

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
Adams County, Colorado

**FINANCIAL STATEMENTS**  
December 31, 2016



**RECEIVED**

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**SCHILLING & COMPANY, INC.**

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## **Independent Auditor's Report**

Board of Directors  
Bromley Park Metropolitan District No. 6  
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Bromley Park Metropolitan District No. 6 (District) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

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 Bromley Park Metropolitan District No. 6, as of December 31, 2016, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that governmental 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
September 26, 2017

**BASIC FINANCIAL STATEMENTS**

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**STATEMENT OF NET POSITION**  
**December 31, 2016**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments - unrestricted	\$ 314,401
Cash and investments - restricted	747,451
Receivable from county treasurer	2,864
Prepays	3,796
Property taxes receivable	658,499
Capital assets being depreciated, net of accumulated depreciation	728,863
Total assets	<u>2,455,874</u>
<b>LIABILITIES</b>	
Accounts payable	3,542
Due to other governmental entities	213,458
Accrued interest on refunding loan	20,768
Noncurrent liabilities	
Due within one year	265,000
Due in more than one year:	
Refunding loan payable	6,815,000
Total liabilities	<u>7,317,768</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue	658,499
Total deferred inflows of resources	<u>658,499</u>
<b>NET POSITION</b>	
Net investment in capital assets	(158,478)
Restricted for:	
Emergency reserves	610
Debt service	726,605
Unrestricted	(6,089,130)
Total net position	<u>\$ (5,520,393)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 104,892	\$ -	\$ -	\$ 14,161	\$ (90,731)
Interest and expenses on long-term debt	354,956	-	-	-	(354,956)
	<u>\$ 459,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,161</u>	<u>(445,687)</u>
General revenues:					
Property taxes					486,185
Specific ownership taxes					40,070
Miscellaneous					6,000
Interest					13,911
Total general revenues					546,166
Change in net position					100,479
Net position - beginning of year					(5,620,872)
Net position - end of year					\$ (5,520,393)

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments - unrestricted	\$ 223,425	\$ -	\$ 90,976	\$ 314,401
Cash and investments - restricted	-	747,451	-	747,451
Receivable from county treasurer	-	2,864	-	2,864
Property taxes receivable	94,071	564,428	-	658,499
Prepays	3,796	-	-	3,796
<b>TOTAL ASSETS</b>	<b>\$ 321,292</b>	<b>\$ 1,314,743</b>	<b>\$ 90,976</b>	<b>\$ 1,727,011</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 3,267	\$ 275	\$ -	\$ 3,542
Due to other governmental entities	210,791	2,667	-	213,458
Total liabilities	214,058	2,942	-	217,000
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax revenue	94,071	564,428	-	658,499
Total deferred inflows of resources	94,071	564,428	-	658,499
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenditures	3,796	-	-	3,796
Restricted:				
Emergency reserves	610	-	-	610
Debt service	-	747,373	-	747,373
Committed:				
Capital projects	-	-	90,976	90,976
Unassigned	8,757	-	-	8,757
Total fund balances	13,163	747,373	90,976	851,512
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 321,292</b>	<b>\$ 1,314,743</b>	<b>\$ 90,976</b>	

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 funds.	728,863
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Refunding loan payable	(7,080,000)
Accrued interest on refunding loan payable	(20,768)
Net position of governmental activities	\$ (5,520,393)

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ 486,185	\$ -	\$ 486,185
Specific ownership taxes	-	40,070	-	40,070
System development fees	-	-	14,161	14,161
Miscellaneous	6,000	-	-	6,000
Interest	55	13,856	-	13,911
Total revenues	<u>6,055</u>	<u>540,111</u>	<u>14,161</u>	<u>560,327</u>
<b>EXPENDITURES</b>				
<u>General:</u>				
Audit	2,475	2,475	-	4,950
County treasurer fees	-	7,300	-	7,300
Directors' fees	3,400	-	-	3,400
District management and accounting	33,920	9,224	-	43,144
Dues and subscriptions	2,474	-	-	2,474
Insurance and bonds	3,708	-	-	3,708
Legal	13,371	1,879	-	15,250
Miscellaneous	286	-	-	286
Support services	4,266	-	-	4,266
Utilities	249	-	-	249
<u>Debt service:</u>				
Bond interest	-	353,240	-	353,240
Bond principal	-	2,265,000	-	2,265,000
Paying agent fees	-	275	-	275
Total expenditures	<u>64,149</u>	<u>2,639,393</u>	<u>-</u>	<u>2,703,542</u>
<b>NET CHANGE IN FUND BALANCE</b>	(58,094)	(2,099,282)	14,161	(2,143,215)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	71,257	2,846,655	76,815	2,994,727
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 13,163</u>	<u>\$ 747,373</u>	<u>\$ 90,976</u>	<u>\$ 851,512</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016**

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

Net changes in fund balances - Total governmental funds \$ (2,143,215)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Bond principal payments	\$ 2,025,000	
Refunding loan principal payment	<u>240,000</u>	2,265,000

Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:

Net change in accrued interest on bonds payable	(1,441)	
Depreciation	<u>(19,865)</u>	<u>(21,306)</u>

Change in net position of governmental activities		<u><u>\$ 100,479</u></u>
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These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales taxes	\$ 49,000	\$ -	\$ -	\$ -
Miscellaneous	-	6,000	6,000	-
Interest	100	1,000	55	(945)
Total revenues	<u>49,100</u>	<u>7,000</u>	<u>6,055</u>	<u>(945)</u>
<b>EXPENDITURES</b>				
Audit	2,500	2,500	2,475	25
Directors' fees	2,400	3,400	3,400	-
District management and accounting	17,000	34,000	33,920	80
Dues and subscriptions	650	2,500	2,474	26
Elections	2,000	-	-	-
Engineering	2,000	-	-	-
Insurance and bonds	4,000	4,000	3,708	292
Legal	7,500	13,500	13,371	129
Miscellaneous	2,500	300	286	14
Repairs and maintenance	2,000	-	-	-
Snow plow maintenance	1,500	-	-	-
Support services	4,500	4,500	4,266	234
Utilities	250	250	249	1
Total expenditures	<u>48,800</u>	<u>64,950</u>	<u>64,149</u>	<u>801</u>
<b>NET CHANGE IN FUND BALANCE</b>	300	(57,950)	(58,094)	(144)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>133,322</u>	<u>71,257</u>	<u>71,257</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 133,622</u>	<u>\$ 13,307</u>	<u>\$ 13,163</u>	<u>\$ (144)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

Bromley Park Metropolitan District No. 6 (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on November 27, 2000, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado, and almost entirely within the City of Brighton (City), with the exception of a few parcels. The District is one of six contiguous districts: South Beebe Draw Metropolitan District, Bromley Park Metropolitan Districts Nos. 2, 3, 5 and 6 and Brighton Crossing Metropolitan District No. 4 (the Districts, or SBD, BPMD Nos. 2, 3, 5, 6 and BC, respectively). As of December 31, 2016, all the Districts, with the exception of BPMD No. 2 and BC, have substantially the same membership of their respective Boards of Directors. SBD, BPMD Nos. 2 and 3 and BC were participants in the Annexation Agreement, as amended, between the City of Brighton and the then current developer of the majority of the property within the District, BPK Holdings, LLC (BPK). The District and BPMD No. 5 were formed in 2000 and both are participating in the Annexation Agreement, as amended.

Pursuant to the Intergovernmental Agreement Regarding sales and use taxes (Sales and Use Tax IGA) entered into on August 4, 1995, between BPK, SBD, BPMD Nos. 2 and 3 and BC, SBD was designated by BPK to receive and administer all sales and use taxes remitted under the Annexation Agreement, as amended, by the City and to apply the receipts to the common benefit of BPMD Nos. 2 and 3, and BC, and later, under separate agreements, to the benefit of BPMD Nos. 5 and 6 and Adams East Metropolitan District (Adams East) as revenue pledged for debt service on bonds which funded improvements within those districts and benefitted all Districts. The property within the boundaries of BPMD Nos. 5 and 6 and Adams East is within the boundaries of the property described in the Annexation Agreement, as amended.

On August 24, 2010, the District consented to the formation of Adams East upon property located within the boundaries of the District. The initial boundaries of the property are located north of Bromley Lane and east of Interstate 76. The initial boundaries of the property were excluded from the District.

The District was established principally to provide for the construction, acquisition and installation of streets and safety control, street lighting, landscaping, storm drainage, television relay, water, sanitary sewer, transportation, mosquito control and park and recreation improvements and facilities, and for the ongoing maintenance of street lighting, street landscaping and park and recreation facilities within and without the boundaries of the District.

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

SBD, BPMD Nos. 2 and 3, and BC entered into an Interdistrict Regional Facilities Intergovernmental Agreement (Interdistrict IGA, as amended) on March 21, 2000 to expand the responsibilities of SBD to include coordination of construction, operation and maintenance of regional facilities with ownership retained by SBD and to provide for the funding of such regional facilities and infrastructure. On July 21, 2004 the Interdistrict IGA was amended by the First Amendment to Interdistrict Regional Facilities Intergovernmental Agreement between

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)**

SBD, BPMD Nos. 2 and 3 and BC, which consented to the reimbursement of certain infrastructure improvement expenses incurred by BPMD No. 2 and BC. The Interdistrict IGA was further amended on October 18, 2005 through the Agreement and Second Amendment to Interdistrict Regional Facilities Intergovernmental Agreement for the purpose of addressing only those certain provisions concerning the sewer line connection fee to include the District, BPMD No. 5 and Silver Peaks Metropolitan District Nos. 1-5 (SPMD Nos. 1-5) as they, along with BPMD Nos. 2 and 3, and BC, benefit from the improvement and extension of sewer lines to the Town of Lochbuie (Town) wastewater treatment plant (see Note 9). The District, BPMD No. 5 and SPMD Nos. 1-5 were not made a party to all terms of the Interdistrict IGA, as amended. Funding for the regional facilities and maintenance are from certain fees collected by BPMD Nos. 2, 3, 5 and 6, BC, and SPMD Nos. 1-5 and transferred to SBD (see Note 9).

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 District organization (including SBD, BPMD Nos. 2, 3 and 5, BC and Adams East), nor is the District a component unit of any other primary governmental entity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, 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 assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of the District is reported as net position.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes and developer advances are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 other funds.

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

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

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed.

**Budgets**

In accordance with Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

For the year ended December 31, 2016, supplementary appropriations approved by the District's Board of Directors modified the appropriation from \$48,800 to \$64,950 in the General Fund and from \$565,800 to \$2,639,800 in the Debt Service Fund.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single 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.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the county assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the county commissioners to put the tax lien on the individual properties as of January 1 of the following year. The county treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The county treasurer remits the taxes collected monthly to the District.

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

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets, which include equipment and infrastructure assets (e.g. rail extension and vehicles), are reported as a governmental activity in the governmental-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. It is the District's policy to capitalize those assets with a cost or value of \$5,000 or more.

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 that will be dedicated to other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Railroad extension	50 years
Vehicles	5 years

**Fund Balances – Governmental Funds**

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance – amounts that are available for any purpose.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

**Fees**

The District imposes certain system development, impact and storm drainage fees on property within the Districts. The fees are required to be paid prior to the issuance of a building permit by the City. The District records the revenue when the fees are paid and received.

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2016 are classified in the accompanying statement of net position as follows:

Cash and investments - unrestricted	\$ 314,401
Cash and investments - restricted	747,451
	<u>\$ 1,061,852</u>

Cash and investments as of December 31, 2016 consist of the following:

Deposits with financial institutions	\$ 1,061,852
Total cash and investments	<u>\$ 1,061,852</u>

**Cash Deposits**

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 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, 2016, the District's cash deposits had a bank balance of \$1,062,881 and a carrying balance of \$1,061,852.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

**Investments**

**Credit Risk**

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

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

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

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

As of December 31, 2016, the District had no investments.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 4 - CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2016, follows:

<u>Governmental Activities</u>	<u>Balance at December 31, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2016</u>
Capital assets, being depreciated				
Rail extension	\$ 993,239	\$ -	\$ -	\$ 993,239
Vehicles	1,504	-	-	1,504
Total capital assets, being depreciated	994,743	-	-	994,743
Less accumulated depreciation for:				
Rail extension	(244,511)	(19,865)	-	(264,376)
Vehicles	(1,504)	-	-	(1,504)
Total accumulated depreciation	(246,015)	(19,865)	-	(265,880)
Total capital assets, being depreciated, net	748,728	(19,865)	-	728,863
Total capital assets, net	<u>\$ 748,728</u>	<u>\$ (19,865)</u>	<u>\$ -</u>	<u>\$ 728,863</u>

**NOTE 5 - LONG-TERM OBLIGATIONS**

The following is an analysis of changes in long-term obligations for the year ended December 31, 2016:

	<u>Balance at December 31, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2016</u>	<u>Due Within One Year</u>
General Obligation Bonds					
Series 2006	\$ 2,025,000	\$ -	\$ (2,025,000)	\$ -	\$ -
General Obligation Refunding Loan					
Series 2015	7,320,000	-	(240,000)	7,080,000	265,000
	<u>\$ 9,345,000</u>	<u>\$ -</u>	<u>\$ (2,265,000)</u>	<u>\$ 7,080,000</u>	<u>\$ 265,000</u>

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

**General Obligation Bonds Series 2006**

On December 20, 2006, the District issued \$2,250,000 in general obligation bonds dated December 20, 2006 (Series 2006 Bonds). The Series 2006 Bonds had an interest rate of 5.25% payable semiannually on June 1 and December 1 and were subject to mandatory sinking fund redemption beginning on December 1, 2008 and on each December 1 thereafter until final maturity on December 1, 2036. The Series 2006 Bonds were subject to redemption prior to their respective maturity dates at the option of the District on December 1, 2016, and on any date

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

thereafter, upon payment of the principal amount of the Series 2006 Bonds to be redeemed plus accrued interest to the redemption date, without premium.

The Series 2006 Bonds were issued for the purpose of funding public capital improvements for the District, capitalizing the initial interest to accrue on the 2006 Series Bonds and paying the costs of issuing the 2006 Series Bonds.

The Series 2006 Bonds were secured by pledged revenue consisting of ad valorem property taxes to be levied by the District on all taxable property in the District. The District's service plan provides that so long as the total principal amount of all of the District's contractual obligations to levy property taxes for the payment of any bonds or other obligations payable from the District's property taxes exceeds 50% of the assessment valuation, the District is limited to a maximum annual ad valorem mill levy of 26.000 mills.

On December 1, 2015, the District obtained a General Obligation Refunding Loan (Series 2015 Loan). Proceeds in the amount of \$2,117,933 were placed into escrow in order to redeem the 2006 Series Bonds after the available redemption date of December 1, 2016. The Series 2006 Bonds were redeemed on December 1, 2016.

**General Obligation Refunding Loan Series 2015**

On December 1, 2015, the District entered into a \$7,320,000 General Obligation Refunding Loan Agreement with Key Government Finance, Inc. The Series 2015 Loan bears an interest rate of 3.52% payable semiannually on June 1 and December 1, with annual principal payments beginning December 1, 2016. The Series 2015 Loan may be prepaid at the option of the District, upon payment of the entire outstanding principal balance of the Series 2015 Loan, plus accrued interest to the date of prepayment, plus any other amounts due and the applicable prepayment fee. The prepayment fee will be one of the following based on the payment date: 1) 3% of the outstanding principal balance if prepayment occurs on or before January 1, 2019, 2) 2% of the outstanding principal balance if prepayment occurs after January 1, 2019 and on or before January 1, 2020, 3) 1% of the outstanding principal balance if prepayment occurs after January 1, 2020 and on or before January 1, 2021 and 4) 0% thereafter. The Series 2015 Loan is secured by pledged revenue consisting of property taxes to be levied by the District on all taxable property in the District.

The net proceeds of the loan were used to 1) pay the costs of issuance of the refunding loan, 2) refund general obligation bonds dated March 30, 2010, 3) pay the outstanding amount due on the Series 2010A general obligation subordinate note dated January 26, 2010 plus accrued interest, 4) reimburse SBD the amount due under a designation agreement and 5) provide funds in order to advance refund the Series 2006 bonds on or after December 1, 2016.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

The District's Series 2015 Loan matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 265,000	\$ 249,216	\$ 514,216
2018	280,000	239,888	519,888
2019	300,000	230,032	530,032
2020	322,500	219,472	541,972
2021	347,500	208,120	555,620
2022-2025	5,565,000	701,677	6,266,677
	<u>\$ 7,080,000</u>	<u>\$ 1,848,405</u>	<u>\$ 8,928,405</u>

**Authorized Debt**

On November 7, 2000 and May 4, 2004 (re-authorization) a majority of the eligible electors of the District authorized the issuance of indebtedness in an amount not to exceed \$59,750,000 at an interest rate not to exceed 18% per annum. On November 4, 2008, a majority of the eligible electors of the District authorized the issuance of indebtedness in the amount of \$5,000,000 for transportation related purposes at an interest rate not to exceed 18% per annum for a total authorization amount not to exceed \$64,750,000. On November 4, 2014, the eligible electors of the District re-voted the authorizations, in part, with some increases for a new total authorization amount not to exceed \$68,500,000. At December 31, 2016, the District had authorized but unissued indebtedness from these elections in the following amounts allocated for the following purposes:

	<u>Total Authorized</u>	<u>Remaining at December 31, 2016</u>
Street improvements	\$ 13,000,000	\$ 10,656,185
Park and recreation facilities	1,500,000	1,500,000
Water supply improvements	3,500,000	2,833,946
Sanitary sewer system	8,000,000	6,454,869
Television relay	2,750,000	2,750,000
Mosquito control	500,000	500,000
Public transportation	5,000,000	3,946,761
Operations	2,500,000	2,500,000
Debt refunding	31,750,000	24,430,000
	<u>\$ 68,500,000</u>	<u>\$ 55,571,761</u>

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 6 – FUND EQUITY**

At December 31, 2016, the District reported the following classification of fund equity.

**Nonspendable Fund Balance**

The nonspendable fund balance in the General Fund in the amount of \$3,796 represents prepaid expenditures for the ensuing fiscal year and is therefore not in a spendable form

**Restricted Fund Balance**

The restricted fund balance in the General Fund in the amount of \$610 is comprised of the emergency reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11).

The restricted fund balance in the Debt Service Fund in the amount of \$747,373 is to be used exclusively for debt service requirements (see Note 5).

**Committed Fund Balance**

The committed fund balance in the Capital Projects Fund in the amount of \$90,976 is comprised of amounts committed by the Board of Directors for the acquisition or improvement of capital assets.

**NOTE 7 - NET POSITION**

The District's net position consists of three components – net investment in capital assets, restricted and unrestricted.

The net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. As of December 31, 2016, the District had a deficit net investment in capital assets in the amount of \$158,478.

Restricted net position includes amounts that are restricted for use either externally by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District's restricted net position at December 31, 2016 consists of \$610 for emergency reserves and \$726,605 to be used exclusively for debt service requirements.

In the government-wide financial statements, the District's unrestricted net deficit as of December 31, 2016 totaled by \$6,089,130 primarily due to capital improvements that were funded with long-term debt that have been dedicated to other entities, while the long-term debt remains an obligation of the District.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 8 - RELATED PARTIES**

The members of the Board of Directors of the District, SBD, BPMD No. 3, BPMD No. 5 and Adams East are employees of, owners of, or otherwise associated with BPK and/or the Bromley Companies, and/or Bromley Park Industrial Land Company, LLC, (referred to herein as the Affiliates) and may have conflicts of interest in dealing with the District. BPK is the current owner of part of the property previously owned in the District by Bromley Park Associates, LLC. Specific details of transactions with the Affiliates regarding organization, advances, and debt are described elsewhere in these notes.

**NOTE 9 - INTERGOVERNMENTAL AGREEMENTS**

The agreements listed below relate to one or more of the Districts and are not all-inclusive. Per the District's service plan, the District will be subject to the terms of the Beebe Draw Wastewater Management Agreement regarding provision of sanitary sewer service. The District shall also be subject to the terms of the Storm Drainage Agreement with the City.

**City of Brighton**

Pursuant to (1) the Annexation Agreement, as amended by the first, second, third and fourth amendments, among BPK, the City, SBD, BPMD Nos. 2 and 3 and BC, (2) Agreement 2, among BPK, the City, Adams County, SBD, BPMD Nos. 2 and 3, and BC; and (3) the Interdistrict IGA, as amended, among SBD, BPMD Nos. 2 and 3 and BC (see Note 1), the parties have the following mutual responsibilities:

In general, the Districts and BPK or assignees are to install improvements and transfer the installed facilities, except for certain specified improvements, to the City for ownership, maintenance and operation.

**Streets** - Bromley Lane was improved by funding from the City, BPK and the Districts. The City is to reimburse BPK for certain sections over a five-year period or require landowners to pay their pro rata share plus interest to the Districts when annexed to the City. The Districts are to pay for their certain sections when development dictates. In 2001, BC transferred the responsibility to plant and maintain the medians to BPMD No. 5.

Danube Street (or of such other designation as it may be re-named at the option of the City) is to be developed and installed, but if completed by BPK or the Districts, the City will reimburse the Districts for a portion of the costs incurred. The Districts agree to perform street reconstruction and asphalt overlays on all streets as requested from the City as long as the sales and use taxes are remitted by the City. Other streets are to be constructed by the Districts and transferred to the City for perpetual maintenance.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 9 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**Water** - On May 28, 1996, a third amendment to the Annexation Agreement was completed which stipulated that the City would provide water service to the Bromley Park Property to full development as determined under the Phase Master Plans under certain conditions. Of the City's water plant investment fee, \$300 is paid to or retained by SBD. In consideration of BPK (assigned the role of annexor in the Annexation Agreement) designing all irrigation systems after December 8, 1998, so that they are capable of being converted to a nonpotable water system, the City will provide water taps for certain public areas at no charge.

**Sewer** - The City is to provide sewage collection and treatment capacity to the full development of the BPK Property (also referred to as the Bromley Park Property). Pursuant to the fourth amendment to the Annexation Agreement, approved by the City on October 21, 1997, and entered into on November 4, 1997, the City has fulfilled its obligation to provide wastewater treatment facilities for the property draining into the Beebe Draw Basin by entering into the Beebe Draw Wastewater Agreement between the Town, SBD, BPMD Nos. 2 and 3, and BC, dated November 4, 1997. The Town is the Wastewater Management Agency for the Beebe Draw Service Area. The Beebe Draw Wastewater Services Agreement was amended on August 14, 2009 (see below). Pursuant to the terms of the Interdistrict IGA, as amended, the District was designated as the entity to coordinate the financing, planning, construction, ownership and maintenance of certain infrastructure including sewer for the Districts (see Note 1).

The City remains obligated to provide transmission and treatment service to the property draining into the South Platte Basin. SBD or BPK is obligated to install, at its expense, all sanitary sewer collection and transmission lines and facilities as stipulated in the Sanitary Sewer Master Plan regardless of drainage basin.

**Storm Drainage** - Pursuant to the second amendment to Annexation Agreement approved on November 11, 1994 and in consideration of BPK's payment of storm drainage fees, the City agreed to provide all offsite storm drainage improvements for the BPK Property. The third amendment to the Annexation Agreement entered into on May 28, 1996 provided for the ability of SBD, BPMD Nos. 2 and 3 and BC to undertake offsite storm drainage activities for property in the Beebe Draw Basin which would include being solely responsible for all offsite drainage for the Bromley Park Property within their boundaries (which is within the Beebe Draw Basin). In such event, (1) SBD, BPMD Nos. 2 and 3, and BC would pay for offsite improvements, (2) the City would forego collecting drainage fees and reimbursement, and (3) the drainage fees, as may be appropriate, would be collected by SBD, BPMD Nos. 2 and 3 and BC. As part of this undertaking, SBD, BPMD Nos. 2 and 3 and BC entered into the Interdistrict IGA, as amended, for the purpose of designating SBD to coordinate the financing, planning, construction, ownership and maintenance of certain infrastructure including storm drainage (see Note 1). The Districts and/or BPK are to construct all onsite storm drainage improvements.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 9 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**Sales and Use Tax** - Until the earlier of December 16, 2026, or the repayment of the Districts' outstanding debt related to the funding of facilities and services within the Districts' service area, the City agrees to remit annually one third (1/3) of the sales and use taxes (excluding the .75% recreation sales and use tax) generated and collected within the Bromley Park Property (as defined in the Second Amendment to Annexation Agreement) to SBD. The Sales and Use Tax IGA and the Interdistrict IGA, as amended, allowed for the sharing of this revenue among Districts. Pursuant to the Sales and Use Tax IGA, the use of funds is determined by the Board of Directors of SBD (see Note 1).

On February 23, 2010, the District and SBD entered into the Intergovernmental Agreement to Designate Funds to Support Bonds, as amended March 31, 2010, whereby the District would receive a portion of the sales tax revenue allocable to the property within the District, to be used toward principal and interest payments on the District's General Obligation Bonds, Series 2010, for as long as those Series 2010 bonds remained outstanding. On December 1, 2015, the Series 2010 Bonds were paid in full. On January 24, 2017, the termination of the Intergovernmental Agreement to Designate Funds to Support Bonds was memorialized in a joint resolution adopted by the Boards of Directors of SBD and the District.

**Beebe Draw Wastewater Service Agreement**

On November 4, 1997, SBD, BPMD Nos. 2 and 3, and BC entered into the Beebe Draw Wastewater Services Agreement with the City and the Town to provide a comprehensive program to finance, design, construct, acquire, operate, maintain and use wastewater treatment and discharge facilities serving properties within the Beebe Draw drainage basin. This agreement was amended on August 14, 2009 by the First Amended and Restated Beebe Draw Wastewater Service Agreement (2009 WSA) between the City, the Town and SBD. The terms of the 2009 WSA amended and restated the 1997 agreement in its entirety, redefined the Beebe Draw Service Area, addressed future annexations east of Interstate 76, redirected certain services to the City, outlined conditions for expansion of the treatment plant, provided general rules for

wastewater treatment service, established provisions for capital funding using Plant Investment Fees (PIFs) and operation and maintenance funding, provided for the Lochbuie Sewer Board, outlined specific terms for the construction of additional infrastructure within the Town or City by SBD (which is not anticipated), and provided for rates and charges to be imposed and collected. SBD is responsible for constructing and financing certain sewer lines and receives fees from all areas served by the lines, including property within the District. PIFs are due for connections to the sewer system for treatment facilities within the corporate limits of the Town to be paid directly by builders to the Town. Future expansion of the facilities will be coordinated under the terms of this agreement.

Further, under the agreement, the City and Town are to collect and remit to SBD certain fees equal to the greater of \$1301.60 or 40% of the applicable PIF imposed by the Town for a sewer connection fee. These fees are applied toward payment of the SBD 2005 bonds and for other District purposes. SBD's sewer line connection fee at December 31, 2016 was \$1,301.60.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 9 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**System Development, Infrastructure and Infrastructure Support Fees**

The District can impose certain system development and infrastructure fees. As of December 31, 2016, the fees that the District can impose per single-family equivalent as follows:

System development fee - \$2,128 per unit

Infrastructure fee - \$1,048 or \$1,853 per unit depending upon type of unit

In addition, the District imposes system development fees for commercial, office and industrial property at \$0.80, \$0.65 and \$0.32 per square foot of gross building area, respectively.

On February 10, 2011, the District's Board of Directors adopted a resolution authorizing the imposition of an infrastructure support fee. The fee is due and payable each year on the first day of August until a certificate of occupancy is issued for the lot. The fee shall be imposed but waived on a dollar-for-dollar basis to the extent that the owner of such undeveloped lot provides any developer advances to the District from August 2 of the year immediately preceding the imposition of the infrastructure support fee to August 1 of the year the infrastructure support fee is imposed. At December 31, 2016, the fee was \$975 per undeveloped lot and \$7,800 per acre for undeveloped lots designated for multi-family or non-residential use within the District. The District has determined that the fee is not required for fiscal years 2016 and 2017 and will not be required until such time as the joint fee resolution is amended to impose an infrastructure support fee.

**NOTE 10- RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, 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 (Pool) as of December 31, 2016. 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.

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

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 11 - TAX, SPENDING AND DEBT LIMITATIONS**

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

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 District's eligible electors approve retention of such revenue.

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

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.

On November 7, 2000, a majority of the District's electors authorized the District to increase taxes \$500,000 annually (increased to \$2,500,000 with eligible elector authorization on November 4, 2014) for District operations, maintenance and other expenses with such taxes consisting of a mill levy imposed without limitation of rate and as a voter-approved revenue change without regard to limitations of TABOR and Section 29-1-301, C.R.S. The electors also authorized the District to collect, retain and spend any revenue from sources other than ad valorem taxes annually without regard to any limitations imposed by TABOR. This authorization was re-voted on May 4, 2004 and November 4, 2014 by the eligible electors of the District.

This information is an integral part of the accompanying financial statements.

**SUPPLEMENTAL INFORMATION**

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 486,185	\$ 486,185	\$ 486,185	\$ -
Specific ownership taxes	31,000	31,000	40,070	9,070
Interest	-	-	13,856	13,856
Total revenues	<u>517,185</u>	<u>517,185</u>	<u>540,111</u>	<u>22,926</u>
<b>EXPENDITURES</b>				
<u>General</u>				
Audit	2,500	2,500	2,475	25
County treasurer fees	7,300	7,300	7,300	-
District management and accounting	4,500	9,300	9,224	76
Legal	1,500	1,900	1,879	21
<u>Debt Service</u>				
Bond interest	550,000	353,500	353,240	260
Bond principal	-	2,265,000	2,265,000	-
Paying agent fees	-	300	275	25
Total expenditures	<u>565,800</u>	<u>2,639,800</u>	<u>2,639,393</u>	<u>407</u>
<b>NET CHANGE IN FUND BALANCE</b>	(48,615)	(2,122,615)	(2,099,282)	23,333
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>61,484</u>	<u>2,846,655</u>	<u>2,846,655</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 12,869</u>	<u>\$ 724,040</u>	<u>\$ 747,373</u>	<u>\$ 23,333</u>

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2016**

	<u>Budget Amounts Original-Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE</b>			
System development fees	\$ -	\$ 14,161	\$ 14,161
Total revenue	-	14,161	14,161
<b>EXPENDITURES</b>			
Total expenditures	-	-	-
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	-	14,161	14,161
<b>NET CHANGE IN FUND BALANCE</b>	-	14,161	14,161
<b>FUND BALANCE - BEGINNING OF YEAR</b>	76,159	76,815	656
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 76,159</u>	<u>\$ 90,976</u>	<u>\$ 14,817</u>

**OTHER INFORMATION**

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2016**

**\$7,320,000 Series 2015  
General Obligation Refunding Loan  
Dated December 1, 2015  
Interest Rate of 3.52%  
Payable on June 1 and December 1  
Principal Due December 1**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 265,000	\$ 249,216	\$ 514,216
2018	280,000	239,888	519,888
2019	300,000	230,032	530,032
2020	322,500	219,472	541,972
2021	347,500	208,120	555,620
2022	372,500	195,888	568,388
2023	392,500	182,776	575,276
2024	423,500	168,960	592,460
2025	4,376,500	154,053	4,530,553
	<u>\$ 7,080,000</u>	<u>\$ 1,848,405</u>	<u>\$ 8,928,405</u>

**BROMLEY PARK METROPOLITAN DISTRICT NO. 6**  
**SCHEDULE OF ASSESSED VALUATION,**  
**MILL LEVY AND PROPERTY TAXES COLLECTED**  
**December 31, 2016**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>	<u>Total Property Taxes</u>		<u>Percentage Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>	
2008	\$ 6,954,720	18.000	\$ 125,185	\$ 125,185	100.00%
2009	\$ 8,708,970	18.000	\$ 156,761	\$ 156,761	100.00%
2010	\$ 9,031,710	18.000	\$ 162,571	\$ 162,571	100.00%
2011	\$ 8,683,770	18.000	\$ 156,308	\$ 156,308	100.00%
2012	\$ 8,398,790	18.000	\$ 151,179	\$ 148,302	98.10%
2013	\$ 8,457,390	18.000	\$ 152,233	\$ 152,233	100.00%
2014	\$ 9,560,370	18.000	\$ 172,087	\$ 163,443	94.98%
2015	\$ 9,710,230	18.000	\$ 174,785	\$ 174,785	100.00%
2016	\$ 18,699,440	26.000	\$ 486,185	\$ 486,185	100.00%
Estimated for the year ending December 31, 2017	\$ 18,814,260	35.000	\$ 658,499		

**NOTE:**

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