

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

2024 ANNUAL REPORT TO THE CITY OF BROOMFIELD

Pursuant to §32-1-207(3)(c) and the Service Plan for Broomfield Village Metropolitan District No. 2 (the “**District**”), the District are required to provide an annual report to the with regard to the following matters:

For the year ending December 31, 2024, the District make the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

None.

2. Intergovernmental Agreements entered into or terminated.

None.

3. Access information to obtain a copy of rules and regulations adopted by the board.

<https://broomfieldvillageflatironmarketplace.com/>

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Broomfield County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts’ public improvements as of December 31, 2024.

5. Status of the construction of public improvements by the District.

The District and the developer are continuing to make progress on the redevelopment of Phase 1A of the project.

6. A list of facilities or improvements constructed by the District there were conveyed or dedicated to the county or municipality.

There was not any principal public infrastructure that had been completed, dedicated or accepted in 2024.

7. The final assessed valuation of the District as of December 31st of the reporting year.

See Exhibit A.

8. A copy of the current year’s budget.

A copy of the 2025 Budget is attached hereto as Exhibit B.

- 9. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

The 2024 Audit will be filed as a supplement to this report. The 2023 Audit is attached hereto as **Exhibit C**.

- 10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.**

None.

- 11. Any inability of the District to pay their obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

None.

Service Plan Requirements

Pursuant to Paragraph 1 of Section VII of the Amended and Restated Service Plan for Broomfield Village Metropolitan District No. 2 dated September 11, 2018, Broomfield Village Metropolitan District No. 2 is submitting this 2023 Annual Report to the City of Broomfield, Colorado. The report is to include information concerning these matters which occurred during the prior fiscal year.

For the year ending December 31, 2024, the District makes the following report:

- 1. Boundary changes made or proposed.**

There were no boundary changes made or proposed in 2024.

- 2. Intergovernmental Agreements with other governmental bodies entered into or proposed.**

The District did not enter into any intergovernmental agreements in 2024.

- 3. Changes or proposed changes in the District’s policies.**

There were no changes or proposed changes in the District’s policies in 2024.

- 4. Changes or proposed changes in the District’s operations.**

There were no changes or proposed changes in the District’s operations in 2024.

- 5. Changes in the financial status of the District including revenue projections or operating costs.**

The District’s 2025 Budget is attached in **Exhibit B**.

- 6. A summary of any litigation which involves the District.**

There is no litigation of which we are aware currently pending or anticipated against the District.

- 7. Proposed plans for the year immediately following the year summarized in the**

Annual Report.

The District and the developer are continuing to make progress on the redevelopment of Phase 1A of the project.

8. Status of Public Improvement Construction Schedule.

The District and the developer are continuing to make progress on the redevelopment of Phase 1A of the project.

9. Submission of current assessed valuation in the District.

The assessed valuation for Broomfield Village Metropolitan District No. 2, as certified by the Broomfield County Assessor on November 22, 2024, is attached in **Exhibit A**.

EXHIBIT A
2024 Assessed Valuation

New Tax Entity? YES NO

BROOMFIELD COUNTY ASSESSOR

Date 11/22/2024

NAME OF TAX ENTITY: BROOMFIELD VILLAGE METRO #2 GENERAL

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2024:

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ <u>9,797,360</u>
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$ <u>14,386,980</u>
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$ <u>1,974,631</u>
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$ <u>12,412,349</u>
5.	NEW CONSTRUCTION: *	5.	\$ <u>0</u>
6.	INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$ <u>0</u>
7.	ANNEXATIONS/INCLUSIONS:	7.	\$ <u>0</u>
8.	PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$ <u>0</u>
9.	NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): ☐	9.	\$ <u>0</u>
10.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$ <u>\$0.00</u>
11.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$ <u>\$0.00</u>

- ‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution
- * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
- ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
- ☐ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART.X, SEC.20, COLO. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE **BROOMFIELD** County ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2024:

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$ <u>135,373,050</u>
ADDITIONS TO TAXABLE REAL PROPERTY			
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	\$ <u>0</u>
3.	ANNEXATIONS/INCLUSIONS:	3.	\$ <u>0</u>
4.	INCREASED MINING PRODUCTION: §	4.	\$ <u>0</u>
5.	PREVIOUSLY EXEMPT PROPERTY:	5.	\$ <u>0</u>
6.	OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$ <u>0</u>
7.	TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$ <u>0</u>

DELETIONS FROM TAXABLE REAL PROPERTY

8.	DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$ <u>0</u>
9.	DISCONNECTIONS/EXCLUSIONS:	9.	\$ <u>0</u>
10.	PREVIOUSLY TAXABLE PROPERTY:	10.	\$ <u>0</u>

- ¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
- * Construction is defined as newly constructed taxable real property structures.
- § Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY **\$138,490,020**

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED):** **\$29,399**

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT B
2025 Budget

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2
2025
BUDGET MESSAGE

Attached please find a copy of the adopted 2025 budget for the Broomfield Village Metropolitan District No. 2.

Broomfield Village Metropolitan District No. 2 has adopted budgets for three funds, a General Fund to provide for the transfer to Flatiron Market Place Metropolitan District; a Capital Projects Fund to provide for capital improvements to be built for the benefit of the district; and a Debt Service Fund to provide for payments on the outstanding bond debt.

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2024 will be the retention of a portion of the City of Broomfield's 3.5% sales tax rate on sales generated from the commercial property within the district, property taxes and bond proceeds. The sales tax revenue is pledged for the retirement of debt. The district intends to impose a 54.000 mill levy on the property within the district for 2024, of which 4.000 mills will be dedicated to the General Fund and the balance of 50.000 mills will be allocated to the Debt Service Fund. Ending balances in the Debt Service fund are reserved for debt retirement.

Broomfield Village Metropolitan District No. 2
Adopted Budget
General Fund
For the Year Ended December 31, 2025

	Actual <u>2023</u>	Adopted Budget <u>2024</u>	Actual <u>6/30/2024</u>	Estimate <u>2024</u>	Adopted Budget <u>2025</u>
Beginning fund balance	\$ -	\$ -	\$ 2,616	\$ 2,616	\$ 2,616
Revenues:					
Property taxes	37,707	39,189	43,089	43,100	49,650
Urban renewal - TIF	21,659	17,361	19,935	19,950	7,898
Interest income	9	100	-	-	-
Total revenues	<u>59,375</u>	<u>56,650</u>	<u>63,024</u>	<u>63,050</u>	<u>57,548</u>
Total funds available	<u>59,375</u>	<u>56,650</u>	<u>65,640</u>	<u>65,666</u>	<u>60,164</u>
Expenditures:					
Treasurer's fees	1,134	588	646	647	745
Urban Renewal - TIF	-	-	-	-	-
Transfer to Flatiron Marketplace	55,625	56,062	62,378	62,403	56,803
Emergency reserve	-	-	-	-	-
Total expenditures	<u>56,759</u>	<u>56,650</u>	<u>63,024</u>	<u>63,050</u>	<u>57,548</u>
Ending fund balance	<u>\$ 2,616</u>	<u>\$ -</u>	<u>\$ 2,616</u>	<u>\$ 2,616</u>	<u>\$ 2,616</u>
Gross Assessed valuation		<u>\$ 14,137,530</u>			<u>\$ 14,386,980</u>
TIF Increment		<u>\$ 4,340,170</u>			<u>\$ 1,974,631</u>
Net Assessed Valuation		<u>\$ 9,797,360</u>			<u>\$ 12,412,349</u>
Mill Levy		<u>4.000</u>			<u>4.000</u>

Broomfield Village Metropolitan District No. 2
Adopted Budget
Debt Service Fund GO Bonds
For the Year Ended December 31, 2025

	Actual <u>2023</u>	Adopted Budget <u>2024</u>	Actual <u>6/30/2024</u>	Estimate <u>2024</u>	Adopted Budget <u>2025</u>
Beginning fund balance	\$ 1,182,366	\$ 1,416,399	\$ 1,364,328	\$ 1,364,328	\$ 2,053,483
Revenues:					
Property taxes	567,507	489,868	538,602	538,605	620,617
Property taxes excluded area 1	12,529	13,485	11,836	11,850	12,786
Property taxes excluded area 2	73,347	70,812	70,812	70,825	65,599
Urban renewal - TIF	201,561	232,047	539,399	539,500	116,436
Specific ownership taxes	36,534	47,172	17,542	35,000	47,684
BURA Broomfield Mill levy only Phase 1a	-	70,006	-	70,000	70,006
BURA TIF mill levy excludes Broomfield	-	167,658	-	167,660	167,658
Interest income	64,666	-	39,821	45,000	-
Total revenues	<u>956,144</u>	<u>1,091,048</u>	<u>1,218,012</u>	<u>1,478,440</u>	<u>1,100,786</u>
Total funds available	<u>2,138,510</u>	<u>2,507,447</u>	<u>2,582,340</u>	<u>2,842,768</u>	<u>3,154,269</u>
Expenditures:					
Interest G/O Bonds	583,500	575,000	287,500	575,000	565,500
Bond principal G/O Bonds	170,000	190,000	-	190,000	200,000
Treasurer's fees	12,682	16,285	9,319	16,285	12,232
Trustee / paying agent fees	8,000	15,000	-	8,000	15,000
Total expenditures	<u>774,182</u>	<u>796,285</u>	<u>296,819</u>	<u>789,285</u>	<u>792,732</u>
Ending fund balance	<u>\$ 1,364,328</u>	<u>\$ 1,711,162</u>	<u>\$ 2,285,521</u>	<u>\$ 2,053,483</u>	<u>\$ 2,361,537</u>
Gross Assessed valuation		<u>\$ 14,137,530</u>			<u>\$ 14,386,980</u>
TIF Increment		<u>\$ 4,340,170</u>			<u>\$ 1,974,631</u>
Net Assessed Valuation		<u>\$ 9,797,360</u>			<u>\$ 12,412,349</u>
Lot 9 exclusion					
Gross Assessed valuation		<u>\$ 421,950</u>			<u>\$ 412,240</u>
TIF Increment		<u>\$ 57,484</u>			<u>\$ 66,676</u>
Net Assessed Valuation		<u>\$ 364,466</u>			<u>\$ 345,564</u>
Fashion District exclusion					
Gross Assessed valuation		2,242,600			2,161,350
TIF Increment		328,756			388,401
Net Assessed Valuation		<u>\$ 1,913,844</u>			<u>\$ 1,772,949</u>
Mill Levy		<u>50,000</u>			<u>50,000</u>
Mill levy excluded areas		<u>37,000</u>			<u>37,000</u>

Broomfield Village Metropolitan District No. 2
Adopted Budget
Debt Service Fund Revenue Bonds
For the Year Ended December 31, 2025

	Actual <u>2023</u>	Adopted Budget <u>2024</u>	Actual <u>6/30/2024</u>	Estimate <u>2024</u>	Adopted Budget <u>2025</u>
Beginning fund balance	\$ 137,249	\$ -	\$ 100,891	\$ 100,891	\$ 94,591
Revenues:					
Sales tax revenue	202,586	210,000	115,592	200,000	210,000
Interest income	<u>2,556</u>	<u>1,000</u>	<u>1,100</u>	<u>2,200</u>	<u>1,000</u>
Total revenues	<u>205,142</u>	<u>211,000</u>	<u>116,692</u>	<u>202,200</u>	<u>211,000</u>
Total funds available	<u>342,391</u>	<u>211,000</u>	<u>217,583</u>	<u>303,091</u>	<u>305,591</u>
Expenditures:					
Interest Sales Tax Bonds 2011	239,000	206,000	95,000	206,000	206,000
Trustee / paying agent fees	<u>2,500</u>	<u>5,000</u>	<u>2,500</u>	<u>2,500</u>	<u>5,000</u>
Total expenditures	<u>241,500</u>	<u>211,000</u>	<u>97,500</u>	<u>208,500</u>	<u>211,000</u>
Ending fund balance	<u>\$ 100,891</u>	<u>\$ -</u>	<u>\$ 120,083</u>	<u>\$ 94,591</u>	<u>\$ 94,591</u>

Broomfield Village Metropolitan District No. 2
Adopted Budget
Capital Projects Fund
For the Year Ended December 31, 2025

	Actual <u>2023</u>	Adopted Budget <u>2024</u>	Actual <u>6/30/2024</u>	Estimate <u>2024</u>	Adopted Budget <u>2025</u>
Beginning fund balance	\$ 271	\$ -	\$ 276	\$ -	\$ -
Revenues:					
Developer advances	-	-	-	-	-
Bond proceeds	-	13,000,000	-	-	13,000,000
Bond premium	-	-	-	-	-
Interest income	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>
Total revenues	<u>5</u>	<u>13,000,000</u>	<u>5</u>	<u>-</u>	<u>13,000,000</u>
Total funds available	<u>276</u>	<u>13,000,000</u>	<u>281</u>	<u>-</u>	<u>13,000,000</u>
Expenditures:					
Bond issuance costs	-	520,000	-	-	520,000
Capital improvements	-	12,480,000	-	-	12,480,000
Transfer to Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>13,000,000</u>	<u>-</u>	<u>-</u>	<u>13,000,000</u>
Ending fund balance	<u>\$ 276</u>	<u>\$ -</u>	<u>\$ 281</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT C
2023 Audit

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Financial Statements

Year Ended December 31, 2023

with

Independent Auditor's Report

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HIRATSUKA & ASSOCIATES, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Broomfield Village Metropolitan District No. 2
City and County of Broomfield, Colorado

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Broomfield Village Metropolitan District No. 2 (the District) as of and for the year ended December 31, 2023, 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 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 District, as of December 31, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's 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 opinion.

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 a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 judgment, 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 not presented Management's Discussion and Analysis. Such missing information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Information as listed in the table of contents is presented for the purpose of additional analysis and was not a required part of the financial statements.

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

Hiratsuka & Associates, LLP

July 1, 2025
Wheat Ridge, Colorado

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

BALANCE SHEET/STATEMENT OF NET POSITION -
GOVERNMENTAL FUNDS
December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 27,406	\$ -	\$ -	\$ 27,406	\$ -	\$ 27,406
Cash and investments - restricted	20	1,039,362	276	1,039,658	-	1,039,658
Receivable - county treasurer	-	2,801	-	2,801	-	2,801
Receivable - Urban Renewal	71,624	797,379	-	869,003	-	869,003
Property taxes receivable	39,189	574,165	-	613,354	-	613,354
Accounts receivable - City of Broomfield	-	33,778	-	33,778	-	33,778
Capital assets not being depreciated	-	-	-	-	4,296,924	4,296,924
Total Assets	<u>\$ 138,239</u>	<u>\$ 2,447,485</u>	<u>\$ 276</u>	<u>\$ 2,586,000</u>	<u>4,296,924</u>	<u>6,882,924</u>
LIABILITIES						
Payable Flatiron Marketplace	\$ 27,425	\$ -	\$ -	\$ 27,425	-	27,425
Accrued interest on bonds	-	-	-	-	3,902,883	3,902,883
Long-term liabilities						
Due within one year	-	-	-	-	190,000	190,000
Due in more than one year	-	-	-	-	33,580,077	33,580,077
Total Liabilities	<u>27,425</u>	<u>-</u>	<u>-</u>	<u>27,425</u>	<u>37,672,960</u>	<u>37,700,385</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	-	-	-	-	1,485,115	1,485,115
Deferred receivable Urban Renewal	71,625	797,379	-	869,004	-	869,004
Deferred property taxes	39,189	574,165	-	613,354	-	613,354
Total Deferred Inflows of Resources	<u>110,814</u>	<u>1,371,544</u>	<u>-</u>	<u>1,482,358</u>	<u>1,485,115</u>	<u>2,967,473</u>
FUND BALANCE						
Restricted for						
Emergencies	20	-	-	20	(20)	-
Debt service	-	1,075,941	-	1,075,941	(1,075,941)	-
Capital projects	-	-	276	276	(276)	-
Unassigned	<u>(20)</u>	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>20</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>1,075,941</u>	<u>276</u>	<u>1,076,217</u>	<u>(1,076,217)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 138,239</u>	<u>\$ 2,447,485</u>	<u>\$ 276</u>	<u>\$ 2,586,000</u>		
NET POSITION						
Restricted for:						
Emergencies					20	20
Capital projects					276	276
Unrestricted					<u>(33,785,230)</u>	<u>(33,785,230)</u>
Total Net Position (Deficit)					<u>\$ (33,784,934)</u>	<u>\$ (33,784,934)</u>

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

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES -
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Treasurer's fees	\$ 563	\$ 6,876	\$ -	\$ 7,439	\$ -	\$ 7,439
Bond interest - Series 2011	-	239,000	-	239,000	1,109,912	1,348,912
Bond interest - Series 2021	-	583,500	-	583,500	(55,642)	527,858
Bond principal - Series 2021	-	170,000	-	170,000	(170,000)	-
Transfer to Flatiron Marketplace MD	37,153	-	-	37,153	-	37,153
Trustee/paying agent fees/TIF	-	10,500	-	10,500	-	10,500
Developer advance interest	-	-	-	-	26,429	26,429
Total Expenditures	<u>37,716</u>	<u>1,009,876</u>	<u>-</u>	<u>1,047,592</u>	<u>910,699</u>	<u>1,958,291</u>
GENERAL REVENUES						
Property taxes	37,707	459,859	-	497,566	-	497,566
Specific ownership taxes	-	36,534	-	36,534	-	36,534
Interest income	9	67,222	5	67,236	-	67,236
Total General Revenues	<u>37,716</u>	<u>563,615</u>	<u>5</u>	<u>601,336</u>	<u>-</u>	<u>601,336</u>
INTERGOVERNMENTAL REVENUES						
Sales tax revenues	-	202,586	-	202,586	-	202,586
Total Intergovernmental revenues	<u>-</u>	<u>202,586</u>	<u>-</u>	<u>202,586</u>	<u>-</u>	<u>202,586</u>
Total revenues	<u>37,716</u>	<u>766,201</u>	<u>5</u>	<u>803,922</u>	<u>-</u>	<u>803,922</u>
CHANGE IN FUND BALANCE	-	(243,675)	5	(243,670)	(910,699)	
CHANGE IN NET POSITION						(1,154,369)
FUND BALANCE/DEFICIT NET POSITION						
BEGINNING OF YEAR	-	1,319,616	271	1,319,887	(33,950,452)	(32,630,565)
END OF YEAR	<u>\$ -</u>	<u>\$ 1,075,941</u>	<u>\$ 276</u>	<u>\$ 1,076,217</u>	<u>\$ (34,861,151)</u>	<u>\$ (33,784,934)</u>

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

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

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

For the Year Ended December 31, 2023

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 37,689	\$ 37,707	\$ 18
Urban renewal-TIF	19,067	-	(19,067)
Interest income	<u>100</u>	<u>9</u>	<u>(91)</u>
Total Revenues	<u>56,856</u>	<u>37,716</u>	<u>(19,140)</u>
EXPENDITURES			
Transfer to Flatiron Marketplace MD	56,291	37,153	19,138
Treasurer's fees	565	563	2
Emergency reserve	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>56,856</u>	<u>37,716</u>	<u>19,140</u>
CHANGE IN FUND BALANCE	-	-	-
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Broomfield Village Metropolitan District No. 2 (“District”), located in the City and County of Broomfield, Colorado (“Broomfield”), conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized as a quasi-municipal organization established under the State of Colorado Special District Act. The District’s service area is located entirely within the limits of Broomfield. The District has the power to provide water, sanitation, storm drainage, streets, traffic and safety controls, park and recreation improvements and other related improvements for the benefit of the taxpayers and service users within the boundaries of the District. The District was organized concurrently with Broomfield Village Metropolitan District No. 1 (“District No.1”). The District was established to finance the construction, operation and maintenance of the facilities located within the District and District No. 1. All of the improvements were constructed by District No.1. The District’s Service Plan required District No.1 to convey the constructed improvements to Broomfield or other entities for ownership and maintenance. On August 16, 2006, District No. 1 deeded all capital assets not previously conveyed to Broomfield to the District by way of a Special Warranty Deed for \$10. Concurrently, District No. 1 was dissolved. Upon the dissolution of District No. 1, the District served as both the financing district and the servicing district. As such, the District is responsible for the financing activities and for providing day to day operations and administrative management. On April 22, 2020, the District approved a District Coordinating Services Agreement with an effective date of October 1, 2019, between the District and Flatiron Marketplace Metropolitan District (“Flatiron”). Flatiron became the Coordinating District and the District the Financing District, Flatiron agreed to perform the administrative services as outlined in the agreement and the District agreed to fund these costs based upon approved budgets. The District's primary revenues are property taxes, developer advances, sales tax revenues and various pledged tax revenue related to the redevelopment agreement. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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.

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

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

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

Basis of Presentation

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year in which they are collected.

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

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

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

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

Budgetary Accounting

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

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

Deposits and Investments

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

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

Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting under this category at December 31, 2023.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items that qualify for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price is reported only in the government-wide statement of net position. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Urban Renewal revenue not received within 60 days of the subsequent accounting period is deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

Gain on Refunding and Bond Premium

The gain on refunding from the issuance of the 2011 Bonds is being amortized over the terms of the bonds using the straight line method. The original issue premium related to the Series 2021 Bonds is being amortized over the term of the bonds using the effective interest method. Accumulated amortization of gain on refunding and the original issue premium amounted to \$2,181,352 and \$138,621 respectively at December 31, 2023.

Capital Assets

Capital assets are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated.

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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

Fund Equity

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$20 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 \$1,075,941 is restricted for the payment of the debt service costs associated with the District's Bonds (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of \$276 is restricted for the payment of the costs for capital improvements within the District.

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

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

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2023

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 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. At December 31, 2023, the District did not have any net investment in capital assets to report.

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 2: Cash and Investments

As of December 31, 2023, cash and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 27,406
Cash and investments – Restricted	<u>1,039,658</u>
Total	<u>\$ 1,067,064</u>

Cash and investments as of December 31, 2023 consist of the following:

Investments – COLOTRUST	\$ 971,450
Investments – MSILF Treasury	<u>95,614</u>
Total	<u>\$ 1,067,064</u>

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

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

Credit Risk

The District has not adopted a formal investment policy; however the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

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

Interest Rate Risk

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

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2023

As of December 31, 2023, the District had the following investments:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust (“COLOTRUST”), is rated AAAM by Standard & Poor’s with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. The COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian’s internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2023, the District had \$971,450 invested in COLOTRUST Plus+.

Morgan Stanley Treasury Portfolio

The District’s funds that were included in the trust accounts at UMB Bank were invested in the Morgan Stanley Treasury Portfolio (“Portfolio”). This Portfolio is a money market fund and each share is equal in value to \$1.00. All investments within the Portfolio are recorded at fair value and the District records its investment in the Portfolio at NAV. The Portfolio is AAAM rated and invests exclusively in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. The maturity of the underlying securities is 15 days or less. As of December 31, 2023, the District has \$95,614 invested in the fund.

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
<u>Governmental Type Activities:</u>				
<u>Construction in progress</u>	<u>\$ 4,296,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,296,924</u>
<u>Government type assets, net</u>	<u>\$ 4,296,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,296,924</u>

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2023, is as follows:

Special Obligation Revenue Bonds – Series 2011

On March 23, 2011, the District issued \$22,600,000 of Special Revenue Variable Rate Refunding Bonds, Series 2011 (“Series 2011 Bonds”) to refund the Special Obligation Revenue Bonds, Series 2003A, 2003B and 2003C. The Bonds are cash flow bonds due July 1, 2032.

The Series 2011 Bonds bore variable interest at a rate equal to LIBOR plus 1.50% (150 basis points), but not in excess of 8.50% per annum (the "Interest Rate"), calculated on the basis of a 360-day year of twelve 30-day months from the bond issuance through June 30, 2023. This rate was substituted with 6 month SOFR plus 1.50% and a .43% spread beginning July 1, 2023 due to the LIBOR rate being discontinued. Interest on the Bonds shall be payable to the extent of Pledged Revenue available therefore on each July 1 and January 1, commencing on July 1, 2011. The initial Interest Rate will be established as of the date of issuance of the Bonds, and shall apply until the first interest payment date. Thereafter, the Interest Rate shall be determined and reset as of each July 1 and January 1.

The Series 2011 Bonds are subject to mandatory redemption prior to maturity, as a whole or in integral multiples of \$5,000, on any July 1, upon payment of par plus accrued interest, without redemption premium to the extent that the Pledged Revenue available exceeds the amount required to pay the interest on the bonds on July 1st.

The Series 2011 Bonds are subject to redemption prior to maturity at the option of the District on any interest payments date upon payment of par and accrued interest plus a redemption premium of 1%. The Series 2011 Bonds are payable solely from payments of certain sales tax receipts to be made to the District by Broomfield pursuant to the Amended Sales Tax Reimbursement Agreement (Note 8). During 2023, the District was unable to pay the required interest payment from the available sales tax revenue, the unpaid balance is included in accrued interest, this is not an event of default.

Due to the uncertainty of the timing of the principal and interest on the Series 2011 Bonds, a schedule of the timing of these payments is not available.

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2023

General Obligation Limited Tax and Revenue Refunding Bonds Series 2021 A-1

On June 8, 2021, the District issued \$7,320,000 of General Obligation Limited Tax and Revenue Refunding Bonds, Series 2021 A-1 (“Series 2021 A-1 Bonds”), to refund the General Obligation Limited Tax Refunding and Improvement Bonds, Series 2003. The Series 2021A-1 Bonds are term bonds due December 1, 2049, with mandatory sinking fund payments starting December 1, 2022. The Series 2021 A-1 Bonds bear interest at 5.00%, to be paid on June 1 and December 1 of each year. The Series 2021 A-1 Bonds are payable from Pledged Revenue, which includes the following: (i) the 2021A-1 Required Mill Levy, including any District TIF produced from the imposition of the 2021A-1 Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the 2021A-1 Required Mill Levy; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as 2021A-1 Pledged Revenue. The 2021A-1 Bonds are additionally secured by the 2021A-1 Reserve Fund, which will be funded with proceeds of the 2021A-1 Bonds capitalized interest, and by amounts in the 2021A-1 Surplus Fund. The 2021A-1 Surplus Fund will not be funded as of the date of issuance of the 2021A-1 Bonds.

The 2021A-1 Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2026, through November 30, 2029 upon payment of par, accrued interest, and a redemption premium ranging from 3% to 1%. On December 1, 2029 and any date thereafter, the District may redeem the Series 2021 A-1 Bonds without a redemption premium.

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2021 A-1 Bonds.

	Principal	Interest	Total
2024	\$ 90,000	\$ 358,000	\$ 448,000
2025	95,000	353,500	448,500
2026	110,000	348,750	458,750
2027	115,000	343,250	458,250
2028	125,000	337,500	462,500
2029-2033	795,000	1,582,500	2,377,500
2034-2038	1,140,000	1,351,000	2,491,000
2039-2043	1,585,000	1,024,000	2,609,000
2047-2048	2,170,000	572,250	2,742,250
2049	935,000	46,750	981,750
	<u>\$ 7,160,000</u>	<u>\$ 6,317,500</u>	<u>\$ 13,477,500</u>

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2023

General Obligation Limited Tax and Revenue Bonds Series 2021 A-2

On June 8, 2021, the District issued \$4,430,000 of General Obligation Limited Tax and Revenue Bonds, Series 2021 A-2 (“Series 2021 A-2 Bonds”), to fund and reimburse a portion of the costs of acquiring, constructing and installing certain public improvements. The Series 2021A-2 Bonds are term bonds due December 1, 2049, with mandatory sinking fund payments beginning December 1, 2023. The Series 2021 A-2 Bonds bear interest at 5.00%, to be paid on June 1 and December 1 of each year. The Series 2021 A-2 Bonds are payable from Pledged Revenue, which includes the following: (i) the 2021A-2 Required Mill Levy, including any District TIF produced from the imposition of the 2021A-2 Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the 2021A-2 Required Mill Levy; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as 2021A-2 Pledged Revenue. The 2021A-2 Bonds are additionally secured by the 2021A-2 Reserve Fund, which will be funded with proceeds of the 2021A-2 Bonds capitalized interest, and by amounts in the 2021A-2 Surplus Fund.

The 2021A-2 Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2024, through November 30, 2029 upon payment of par, accrued interest, and a redemption premium ranging from 3% to 1%. On December 1, 2029 and any date thereafter, the District may redeem the Series 2021 A-2 Bonds without a redemption premium.

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2021 A-2 Bonds.

	Principal	Interest	Total
2024	\$ 100,000	\$ 217,000	\$ 317,000
2025	105,000	212,000	317,000
2026	115,000	206,750	321,750
2027	120,000	201,000	321,000
2028	130,000	195,000	325,000
2029-2033	810,000	867,250	1,677,250
2034-2038	1,125,000	634,250	1,759,250
2039-2043	855,000	363,000	1,218,000
2047-2048	580,000	190,000	770,000
2049	400,000	20,000	420,000
	<u>\$ 4,340,000</u>	<u>\$ 3,106,250</u>	<u>\$ 7,446,250</u>

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

Developer Advance

On October 23, 2013 the District entered into to an Operations Funding Agreement with Flatiron Marketplace 2013, L.P., (“Flatiron”), whereby Flatiron agreed to provide advances to the District for Operations and Maintenance costs up to \$40,000. This agreement had an initial termination date of December 31, 2014 but may be renewed on an annual basis pursuant to an annual review. A renewal is currently being discussed by the parties, with the Developer paying parking garage expenses directly until finalized.

Public Improvements Acquisition and Reimbursement Agreement

On October 6, 2020, the District entered into the Public Improvements Acquisition, and Reimbursement Agreement with Residences At Flatiron Marketplace, LP, a Texas limited partnership (“Developer”). Under this agreement, the District agrees to acquire all or a portion of the public improvements which are intended to be conveyed to the District for ownership, operation and maintenance after the Costs have been certified. Upon acceptance, the District will accept financial responsibility to reimburse Developer for such costs. The reimbursement obligation accepted will bear interest of 6.5%. Total amount due at December 31, 2023 under this agreement was \$433,033 including interest of \$38,035.

The following is an analysis of changes in long-term debt for the period ending December 31, 2023:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023	Current Portion
<u>General Obligation Bonds:</u>					
Series 2021 A-1	\$ 7,240,000	\$ -	\$ 80,000	\$ 7,160,000	\$ 90,000
Series 2021 A-2	4,430,000	-	90,000	4,340,000	100,000
	11,670,000	-	170,000	11,500,000	190,000
<u>Other:</u>					
Series 2011 Bonds	20,875,000	-	-	20,875,000	-
Developer advance - Capital	406,604	26,429		433,033	-
Developer advance - Operations	56,527	-	-	56,527	-
	21,338,131	26,429	-	21,364,560	-
Premium	961,159	-	55,642	\$ 905,517	-
	<u>\$ 33,969,290</u>	<u>\$ 26,429</u>	<u>\$ 225,642</u>	<u>\$ 33,770,077</u>	<u>\$ 190,000</u>

Debt Authorization

As of December 31, 2023, the District had remaining voted debt authorization of approximately \$735,000,000. The District did not budgeted to issue any new debt during 2024. In the future, the District may issue a portion or all of the remaining authorized, but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District’s service area, however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

Note 5: Related Party

All of the Board of Directors are either employees of, or consultants to, the owner of the majority of the property within the District.

The District and the landowner have entered into a management agreement with the landowner where the landowner has agreed to provide management services to the District for a fee equal to 15% of the annual maintenance costs. The District did not incur any management fees during the year ended December 31, 2023.

Note 6: Tax, Spending and Debt Limitations

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

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

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

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

A majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X Section 20 of the Colorado Constitution.

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The Colorado Special Districts Property and Liability Pool (the Pool) is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 8: District Agreements

Intergovernmental Agreement – Broomfield

The District and Broomfield have entered into an Intergovernmental Agreement as required by Broomfield's Code and the District's Service Plan. The District entered into the agreement with Broomfield to define the arrangements for the construction of facilities within the Districts. The District issued revenue bonds to pay for the facilities. Broomfield agreed to set aside 65% of its sales and use taxes collected within the service areas of the District to help pay for the facilities constructed by the District. Broomfield's obligation to pay such taxes ends in 2032 or when the costs of the facilities have been reimbursed. These amounts are recognized as Sales Tax Revenues on the attached financial statements.

Amended and Restated Service Plan

On September 11, 2018, Broomfield approved an Amended and Restated Service Plan for the District. The Service Plan was amended to (1) provide a updated Financial Plan incorporating current development and build-out assumptions and resultant debt capacity; (2) to authorize debt in accordance with the capacity shown in the Financial Plan; (3) to establish the District's debt service mill levy cap at 50 mills; and (4) to authorize limited operations functions for those operations, not otherwise provided by another entity, including operation and maintenance of landscape, streetscape, drainage, and parks and trails.

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2023

Agreement Pertaining to Redevelopment of Flatiron Marketplace Lifestyle District

On January 20, 2019, the District, Broomfield, the Broomfield Urban Renewal Authority (BURA), Flatiron Marketplace 2013, LP (FM 2013), and Flatiron Marketplace Metropolitan District entered into the Agreement Pertaining to Redevelopment of Flatiron Marketplace Lifestyle District. The FM 2013 and the District agreed to cooperate to repair and restore the parking structure such that certain areas within the parking structure will provide private parking that is designated for and restricted to use by the multi-family component of the redevelopment and certain areas within the parking structure will provide parking for the general public. Pursuant to the Parking Rights Declaration (Recorded on June 16, 2000 at Reception No. 2053621), Broomfield may acquire the parking structure and the parcel from the District without charge. In order to facilitate the restoration, repair, and deferred maintenance, and integration of the parking structure into the redevelopment, Broomfield assigned its acquisition right to BURA. Pursuant to the Agreement the District will convey the parcel and the parking structure to BURA without charge, and BURA will convey the parcel and the parking structure to FM 2013 or their designee without charge. This conveyance occurred during 2021 with the refunding of the Series 2003 Bonds (see Note 4).

Pursuant to the Agreement, the City will remit Pledged Revenues to pay Eligible Costs incurred to redevelop the Project, These pledged revenues include Sales Tax, Use Tax, Lodging Tax, Service Expansion Fees and Property Taxes at rates which are outlined in the agreement. Flatiron Marketplace Metropolitan District has assigned these revenues to the District.

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2023

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

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

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and,
- 2) long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds; and,
- 3) deferred gain on refunding is not a financial resource and therefore is not reported in the funds.

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

- 1) Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) government funds do not report conveyance of capital improvements as expenditures;
- 3) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;,
- 4) governmental funds report bond proceeds as revenue; and,
- 5) governmental funds report the repayment of bond principal as expenditures; however, these are reported as reductions in long-term liabilities on the Statement of Net Position.

SUPPLEMENTAL INFORMATION

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND

For the Year Ended December 31, 2023

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable <u>(Unfavorable)</u>
REVENUES			
Sales tax revenues	\$ 210,000	\$ 202,586	\$ (7,414)
Property taxes	459,674	459,859	185
Urban renewal-TIF	431,920	-	(431,920)
Specific ownership taxes	38,720	36,534	(2,186)
Interest income	<u>1,000</u>	<u>67,222</u>	<u>66,222</u>
Total Revenues	<u>1,141,314</u>	<u>766,201</u>	<u>(375,113)</u>
EXPENDITURES			
Bond interest - Series 2011	316,603	239,000	77,603
Bond interest - Series 2021	583,500	583,500	-
Bond principal - Series 2021	170,000	170,000	-
Trustee/paying agent fees/TIF	20,000	10,500	9,500
Treasurer's fees	<u>16,285</u>	<u>6,876</u>	<u>9,409</u>
Total Expenditures	<u>1,106,388</u>	<u>1,009,876</u>	<u>96,512</u>
CHANGE IN FUND BALANCE	34,926	(243,675)	(278,601)
FUND BALANCE - BEGINNING OF YEAR	<u>1,429,644</u>	<u>1,319,616</u>	<u>(110,028)</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,464,570</u>	<u>\$ 1,075,941</u>	<u>\$ (388,629)</u>

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

BROOMFIELD VILLAGE METROPOLITAN DISTRICT NO. 2

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

For the Year Ended December 31, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Interest income	\$ -	\$ 5	\$ 5
Total Revenues	<u>-</u>	<u>5</u>	<u>-</u>
EXPENDITURES			
Capital improvements	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	-	5	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>271</u>	<u>271</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 276</u>	<u>\$ 271</u>

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