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Accountant's Compilation Report

Board of Directors
Bromley Park Metropolitan District No. 2
Adams and Weld Counties, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Bromley Park Metropolitan District No. 2 for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to the Bromley Park Metropolitan District No. 2.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 27, 2017

BROMLEY PARK METROPOLITAN DISTRICT #2
SUMMARY
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

11/27/2017

| | ACTUAL 2016 | ESTIMATED 2017 | ADOPTED 2018 |
|---|---------------------|---------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 1,005,349 | \$ 1,259,923 | \$ 1,430,479 |
| REVENUES | | | |
| 1 Property taxes | 1,794,316 | 1,818,560 | 2,274,936 |
| 2 Specific ownership taxes | 149,622 | 169,006 | 193,400 |
| 3 Conservation Trust entitlement | 14,333 | 12,000 | 13,000 |
| 4 Net investment income | 9,142 | 7,200 | 3,400 |
| 5 Other income | 13 | 1,242 | 24 |
| 6 Bond issuance | - | - | 50,875,000 |
| 7 Community Impact Fees | - | - | 38,688 |
| 8 Oil Lease | - | 114,880 | - |
| 9 HOA Park Contribution | - | - | - |
| 10 Mineral Deed | - | 133,902 | - |
| 11 Bond premium | - | - | 2,566,609 |
| Total revenues | <u>1,967,426</u> | <u>2,256,790</u> | <u>55,965,057</u> |
| TRANSFERS IN | <u>-</u> | <u>100,000</u> | <u>9,900,000</u> |
| Total funds available | <u>2,972,775</u> | <u>3,616,713</u> | <u>67,295,536</u> |
| EXPENDITURES | | | |
| 12 General and administration | | | |
| 13 Accounting | 29,670 | 32,000 | 35,000 |
| 14 Audit | 4,800 | 4,800 | 4,800 |
| 15 Banking fees | - | 200 | 500 |
| 16 Contingency | - | - | 7,304 |
| 17 County Treasurer's fees | 26,958 | 27,279 | 34,124 |
| 18 District management | 17,077 | 18,000 | 19,000 |
| 19 Dues and membership | - | 416 | 500 |
| 20 Election | 110 | - | 2,500 |
| 21 Insurance | 10,092 | 10,403 | 11,000 |
| 22 Legal | 14,637 | 18,000 | 19,000 |
| 23 Miscellaneous | 814 | 600 | 2,000 |
| 24 Operations and maintenance | | | |
| 25 Landscape maintenance - District | 7,325 | 9,000 | 15,000 |
| 26 Landscape maintenance - HOA | 73,155 | 60,000 | 70,000 |
| 27 Landscape maintenance - utilities | 282 | 500 | 500 |
| 28 New Park Construction | 5,631 | - | - |
| 29 Debt service | | | |
| 30 Bond interest Series 2007 | 1,079,801 | 1,061,101 | - |
| 31 Bond interest Series 2018A | - | - | 1,090,720 |
| 32 Bond interest Series 2018B | - | - | 542,889 |
| 33 Bond issue costs | - | 30,000 | 1,629,902 |
| 34 Bond principal Series 2007 | 440,000 | 455,000 | - |
| 35 Bond principal Series 2018A | - | - | 585,000 |
| 36 Contingency | - | 6,285 | 86,879 |
| 37 Paying agent fees | 2,500 | 2,650 | 2,650 |
| 38 Payment to refunding escrow | - | - | 36,492,732 |
| 39 Repay developer advances | - | - | 6,138,000 |
| 40 Capital projects | | | |
| 41 Accounting | - | 2,000 | - |
| 42 Capital outlay | - | - | 9,640,000 |
| 43 Legal | - | 8,000 | - |
| 44 Park and recreation | - | 340,000 | 260,000 |
| Total expenditures | <u>1,712,852</u> | <u>2,086,234</u> | <u>56,690,000</u> |
| TRANSFERS OUT | <u>-</u> | <u>100,000</u> | <u>9,900,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>1,712,852</u> | <u>2,186,234</u> | <u>66,590,000</u> |
| ENDING FUND BALANCES | <u>\$ 1,259,923</u> | <u>\$ 1,430,479</u> | <u>\$ 705,536</u> |
| EMERGENCY RESERVE | \$ 5,100 | \$ 4,800 | \$ 7,500 |
| Replacement/Maintenance Reserve | 10,000 | 10,000 | 10,000 |
| Debt Service Reserve Fund | - | 473,550 | 480,975 |
| Surplus Fund | - | 951,461 | 146,532 |
| TOTAL RESERVE | <u>\$ 15,100</u> | <u>\$ 1,439,811</u> | <u>\$ 645,007</u> |

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT #2
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

11/27/2017

| | ACTUAL 2016 | ESTIMATED 2017 | ADOPTED 2018 |
|-----------------------------------|----------------------|----------------------|----------------------|
| ASSESSED VALUATION - ADAMS | | | |
| Residential | \$ 18,707,530 | \$ 18,797,340 | \$ 22,791,970 |
| Commercial | 708,070 | 708,070 | 719,020 |
| Agricultural | 450 | 450 | 10,200 |
| Vacant Land | 1,150,910 | 1,085,370 | 1,806,900 |
| Personal Property | 390,780 | 405,370 | 466,470 |
| State Assessed | 5,660 | 5,620 | 5,010 |
| Certified Assessed Value | <u>\$ 20,963,400</u> | <u>\$ 21,002,220</u> | <u>\$ 25,799,570</u> |
| MILL LEVY | | | |
| GENERAL FUND | 7.300 | 7.300 | 7.300 |
| DEBT SERVICE FUND | 78.725 | 78.725 | 78.725 |
| Total Mill Levy | <u>86.025</u> | <u>86.025</u> | <u>86.025</u> |
| PROPERTY TAXES | | | |
| GENERAL FUND | \$ 153,033 | \$ 153,316 | \$ 188,337 |
| DEBT SERVICE FUND | 1,650,344 | 1,653,400 | 2,031,071 |
| Levied property taxes | 1,803,377 | 1,806,716 | 2,219,408 |
| Adjustments to actual/rounding | (25,336) | - | - |
| Refund and abatements | . | (24,596) | - |
| Budgeted Property Taxes | <u>\$ 1,778,041</u> | <u>\$ 1,782,120</u> | <u>\$ 2,219,408</u> |
| ASSESSED VALUATION - WELD | | | |
| Residential | \$ 156,790 | \$ 409,960 | \$ 634,980 |
| Agricultural | 1,690 | 1,690 | 2,530 |
| Vacant Land | 29,750 | 10,800 | 6,670 |
| State Assessed | 950 | 1,150 | 1,310 |
| Certified Assessed Value | <u>\$ 189,180</u> | <u>\$ 423,600</u> | <u>\$ 645,490</u> |
| MILL LEVY | | | |
| GENERAL FUND | 7.300 | 7.300 | 7.300 |
| DEBT SERVICE FUND | 78.725 | 78.725 | 78.725 |
| Total Mill Levy | <u>86.025</u> | <u>86.025</u> | <u>86.025</u> |
| PROPERTY TAXES | | | |
| GENERAL FUND | \$ 1,381 | \$ 3,092 | \$ 4,712 |
| DEBT SERVICE FUND | 14,893 | 33,348 | 50,816 |
| Levied property taxes | 16,274 | 36,440 | 55,528 |
| Adjustments to actual/rounding | 1 | - | - |
| Budgeted Property Taxes | <u>\$ 16,275</u> | <u>\$ 36,440</u> | <u>\$ 55,528</u> |
| BUDGETED PROPERTY TAXES | | | |
| GENERAL FUND | \$ 152,264 | \$ 154,321 | \$ 193,049 |
| DEBT SERVICE FUND | 1,642,052 | 1,664,239 | 2,081,887 |
| | <u>\$ 1,794,316</u> | <u>\$ 1,818,560</u> | <u>\$ 2,274,936</u> |

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT #2
GENERAL FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

11/27/2017

| | ACTUAL 2016 | ESTIMATED 2017 | ADOPTED 2018 |
|---|------------------|-------------------|------------------|
| BEGINNING FUND BALANCES | \$ 64,396 | \$ 79,815 | \$ 5,468 |
| REVENUES | | | |
| 1 Property taxes | 152,264 | 154,321 | 193,049 |
| 2 Specific ownership taxes | 12,697 | 14,342 | 16,400 |
| 3 Conservation Trust entitlement | 14,333 | 12,000 | 13,000 |
| 4 Net investment income | 1,993 | 1,200 | 1,400 |
| 5 Other income | 13 | 24 | 24 |
| 6 Community Impact Fees | - | - | 38,688 |
| 7 Oil Lease | - | - | - |
| 8 HOA Park Contribution | - | - | - |
| Total revenues | <u>181,300</u> | <u>181,887</u> | <u>262,561</u> |
| Total funds available | <u>245,696</u> | <u>261,702</u> | <u>268,029</u> |
| EXPENDITURES | | | |
| General and administration | | | |
| 9 Accounting | 29,670 | 32,000 | 35,000 |
| 10 Audit | 4,800 | 4,800 | 4,800 |
| 11 Banking fees | - | 200 | 500 |
| 12 Contingency | - | - | 7,304 |
| 13 County Treasurer's fees | 2,288 | 2,315 | 2,896 |
| 14 District management | 17,077 | 18,000 | 19,000 |
| 15 Dues and membership | - | 416 | 500 |
| 16 Election | 110 | - | 2,500 |
| 17 Insurance | 10,092 | 10,403 | 11,000 |
| 18 Legal | 14,637 | 18,000 | 19,000 |
| 19 Miscellaneous | 814 | 600 | 2,000 |
| Operations and maintenance | | | |
| 20 Landscape maintenance - District | 7,325 | 9,000 | 15,000 |
| 21 Landscape maintenance - HOA | 73,155 | 60,000 | 70,000 |
| 22 Landscape maintenance - utilities | 282 | 500 | 500 |
| 23 New Park Construction | 5,631 | - | - |
| Total expenditures | <u>165,881</u> | <u>156,234</u> | <u>190,000</u> |
| TRANSFERS OUT | | | |
| CAPITAL PROJECTS FUND | | | |
| Total transfers out | <u>-</u> | <u>100,000</u> | <u>-</u> |
| Total expenditures and transfers out requiring appropriation | <u>165,881</u> | <u>256,234</u> | <u>190,000</u> |
| ENDING FUND BALANCES | <u>\$ 79,815</u> | <u>\$ 5,468</u> | <u>\$ 78,029</u> |
| EMERGENCY RESERVE | \$ 5,100 | \$ 4,800 | \$ 7,500 |
| Replacement/Maintenance Reserve | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> |
| TOTAL RESERVE | <u>\$ 15,100</u> | <u>\$ 14,800</u> | <u>\$ 17,500</u> |

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT #2
DEBT SERVICE FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

11/27/2017

| | ACTUAL 2016 | ESTIMATED 2017 | ADOPTED 2018 |
|---|---------------------|---------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 940,953 | \$ 1,180,108 | \$ 1,425,011 |
| REVENUES | | | |
| 1 Property taxes | 1,642,052 | 1,664,239 | 2,081,887 |
| 2 Specific ownership taxes | 136,925 | 154,664 | 177,000 |
| 3 Net investment income | 7,149 | 6,000 | 2,000 |
| 4 Bond issuance | - | - | 50,875,000 |
| 5 Bond premium | - | - | 2,566,609 |
| Total revenues | <u>1,786,126</u> | <u>1,824,903</u> | <u>55,702,496</u> |
| Total funds available | <u>2,727,079</u> | <u>3,005,011</u> | <u>57,127,507</u> |
| EXPENDITURES | | | |
| General and administration | | | |
| 6 County Treasurer's fees | 24,670 | 24,964 | 31,228 |
| Debt service | | | |
| 7 Bond interest Series 2007 | 1,079,801 | 1,061,101 | - |
| 8 Bond interest Series 2018A | - | - | 1,090,720 |
| 9 Bond interest Series 2018B | - | - | 542,889 |
| 10 Bond issue costs | - | 30,000 | 1,629,902 |
| 11 Bond principal Series 2007 | 440,000 | 455,000 | - |
| 12 Bond principal Series 2018A | - | - | 585,000 |
| 13 Contingency | - | 6,285 | 86,879 |
| 14 Paying agent fees | 2,500 | 2,650 | 2,650 |
| 15 Payment to refunding escrow | - | - | 36,492,732 |
| 16 Repay developer advances | - | - | 6,138,000 |
| Total expenditures | <u>1,546,971</u> | <u>1,580,000</u> | <u>46,600,000</u> |
| TRANSFERS OUT | | | |
| CAPITAL PROJECTS FUND | | | |
| | - | - | 9,900,000 |
| Total transfers out | <u>-</u> | <u>-</u> | <u>9,900,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>1,546,971</u> | <u>1,580,000</u> | <u>56,500,000</u> |
| ENDING FUND BALANCES | <u>\$ 1,180,108</u> | <u>\$ 1,425,011</u> | <u>\$ 627,507</u> |
| Debt Service Reserve Fund | \$ - | \$ 473,550 | \$ 480,975 |
| Surplus Fund | - | 951,461 | 146,532 |
| TOTAL RESERVE | <u>\$ -</u> | <u>\$ 1,425,011</u> | <u>\$ 627,507</u> |
| MAXIMUM SURPLUS AMOUNT | <u>\$ 3,000,000</u> | <u>\$ 3,000,000</u> | <u>\$ 872,500</u> |

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT #2
CAPITAL PROJECTS FUND
FORECASTED 2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

11/27/2017

| | ACTUAL 2016 | ESTIMATED 2017 | ADOPTED 2018 |
|---|----------------|-------------------|------------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| 1 Other income | - | 1,218 | - |
| 2 Oil Lease | - | 114,880 | - |
| 3 Mineral Deed | - | 133,902 | - |
| Total revenues | <u>-</u> | <u>250,000</u> | <u>-</u> |
| TRANSFERS IN | | | |
| GENERAL FUND | - | 100,000 | - |
| DEBT SERVICE FUND | - | - | 9,900,000 |
| Total transfers in | <u>-</u> | <u>100,000</u> | <u>9,900,000</u> |
| Total funds available | <u>-</u> | <u>350,000</u> | <u>9,900,000</u> |
| EXPENDITURES | | | |
| Capital projects | | | |
| 4 Accounting | - | 2,000 | - |
| 5 Capital outlay | - | - | 9,640,000 |
| 6 Legal | - | 8,000 | - |
| 7 Park and recreation | - | 340,000 | 260,000 |
| Total expenditures | <u>-</u> | <u>350,000</u> | <u>9,900,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>350,000</u> | <u>9,900,000</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Brighton on April 23, 1985, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Adams County, Colorado, and Weld County, Colorado, entirely within the City of Brighton (City).

The District was established to provide construction, installation, financing, and operation of water, sewer, storm drainage, streets, park and recreation, mosquito control, transportation, and television relay systems and improvements.

The annexation agreement into the City, as amended, was entered into by the City, the Developer, South Beebe Draw Metropolitan District (formerly Bromley Park Metropolitan District No. 1), Bromley Park Metropolitan Districts Nos. 2 and 3, and Brighton Crossing Metropolitan District (formerly Bromley Park Metropolitan District No. 4) (collectively, the Districts, or SBDMD, BPMD No. 2 or 3, and BCMD). Bromley Park Metropolitan District Nos. 5 and 6 were organized in 2000 but are not currently parties to the annexation agreement. The Districts and the Developer are to construct improvements and then transfer ownership of the facilities to the City. In exchange, the City will maintain and operate the facilities, with some exceptions, and provide water, sewer, and storm drainage services to the Districts.

The District has entered into intergovernmental agreements (IGAs) with SBDMD, BPMD No. 3 and BCMD and anticipates IGAs with BPMD Nos. 5 and 6 to share in the construction of mutually beneficial improvements and administrative expenditures. Certain development-related revenue and sales and use taxes collected by the City of Brighton are to be deposited by SBDMD to pay specific costs or debt incurred by the Districts.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the 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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8.5% of the property taxes collected.

Regional Facilities and Development Fees

The District entered into an Intergovernmental Agreement (IGA) on March 21, 2000. Under this agreement, SBDMD collects various regional facility fees, which include sewer tap fees, storm drainage fees and building use taxes. The District imposes and collects infrastructure fees, storm drainage, and water development fees, which will be used to fund the District's debt service obligations. The District also imposes system development fees and park fees for the purpose of construction and maintenance of the District's improvements.

Concurrently with the issuance of the Series 2007 Bonds, the District and the Developer entered into a Prepaid Fee Reimbursement Agreement. The District and the Developer had a fee guaranty agreement in association with the refunded bonds, under which the Developer had prepaid \$1,749,659 in fees. Under the original terms of the fee guaranty agreement, the District agreed to reimburse the Developer for the prepaid fees. Under the Prepaid Fee and Reimbursement Agreement, the infrastructure fee, local storm drainage fee, and water plant investment fees received by the District will be applied first to reimburse the Developer the \$1,749,659 of prepaid fees and the remaining fees will be pledged to the payment of the Bonds.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, general engineering, insurance, meeting expense, and other administrative expenditures. Estimated expenditures related to landscaping were also included the General Fund budget.

Intergovernmental Agreement

The District has an intergovernmental agreement with the Brighton East Homeowners Association (HOA) for landscape maintenance. Under this agreement the HOA will oversee all of the landscape maintenance and the District will pay the vendors directly for the District's share of the maintenance and snow removal.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt Service

Principal and interest payments in 2018 are provided based on a proposed debt amortization schedule for the anticipated 2018A and 2018B Bonds.

BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

On July 31, 2007, the District issued \$22,340,000 General Obligation Refunding and Improvement Bonds, Series 2007A. The Series 2007A bonds have interest rates of 4.00% to 5.125%, consisting of serial bonds issued in the amount of \$2,740,000 due annually from 2013 through 2019, and term bonds issued in the original amount of \$19,600,000 due December 1, 2037. Such term bonds are subject to mandatory redemption. In addition, bonds maturing on and after December 1, 2017, are callable at the option of the District, on any date without redemption premium. The bonds are secured by all revenues generated by the District's debt service mill levy which is not limited as to rate or amount. Pledged Capital Fees and Specific Ownership Taxes attributable to the debt service mill levy are also pledged to the payment of the 2007A Bonds.

On July 31, 2007, the District issued \$11,175,000 General Obligation Limited Tax Convertible Zero Coupon Bonds, Series 2007B. The Series 2007B bonds have an interest rate of 7.00% due annually beginning on December 1, 2013. These bonds were issued in the amount of \$7,769,418.75 and accrued interest each year between July 31, 2007, and December 1, 2013, at which point they were converted to \$11,175,000 General Obligation Bonds. Such term bonds are subject to mandatory redemption. In addition, bonds maturing on and after December 1, 2012, are callable at the option of the District, on any date without redemption premium.

The District anticipates issuing 2018A Senior, 2018B Subordinate, 2018C Junior Subordinate, and 2018D Junior Subordinate Bonds in February 2018. The 2018A and 2018B Bonds are expected to be paid based on a fixed amortization schedule. The 2018C and 2018D Bonds will be cash flow bonds payable only to the extent of Pledged Revenue available.

The District has no operating or capital leases.

Contracts and Agreements

Community Park Construction Agreement

During 2003, the District entered into an agreement with the City and the Developer that outlined the Developer's and District's obligation to design and construct a neighborhood and community park within the District. Pursuant to the agreement, the City is to impose and collect a Community Park Impact Fee, which is a fee that is separate from the District park development fee. The Community Park Impact Fee is \$250 per unit. The City is to escrow these funds and the District can be reimbursed for its actual costs to design and construct the community park to the extent of fees collected by the City. Up to \$25,000 can be reimbursed to the District for design costs of the park, with the remainder of the fee being reimbursed, to the extent of actual costs, upon the completion of construction of the park. The Agreement indicates that the community park is to be completed no later than the issuance of a building permit for the 508th dwelling unit constructed within the District. The District incurred actual construction costs in the amount of \$762,241 and requested reimbursement from the City for these costs. Cumulative to date, the District has received reimbursement of \$558,990. The District is obligated to build two additional parks. Until such parks are built, the District will not receive any additional reimbursement.

BROMLEY PARK METROPOLITAN DISTRICT NO. 2
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2018, as defined under TABOR.

Replacement / Maintenance

The District has established a replacement/maintenance reserve for landscaping. The balance of the general fund balance is available for operations.

Debt Service Reserve

The District is expected to maintain a Debt Service Reserve as anticipated to be required with the issuance of the 2018 Bonds in the estimated amount of \$480,975.

This information is an integral part of the accompanying budget.