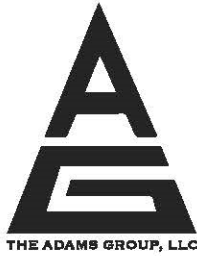


BROMLEY PARK METROPOLITAN DISTRICT NO. 6
Adams County, Colorado

FINANCIAL STATEMENTS
December 31, 2020

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CERTIFIED PUBLIC ACCOUNTANTS

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 (the District) as of and for the year ended December 31, 2020, 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, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 12 to the financial statements, the District determined there to be restatements of prior period balances due to errors noted related to capital assets. These changes resulted in a restatement of prior period net position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules are the responsibility of management and were 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are 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.

The Adams Group, LLC

Denver, Colorado
October 13, 2021

BASIC FINANCIAL STATEMENTS

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
STATEMENT OF NET POSITION
December 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and investments - unrestricted	\$ 633,745
Cash and investments - restricted	712,444
Receivable from county treasurer	3,980
Prepaid items	495
Property taxes receivable	1,130,190
Capital assets being depreciated, net of accumulated depreciation	649,403
Total assets	<u>\$ 3,130,257</u>
LIABILITIES	
Accounts payable	\$ 663
Due to other governmental entities	41,833
Noncurrent liabilities	
Due within one year	442,500
Due in more than one year:	
Accrued interest on loans and developer advances	244,290
Refunding loan payable	14,039,114
Total liabilities	<u>14,768,400</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	1,130,190
Total deferred inflows of resources	<u>1,130,190</u>
NET POSITION	
Net investment in capital assets	(3,918,688)
Restricted for:	
Emergency reserves	4,600
Debt service	435,765
Unrestricted	<u>(9,290,010)</u>
Total net position	<u><u>\$ (12,768,333)</u></u>

The 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, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 107,266	\$ -	\$ -	\$ -	\$ (107,266)
Interest and expenses on long-term debt	631,044	-	-	-	(631,044)
	<u>\$ 738,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(738,310)</u>
General revenues:					
Property taxes					965,637
Specific ownership taxes					80,216
Interest					5,371
Total general revenues					<u>1,051,224</u>
Change in net position					312,914
Net position - beginning of year (as restated)					<u>(13,081,247)</u>
Net position - end of year					<u><u>\$ (12,768,333)</u></u>

The 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, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments - unrestricted	\$ 174,103	\$ -	\$ 459,642	\$ 633,745
Cash and investments - restricted	-	712,444	-	712,444
Receivable from county treasurer	514	3,466	-	3,980
Property taxes receivable	161,456	968,734	-	1,130,190
Prepaid items	495	-	-	495
TOTAL ASSETS	\$ 336,568	\$ 1,684,644	\$ 459,642	\$ 2,480,854
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 663	\$ -	\$ -	\$ 663
Due to other governmental entities	5,978	35,855	-	41,833
Total liabilities	6,641	35,855	-	42,496
 DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	161,456	968,734	-	1,130,190
Total deferred inflows of resources	161,456	968,734	-	1,130,190
 FUND BALANCES				
Nonspendable:				
Prepaid items	495	-	-	495
Restricted:				
Emergency reserves	4,600	-	-	4,600
Debt service	-	680,055	-	680,055
Assigned:				
Capital projects	-	-	459,642	459,642
Unassigned	163,376	-	-	163,376
Total fund balances	168,471	680,055	459,642	1,308,168
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 336,568	\$ 1,684,644	\$ 459,642	

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.	649,403
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Refunding loans payable	(11,472,500)
Developer advances payable	(3,009,114)
Accrued interest on developer advances	(210,638)
Accrued interest on refunding loan payable	(33,652)
Net position of governmental activities	\$ (12,768,333)

The 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, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 137,946	\$ 827,691	\$ -	\$ 965,637
Specific ownership taxes	11,406	68,810	-	80,216
Interest	2,561	2,810	-	5,371
Total revenues	<u>151,913</u>	<u>899,311</u>	<u>-</u>	<u>1,051,224</u>
EXPENDITURES				
<u>General:</u>				
Audit	4,600	-	-	4,600
County treasurer fees	2,078	12,469	-	14,547
Directors' fees	2,000	-	-	2,000
District management and accounting	41,150	-	-	41,150
Dues and subscriptions	1,094	-	-	1,094
Insurance and bonds	6,351	-	-	6,351
Legal	11,521	-	-	11,521
Miscellaneous	381	-	-	381
Repairs and maintenance	4,320	-	-	4,320
Support services	1,171	-	-	1,171
Utilities	266	-	-	266
<u>Debt service:</u>				
Bond principal	-	412,500	-	412,500
Bond interest	-	401,292	-	401,292
Paying agent fees	-	3,751	-	3,751
Total expenditures	<u>74,932</u>	<u>830,012</u>	<u>-</u>	<u>904,944</u>
EXCESS OF EXPENDITURES OVER EXPENDITURES	<u>76,981</u>	<u>69,299</u>	<u>-</u>	<u>146,280</u>
OTHER FINANCING SOURCES				
Transfers from (to) other funds	2,406	(2,406)	-	-
Total other financing sources	<u>2,406</u>	<u>(2,406)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	79,387	66,893	-	146,280
FUND BALANCE - BEGINNING OF YEAR	89,084	613,162	459,642	1,161,888
FUND BALANCE - END OF YEAR	<u>\$ 168,471</u>	<u>\$ 680,055</u>	<u>\$ 459,642</u>	<u>\$ 1,308,168</u>

The 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 CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

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

Net change in fund balance - Total governmental funds	\$	146,280
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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:

Refunding loan principal payment	<u>\$ 412,500</u>	
		412,500

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 developer advances payable	(210,638)	
Net change in accrued interest on loan payable	(15,363)	
Depreciation	<u>(19,865)</u>	<u>(245,866)</u>

Change in net position of governmental activities	\$	<u><u>312,914</u></u>
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BROMLEY PARK METROPOLITAN DISTRICT NO. 6
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2020

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 148,400	\$ 137,946	\$ (10,454)
Specific ownership taxes	8,904	11,406	2,502
Interest	2,000	2,561	561
Total revenues	<u>159,304</u>	<u>151,913</u>	<u>(7,391)</u>
EXPENDITURES			
Audit	4,700	4,600	100
County treasurer fees	2,226	2,078	148
Directors' fees	2,400	2,000	400
District management and accounting	32,000	41,150	(9,150)
Dues and subscriptions	2,000	1,094	906
Engineering	10,000	-	10,000
Insurance and bonds	7,500	6,351	1,149
Legal	17,000	11,521	5,479
Miscellaneous	5,000	381	4,619
Repairs and maintenance	50,000	4,320	45,680
Snow plow maintenance	2,500	-	2,500
Support services	40,000	1,171	38,829
Utilities	2,500	266	2,234
Emergency reserve	4,800	-	4,800
Total expenditures	<u>182,626</u>	<u>74,932</u>	<u>107,694</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(23,322)</u>	<u>76,981</u>	<u>100,303</u>
OTHER FINANCING SOURCES			
Transfer from other funds	<u>12,000</u>	<u>2,406</u>	<u>(9,594)</u>
Total other financing sources	<u>12,000</u>	<u>2,406</u>	<u>(9,594)</u>
NET CHANGE IN FUND BALANCE	(11,322)	79,387	90,709
FUND BALANCE - BEGINNING OF YEAR	<u>160,044</u>	<u>89,084</u>	<u>(70,960)</u>
FUND BALANCE - END OF YEAR	<u>\$ 148,722</u>	<u>\$ 168,471</u>	<u>\$ 19,749</u>

The 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, 2020

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, 2020, 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.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)

SBD, BPMD Nos. 2 and 3, and BC entered into an Inter-district Regional Facilities Intergovernmental Agreement (Inter-district 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 Inter-district IGA was amended by the First Amendment to Inter-district Regional Facilities Intergovernmental Agreement between 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 Inter-district IGA was further amended on October 18, 2005 through the Agreement and Second Amendment to Inter-district 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 Inter-district 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:

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide financial statements (i.e. statement of net position and the statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenses of the district are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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*.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund - The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

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

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Deposits and Investments

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

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 minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one item that qualifies for reporting in this category: Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns 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 and an estimated useful life in excess of two years. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets 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 using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Railroad extension	50 years
Vehicles	5 years

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally 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 in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent.

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$4,600 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$680,055 is restricted for the payment of the costs associated with the Series 2015 and Series 2019 Refunding Loans (See Note 5).

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed Fund Balance

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making District, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the District. A total of \$459,642 of the Capital Fund balance has been assigned for future capital projects.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund; all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report up to three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As of December 31, 2020, cash and investments are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 633,745
Cash and investments - restricted	<u>712,444</u>
	<u>\$ 1,346,189</u>

Cash and investments as of December 31, 2020 consists of the following:

Deposits:

Deposits with financial institutes	\$ 138,988
Investments	<u>1,207,201</u>
	<u>\$ 1,346,189</u>

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. 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.

The District follows state statutes for deposits. As of December 31, 2020, none of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

Credit Risk

The District's investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

As of December 31, 2020, the District had the following investments:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2020, the District had \$1,207,201 invested in

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

COLOTRUST. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 - CAPITAL ASSETS (RESTATED)

An analysis of the changes in capital assets for the year ended December 31, 2020, follows:

<u>Governmental Activities</u>	<u>Balance at December 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2020</u>
Capital assets, being depreciated				
Rail extension	\$ 993,239	\$ -	\$ -	\$ 993,239
Vehicles	1,504	-	-	1,504
Total capital assets, being depreciated	<u>994,743</u>	<u>-</u>	<u>-</u>	<u>994,743</u>
Less accumulated depreciation for:				
Rail extension	(323,971)	(19,865)	-	(343,836)
Vehicles	(1,504)	-	-	(1,504)
Total accumulated depreciation	<u>(325,475)</u>	<u>(19,865)</u>	<u>-</u>	<u>(345,340)</u>
Total capital assets, being depreciated, net	<u>669,268</u>	<u>(19,865)</u>	<u>-</u>	<u>649,403</u>
Total capital assets, net	<u>\$ 669,268</u>	<u>\$ (19,865)</u>	<u>\$ -</u>	<u>\$ 649,403</u>

Depreciation expense is recorded in the general government function in the Statement of Activities.

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2020:

	<u>Balance at December 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2020</u>	<u>Due Within One Year</u>
Direct Placement Loans/Advances:					
General Obligation Refunding Loan, Series 2015	\$ 6,235,000	\$ -	\$ (322,500)	\$ 5,912,500	\$ 347,500
General Obligation Refunding Loan, Series 2019	5,650,000	-	(90,000)	5,560,000	95,000
Developer advances - principal	3,009,114	-	-	3,009,114	-
	<u>\$ 14,894,114</u>	<u>\$ -</u>	<u>\$ (412,500)</u>	<u>\$ 14,481,614</u>	<u>\$ 442,500</u>

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

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

General Obligation Refunding Loan Series 2015

On December 1, 2015, the District entered into a \$7,320,000 General Obligation Refunding Loan Agreement (Series 2015 Loan) 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 matures on December 1, 2025. 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 Series 2015 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.

Significant events of default under the Series 2015 Loan include: (i) failure to pay principal and interest when due on any obligation of the District, (ii) failure to impose required mill levy or failure to apply pledged revenue thereof as required by the terms of the Series 2015 Loan, (iii) failure to meet financial or custodial agreement covenants where such failure is not remedied within 30 days, (iv) qualified audit opinion with respect to the District's status as an on-going concern, (v) judgments against the District as described in the Series 2015 Loan agreement, (vi) proceedings to dissolve the District or consolidate the District where the District would cease to exist and (vii) filing a petition under federal or other applicable bankruptcy laws seeking to adjust the District's debts.

Upon the occurrence and continuance of an event of default, the Series 2015 Loan balance shall bear interest at the 6.52% through June 1, 2025 and at the then current five year U.S. Treasury bond rate plus 8% thereafter. In addition, the holder of the 2015 Loan may proceed to protect and enforce the rights available under the loan and custodial agreements.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The District's Series 2015 Loan matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$5,912,500</u>	<u>\$ 909,797</u>	<u>\$6,822,297</u>

General Obligation Refunding Loan Series 2019

On December 30, 2019, the District entered into a \$5,650,000 General Obligation Refunding Loan Agreement (Series 2019 Loan) with Key Government Finance, Inc. The Series 2019 Loan bears an interest rate of 3.50% with interest and principal due annually on December 1. The Series 2019 Loan matures on December 1, 2029. The Series 2019 Loan may be prepaid at the option of the District, upon payment of the entire outstanding principal balance of the Series 2019 Loan, plus accrued interest to the date of prepayment, plus any other amounts due and any applicable prepayment fee. The prepayment fee due will be 2% of the outstanding principal balance if prepayment occurs on or before December 30, 2021 and 0% thereafter. The Series 2019 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 Series 2019 Loan were used to 1) refund the developer obligation, 2) reimburse SBD for the cost of regional infrastructure that benefits the District and 3) pay the costs of issuance of the refunding loan.

Significant events of default under the Series 2019 Loan include: (i) failure to pay principal and interest when due on any obligation of the District, (ii) failure to impose required mill levy or failure to apply pledged revenue thereof as required by the terms of the Series 2019 Loan, (iii) failure to meet financial or custodial agreement covenants where such failure is not remedied within 30 days, (iv) qualified audit opinion with respect to the District's status as an on-going concern, (v) judgments against the District as described in the Series 2019 Loan agreement, (vi) proceedings to dissolve the District or consolidate the District where the District would cease to exist and (vii) filing a petition under federal or other applicable bankruptcy laws seeking to adjust the District's debts.

Upon the occurrence and continuance of an event of default, the Series 2019 Loan balance shall bear interest at the loan rate plus 4%. In addition, the holder of the 2019 Loan may proceed to protect and enforce the rights available under the loan and custodial agreements.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The District's Series 2019 Loan matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 95,000	\$ 194,600	\$ 289,600
2022	100,000	191,275	291,275
2023	105,000	187,775	292,775
2024	125,000	184,100	309,100
2025	135,000	179,725	314,725
2026-2029	<u>5,000,000</u>	<u>667,975</u>	<u>5,667,975</u>
	<u>\$ 5,560,000</u>	<u>\$ 1,605,450</u>	<u>\$ 7,165,450</u>

Advance and Reimbursement Agreement

On October 24, 2017, the District entered into an advance and reimbursement agreement (2017 Agreement) between and among the District and King Paul 1, LLC (King Paul), Jacobs Colorado LLC (Jacobs), IVE Colorado LLC (IVE) and 76 Commerce Center LLC (76 Commerce Center). King Paul, Jacobs and IVE are collectively referred to as the Owners. The Owners and 76 Commerce Center are collectively referred to as the Developers. Construction costs of public improvements furnished by the Developers that are within the District's boundaries, or outside the District's boundaries if the board of directors determines a benefit accrues to the District from their construction, shall be acknowledged as advances to the District if the improvements meet certain criteria as described in the 2017 Agreement.

76 Commerce Center or the Owners shall have the right to request reimbursement for advances from the District under the 2017 Agreement and specifies simple interest to accrued on amounts certified and accepted for reimbursement at an annual rate of 7.00%. Upon recognition by the District of an advance from either 76 Commerce Center or the Owners, but no more often than once a year, the District shall enter into an infrastructure reimbursement agreement to provide the terms for repayment of the advances plus simple interest. On December 27, 2019, the District entered into an Infrastructure Reimbursement Agreement with 76 Commerce Center (2019 IRA). The 2019 IRA terminates on December 31, 2042. Under the 2019 IRA During the year ended December 31, 2020, the District accepted certified construction costs of \$6,903,249 and reimbursed a total of \$3,894,135 related to the 2019 IRA. At December 31, 2020, the District owed 76 Commerce Center \$3,009,114 in principal and \$210,638 of accrued interest.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

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, 2020, the District had authorized but unissued indebtedness from these elections in the following amounts allocated for the following purposes:

	Total Authorized	December 31, 2020
Street improvements	\$ 13,000,000	\$ 10,300,186
Park and recreation facilities	1,500,000	1,500,000
Water supply improvements	3,500,000	2,114,271
Sanitary sewer system	8,000,000	1,880,543
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	25,483,239
	<u>\$ 68,500,000</u>	<u>\$ 50,975,000</u>

NOTE 6 – 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 that will be owned by the District, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction or improvements of those assets. As of December 31, 2020, the District had a deficit net investment in capital assets in the amount of \$3,918,688.

Restricted net position includes amounts that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or as imposed by law through constitutional provisions or enabling legislation. The District's restricted net position at December 31, 2020 consists of \$4,600 for emergency reserves and \$435,765 for debt service.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 – NET POSITION (CONTINUED)

As of December 31, 2020, the District had an unrestricted net deficit of \$12,768,333. This deficit amount is the result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities.

NOTE 7 - 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 8 – INTERFUND TRANSFERS

During 2020, the Debt Service Fund made transfers of \$2,406 to the General Fund for interest earned on pooled investments.

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.

Intergovernmental Agreement Regarding Funding of Regional Storm Drainage Infrastructure

Effective December 24, 2019, the District and SBD entered into an Intergovernmental Agreement Regarding Funding of Regional Storm Drainage Infrastructure Agreement (Storm Drainage IGA) to set forth the terms upon which the District will remit funds to SBD for the purpose of helping SBD recover the costs of completed and future regional storm drainage infrastructure and facilities that benefit the District.

Under the Storm Drainage IGA, the District agreed to remit to SBD, on an annual basis, 30% of its net revenue defined as District monies available after payment of: (a) all bonds and debt obligations now in existence or hereafter created; (b) all contractual obligations that are not Infrastructure Reimbursement Agreements entered into by the District pursuant to the 2017 Agreement; (c) all operations and maintenance costs of the District and (d) all monies not appropriated or pledged for other purposes by the District. The Storm Drainage IGA shall remain in effect until terminated by mutual agreement of the District and SBD.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 9 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

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 Inter-district 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.

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 non-potable 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 Inter-district 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).

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 9 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

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 Inter-district 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.

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.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 9 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Further, under the agreement, the City and Town are to collect and remit to SBD certain fees equal to the greater of \$1,301.60 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, 2020 was \$1,301.60.

System Development, Infrastructure and Infrastructure Support Fees

The District can impose certain system development and infrastructure fees. As of December 31, 2020, the fees that the District can impose per single-family equivalent as follows:

System development fee - \$2,313.56 per unit
Infrastructure fee - \$1,140 or \$2,015 per unit depending upon type of unit

In addition, the District imposes system development fees for commercial, office and industrial property at \$0.87, \$0.71 and \$0.35 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, 2020, 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 2019 and 2020 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, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the "Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 11 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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.

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.

NOTE 12 – RESTATEMENT

During the Year Ended December 31, 2020 it was determined that \$7,190,711 of construction in process had been conveyed to a City during prior years.

Net Position as originally reported December 31, 2019	\$ (5,890,536)
Adjustment to reflect conveyance of CIP	<u>(7,190,711)</u>
Net Position as restated December 31, 2019	<u>\$ (13,081,247)</u>

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, 2020

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 890,398	\$ 827,691	\$ (62,707)
Specific ownership taxes	53,424	68,810	15,386
Interest	12,000	2,810	(9,190)
Total revenues	<u>955,822</u>	<u>899,311</u>	<u>(56,511)</u>
EXPENDITURES			
<u>General</u>			
County treasurer fees	13,356	12,469	887
<u>Debt service</u>			
Bond principal	412,500	412,500	-
Bond interest	401,292	401,292	-
Note issuance costs	-	-	-
Paying agent fees	2,500	3,751	(1,251)
Total expenditures	<u>829,648</u>	<u>830,012</u>	<u>(364)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>126,174</u>	<u>69,299</u>	<u>(56,875)</u>
OTHER FINANCING SOURCES (USES)			
Transfer to other funds	(12,000)	(2,406)	9,594
Total other financing sources (uses)	<u>(12,000)</u>	<u>(2,406)</u>	<u>9,594</u>
NET CHANGE IN FUND BALANCE	114,174	66,893	(47,281)
FUND BALANCE - BEGINNING OF YEAR	<u>607,402</u>	<u>613,162</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 721,576</u></u>	<u><u>\$ 680,055</u></u>	<u><u>\$ (47,281)</u></u>

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

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2020

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
System development fees	\$ 250,000	\$ -	\$ (250,000)
Total revenues	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
EXPENDITURES			
<u>Capital outlay</u>			
Stormwater improvements	500,000	-	500,000
Total expenditures	<u>500,000</u>	<u>-</u>	<u>500,000</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(250,000)</u>	<u>-</u>	<u>250,000</u>
OTHER FINANCING SOURCES			
Transfer from other funds	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(250,000)	-	250,000
FUND BALANCE - BEGINNING OF YEAR	<u>283,476</u>	<u>459,642</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 33,476</u>	<u>\$ 459,642</u>	<u>\$ 250,000</u>

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

OTHER INFORMATION

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2020

\$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

\$5,650,000 Series 2019
General Obligation Refunding Loan
Dated December 1, 2019
Interest Rate of 3.50%
Principal and Interest Due December 1

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Total All Loans</u>
2021	\$ 347,500	\$ 208,120	\$ 555,620	\$ 95,000	\$ 194,600	\$ 289,600	\$ 845,220
2022	372,500	195,888	568,388	100,000	191,275	291,275	859,663
2023	392,500	182,776	575,276	105,000	187,775	292,775	868,051
2024	423,500	168,960	592,460	125,000	184,100	309,100	901,560
2025	4,376,500	154,053	4,530,553	135,000	179,725	314,725	4,845,278
2026	-	-	-	145,000	175,000	320,000	320,000
2027	-	-	-	155,000	169,925	324,925	324,925
2028	-	-	-	170,000	164,500	334,500	334,500
2029	-	-	-	4,530,000	158,550	4,688,550	4,688,550
	<u>\$ 5,912,500</u>	<u>\$ 909,797</u>	<u>\$ 6,822,297</u>	<u>\$ 5,560,000</u>	<u>\$ 1,605,450</u>	<u>\$ 7,165,450</u>	<u>\$ 13,987,747</u>

BROMLEY PARK METROPOLITAN DISTRICT NO. 6
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2020

<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%
2017	\$ 18,814,260	35.000	\$ 658,499	\$ 652,317	99.06%
2018	\$ 18,797,610	35.000	\$ 657,916	\$ 657,916	100.00%
2019	\$ 18,253,630	35.000	\$ 638,877	\$ 638,877	100.00%
2020	\$ 29,679,930	35.000	\$ 1,038,798	\$ 965,637	92.96%
Estimated for the year ending December 31, 2021	\$ 32,291,140	35.000	\$ 1,130,190		

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.