164,430	479,430
2030	345,000	155,925	500,925
2031	360,000	146,610	506,610
2032	385,000	136,890	521,890
2033	395,000	126,495	521,495
2034	425,000	115,830	540,830
2035	435,000	104,355	539,355
2036	475,000	92,610	567,610
2037	485,000	79,785	564,785
2038	520,000	66,690	586,690
2039	535,000	52,650	587,650
2040	1,415,000	38,205	1,453,205
Total	\$ <u>7,210,000</u>	\$ <u>1,830,330</u>	\$ <u>9,040,330</u>

Bellevue Station Metropolitan District No. 2
Schedule of Debt Service Requirements to Maturity - Series 2021A-1 Loan
For the Year Ended December 31, 2025

Loan and Interest Maturing During the Year Ending December 31,	Interest Rate 2.86%		
	Interest Payable June 1 and December 1		Principal Payable December 1
	Principal	Interest	
2026	\$ 422,000	\$ 928,327	\$ 1,350,327
2027	532,000	916,258	1,448,258
2028	654,000	901,043	1,555,043
2029	671,000	882,339	1,553,339
2030	707,000	863,148	1,570,148
2031	721,000	842,928	1,563,928
2032	766,000	822,307	1,588,307
2033	788,000	800,400	1,588,400
2034	831,000	777,863	1,608,863
2035	856,000	754,096	1,610,096
2036	893,000	729,615	1,622,615
2037	922,000	704,075	1,626,075
2038	967,000	677,705	1,644,705
2039	994,000	650,049	1,644,049
2040	1,042,000	621,621	1,663,621
2041	1,685,000	591,820	2,276,820
2042	1,465,000	855,360	2,320,360
2043	1,531,000	789,435	2,320,435
2044	1,644,000	720,540	2,364,540
2045	1,718,000	646,560	2,364,560
2046	1,840,000	569,250	2,409,250
2047	1,923,000	486,450	2,409,450
2048	2,055,000	399,915	2,454,915
2049	2,147,000	307,440	2,454,440
2050	2,291,000	210,825	2,501,825
2051	2,394,000	107,730	2,501,730
Total	\$ <u>32,459,000</u>	\$ <u>17,557,099</u>	\$ <u>50,016,099</u>

Bellevue Station Metropolitan District No. 2
Schedule of Debt Service Requirements to Maturity - Series 2021A-2 Loan
For the Year Ended December 31, 2025

Loan and Interest Maturing During the Year Ending December 31,	Interest Rate 2.86%		
	Interest Payable June 1 and December 1		Principal Payable December 1
	Principal	Interest	
			Total
2026	\$ 121,000	\$ 154,154	\$ 275,154
2027	125,000	150,693	275,693
2028	134,000	147,118	281,118
2029	137,000	143,286	280,286
2030	147,000	139,368	286,368
2031	151,000	135,164	286,164
2032	160,000	130,845	290,845
2033	165,000	126,269	291,269
2034	175,000	121,550	296,550
2035	180,000	116,545	296,545
2036	191,000	111,397	302,397
2037	196,000	105,934	301,934
2038	208,000	100,329	308,329
2039	214,000	94,380	308,380
2040	226,000	88,259	314,259
2041	233,000	81,796	314,796
2042	202,000	118,215	320,215
2043	211,000	109,125	320,125
2044	227,000	99,630	326,630
2045	237,000	89,415	326,415
2046	255,000	78,750	333,750
2047	265,000	67,275	332,275
2048	285,000	55,350	340,350
2049	300,000	42,525	342,525
2050	315,000	29,025	344,025
2051	330,000	14,850	344,850
Total	\$ <u>5,390,000</u>	\$ <u>2,651,247</u>	\$ <u>8,041,247</u>

Bellevue Station Metropolitan District No. 2

Summary of Assessed Valuation, Mill Levy and Property Taxes Collected For the Year Ended December 31, 2025

Year Ended December 31,	Prior Year Assess Property Tax Levy	Mills Levied		Total Property Tax		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 39,586,130	10.000	40.554	\$ 2,001,237	\$ 1,977,992	98.84%
2019	\$ 42,825,460	10.000	40.559	\$ 2,165,212	\$ 2,165,212	100.00%
2020	\$ 63,476,360	10.000	41.051	\$ 3,240,532	\$ 3,239,448	99.97%
2021	\$ 84,911,330	10.000	23.000	\$ 2,802,074	\$ 2,633,267	93.98%
2022	\$ 90,423,460	10.000	23.000	\$ 2,983,975	\$ 2,844,468	95.32%
2023	\$ 96,855,950	10.000	23.000	\$ 3,196,246	\$ 3,191,556	99.85%
2024	\$ 140,984,910	10.000	23.000	\$ 4,652,502	\$ 4,203,868	90.36%
2025	\$ 133,521,630	10.000	23.000	\$ 4,406,214	\$ 4,411,513	100.12%
Estimated for Year Ending December 31, 2026	\$ 119,953,440	10.000	23.000	\$ 3,958,463		

Note

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years as well as reduction for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year assessment.

For collection year 2022 the District had an abatement due to the contention of property values. The abatement resulted in an amount owed to the County which was paid in 2023.