

**BELLEVIEW STATION
METROPOLITAN DISTRICT NO. 1
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
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YEAR ENDED DECEMBER 31, 2022**

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INSERT INDEPENDENT AUDITOR'S REPORT

(1)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

BASIC FINANCIAL STATEMENTS

BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2022

| | <u>Governmental Activities</u> |
|---------------------------------------|------------------------------------|
| ASSETS | |
| Cash | \$ 94,975 |
| Prepaid Expenditures | 2,608 |
| Capital Assets, Not Being Depreciated | <u>3,185,609</u> |
| Total Assets | 3,283,192 |
| LIABILITIES | |
| Accounts Payable | 53,433 |
| Due in More Than One Year | <u>913,909</u> |
| Total Liabilities | 967,342 |
| NET POSITION | |
| Unrestricted | <u>2,315,850</u> |
| Total Net Position | <u><u>\$ 2,315,850</u></u> |

See accompanying Notes to Basic Financial Statements.

**BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

| | | Program Revenues | | | Net Revenue (Expense) and Change in Net Position |
|---|----------------------------|--|--|----------------------------|---|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | |
| FUNCTIONS/PROGRAMS | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 829,789 | \$ 19,418 | \$ - | \$ - | \$ (810,371) |
| Interest and Related Costs on Long-Term Debt | 27,969 | - | - | - | (27,969) |
| Total Governmental Activities | \$ 857,758 | \$ 19,418 | \$ - | \$ - | (838,340) |
| GENERAL REVENUES | | | | | |
| | | | | | 1,194,328 |
| | | | | | 1,194,328 |
| CHANGE IN NET POSITION | | | | | 355,988 |
| | | | | | 1,959,862 |
| NET POSITION - END OF YEAR | | | | | \$ 2,315,850 |

See accompanying Notes to Basic Financial Statements.

**BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

| | General | Capital Projects | Total Governmental Funds |
|---|-----------|---------------------|--------------------------------|
| ASSETS | | | |
| Cash | \$ 94,975 | \$ - | \$ 94,975 |
| Prepaid Expenditures | 2,608 | - | 2,608 |
| Total Assets | \$ 97,583 | \$ - | \$ 97,583 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 31,890 | \$ 21,543 | \$ 53,433 |
| Total Liabilities | 31,890 | 21,543 | 53,433 |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid Expenditures | 2,608 | - | 2,608 |
| Expenditures | | | - |
| Committed For: | | | |
| Emergencies (TABOR) | - | - | - |
| Capital Projects | - | - | - |
| Assigned: | | | |
| Designated for Subsequent Year's Expenditures | - | - | - |
| Unassigned: | | | |
| General Government | 63,085 | (21,543) | 41,542 |
| Total Fund Balances | 65,693 | (21,543) | 44,150 |
| Total Liabilities and Fund Balances | \$ 97,583 | \$ - | |

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

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

3,185,609

Long-term liabilities, including developer advances and accrued interest, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Developer Advance Payable

(895,593)

Interest Payable - Developer Advance

(18,316)

Net Position of Governmental Activities

\$ 2,315,850

See accompanying Notes to Basic Financial Statements.

**BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

| | General | Capital Projects | Total Governmental Funds |
|---|------------|---------------------|--------------------------------|
| REVENUES | | | |
| Transfers from Bellevue Station No. 2 | \$ 878,450 | \$ 315,878 | \$ 1,194,328 |
| Events Income | 19,418 | - | 19,418 |
| Total Revenues | 897,868 | 315,878 | 1,213,746 |
| EXPENDITURES | | | |
| Current: | | | |
| Accounting | 36,833 | - | 36,833 |
| Audit | 5,700 | - | 5,700 |
| Election | 3,315 | - | 3,315 |
| Legal | 20,210 | - | 20,210 |
| District Management | 17,348 | - | 17,348 |
| City Administration Fee | 3,000 | - | 3,000 |
| Dues and Membership | 1,238 | - | 1,238 |
| Insurance and Bonds | 2,576 | - | 2,576 |
| Management of District | 39,076 | - | 39,076 |
| Snow Removal | 150,677 | - | 150,677 |
| Promotional Activities | 191,300 | - | 191,300 |
| Repairs and Maintenance | 53,994 | - | 53,994 |
| Landscaping | 216,588 | - | 216,588 |
| Website | 5,800 | - | 5,800 |
| Security | 30,780 | - | 30,780 |
| Utilities | 8,440 | - | 8,440 |
| Project Management | - | 41,233 | 41,233 |
| Miscellaneous | 1,681 | - | 1,681 |
| Capital Outlay | - | 954,413 | 954,413 |
| Total Expenditures | 788,556 | 995,646 | 1,784,202 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 109,312 | (679,768) | (570,456) |
| OTHER FINANCING SOURCES (USES) | | | |
| Developer Advances | 15,966 | 879,628 | 895,594 |
| Repay Developer Advance - Principal | (76,965) | (205,919) | (282,884) |
| Repay Developer Advance - Interest | (5,129) | (14,562) | (19,691) |
| Total Other Financing Sources (Uses) | (66,128) | 659,147 | 593,019 |
| NET CHANGE IN FUND BALANCES | 43,184 | (20,621) | 22,563 |
| Fund Balances - Beginning of Year | 22,509 | (922) | 21,587 |
| FUND BALANCES - END OF YEAR | \$ 65,693 | \$ (21,543) | \$ 44,150 |

See accompanying Notes to Basic Financial Statements.

**BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
 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, 2022**

Net Changes in Fund Balances - Total Governmental Funds \$ 22,563

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. During the current period there were no depreciable assets. Therefore, this is the amount of capital outlay in the current period. 954,413

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

| | |
|---------------------------------|-----------|
| Developer Advances Received | (895,594) |
| Repayment of Developer Advances | 282,884 |

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.

| | |
|---|---------|
| Interest Payable - Developer Advances - Change in Liability | (8,278) |
|---|---------|

| | |
|---|------------|
| Change in Net Position of Governmental Activities | \$ 355,988 |
|---|------------|

See accompanying Notes to Basic Financial Statements.

**BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------------------------|-------------------|---|
| REVENUES | | | |
| Transfers from Bellevue Station | | | |
| Metro District No. 2 | \$ 850,000 | \$ 878,450 | \$ 28,450 |
| Rental Income | - | 19,418 | 19,418 |
| Total Revenues | <u>850,000</u> | <u>897,868</u> | <u>47,868</u> |
| EXPENDITURES | | | |
| Accounting | 44,000 | 36,833 | 7,167 |
| Audit | 6,000 | 5,700 | 300 |
| Election | 3,000 | 3,315 | (315) |
| Legal | 30,000 | 20,210 | 9,790 |
| District Management | 27,250 | 17,348 | 9,902 |
| City Administration Fee | 3,000 | 3,000 | 0 |
| Dues and Licenses | 1,000 | 1,238 | (238) |
| Insurance | 3,000 | 2,576 | 424 |
| Management of District | 75,000 | 39,076 | 35,924 |
| Snow Removal | 122,000 | 150,677 | (28,677) |
| Security | 33,000 | 30,780 | 2,220 |
| Promotional Activities | 170,000 | 191,300 | (21,300) |
| Repairs and Maintenance | 90,000 | 53,994 | 36,006 |
| Website | 12,000 | 5,800 | 6,200 |
| Landscaping | 205,000 | 216,588 | (11,588) |
| Utilities | 19,000 | 8,440 | 10,560 |
| Miscellaneous | 2,500 | 1,681 | 819 |
| Contingency | 59,250 | - | 59,250 |
| Total Expenditures | <u>905,000</u> | <u>788,556</u> | <u>116,444</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (55,000) | 109,312 | 164,312 |
| OTHER FINANCING SOURCES (USES) | | | |
| Developer Advances | 100,000 | 15,966 | (84,034) |
| Repay Developer Advances - Principal | - | (76,965) | (76,965) |
| Repay Developer Advances - Interest | - | (5,129) | (5,129) |
| Total Other Financing Sources (Uses) | <u>100,000</u> | <u>(66,128)</u> | <u>(166,128)</u> |
| NET CHANGE IN FUND BALANCE | 45,000 | 43,184 | (1,816) |
| Fund Balance - Beginning of Year | <u>81,390</u> | <u>22,509</u> | <u>(58,881)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 126,390</u> | <u>\$ 65,693</u> | <u>\$ (60,697)</u> |

BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

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

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

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

The District is not financially accountable for the Bellevue Station Public Improvement Company (PIC), which was formed on June 30, 2014, for the initial purpose of imposing public improvement fees to help provide public parking in coordination with the District.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including District Nos. 2 and 3.

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

BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, rental income, and sales and use taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major governmental funds:

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

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall 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 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.

Pooled Cash

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense is computed using the straight-line method over the estimated useful lives.

BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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.

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.

**BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deficits

The Capital Projects Fund reported a deficit in the fund financial statements as of December 31, 2022. The deficit will be eliminated by transfers from Bellevue Station Metro District No. 2 in 2023.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

| | | | |
|------|--|----|---------------|
| Cash | | \$ | <u>94,975</u> |
|------|--|----|---------------|

Cash as of December 31, 2022, consists of the following:

| | | | |
|--------------------------------------|--|----|---------------|
| Deposits with Financial Institutions | | \$ | <u>94,975</u> |
|--------------------------------------|--|----|---------------|

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$94,975. At December 31, 2022, the District did not have any investments.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in the property for the year ended December 31, 2022, follows:

| | <u>Balance - December 31, 2021</u> | <u>Additions</u> | <u>Dedication to Other Governments</u> | <u>Balance - December 31, 2022</u> |
|--|--|-------------------|--|--|
| Capital Assets, Not Being Depreciated: | | | | |
| Construction in Progress | <u>\$ 2,231,196</u> | <u>\$ 954,413</u> | <u>\$ -</u> | <u>\$ 3,185,609</u> |

BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS

Advance and Reimbursement Agreement

The District and the Front Range Land and Development Company (the Developer) have entered into an Advance and Reimbursement Agreement dated January 12, 2006. Pursuant to the Advance and Reimbursement Agreement, the Developer has agreed to advance funds for financing the costs associated with the formation of the District, District operations, and construction of District improvements after formation. Advances made by the Developer shall accrue interest at 7.5% per annum from the time of deposit into the District's account until repaid. The District shall make payments for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements, or debt service costs. The balance owing to the Developer at December 31, 2022, is set forth below:

| | Balance - December 31, 2021 | Additions | Retirement of Long-Term Obligations | Balance - December 31, 2022 | Due Within One Year |
|--|-----------------------------------|-------------------|---|-----------------------------------|---------------------------|
| Developer Advances | \$ 282,883 | \$ 895,594 | \$ 282,884 | \$ 895,593 | \$ - |
| Accrued Interest - Developer Advances | 10,038 | 27,969 | 19,691 | 18,316 | - |
| Total | <u>\$ 292,921</u> | <u>\$ 923,563</u> | <u>\$ 302,575</u> | <u>\$ 913,909</u> | <u>\$ -</u> |

On November 1, 2005, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$1,005,000,000. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

| | Authorized November 1, 2005 Election | Remaining at December 31, 2022 |
|-----------------------------------|--|--------------------------------------|
| Street Improvements | \$ 125,000,000 | \$ 125,000,000 |
| Traffic and Safety Controls | 125,000,000 | 125,000,000 |
| Water Supply | 125,000,000 | 125,000,000 |
| Sanitary Sewer | 125,000,000 | 125,000,000 |
| Parks and Recreational Facilities | 125,000,000 | 125,000,000 |
| IGA - Public Improvements | 125,000,000 | 125,000,000 |
| IGA - Debt | 125,000,000 | 125,000,000 |
| Operations and Maintenance | 5,000,000 | 5,000,000 |
| Bond Refunding | 125,000,000 | 125,000,000 |
| Total | <u>\$ 1,005,000,000</u> | <u>\$ 1,005,000,000</u> |

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area. Per the Service Plan, the District is limited to issuing \$125,000,000 in debt. In addition, the maximum debt service mill levy for the District is 50 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District.

BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 NET POSITION

The District has net position consisting of one component – unrestricted.

The District's unrestricted net position is \$2,315,850.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Front Range Land and Development Company (the Developer). The members of the Board of Directors of the District are owners of or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Additionally, all of the members of the Board of Directors are owners of Madre Investment Company, LLC. In addition, the Developer provides financial, management, and construction management oversight to the District. During 2022, the District incurred \$41,931 in financial and management fees and \$41,233 in construction management fees.

NOTE 8 AGREEMENTS

On April 2, 2021, the District, Belleview Station Public Improvement Company, Front Range Land & Development Company, and Belleview Station Master Property Owners Association, Inc (collectively the "Parties") entered into a consultant and vendor services agreement with TBW Enterprises DBA Gum Pop Presents ("Vendor"). The Parties will compensate the Vendor \$240,000 in exchange for the vendor marketing, advertising, and producing events within the District, the District's portion of the compensation is \$60,000. Under the agreement the Vendor will compensate the District 20% of the event revenues net of the required PIF payments and Operating/Licensing Fee.

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

NOTE 9 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 10 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., 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 Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 11 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 or benefit increases. The District receives its operating revenues from District No. 2. Therefore, the Emergency Reserves related to the District's revenues are reported in District No. 2.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**BELLEVUE STATION METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------------------------|-------------------|---|
| REVENUES | | | |
| Transfers from Bellevue Station No. 2 | \$ 5,450,000 | \$ 315,878 | \$ (5,134,122) |
| Total Revenues | 5,450,000 | 315,878 | (5,134,122) |
| EXPENDITURES | | | |
| Plaza Land | 4,700,000 | - | 4,700,000 |
| Project Management | 50,000 | 41,233 | 8,767 |
| Public Art | 60,000 | - | 60,000 |
| Beer Garden Structure | 10,000 | - | 10,000 |
| Engineering | 120,000 | 31,358 | 88,642 |
| Streetscapes | 700,000 | 923,055 | (223,055) |
| Contingency | 100,000 | - | 100,000 |
| Total Expenditures | 5,740,000 | 995,646 | 4,744,354 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (290,000) | (679,768) | (389,768) |
| OTHER FINANCING SOURCES (USES) | | | |
| Developer Advance | 890,000 | 879,628 | (10,372) |
| Repay Developer Advance - Principal | (570,000) | (205,919) | 364,081 |
| Repay Developer Advance - Interest | - | (14,562) | (14,562) |
| Total Other Financing Sources (Uses) | 320,000 | 659,147 | 339,147 |
| NET CHANGE IN FUND BALANCE | 30,000 | (20,621) | (50,621) |
| Fund Balance - Beginning of Year | 88,612 | (922) | (89,534) |
| FUND BALANCE (DEFICITS) - END OF YEAR | \$ 118,612 | \$ (21,543) | \$ (140,155) |