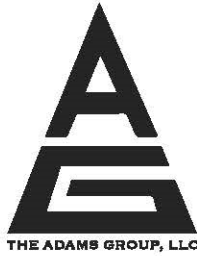


BROMLEY PARK METROPOLITAN DISTRICT NO. 5
Adams County, Colorado

BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Bromley Park Metropolitan District No. 5
Adams County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Bromley Park Metropolitan District No. 5 (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Bromley Park Metropolitan District No. 5, as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison schedule for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed;
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the basic financial statements. The other information comprises the schedule of debt service requirements to maturity and the schedule of assessed valuation, mill levy, and property taxes collected, but does not include the basic financial statements and our auditors’ report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Adams Group, LLC

Denver, Colorado
March 14, 2022

BASIC FINANCIAL STATEMENTS

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and investments - unrestricted	\$ 791,987
Cash and investments - restricted	391,323
Receivable from county treasurer	5,369
Property taxes receivable	301,406
Due from other entities	263,781
Capital assets, net of depreciation	1,486,408
Total Assets	3,240,274
 <u>Liabilities</u>	
Accounts payable	20,340
Retainage payable	74,320
Accrued interest on notes	19,920
Noncurrent liabilities:	
Due within one year	109,600
Due in more than one year	
Accrued interest developer advances	2,047
Accrued interest on promissory notes	4,000,435
Bonds, notes and developer advances	10,250,960
Total Liabilities	14,477,622
 <u>Deferred Inflows of Resources</u>	
Unavailable property taxes	301,406
Total Deferred Outflows of Resources	301,406
 <u>Net Position</u>	
Net investment in capital assets	(2,384,621)
Restricted	
Emergencies	9,400
Debt service	287,538
Capital projects	644,026
Unrestricted	(10,095,097)
Total Net Position	\$ (11,538,754)

The accompanying notes are an integral part of the financial statements.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities:					
General government	\$ 82,446	\$ -	\$ -	\$ -	\$ (82,446)
Interest and expenses on long-term debt	634,056	-	-	-	(634,056)
Total Governmental Activities	\$ 716,502	\$ -	\$ -	\$ -	(716,502)

GENERAL REVENUES:

Property taxes	271,718
Specific ownership taxes	22,597
Payments in lieu of taxes	193,984
Investment earnings	753
Total General revenues	489,052
Change in net position	(227,450)
Net Position, Beginning	(11,311,304)
Net Position, Ending	\$ (11,538,754)

The accompanying notes are an integral part of the financial statements.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
GOVERNMENTAL FUNDS – BALANCE SHEET
DECEMBER 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and investments - unrestricted	\$ 158,949	\$ 284,692	\$ 348,346	\$ 791,987
Cash and investments - restricted	-	21,323	370,000	391,323
Receivable with county treasurer	1,879	3,490	-	5,369
Property taxes receivable	105,492	195,914	-	301,406
Due from other entities	-	-	263,781	263,781
Total Assets	<u>\$ 266,320</u>	<u>\$ 505,419</u>	<u>\$ 982,127</u>	<u>\$ 1,753,866</u>
<u>Liabilities, deferred inflows of resources and fund balance</u>				
Liabilities:				
Accounts payable	\$ 20,340	\$ -	\$ -	\$ 20,340
Retainage payable	-	-	74,320	74,320
Total Liabilities	<u>20,340</u>	<u>-</u>	<u>74,320</u>	<u>94,660</u>
<u>Deferred inflows of resources</u>				
Unavailable property taxes	105,492	195,914	-	301,406
Unavailable IGA revenue	-	-	263,781	263,781
Total Deferred Inflows of Resources	<u>105,492</u>	<u>195,914</u>	<u>263,781</u>	<u>565,187</u>
Fund balance:				
Restricted				
Emergencies	9,400	-	-	9,400
Debt service	-	309,505	-	309,505
Capital projects	-	-	644,026	644,026
Unassigned	131,088	-	-	131,088
Total Fund Balances	<u>140,488</u>	<u>309,505</u>	<u>644,026</u>	<u>1,094,019</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 266,320</u>	<u>\$ 505,419</u>	<u>\$ 982,127</u>	<u>\$ 1,753,866</u>

The accompanying notes are an integral part of the financial statements.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total fund balance, governmental fund	\$ 1,094,019
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.</p>	1,486,408
<p>Unavailable IGA revenue</p>	263,781
<p>Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.</p>	
Notes payable	(10,355,560)
Developer advances payable	(5,000)
Accrued interest on notes	(4,020,355)
Accrued interest on developer advances	(2,047)
Total net position of governmental activities	\$ (11,538,754)

The accompanying notes are an integral part of the financial statements.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Taxes:				
Property taxes	\$ 95,101	\$ 176,617	\$ -	\$ 271,718
Specific ownership taxes	7,909	14,688	-	22,597
Payment in lieu of taxes (PILOT)	16,995	176,989	-	193,984
Earnings on investments	281	316	156	753
Total revenues	<u>120,286</u>	<u>368,610</u>	<u>156</u>	<u>489,052</u>
<u>Expenditures</u>				
Current:				
Audit	19,000	-	-	19,000
County treasury fees	1,429	2,654	-	4,083
Director's fees	2,500	-	-	2,500
District management and accounting	19,482	-	-	19,482
Dues and subscriptions	1,355	-	-	1,355
Insurance and bonds	3,126	-	-	3,126
Legal	30,512	-	-	30,512
Support services	1,989	-	-	1,989
Other expenditures	292	-	107	399
Debt service:				
Principal	-	101,700	-	101,700
Interest and fiscal charges	-	244,976	-	244,976
Total expenditures	<u>79,685</u>	<u>349,330</u>	<u>107</u>	<u>429,122</u>
Net change in fund balances	40,601	19,280	49	59,930
Fund balances - beginning	99,887	290,225	643,977	1,034,089
Fund balances - ending	<u>\$ 140,488</u>	<u>\$ 309,505</u>	<u>\$ 644,026</u>	<u>\$ 1,094,019</u>

The accompanying notes are an integral part of the financial statements.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
RECONCILIATION OF THE STATEMENT REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net change in fund balance - total governmental fund: \$ 59,930

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

The issuance of long-term debt provides current financial resources to fund, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position.

Principal payments 101,700

Some expenses in the statement of activities do not require the use of current financial resources and are, therefore, not reported as expenditures in the governmental fund.

Change in accrued interest on developer advances (350)

Change in accrued interest on notes (388,730)

Change in net position of governmental activities \$ (227,450)

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Taxes:				
Property taxes	\$ 95,490	\$ 95,490	\$ 95,101	\$ (389)
Specific ownership taxes	6,680	6,680	7,909	1,229
Payment in lieu of taxes (PILOT)	14,500	14,500	16,995	2,495
Earnings on investments	2,500	2,500	281	(2,219)
Total revenues	<u>119,170</u>	<u>119,170</u>	<u>120,286</u>	<u>1,116</u>
<u>Expenditures</u>				
Current:				
Audit	4,600	4,600	19,000	(14,400)
County treasury fees	1,432	1,432	1,429	3
Director's fees	3,000	3,000	2,500	500
District management and accounting	45,000	45,000	19,482	25,518
Dues and subscriptions	1,000	1,000	1,355	(355)
Insurance and bonds	6,000	6,000	3,126	2,874
Legal	25,000	25,000	30,512	(5,512)
PILOT payment	14,500	14,500	-	14,500
Repairs and maintenance	5,000	5,000	-	5,000
Support services	5,000	5,000	1,989	3,011
Other expenditures	5,000	5,000	292	4,708
Contingency reserve	3,700	58,468	-	58,468
Total expenditures	<u>119,232</u>	<u>174,000</u>	<u>79,685</u>	<u>94,315</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62)	(54,830)	40,601	95,431
<u>Other Financing Sources</u>				
Transfers in	1,500	1,500	-	(1,500)
Total other financing sources	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Net change in fund balances	1,438	(53,330)	40,601	93,931
Fund balances - beginning	88,985	99,887	99,887	-
Fund balances - ending	<u>\$ 90,423</u>	<u>\$ 46,557</u>	<u>\$ 140,488</u>	<u>\$ 93,931</u>

The accompanying notes are an integral part of the financial statements.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – DEFINITION OF REPORTING ENTITY

Bromley Park Metropolitan District No. 5 (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, 2021, 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 No. 3 and BC are participants in the Annexation Agreement, as amended, between the City and the then current developer of the majority of the property within the Districts, BPK Holdings, LLC (BPK). The District and BPMD No. 6 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 the District and BPMD No. 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 the District and BPMD No. 6 and Adams East is within the boundaries of the property described in the Annexation Agreement, as amended.

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

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

SBD, BPMD Nos. 2 and 3, and BC entered into an 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.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – DEFINITION OF REPORTING ENTITY (CONTINUED)

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. 6 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 8). The District, BPMD No. 6, 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 8).

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 6, BC and Adams East), nor is the District a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The *Capital Projects Fund* is used to account for the financial resources to be used for the acquisition and construction of infrastructure in conjunction with the bond financing terms.

Budgets

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

Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

Pooled Cash 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 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 single account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The county treasurer remits the taxes collected monthly to the District.

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

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to other governmental entities are not depreciated. Improvements to be owned by the District, with the exception of certain landscaping improvements (e.g. trees, sod, and similar items), are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Certain capital assets constructed by the District in prior years have been conveyed to other governmental entities.

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. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net 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 revenue continues to be recognized when earned in the government-wide statements. The District has two items that qualify for reporting in this category. Accordingly, unavailable property tax revenue and unavailable IGA revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Colorado Constitution. A total of \$9,400 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 \$309,505 is restricted for the payment of the costs associated with the Series 2010A Promissory Note and Series 2019 Refunding and Improvement Revenue Note (See Note 5).

The restricted fund balance in the Capital Projects Fund in the amount of \$644,026 is to be used exclusively for the acquisition or improvement of capital assets and is governed by cost sharing agreements.

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 of action to remove or change the constraint.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying statement of net position as follows:

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash and investments - unrestricted	\$	791,987
Cash and investments - restricted		391,323
Total cash and investments	\$	<u>1,183,310</u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with financial institutions	\$	791,987
Investments		391,323
Total cash and investments	\$	<u>1,183,310</u>

Cash Deposits

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

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

At December 31, 2021, the District's cash deposits had a bank balance of \$800,066.

Investments

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

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

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

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

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

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Amount</u>
Colorado Local Government		
Liquid Asset Trust	Weighted average under 60 days	\$ 391,323

COLOTRUST

During 2021, the District invested in Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. Colotrust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities 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.

A designated custodial bank serves as custodian for ColoTrust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for ColoTrust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

However, the District's investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. These investments include 2a7-like external investment pools. The District is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value (NAV) per share (or its equivalent) of the investment.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with GASB guidance. It is the goal of Colotrust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

	Balances December, 31 2020	Additions	Deletions	Balances December, 31 2021
Capital Assets, not being depreciated				
Construction in progress	\$ 1,486,408	\$ -	\$ -	\$ 1,486,408
Total capital assets	<u>\$ 1,486,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,486,408</u>

In accordance with the District's service plan, it is anticipated that, the District will dedicate the improvements and facilities to the City of Brighton or South Beebe Draw Metro District. Upon acceptance by the City or South Beebe for maintenance and ownership, the facilities will be removed from the District's property records. Until dedicated to other governments, the District reports these capital assets as construction in progress.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2021:

	Balances December 31, 2020	Additions	Deletions	Balances December 31, 2021	Due In One Year
Direct Borrowing Debt:					
Series 2019 Refunding and Improvement Revenue Note	\$ 5,597,000	\$ -	\$ (101,700)	\$ 5,495,300	\$ 109,600
Direct Placement Debt:					
General Obligation Subordinate Promissory Note Series 2010A					
Principal	4,860,260	-	-	4,860,260	-
Interest	3,611,614	388,821	-	4,000,435	-
Developer advances					
Principal	5,000	-	-	5,000	-
Interest	1,697	350	-	2,047	-
Total	<u>\$ 14,075,571</u>	<u>\$ 389,171</u>	<u>\$ (101,700)</u>	<u>\$ 14,363,042</u>	<u>\$ 109,600</u>

The detail of the District’s long-term obligations is as follows:

Direct Borrowing Debt:

Refunding and Improvement Revenue Note, Series 2019

On July 24, 2019, the District acquired a \$5,750,000 Refunding and Improvement Revenue Note Series 2019 (Series 2019 Note). The Series 2019 Note matures on July 24, 2029. The interest rate on the Series 2019 Note is 4.35% per annum. Principal and interest payments on the Series 2019 Note are due annually on December 1. The Series 2019 Note is secured by and payable from pledged revenues, which consist primarily of ad valorem property taxes, payments in lieu of taxes and specific ownership taxes remitted to the District from collections by the county primarily from motor vehicle licensing.

The Series 2019 Note was acquired for the purpose of providing funds to (i) refund the Series 2010 Bonds and (ii) finance improvements related to public infrastructure. The Series 2019 Note may be prepaid at the option of the District, in whole or in part, upon payment of the sum of the principal amount plus accrued interest thereon to the date of prepayment with a prepayment fee of 2.0% if such prepayment occurs on or before July 24, 2022.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Significant events of default under the Series 2019 Note include (i) failure to impose required mill levy, (ii) failure to pay principal and interest when due, (iii) failure to meet financial or custodial agreement covenants, (iv) legal proceedings including bankruptcy, insolvency, reorganization, etc. as described in the Series 2019 Note agreement, (v) qualified audit opinion with respect to the District’s status as an on-going concern and (vi) judgements against the District or proceedings to dissolve the District or consolidate the District where the District would cease to exist.

Immediately upon the occurrence of an event of default all amounts constituting collateral will be applied to (i) the unpaid principal of the Series 2019 Note, (ii) interest accrued and unpaid thereon, and (iii) all other amounts owing or payable to the lender.

The following table sets forth the estimated debt service payment schedule for the principal and interest on the Series 2019 Note:

Year ended December 31,	Principal	Interest	Total
2022	\$ 109,600	\$ 239,045	\$ 348,645
2023	117,800	234,278	352,078
2024	126,400	229,154	355,554
2025	135,500	223,655	359,155
2026	144,900	217,761	362,661
2027 - 2029	4,861,100	544,026	5,405,126
Total	<u>\$ 5,495,300</u>	<u>\$ 1,687,919</u>	<u>\$ 7,183,219</u>

Direct Placement Debt:

Advance and Reimbursement Agreements

On January 26, 2010, the District entered into an amended and restated advance and reimbursement agreement for capital advances between the District and the Bromley Companies, whereby the balance on the Series 2009A Note plus advances and interest accrued since October 27, 2009, were converted to the Annual Appropriation Converting to General Obligation Subordinate Promissory Note Series 2010A (Series 2010A Note) in the amount of \$7,706,260. All prior agreements and understandings between the District and any or all of the entities which constitute the Bromley Companies were terminated. In order to provide additional security for the Series 2010 Bonds, certain terms concerning required mill levy and subordinate obligation were amended on March 31, 2010, effective January 26, 2010, with the first modification to amended and restated advance and reimbursement agreement.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Payments on the Series 2010A Note are due annually on December 20th through the maturity date of December 20, 2050, subject to the condition precedent that all operations and maintenance expenses are satisfied, all bond covenants are fulfilled, and the total aggregate amount of the District's debt must be equal to or less than fifty percent (50%) of the assessed valuation of all of the property located with the District, as certified by the Assessor for Adams County, Colorado. The balance outstanding at December 31, 2021 totaled \$4,860,260. The Series 2010A Note bears interest at 8% annum and is pledged by revenue generated from property taxes, available after payment of senior obligations. No payments were made on the Series 2010A Note during 2021. Accrued interest on the 2010A Note totaled \$4,000,435 as of December 31, 2021.

District 5, LLC – Advance and Reimbursement Agreement

The District entered into an advance and reimbursement agreement with S3L Holdings, LLC (S3L) on July 10, 2007. The agreement stipulates that the District shall reimburse S3L for any advances to the District for construction, maintenance and operation costs associated with the provision of certain public improvements, facilities and services, together with interest at the rate of 7% per annum. The District shall make payment for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements, debt service costs and expenses of the District. On February 28, 2017, the District, S3L and District 5, LLC entered into an assignment advance and reimbursement agreement whereby S3L assigned the rights arising out of the terms and conditions of the 2007 advance and reimbursement agreement (described above) to District 5, LLC. At December 31, 2021, outstanding advances totaled \$5,000, in addition to accrued interest of \$2,047.

Authorized Debt

On November 7, 2000, a majority of the eligible electors of the District authorized the issuance of indebtedness in an amount not to exceed \$70,000,000 at an interest rate not to exceed 18% per annum. The eligible electors of the District re-voted this authorization at the May 4, 2004, November 6, 2007 and November 4, 2014 elections.

At December 31, 2021, the District had authorized but unissued indebtedness from this election in the following amounts allocated for the following purposes:

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

	Total Authorized	Remaining at December 31, 2021
Street improvements	\$ 17,000,000	\$ 8,864,097
Park and recreation facilities	2,000,000	1,924,753
Water supply improvements	3,750,000	2,431,573
Sanitary sewer system/storm drainage	4,500,000	2,940,139
Television relay	2,000,000	2,000,000
Mosquito control	500,000	500,000
Public transportation	4,000,000	4,000,000
Operations and maintenance	1,250,000	1,217,770
Debt refunding	35,000,000	29,337,408
Total	\$ 70,000,000	\$ 53,215,740

NOTE 6 – NET POSITION

The District has net position consisting 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 borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2021, the District had a deficit net investment in capital assets in the amount of \$2,384,621.

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, 2021, consists of \$9,400 for emergency reserves, \$287,538 for debt service, and \$644,026 restricted for capital projects.

As of December 31, 2021, the District had a deficit unrestricted balance of \$10,095,097 and a deficit net position of \$11,538,754. 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.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – RELATED PARTIES

The members of the Board of Directors of the District, SBD, BPMD Nos. 3 and BPMD No. 6 are employees of, owners of, or otherwise associated with BPK, and/or the Bromley Companies, and/or BPK Commercial, LLC, Flywheel Holdings, L.L.C., and/or WCD Corporation and/or S3L Holdings, LLC and/or District 5, LLC (herein referred to 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, L.L.C. The Bromley Companies is the current holder of the Series 2010A Note (see Note 5). Specific details of transactions with the Affiliates regarding organization, advances and debt are described elsewhere in these notes.

Effective January 1, 2019, the District entered into an Agreement Re: Escrow Deposit for Offsite Street Improvements (Escrow Agreement) by and between the District and Flywheel Holdings, L.L.C. (Flywheel). Flywheel was obligated under an agreement to contribute to an escrow account for offsite street improvements related to the development of property in the Town. The board of directors of the District determined that the best interest of the District, its residents, users, property owners and public would be served by the District's contribution to pay for that portion of the offsite street improvements allocated to the commercial property within the boundaries of the District.

NOTE 8 – 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.

Cost Sharing Infrastructure Agreement

Effective January 1, 2019, the District and SBD entered into a Cost Sharing Intergovernmental Agreement (CSIA) to designate funds and allocate responsibilities for the financing and construction of public improvements for certain projects to provide efficiencies of scale and cost by collaborating and sharing costs for those certain projects which benefits both districts.

Under the CSIA, the District and SBD will append a project statement of work as an exhibit to the CSIA. The exhibit shall be mutually agreed-upon by both districts and duly approved and executed as of the date of such agreement.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

The CSIA terminated on December 31, 2021 but automatically renewed for an additional one-year term unless notice of intent to terminate the CSIA is provided by either district no later than October 1 of a succeeding year. Neither party provided a notice of intent to terminate during the 2020 calendar year, so the CSIA automatically renewed for one year beginning January 1, 2022.

During 2019, the District and SBD entered into one such project for approximately \$1.8 million for a mixed use (commercial and residential) development with approximately 84% of the costs of the project allocated to the District, approximately 14% of the costs of the project allocated to SBD and approximately 2% allocated to WCD Corporation. During 2021, no costs were incurred on the project. It is expected the project will be completed during fiscal year 2022.

City of Brighton

Pursuant to the (1) 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 the District.

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.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

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).

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.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Beebe Draw Wastewater Service Agreement

On November 4, 1997, SBD, BPMD Nos. 2 and 3, and BC entered into the Beebe Draw Wastewater Services Agreement with the City and the Town to provide a comprehensive program to finance, design, construct, acquire, operate, maintain and use wastewater treatment and discharge facilities serving properties within the Beebe Draw drainage basin. This agreement was amended on August 14, 2009 by the First Amended and Restated Beebe Draw Wastewater Service Agreement (2009 WSA) between the City, the Town and SBD. The terms of the 2009 WSA amended and restated the 1997 agreement in its entirety, redefined the Beebe Draw Service Area, addressed future annexations east of Interstate 76, redirected certain services to the City, outlined conditions for expansion of the treatment plant, provided general rules for wastewater treatment service, established provisions for capital funding using Plant Investment Fees (PIFs) and operation and maintenance funding, provided for the Lochbuie Sewer Board, outlined specific terms for the construction of additional infrastructure within the Town or City by SBD (which is not anticipated) and provided for rates and charges to be imposed and collected. SBD is responsible for constructing and financing certain sewer lines and receives fees from all areas served by the lines, including property within the District. PIFs are due for connections to the sewer system for treatment facilities within the corporate limits of the Town to be paid directly by builders to the Town. Future expansion of the facilities will be coordinated under the terms of this agreement.

Further, under the agreement, the City and Town are to collect and remit to SBD certain fees equal to the greater of \$1,301.60 or 40% of the applicable PIF imposed by the Town for a sewer tap connection. SBD's sewer line connection fee at December 31, 2021 was \$1,301.60.

System Development, Infrastructure Fees and Infrastructure Support Fees

The District can impose certain system development and infrastructure fees. As of December 31, 2021, the fees that the District can impose per single-family equivalent as follows:

System development fee - \$2,345.94 per unit
Infrastructure fee - \$2,043.10 per unit depending upon type of unit

In addition, the District imposes system development fees for commercial, office and industrial property at \$0.88, \$0.72, and \$0.35 per square foot of gross building area, respectively.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

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. The District has determined that the fee is not required for fiscal year 2021 and will not be required until such time as the joint fee resolution is amended to impose an infrastructure support fee.

NOTE 9 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials’ liability, boiler and machinery, and workers compensation coverage to its members.

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

NOTE 10 – TAX, SPENDING, AND DEBT LIMITATIONS

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

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the District’s eligible electors approve retention of such revenue.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 – TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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

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

On November 7, 2000, a majority of the District's electors authorized the District to increase taxes \$1,250,000 annually for District operations, maintenance, and other expenses with such taxes consisting of a mill levy imposed without limitation of rate and as a voter-approved revenue change without regard to limitations of TABOR and Section 29-1-301, C.R.S. The electors also authorized the District to collect, retain, and spend any revenue from sources other than ad valorem taxes annually without regard to any limitations imposed by TABOR. This authorization was re-voted on May 4, 2004, November 6, 2007, and November 4, 2014, by the eligible electors of the District.

SUPPLEMENTAL INFORMATION

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 177,339	\$ 176,617	\$ (722)
Specific ownership taxes	15,860	14,688	(1,172)
Payment in lieu of taxes (PILOT)	135,000	176,989	41,989
Earnings on investments	<u>2,500</u>	<u>316</u>	<u>(2,184)</u>
Total revenues	<u>330,699</u>	<u>368,610</u>	<u>37,911</u>
<u>Expenditures</u>			
Current:			
County treasurer fees	2,660	2,654	6
Debt service:			
Principal	101,700	101,700	-
Interest and fiscal charges	<u>246,970</u>	<u>244,976</u>	<u>1,994</u>
Total expenditures	<u>351,330</u>	<u>349,330</u>	<u>2,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,631)	19,280	39,911
<u>Other Financing Sources (Uses)</u>			
Transfers out	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>
Total other financing sources (uses)	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>
Net change in fund balance	(22,131)	19,280	41,411
Fund balance - beginning	<u>290,225</u>	<u>290,225</u>	<u>-</u>
Fund balance - ending	<u>\$ 268,094</u>	<u>\$ 309,505</u>	<u>\$ 41,411</u>

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

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Earnings on investments	\$ 10,000	\$ 156	\$ (9,844)
Total revenues	<u>10,000</u>	<u>156</u>	<u>(9,844)</u>
 <u>Expenditures</u>			
Current:			
Capital outlay	700,000	-	700,000
Other expenditures	2,500	107	2,393
Total expenditures	<u>702,500</u>	<u>107</u>	<u>702,393</u>
 Net change in fund balance	 (692,500)	 49	 692,549
 Fund balance - beginning	 <u>643,977</u>	 <u>643,977</u>	 <u>-</u>
Fund balance - ending	<u>\$ (48,523)</u>	<u>\$ 644,026</u>	<u>\$ 692,549</u>

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

OTHER INFORMATION

BROMLY PARTK METROPOLITAN DISTRICT NO. 5
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021

\$5,750,000 Series 2019
Refunding and Improvement Revenue Note
Dated July 1, 2019
Interest Rate of 4.35 percent
Principal and Interest Due December 1

Year ended December 31,	Principal	Interest	Total
2022	\$ 109,600	\$ 239,045	\$ 348,645
2023	117,800	234,278	352,078
2024	126,400	229,154	355,554
2025	135,500	223,655	359,155
2026	144,900	217,761	362,661
2027	154,900	211,458	366,358
2028	165,200	204,720	369,920
2029	4,541,000	127,848	4,668,848
Total	<u>\$ 5,495,300</u>	<u>\$ 1,687,919</u>	<u>\$ 7,183,219</u>

BROMLY PARTK METROPOLITAN DISTRICT NO. 5
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND
PROPERTY TAXES COLLECTED
DECEMBER 31, 2021

Year ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
			Levied	Collected	
2005	\$ 1,656,120	25.000	\$ 41,403	\$ 41,403	100.00%
2006	2,043,000	25.000	51,075	51,075	100.00%
2007	1,934,830	25.000	48,371	48,262	99.78%
2008	5,074,550	25.000	126,864	126,864	100.00%
2009	5,894,170	25.000	147,354	147,354	100.00%
2010	6,008,170	25.000	150,204	150,204	100.00%
2011	5,809,830	25.000	145,246	145,246	100.00%
2012	5,552,040	40.000	222,082	222,082	100.00%
2013	5,471,480	40.000	218,859	218,013	99.61%
2014	5,565,120	40.000	222,605	221,968	99.71%
2015	5,357,020	40.000	214,281	214,917	100.30%
2016	5,269,520	40.000	210,781	210,492	99.86%
2017	5,220,440	40.000	208,818	207,816	99.52%
2018	5,420,280	40.000	216,811	215,699	99.49%
2019	5,180,810	40.000	207,232	209,169	100.93%
2020	6,775,530	40.000	271,021	272,418	100.52%
2021	6,820,740	40.000	272,830	271,718	99.59%

Estimated for the year
ending December 31,
2022

\$ 7,535,150 40.056 \$ 301,828

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.