

**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 1  
FORMERLY KNOWN AS  
BMP METROPOLITAN DISTRICT NO. 1  
Denver County, Colorado**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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**SCHILLING & COMPANY, INC.**

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## **Independent Auditor's Report**

Board of Directors  
Broadway Park North Metropolitan District No. 1  
Denver County, Colorado

### **Report for the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Broadway Park North Metropolitan District No. 1 (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 Broadway Park North Metropolitan District No. 1, as of December 31, 2020, and the respective changes in financial position and the 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 not presented 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 are 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 financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
September 29, 2021

## **BASIC FINANCIAL STATEMENTS**

**Broadway Park North Metropolitan District No. 1  
fka BMP Metropolitan District No. 1**

BALANCE SHEET/STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS

December 31, 2020

	<u>General</u>	Capital Projects <u>Fund</u>	<u>Total</u>	<u>Adjustments</u>	Statement of <u>Net Position</u>
<b>ASSETS</b>					
Cash deposits - unrestricted	\$ 11,645	\$ -	\$ 11,645	\$ -	\$ 11,645
Cash deposits - restricted	-	369,457	369,457	-	369,457
Due from District No. 3	83,378	-	83,378	-	83,378
Due from District No. 2	87,004	-	87,004	-	87,004
Property taxes receivable	26	-	26	-	26
Due to other funds	3,975	-	3,975	-	3,975
Prepaid expenses	3,835	-	3,835	-	3,835
Capital assets not being depreciated	-	-	-	3,028,130	3,028,130
<b>Total Assets</b>	<b><u>\$ 189,863</u></b>	<b><u>\$ 369,457</u></b>	<b><u>\$ 559,320</u></b>	<b><u>3,028,130</u></b>	<b><u>3,587,450</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 37,373	\$ 21,316	\$ 58,689	-	58,689
Due to other funds	-	3,975	3,975	-	3,975
Due to District No. 2	-	84,891	84,891	-	84,891
Long-term liabilities:					
Due in more than one year	-	-	-	887,627	887,627
<b>Total Liabilities</b>	<b><u>37,373</u></b>	<b><u>110,182</u></b>	<b><u>147,555</u></b>	<b><u>887,627</u></b>	<b><u>1,035,182</u></b>
<b>FUND BALANCES/NET POSITION</b>					
Fund Balances:					
Nonspendable:					
Prepays	3,835	-	3,835	(3,835)	-
Restricted:					
Emergencies	6,100	-	6,100	(6,100)	-
Capital projects	-	259,275	259,275	(259,275)	-
Assigned:					
Subsequent years expenditures	142,555	-	142,555	(142,555)	-
<b>Total Fund Balances</b>	<b><u>152,490</u></b>	<b><u>259,275</u></b>	<b><u>411,765</u></b>	<b><u>(411,765)</u></b>	<b><u>-</u></b>
<b>Total Liabilities, and Fund Balance</b>	<b><u>\$ 189,863</u></b>	<b><u>\$ 369,457</u></b>	<b><u>\$ 559,320</u></b>		
<b>Net Position:</b>					
Restricted for:					
Emergencies				6,100	6,100
Capital Projects				259,275	259,275
Unrestricted				2,230,170	2,230,170
<b>Total Net Position</b>				<b><u>\$ 2,495,545</u></b>	<b><u>\$ 2,495,545</u></b>

The notes to the financial statements are an integral part of these statements.

**Broadway Park North Metropolitan District No. 1**  
**fka BMP Metropolitan District No. 1**  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2020

	<u>General</u>	Capital Projects <u>Fund</u>	<u>Total</u>	<u>Adjustments</u>	Statement of <u>Activities</u>
<b>EXPENDITURES</b>					
Accounting and audit	\$ 37,264	\$ -	\$ 37,264	\$ -	\$ 37,264
Insurance and related costs	14,951	-	14,951	-	14,951
Legal	48,806	-	48,806	-	48,806
Landscape and maintenance expenses	47,784	-	47,784	-	47,784
Denver review fee	9,000	-	9,000	-	9,000
Miscellaneous	58,621	-	58,621	-	58,621
Planning and engineering	-	51,826	51,826	-	51,826
Developer advance repayment - interest	56,723	1,706,610	1,763,333	(1,763,333)	-
Developer advance repayment - principal	-	4,078,960	4,078,960	(4,078,960)	-
Capital Expenditures cost verification	-	2,157,538	2,157,538	(2,157,538)	-
Transit Plaza Sculpture	-	11,805	11,805	(11,805)	-
Interest on developer advances	-	-	-	938,332	938,332
Total Expenditures	<u>273,149</u>	<u>8,006,739</u>	<u>8,279,888</u>	<u>(7,073,304)</u>	<u>1,206,584</u>
<b>GENERAL REVENUES</b>					
Intergovernmental revenue District No. 3	56,723	-	56,723	-	56,723
Intergovernmental revenue District No. 2	137,981	4,940,984	5,078,965	-	5,078,965
Other income	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total General Revenues	<u>202,204</u>	<u>4,940,984</u>	<u>5,143,188</u>	<u>-</u>	<u>5,143,188</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(70,945)	(3,065,755)	(3,136,700)	7,073,304	3,936,604
<b>OTHER FINANCING SOURCES (USES)</b>					
Developer advances	<u>203,531</u>	<u>2,213,170</u>	<u>2,416,701</u>	<u>(2,416,701)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>203,531</u>	<u>2,213,170</u>	<u>2,416,701</u>	<u>(2,416,701)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	132,586	(852,585)	(719,999)	719,999	
CHANGE IN NET POSITION				3,936,604	3,936,604
<b>FUND BALANCES/NET POSITION:</b>					
BEGINNING OF YEAR	<u>19,904</u>	<u>1,111,860</u>	<u>1,131,764</u>	<u>(2,572,823)</u>	<u>(1,441,059)</u>
END OF YEAR	<u>\$ 152,490</u>	<u>\$ 259,275</u>	<u>\$ 411,765</u>	<u>\$ 2,083,780</u>	<u>\$ 2,495,545</u>

The notes to the financial statements are an integral part of these statements.

**Broadway Park North Metropolitan District No. 1  
fka BMP Metropolitan District No. 1**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental revenue District No. 3	\$ 213,674	\$ 213,674	\$ 56,723	\$ (156,951)
Intergovernmental revenue District No. 2	-	-	137,981	137,981
Other income	-	-	7,500	7,500
Total Revenues	<u>213,674</u>	<u>213,674</u>	<u>202,204</u>	<u>(11,470)</u>
<b>EXPENDITURES</b>				
Accounting and audit	35,000	35,000	37,264	(2,264)
Insurance and related costs	13,000	13,000	14,951	(1,951)
Election	1,500	-	-	-
Legal	35,000	55,000	48,806	6,194
Landscape and maintenance expenses	46,400	46,400	47,784	(1,384)
Denver review fee	13,000	13,000	9,000	4,000
Miscellaneous	1,000	1,000	58,621	(57,621)
Planning and engineering	10,000	10,000	-	10,000
Developer advance repayment - interest	-	55,000	56,723	(1,723)
Contingency	103,398	41,600	-	41,600
Emergency reserve	5,000	5,000	-	5,000
Total Expenditures	<u>263,298</u>	<u>275,000</u>	<u>273,149</u>	<u>1,851</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(49,624)	(61,326)	(70,945)	(9,619)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer advances	-	-	203,531	203,531
Total Other Financing Sources (Uses)	-	-	203,531	203,531
NET CHANGE IN FUND BALANCE	(49,624)	(61,326)	132,586	193,912
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	49,633	61,326	19,904	(41,422)
END OF YEAR	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 152,490</u>	<u>\$ 152,490</u>

The notes to the financial statements are an integral part of these statements.

**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 1**  
**FKA BMP METROPOLITNA DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Broadway Park North Metropolitan District No. 1 (District) was organized on December 8, 2010 as BMP Metropolitan District No. 1 in Denver County as a quasi-municipal corporation and political subdivision of the State of Colorado and is governed pursuant to the provisions of the Colorado Special District Act together with Broadway Park North Metropolitan District No. 2 (District No. 2) and Broadway Park North Metropolitan District No. 3 (District No. 3). The District, District No. 2 and District No. 3 are collectively referred to as the Districts. On August 2, 2018, the Districts changed their names from BMP Metropolitan District No. 1, BMP Metropolitan District No. 2 and BMP Metropolitan District No. 3.

The Districts entered into a Facilities Funding, Construction and Operations Agreement with an effective date of January 1, 2020 (“FFCOA”). The FFCOA establishes the District’s responsibility, as the Service District, to coordinate the construction, design, financing and operation and maintenance of the public improvements that benefit the Districts, establishes District No. 2 and District No. 3’s obligation, as the Consumer Districts, to pay for the services and benefit of the public improvements provided by the District. Specifically, the District is responsible for providing all Actual Capital Costs and Actual Operations and Maintenance Costs (as such terms are defined in the FFCOA) for the Districts. The Consumer Districts agree to pay the District their funding obligations each year pursuant to the terms of the FFCOA.

On November 9, 2016, the District entered into an Operations Pledge Agreement with District No. 3 which provides for District No. 3 to impose an operations mill levy each year at a rate sufficient to pay for the operations obligations, but in no event more than 10 mills, provided however, that in the event the method of calculating assessed valuation is or was changed after July 26, 2010, the 10 mill maximum levy will be increased or decreased to reflect such changes. The revenue pledged under this agreement means all revenue generated from the imposition of the operating mill levy, including any specific ownership taxes and TIF revenue attributable to District No. 3’s operations mill levy received from DURA.

The District coordinates with the City and County of Denver (City) regarding all regional improvements and services contributed by the Districts through the Regional Mill Levy. Upon completion of construction, the District will transfer certain improvements to the City, or other organizations. The District may operate and maintain all other improvements not conveyed to other entities.

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

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.

**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 1  
FKA BMP METROPOLITNA DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

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

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

**Basis of Presentation**

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

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/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 expenditures/expenses of the governmental funds 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.

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 capital assets are shown as increases in assets and redemption of loans and notes are recorded as a reduction in liabilities.

**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 1  
FKA BMP METROPOLITNA DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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. Intergovernmental revenue is susceptible to accrual. All revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

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

The Capital Projects Fund accounts for financial resources and payments made for the acquisition and construction of capital equipment and facilities.

### **Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall 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. Subsequent to year end, the District amended its total appropriations in the General Fund from \$263,298 to \$275,000 primarily due to an unplanned repayment to the developer.

### **Pooled Cash and Investments**

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

### **Capital Assets**

Capital assets, which include property and infrastructure improvements, are reported in the government wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 1  
 FKA BMP METROPOLITNA DISTRICT NO. 1  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020**

**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. Positive amounts are reported only in the General Fund.

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 balances 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.

**NOTE 3 - CASH DEPOSITS**

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

Cash deposits – unrestricted	\$ 11,645
Cash deposits – restricted	369,457
	<u>\$ 381,102</u>

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

Deposits with financial institutions	\$ <u>381,102</u>
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**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 1**  
**FKA BMP METROPOLITNA DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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.

**Investments**

The District follows Colorado State Statutes which 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

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 requirement.

At December 31, 2020, the District had no investments.

**Restricted Cash and Investments**

At December 31, 2020, cash deposits in the amount of \$369,457 are restricted for capital projects or repayment of developer advances for capital.

**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 1  
FKA BMP METROPOLITNA DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 - CAPITAL ASSETS**

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

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2020</u>
<u>Capital assets not being depreciated:</u>				
Land	\$ 14,200	\$ -	\$ -	\$ 14,200
Construction in progress	844,587	2,169,343	-	3,013,930
Total capital assets not being depreciated	<u>\$858,787</u>	<u>\$2,169,343</u>	<u>\$ -</u>	<u>\$3,028,130</u>

**NOTE 5 – LONG-TERM OBLIGATIONS**

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

	<u>Balance 1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2020</u>	<u>Current Portion</u>
<u>Developer advances:</u>					
Principal					
CFPM, LLC	\$ 70,213	\$ -	\$ 23,728	\$ 46,485	\$ -
D4 Urban LLC	620,055	563,068	399,552	783,571	-
ASV, LLC	957,460	1,711,107	2,668,567	-	-
BMP Northwest	844,587	142,526	987,113	-	-
	<u>2,492,315</u>	<u>2,416,701</u>	<u>4,078,960</u>	<u>830,056</u>	<u>-</u>
<u>Accrued Interest</u>					
CFPM, LLC	313,744	5,140	298,036	20,848	-
D4 Urban LLC	111,427	125,332	143,313	93,446	-
ASV, LLC	414,521	788,549	1,203,070	-	-
BMP Northwest	99,603	19,311	118,914	-	-
	<u>939,295</u>	<u>938,332</u>	<u>1,763,333</u>	<u>114,294</u>	<u>-</u>
	<u>\$3,431,610</u>	<u>\$3,355,033</u>	<u>\$5,842,293</u>	<u>\$ 944,350</u>	<u>\$ -</u>

**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 1**  
**FKA BMP METROPOLITNA DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Developer Advances**

*2010-2011 Operation Funding Agreement – CFPM, LLC*

The District entered into a 2010-2011 Operation Funding Agreement (2010-2011 OFA) with CFPM with an effective date of December 8, 2010. The 2010-2011 OFA provides for CFPM to advance funds of up to \$60,000 to the District or to pay consultants directly for operations and maintenance expenses incurred. The District agrees to repay amounts advanced under this agreement along with simple interest of 8% per annum. Simple interest accrues on each advance from the date of the deposit into the District's bank account until paid. As of December 31, 2020, the District had \$67,333 due to CFPM which is comprised of \$46,485 in principal and \$20,848 of accrued interest.

*2012 Operation Funding Agreement - D4 Urban, LLC*

The District entered into a 2012 Operation Funding Agreement (2012 OFA) with D4 Urban, LLC (D4) with an effective date of January 1, 2012. The 2012 OFA provides for D4 to advance funds of up to \$65,000 to the District or to pay consultants directly for operations and maintenance expenses incurred. The District agrees to repay amounts advanced under this agreement along with simple interest of 8% per annum. Simple interest accrues on each advance from the date of the deposit into the District's bank account until paid.

*2013 Operation Funding Agreement - D4 Urban, LLC*

The District entered into a 2013 Operation Funding Agreement (2013 OFA) with D4 with an effective date of January 1, 2013. The 2013 OFA provides for D4 to advance funds of up to \$80,000, as amended by that First Amendment, to the District or to pay consultants directly for operations and maintenance expenses incurred. The District agrees to repay amounts advanced under this agreement along with simple interest of 8% per annum. Simple interest accrues on each advance from the date of the deposit into the District's bank account until paid.

*2014 Operation Funding Agreement - D4 Urban, LLC*

The District entered into a 2014 Operation Funding Agreement (2014 OFA) with D4 with an effective date of January 1, 2014. The 2014 OFA provides for D4 to advance funds of up to \$118,965 to the District or to pay consultants directly for operations and maintenance expenses incurred. The District agrees to repay amounts advanced under this agreement along with simple interest of 8% per annum. Simple interest accrues on each advance from the date of the deposit into the District's bank account until paid.

*2015 Operation Funding Agreement- D4 Urban, LLC*

The District entered into a 2015 Operation Funding Agreement (2015 OFA) with D4 with an effective date of January 1, 2015. The 2015 OFA provides for D4 to advance funds of up to \$127,216 to the District or to pay consultants directly for operations and maintenance expenses incurred. The District agrees to repay amounts advanced under this agreement along with simple interest of 8% per annum. Simple interest accrues on each advance from the date of the deposit into the District's bank account until paid.

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*2016 Operation Funding Agreement- D4 Urban, LLC*

The District entered into a 2016 Operation Funding Agreement (2016 OFA) with D4 with an effective date of January 1, 2016. The 2016 OFA provides for D4 to advance funds of up to \$146,710 to the District or to pay consultants directly for operations and maintenance expenses incurred. The District agrees to repay amounts advanced under this agreement along with simple interest of 8% per annum. Simple interest accrues on each advance from the date of the deposit into the District's bank account until paid.

*2017 Operation Funding Agreement - D4 Urban, LLC*

The District entered into a 2017 Operation Funding Agreement (2017 OFA) with D4 with an effective date of January 1, 2017, as amended on November 30, 2017, November 28, 2018, December 6, 2019 and November 2, 2020. The 2017 OFA provides for D4 to advance funds of up to \$425,000 to the District or to pay consultants directly for operations and maintenance expenses incurred through December 31, 2021. The District agrees to repay amounts advanced under this agreement along with simple interest of 8% per annum. Simple interest accrues on each advance from the date of the deposit into the District's bank account until December 31, 2051 at which time any amount of principal and accrued interest outstanding on such date will be deemed satisfied in full.

As of December 31, 2020, the District had \$877,017 due under the 2012 OFA, 2013 OFA, 2014 OFA, 2015 OFA, 2016 OFA and 2017 OFA which is comprised of \$783,571 in principal and \$93,446 of accrued interest.

Payments to reimburse CFPM and D4 under the 2010-2011 OFA, 2012 OFA, 2013 OFA, 2014 OFA, 2015 OFA, 2016 OFA and 2017 OFA are to be made on December 2 of each year and are to be applied as follows: a) first to the 2010-2011 OFA accrued and unpaid interest and then to the related principal amount due; and then b) first to the 2012 OFA accrued and unpaid interest and then to the related principal amount due; and then c) first to the 2013 OFA accrued and unpaid interest and then to the related principal amount due; and then d) first to the 2014 OFA accrued and unpaid interest and then to the related principal amount due and then e) first to the 2015 OFA accrued and unpaid interest and then to the related principal amount due and then f) first to the 2016 OFA accrued and unpaid interest and then to the related principal amount due and then g) first to the 2017 OFA accrued and unpaid interest and then to the related principal amount due. The 2010-2011 OFA, 2012 OFA, 2013 OFA, 2014 OFA, 2015 OFA, 2016 OFA and 2017 OFA acknowledge that the agreements do not constitute multiple fiscal year financial obligations. Repayment of these obligations by the District will be made as funds are available and at the discretion of the Board of Directors.

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*Cherokee Street Improvements Project Funding and Reimbursement Agreement – ASV, LLC*

On April 21, 2014, the District entered into the Cherokee Street Improvements Project Funding and Reimbursement Agreement with Denver Properties I, LLC (DPI) (Agreement). The Agreement provides for an advance of \$813,924 to be made to the District for the purposes of constructing certain improvements on Cherokee Street (See Note 7 – Agreements - South Cherokee Improvements Agreement). During 2014, the advance was placed in escrow as required. The District agrees to repay the amount advanced under the Agreement along with simple interest of 8% per annum. The obligation for the District to repay the advance expires on December 31, 2054, unless terminated earlier by the mutual agreement of the parties. During 2016, DPI paid retainage of \$46,442 due on the project on behalf of the District. This payment has been reflected as a developer advance. On July 13, 2017, the District and DPI approved the termination of the agreement and assigned the obligations under the Agreement to ASV, LLC. The District and ASV, LLC entered into an agreement on July 13, 2018 with an effective date of November 30, 2017.

During 2020, the District paid the balance in full.

*Facilities Funding and Acquisition Agreement – CFPM, LLC*

The District entered into a Facilities Funding and Acquisition Agreement with CFPM (CFPM FFA) with an effective date of December 8, 2010. CFPM is the developer of certain property within the service area of the District. In order for the property to be developed for the benefit of the Districts, improvements needed to be constructed and/or acquired for which the District has no funds available. The CFPM FFA acknowledges that CFPM and CF Property Management, Inc. (CF Property) funded organization costs of the Districts and CFPM funded construction-related expenses. The District desires to reimburse CFPM and CF Property for those expenses. CF Property has agreed that CFPM is entitled to reimbursement from the District of all organization expenses and CFPM has in turn agreed to reimburse CF Property for their respective share of the organization expenses. The District agrees to reimburse CFPM for organization expenses and construction-related expenses verified and approved by the District's engineer or accountant together with simple interest of 8%. For organization expenses, simple interest shall accrue from the organization date of December 8, 2010. For construction-related expenses, simple interest shall accrue as follows: 1) on each developer advance, from the date of deposit into the District's account; and 2) on verified costs for construction-related expenses incurred prior to the organization date, from the organization date; or 3) on verified costs for construction-related expenses expended after the organization date, from the date costs were incurred by CFPM. The parties agree that payments made by the District to CFPM will be credited first to principal and then to accrued and unpaid interest. The parties to the CFPM FFA agree that no payment shall be required of the District hereunder unless and until the District issues bonds in an amount sufficient to reimburse CFPM for all or a portion of organization expenses, developer advances and/or verified costs. The CFPM FFA shall not constitute debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year financial obligation, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by the District.

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During 2015, organization expenses of \$178,153 and construction-related expenses of \$524,691 were verified by an independent engineer and accepted for repayment by the District. The District used excess loan proceeds from District No. 3 in the amount of \$703,464 to repay the balances due under the FFA. During 2020, the District paid the principal and accrued interest for organizational and capital costs in full.

*Facilities Funding and Acquisition Agreement – D4 Urban, LLC*

The District entered into a Facilities Funding and Acquisition Agreement (D4 FFA) with D4 with an effective date of March 7, 2011 as amended on July 28, 2020. D4 is the developer of certain property within the service area of the District. In order for the property to be developed for the benefit of the Districts, improvements needed to be constructed and/or acquired for which the District has no funds available. The D4 FFA acknowledges that D4 will advance funds to the District for construction-related expenses and/or for the acquisition of improvements upon completion. The District desires to reimburse D4 for those expenses on a basis subordinate to the repayment of the CFPM FFA discussed above. The District agrees to reimburse D4 for construction-related expenses verified and approved by the District's engineer or accountant together with simple interest of 8%. Simple interest shall accrue on the construction-related expenses as follows: 1) on each developer advance, from the date of deposit into the District's account; and 2) on verified costs for construction-related expenses incurred prior to the organization date, from the organization date; or 3) on verified costs for construction-related expenses expended after the organization date, from the date costs were incurred by D4. The parties to the D4 FFA agree that no payment shall be required of the District hereunder unless and until the District issues bonds in an amount sufficient to reimburse D4 for all or a portion of developer advances and/or verified costs. The D4 FFA shall not constitute debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year financial obligation, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by the District. At December 31, 2020 there are no advances outstanding under the agreement.

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*Facilities Funding and Acquisition Agreement – BMP Northwest*

The District entered into a Facilities Funding and Acquisition Agreement (“BMP Northwest FFA”) with BMP Northwest LLC, a Delaware limited liability company (“BMP Northwest”) with an effective date of November 30, 2017 as amended on August 20, 2020 and November 12, 2020. BMP Northwest is the developer of certain property within the service area of the District. In order for the property to be developed for the benefit of the Districts, improvements needed to be constructed and/or acquired for which the District has no funds available. The BMP Northwest FFA acknowledges that BMP Northwest will advance funds to the District for construction-related expenses and/or for the acquisition of improvements upon completion. The District desires to reimburse BMP Northwest for those expenses on a basis subordinate to the repayment of the CFPM FFA discussed above. The District agrees to reimburse BMP Northwest for constructed-related expenses verified and approved by the District’s engineer or accountant together with simple interest of 8%. Simple interest shall accrue on the construction-related expenses as follows: 1) on each developer advance, from the date of deposit into the District’s account; and 2) on verified costs for construction-related expenses incurred prior to the organization date, from the organization date; or 3) on verified costs for construction-related expenses expended after the organization date, from the date costs were incurred by BMP Northwest. The parties to the BMP Northwest FFA agree that no payment shall be required of the District hereunder unless and until the District issues bonds in an amount sufficient to reimburse BMP Northwest for all or a portion of developer advances and/or verified costs. The BMP Northwest FFA shall not constitute debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year financial obligation, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by the District.

The First Amendment to the BMP Northwest FFA dated August 20, 2020 establishes priority of repayments to D4, TI – Grand Crossings, L.L.C., PDG Denver Design LLC and TGI – Denver Design District, L.L.C. (collectively, “Price”) and PPF AMLI Broadway Park LLC (“AMLI”) who are constructing public improvements concurrently. Reimbursement by the District for concurrent improvements by these parties shall be made on a pari passu basis between amounts due hereunder and amounts advanced by D4, Price and AMLI for the concurrent improvements. Any amounts advanced by BMP Northwest hereunder for improvements that are not concurrent improvements shall be paid based on the Intercreditor Agreement dated January 9, 2020 by and among the District, D4, BMP Northwest, ASV LLC and CFPM LLC.

The Second Amendment to the BMP Northwest FFA dated November 12, 2020 provides for the District to substitute funds in the amount of \$2,358,115 deposited by BMP Northwest with District funds. Such funds are held in escrow. The District has the power and authority to finance and construct certain improvements referred to as the Mercado Improvements. The funds held in escrow will be used to finance the improvements. Once the District substitutes its funds, the District shall be entitled to approve all draw requests. The expenditures of District funds from the escrow are to be cost verified with 180 days of the draw requests. On January 19, 2021, the District placed \$2,358,115 into escrow in accordance with the Second Amendment.

During 2019 and 2020 construction related expenses of \$844,587 and \$142,526 respectively were verified by an independent engineer and accepted for repayment by the District. During 2020, the District paid all amounts owed under the BMP Northwest FFA in full.

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*Facilities Funding and Acquisition Agreement – Broadway Marketplace*

On March 9, 2018, the District entered into a Facilities Funding and Acquisition Agreement with TI-Grand Crossings, L.L.C., PDG Denver Design LLC and TGI – Denver Design District, L.L.C. (collectively, the Developer) (collectively, the Parties or Price). The Developer is the owner of certain real property within the Broadway Marketplace located within the City and County of Denver. The District has agreed to provide, construct and/or acquire certain public improvements as generally described in the Service Plan. In order for the property to be developed, improvements need to be constructed and/or acquired and specifically, but not limited to: a) landscaping and hardscaping within the Cherokee Street Right-of-Way; b) landscaping and hardscaping within the access roads adjacent to the property which will ultimately be owned by the District; and c) relocation of a sanitary sewer line into Alameda Avenue. The District does not currently have sufficient monies available to fund the cost of construction of the improvements or to acquire the improvements. The Parties acknowledge that the Developer has or will design, construct, and complete certain improvements in accordance with the agreement and the District desires to reimburse the Developer for verified construction-related expenses and to acquire such improvements completed by the Developer. Simple interest shall accrue on the construction-related expenses at the rate of 8% per annum from the date the verified costs were incurred by the Developer.

The Parties agree that no payment shall be required of the District hereunder unless the District issues bonds in an amount sufficient to reimburse the Developer for all or a portion of the verified costs. The Developer acknowledges that the District has previously entered into reimbursement agreements for capital improvements with D4 Urban, LLC (D4 Prior Advance). It is further anticipated that D4 will be constructing public improvements concurrently with Developer (D4 Concurrent Improvements). The Parties and D4 agree that any reimbursement by the District shall be made on a *pari passu* basis between amounts due hereunder and amounts advanced by D4 for the D4 Concurrent Improvements. Any amounts due D4 for the D4 Prior Advance shall be paid on a subordinate basis to the amounts due under this agreement and for the D4 Concurrent Improvements. During 2020, construction related expenses of \$219,309 were verified and accepted for repayment by the District. At December 31, 2020, there are no advances outstanding under the agreement.

*Intercreditor Agreement*

The District entered into the Intercreditor Agreement with D4 Urban, LLC, CFPM, LLC BMP Northwest, LLC and ASV, LLC on January 9, 2020. The District serves a certain development known as Broadway Marketplace in the City and County of Denver. The Parties all own or are affiliated with owners of real property within the District's boundaries. The agreement establishes the understandings and agreements with respect to the priority of reimbursements that the District will be paying to the parties pursuant to the various agreements that have been entered into by each such party with the District.

First: Any amounts due pursuant to the BMP Northwest Agreement (BMP Northwest FFA) shall be senior and hold first priority over any amounts owed by the District under any other reimbursement document.

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Second: Following the date that there is no further liability or amounts due pursuant to the BMP Northwest FFA, all revenues of the District that have not been pledged by the District and are otherwise available for use by the District to pay amounts due shall be used to pay such amounts to D4, CFPM and ASV on a *pari passu* basis, until the amounts due under those agreements are paid in full.

*Facilities Funding and Acquisition Agreement –PPF AMLI BROADWAY PARK*

On April 6, 2020, the District entered into a Facilities Funding and Acquisition Agreement (AMLI FFA) with PPF AMLI Broadway Park, LLC. (“PMLI”). PPF AMLI is the owner of certain real property within the District. The District anticipates that AMLI may design, construct and complete certain public improvements and incur construction-related expenses, in which case the District will acquire such improvements. AMLI agrees that the improvements it has constructed or the improvements it undertakes to construct shall be in substantial conformance with the design standards and specifications as established and in use by the District or other appropriate jurisdiction and in accordance with the provisions of this agreement and the District’s service plan. AMLI agrees that prior to requesting that the District acquire any improvements pursuant to this agreement, AMLI shall obtain certification of an independent engineer that the construction related expenses are reasonable and comparable for similar projects as constructed in the Denver Metro Area. Simple interest is to accrued on construction-related expenses at a rate of 8% per year from the date the verified costs were incurred by AMLI until paid to AMLI by the District. Payments by the District to AMLI shall credit first against accrued and unpaid interest and then to the principal amount due. If advances are not repaid by December 31, 2057, any amount of principal and accrued interest outstanding on that date.

The Parties agree that no payment shall be required of the District hereunder unless the District issues bonds in an amount sufficient to reimburse the Developer for all or a portion of the verified costs. The Developer acknowledges that the District has previously entered into reimbursement agreements for capital improvements with D4 Urban, LLC (D4 Prior Advance) and with Price Development Group (Price FFA). It is further anticipated that D4 will be constructing public improvements concurrently with Developer (D4 Concurrent Improvements). The Parties and D4 agree that any reimbursement by the District shall be made on a *pari passu* basis between amounts due hereunder and amounts advanced by D4 and Price for the D4 and Price Concurrent Improvements. Any amounts due D4 for the D4 Prior Advance shall be paid on a subordinate basis to the amounts due under this agreement and for the D4 and Price Concurrent Improvements.

As of December 31, 2020, the District had recorded no advances under this agreement.

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**Debt Authorization**

At December 31, 2020, the District had authorized but unissued indebtedness in the following amount allocated for the following purposes:

	<u>Total Authorized</u>	<u>Authorization Used</u>	<u>Remaining at December 31, 2017</u>
Street improvements	\$ 300,000,000	\$ -	\$ 300,000,000
Park and recreation facilities	300,000,000	-	300,000,000
Traffic and safety improvements	300,000,000	-	300,000,000
Water supply improvements	300,000,000	-	300,000,000
Sanitary sewer system	300,000,000	-	300,000,000
Transportation system	300,000,000	-	300,000,000
Mosquito control	300,000,000	-	300,000,000
Fire protection	300,000,000	-	300,000,000
TV Relay	300,000,000	-	300,000,000
Operations & maintenance	300,000,000	-	300,000,000
Refunding	300,000,000	-	300,000,000
IGA's	300,000,000	-	300,000,000
	<u>\$ 3,600,000,000</u>	<u>\$ -</u>	<u>\$ 3,600,000,000</u>

Pursuant to the Districts' Service Plan, collectively, the Districts are permitted to issue bond indebtedness of up to \$300,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area. As of the date of this report (as noted on the Independent Auditor's Report on page 1), the amount and timing of any debt issuance is not determinable.

**NOTE 6 – FUND EQUITY**

At December 31, 2020, the District reported the following classifications of fund equity:

**Nonspendable Fund Balance**

The nonspendable fund balance in the General Fund in the amount of \$3,835 is comprised of prepaid amounts which are not in spendable form.

**Restricted Fund Balance**

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 \$6,100 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Capital Projects Fund in the amount of \$259,275 is to be used for capital projects or repayment of capital related advances.

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**Assigned Fund Balance**

The General Fund is reporting an assigned fund balance in the amount of \$142,555 which represents the amount appropriated for use in the budget for the year ending December 31, 2020.

**NOTE 7 - NET POSITION**

The District's net position consists of three components: Investment in Capital Assets, restricted and unrestricted.

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 or resources related to those assets.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had \$265,375 of restricted net position as of December 31, 2020.

The District's unrestricted net position at December 31, 2020 totaled \$2,230,170.

**NOTE 8 – AGREEMENTS**

**Dakota Outfall Funding Reimbursement Agreement**

On November 10, 2015, District No. 3 entered into the Dakota Outfall Funding Reimbursement Agreement (Outfall Agreement) with DPI. The Outfall Agreement acknowledges that DPI contributed the sum of \$400,000 toward the cost of the Dakota Outfall Project. Without the contribution from DPI, the District would have been unable to complete the Dakota Outfall Project. District No. 3 agrees to impose the Regional Mill Levy as set forth in the Regional Mill Levy IGA and the First Amendment to the Regional Mill levy Intergovernmental Agreement as discussed above. District No. 3 agrees, on an annual basis, to remit to DPI, the revenues it received from the imposition of the Regional Mill Levy IGA up to the amount of \$400,000, less any reasonable administrative expenses incurred by District No. 3. The DPI contribution shall not accrue interest. (See below - Regional Mill Levy Intergovernmental Agreement).

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**Cooperation Agreement**

On January 24, 2012, the District, together with District No. 2, District No. 3 and DURA, entered into a Cooperation Agreement which sets forth the parties intent to cooperate in providing certain public improvements and to assure that taxes levied by District No. 2 and District No. 3 are made available to the District for purposes of implementing their respective Service Plans. DURA agrees that the portion of revenues which it receives as a result of tax increment revenues (TIF) attributable to District No. 2's and District No. 3's future levy of ad valorem taxes on real property within the area encompassed by the Urban Renewal Plan, upon receipt by DURA, shall be remitted to the District directly. DURA covenants that so long as the Cooperation Agreement is in effect, it will not pledge or encumber the revenues resulting from the ad valorem mill taxes levied by District No. 2 and District No. 3. On December 5, 2013, the Districts approved an Assignment of TIF Revenues under the Cooperation Agreement. As of the date of the assignment, the District assigns to District No. 3, all of its rights, title and interest in District No. 2's debt revenue for the purpose of paying principal of and interest on the Loan (defined below) and refundings and any other costs of the debt financing thereof. In addition, the Assignment of TIF Revenues acknowledges that District No. 3 has assigned all of its right, title and interest in the District No. 2 debt revenue to the lender in accordance with the Loan Agreement.

**Loan Agreement – District No. 3**

On December 12, 2013, District No. 3 entered into a Loan Agreement for the issuance of a Taxable (Convertible to Tax-Exempt) 2013 Revenue Loan (Loan Agreement) with BOKF, NA dba Colorado State Bank and Trust in the principal amount of \$3,795,000 (Loan). The purpose of the Loan is to fund the shortfall for the Dakota Outfall Project as obligated by the District under the Amended and Restated Project Funding Agreement (discussed above). The Loan is a 7-year term loan with a taxable interest rate of 4.03% and a tax exempt interest rate of 2.86%. Interest is payable semi-annually on June 1 and December 1 commencing June 1, 2014. Principal payments are due each December 1 commencing on December 1, 2015. District No. 2's and District No. 3's TIF and property tax revenues were pledged to the repayment of the Loan. During 2020 the Loan was paid in full with bond proceeds from the Limited Tax General Obligation Refunding and Improvement Bonds issued by District No. 2.

**Regional Mill Levy Intergovernmental Agreement**

On December 10, 2010, the District together with District No. 2 and District No. 3, entered into the Regional Mill Levy Intergovernmental Agreement (IGA) with the City. The Districts have agreed to impose a Regional Mill Levy and pledge all revenues from such Regional Mill Levy to the City to be used for regional projects selected by the City. The Districts will impose a Regional Mill Levy of 5.000 mills on all property within their respective boundaries at the same time as each District first imposes either an operating or debt service mill levy. For residential property only, the 5.000 mill levy rate may be adjusted by the Board of Directors to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation occurring after January 1, 2010. The Districts covenant to impose the Regional Mill Levy as long as the IGA and Service Plans for the Districts are in place.

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On January 9, 2014, the First Amendment to the Regional Mill levy Intergovernmental Agreement was approved by all parties. The amendment allows District No. 3 to utilize up to a maximum of \$400,000 of the revenues derived from the imposition of the Regional Mill Levy on certain property as described in the amendment, for the purposes of funding the Dakota Outfall Project. Once District No. 3 has received \$400,000 of Regional mill levy revenues from the certain property, all other amounts collected are to be remitted to the City in accordance with the original IGA.

**Service Agreement for Alameda Station Transit Plaza Maintenance**

On November 10, 2015, the District entered into an agreement with CFPM whereby contracting with CFPM to provide transit plaza maintenance including, but not limited to, trash removal, snow removal, landscaping services, street sweeping and general repair and maintenance to grounds, fixtures, equipment and hardscapes. On November 29, 2017, the District approved Change Order No. 1 which increased the fixed monthly fee for the services. The District incurred expenditures in the amount of \$39,476 for 2020 services provided under this agreement.

**NOTE 9 – RELATED PARTY**

The members of the Board of Directors of the District are owners or employees of CFPM, LLC, D4 Urban, LLC, BMP Northwest, LLC and/or are owners of property within the boundaries of the District. CFPM and D4 and BMP Northwest, LLC, have outstanding operation funding agreements with the District as of December 31, 2020. See Note 5 for disclosure of the agreements and amounts outstanding.

**NOTE 10 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2020. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and worker compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, 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.

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**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 that 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 electors approved the following ballot issues during its November 2, 2010 election:

*Ballot Issue 5A:*

Shall BMP Metropolitan District No.1 taxes be increased \$300,000,000 annually or such lesser amount as necessary to pay the District's administration and operations and maintenance expenses, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition to pay such expenses and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2011 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

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*Ballot Issue 5B:*

Shall BMP Metropolitan District No.1 taxes be increased \$300,000,000 annually (first full fiscal year increase) and by additional amounts that are raised annually thereafter by the imposition of an ad valorem property tax mill levy each year on all taxable property of the District of 5 mills, provided that such mill levy rate, may be adjusted by the Board of Directors to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation occurring after January 1, 2010 so that, to the extent possible, the actual revenues generated by such mill levy are neither diminished nor enhanced as a result of such changes, for the purpose of paying costs associated with regional infrastructure improvements and services as required by the City and County of Denver for the District's taxpayers, residents and inhabitants and shall the revenue from such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2011 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

*Ballot Issue 5C:*

Shall BMP Metropolitan District No.1 taxes be increased \$300,000,000 annually or such lesser amount as necessary to pay the District's administration and operations and maintenance expenses, by the imposition of a fee or fees imposed, without limitation as to rate or amount or any other condition to pay such expenses and shall the proceeds of such fees and any investment income thereon be collected, retained and spent by the District in fiscal year 2011 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

*Ballot Issue 5D:*

Shall BMP Metropolitan District No.1 taxes be increased \$300,000,000 annually or such lesser amount as necessary for the payment of such amounts due pursuant to one or more intergovernmental agreements or other contracts, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition to pay such expenses and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2011 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 1  
FKA BMP METROPOLITNA DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

*Ballot Issue 5E:*

Shall BMP Metropolitan District No.1 be authorized to collect, retain, and spend the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, services charges inspection charges, administrative charges, grants or any other fee, rate, toll, penalty, or charge authorized by law or contract to be imposed, collected or received by the District during 2011 and each fiscal year thereafter, such amounts to constitute a voter-approved revenue change and be collected, retained and spent by the District without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, and without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

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 – ECONOMIC DEPENDENCY**

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding from D4 Urban, LLC.

**NOTE 13 – RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS**

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as developer advance payable and accrued interest payable are not due and payable in the current period and, therefore, are not in the funds.

**BROADWAY PARK NORTH METROPOLITAN DISTRICT NO. 1**  
**FKA BMP METROPOLITNA DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and
- 3) governmental funds report developer advances as revenue.

This information is an integral part of the accompanying financial statements

## **SUPPLEMENTAL INFORMATION**

**Broadway Park North Metropolitan District No. 1  
fka BMP Metropolitan District No. 1**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2020

	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental revenue District No. 2	\$ 16,117,376	\$ 4,940,984	\$(11,176,392)
Total Revenues	<u>16,117,376</u>	<u>4,940,984</u>	<u>(11,176,392)</u>
<b>EXPENDITURES</b>			
Capital Expenditures cost verification	19,275,410	2,157,538	17,117,872
Developer advance repayment - interest	-	1,706,610	(1,706,610)
Developer advance repayment - principal	-	4,078,960	(4,078,960)
Bike racks	15,000	-	15,000
Art work	275,000	-	275,000
Planning and engineering	-	51,826	(51,826)
Transit Plaza Sculpture	-	11,805	(11,805)
Total Expenditures	<u>19,565,410</u>	<u>8,006,739</u>	<u>11,558,671</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,448,034)</b>	<b>(3,065,755)</b>	<b>382,279</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer advances	<u>3,448,034</u>	<u>2,213,170</u>	<u>(1,234,864)</u>
Total Other Financing Sources (Uses)	<u>3,448,034</u>	<u>2,213,170</u>	<u>(1,234,864)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>(852,585)</b>	<b>(852,585)</b>
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>-</u>	<u>1,111,860</u>	<u>1,111,860</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 259,275</u>	<u>\$ 259,275</u>

The notes to the financial statements are an integral part of these statements.