

Brighton Crossing Metropolitan District No. 6

Financial Statements
with Independent Auditor's Report

December 31, 2024



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Brighton Crossing Metropolitan District No. 6

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December 31, 2024

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Independent Auditor's Report

Board of Directors
Brighton Crossing Metropolitan District No. 6
Brighton, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Brighton Crossing Metropolitan District No. 6 (the District), as of and for the year ended December 31, 2024, 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 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, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our 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

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Hick & Company, PC

Englewood, Colorado
September 9, 2025



Basic Financial Statements

Brighton Crossing Metropolitan District No. 6

Statement of Net Position

December 31, 2024

	<u>Governmental Activities</u>
Assets	
Cash and Investments - Restricted	\$ 6,333,759
Due from County Treasurer	1,518
Property Taxes Receivable	526,944
Service Fees Receivable	4,437
Due to Brighton Crossing Metropolitan District No. 4	4,316
Due from fund	148,145
Prepaid Expenses	<u>10,084</u>
 Total Assets	 <u>7,029,203</u>
Liabilities	
Accounts Payable	15,742
Due to Brighton Crossings Operations Board	346,772
Accrued Interest	1,490,320
Noncurrent Liabilities	
Due in More Than One Year	<u>59,434,413</u>
 Total Liabilities	 <u>61,287,247</u>
Deferred Inflows of Resources	
Deferred Property Taxes	<u>526,944</u>
 Total Deferred Inflows of Resources	 <u>526,944</u>
Net Position	
Restricted	
Emergencies	33,781
Debt Service	4,615,900
Unrestricted	<u>(59,434,669)</u>
 Total Net Position	 <u>\$ (54,784,988)</u>

Brighton Crossing Metropolitan District No. 6

Statement of Activities For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position
Primary Government			
<i>Governmental Activities</i>			
General Government	\$ 139,862	\$ 972,783	\$ 832,921
Payment to Brighton Crossings Operations Board	965,211	-	(965,211)
Interest and Fiscal Charges on Long-Term Debt	3,510,021	955,208	(2,554,813)
Capital Outlays Expensed	<u>17,320</u>	<u>-</u>	<u>(17,320)</u>
Total Governmental Activities	<u>\$ 4,632,414</u>	<u>\$ 1,927,991</u>	<u>(2,704,423)</u>
General Revenues			
			405,192
			19,657
			<u>353,220</u>
			Total General Revenues and Transfers <u>778,069</u>
			Change in Net Position (1,926,354)
			Net Position, Beginning of Year <u>(52,858,634)</u>
			Net Position, End of Year \$ <u><u>(54,784,988)</u></u>

Brighton Crossing Metropolitan District No. 6
Balance Sheet
Governmental Funds
December 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and Investments - Restricted	\$ 224,804	\$ 6,108,955	\$ -	\$ 6,333,759
Receivable from County Treasurer	253	1,265	-	1,518
Property Taxes Receivable	86,412	440,532	-	526,944
Service Fee Receivable	4,437	-	-	4,437
Due from Brighton Crossing Metropolitan District No. 4	4,316	-	-	4,316
Interfund Receivable	148,145	-	-	148,145
Prepaid Expenses	10,084	-	-	10,084
Total Assets	\$ 478,451	\$ 6,550,752	\$ -	\$ 7,029,203
Liabilities				
Accounts Payable	\$ 11,742	\$ 4,000	\$ -	\$ 15,742
Due to Brighton Crossings Operations Board	346,772	-	-	346,772
Total Liabilities	358,514	4,000	-	362,514
Deferred Inflows of Resources				
Deferred Property Taxes	86,412	440,532	-	526,944
Fund Balance				
Nonspendable				
Prepaid Expenses	10,084	-	-	10,084
Restricted for:				
Emergencies	33,781	-	-	33,781
Debt Service	-	6,106,220	-	6,106,220
Unrestricted, Unassigned	(10,340)	-	-	(10,340)
Total Fund Balance	33,525	6,106,220	-	6,139,745
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 478,451	\$ 6,550,752	\$ -	\$ 7,029,203

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance of Governmental Funds	\$ 6,139,745
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Accrued Interest Payable - Bonds	(609,285)
Accrued Interest Payable - Capital	(847,110)
Accrued Interest Payable - Operations	(33,925)
Bonds Payable	(58,448,000)
Series 2020A Bond Premium	(730,346)
Developer Advances - Capital	(158,526)
Developer Advances - Operations	(97,541)
	(64,418,737)
Total Net Position of Governmental Activities	\$ (54,784,988)

Brighton Crossing Metropolitan District No. 6
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
General Property Taxes	\$ 67,531	\$ 337,661	\$ -	\$ 405,192
Specific Ownership Taxes	3,276	16,381	-	19,657
Service Fees	315,783	955,208	-	1,270,991
Development Fees	657,000	-	-	657,000
Investment Earnings	82,448	270,657	115	353,220
Total Revenues	<u>1,126,038</u>	<u>1,579,907</u>	<u>115</u>	<u>2,706,060</u>
Expenditures				
General Government	134,797	5,065	-	139,862
Payments to Brighton Crossings Operations Board	965,211	-	-	965,211
Debt Service				
Principal	-	-	14,534,700	14,534,700
Interest and Fiscal Charges	-	2,187,500	-	2,187,500
Capital Outlay	-	-	17,320	17,320
Total Expenditures	<u>1,100,008</u>	<u>2,192,565</u>	<u>14,552,020</u>	<u>17,844,593</u>
Excess Revenues over Expenditures	<u>26,030</u>	<u>(612,658)</u>	<u>(14,551,905)</u>	<u>(15,138,533)</u>
Other Financing Sources (Uses)				
Developer Advances	-	-	17,205	17,205
Transfers In (Out)	-	(14,534,700)	14,534,700	-
Bonds Proceeds - Face Amount	-	14,878,000	-	14,878,000
Cost of Issuance	-	(333,009)	-	(333,009)
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,291</u>	<u>14,551,905</u>	<u>14,562,196</u>
Net Change in Fund Balances	26,030	(602,367)	-	(576,337)
Fund Balances, Beginning of Year	<u>7,495</u>	<u>6,708,587</u>	<u>-</u>	<u>6,716,082</u>
Fund Balances, End of Year	<u>\$ 33,525</u>	<u>\$ 6,106,220</u>	<u>\$ -</u>	<u>\$ 6,139,745</u>

Brighton Crossing Metropolitan District No. 6

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities For the Year Ended December 31, 2024

**Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:**

Net Change in Fund Balance of the Governmental Funds	\$ (576,337)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources.	
Proceeds from issuance of bonds payable	(14,878,000)
Proceeds from Developer Advances - Capital	(17,205)
Principal Paid on Developer Advances - Capital	14,682,845
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Amortization of Bond Premium	78,009
Accrued Interest Payable	(430,230)
Accrued Interest Payable - Capital	(779,078)
Accrued Interest Payable - Operations	<u>(6,358)</u>
Change in Net Position of Governmental Activities	<u>\$ (1,926,354)</u>

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Brighton Crossing Metropolitan District No. 6 (the District), located in Adams County, Colorado, 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 Service Plan for Brighton Crossing Metropolitan District 5-8 (the Original Service Plan) was approved by the City Council for the City of Brighton, Colorado (the City) on September 19, 2017, and subsequently amended on July 7, 2020. The District is a quasi-municipal governmental entity governed by an elected Board of Directors with the power to impose property taxes and other fees and charges for services within its boundaries and is an independent unit of local government, separate and distinct from the City, within which the District is located. Pursuant to the Service Plan for Brighton Crossing Metropolitan District 5-8 (the Districts), the District has the ability to construct and finance major public improvements as well as additional amenities, including, but not limited to park and recreation, landscaping, water, drainage, wastewater, and road improvements within its boundaries.

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

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

Basis of Presentation

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

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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 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 for which they are collected.

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

The District reports the following major governmental funds:

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

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus Basis of Accounting and Financial Statement Presentation (Continued)

- Debt Service Fund - The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest, and other debt related costs.
- 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, 2024, 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.

Deposits and Investments

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

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

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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 Inflows of Resources

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 one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Original Issue Premium

Original issue premium from the Series 2020A Bonds are being amortized over the respective terms of the bonds using the effective interest rate method. Accumulated amortization of original issue premium amounted to \$78,009 with an unamortized balance of \$730,346 at December 31, 2024.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

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.

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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:

Non-Spendable Fund Balance - The non-spendable 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 granters, 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 \$33,781 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 \$6,106,220 is restricted for the payment of the Series 2020A and Series 2024B Bonds (see Note 3) and includes bond proceeds held by the trustee as a reserve requirement.

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 in the General Fund, and 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.

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 positions that does not meet the definition of the above two components and is available for general use by the District.

The District has a deficit in unrestricted net position.

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.

Subsequent Events

We have evaluated subsequent events through September 9, 2025 the date the financial statements were available to be issued.

Note 2: Cash and Investments

Cash and investments as of December 31, 2024, consist of the following:

Deposits	\$ 10,369
Local Government Investment Pool	<u>6,323,390</u>
Total	<u>\$ 6,333,759</u>

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 2: Cash and Investments (Continued)

Deposits

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 deposits 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

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the District Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following.

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

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 investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method (NAV) per share.

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 2: Cash and Investments (Continued)

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.

Interest Rate Risk

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

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 COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2024, the District had \$6,323,390 invested in COLOTRUST.

Brighton Crossing Metropolitan District No. 6
Notes to Financial Statements
December 31, 2024

Note 3: Long-Term Obligations

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2024.

	Balance 12/31/23	Additions	Reductions	Balance 12/31/24	Due Within One Year
General Obligation Bonds Payable					
Series 2020A	\$ 43,570,000	\$ -	\$ -	\$ 43,570,000	\$ -
Series 2020A Bond Premium	808,355	-	(78,009)	730,346	-
Series 2024B	-	14,878,000	-	14,878,000	-
	<u>44,378,355</u>	<u>14,878,000</u>	<u>(78,009)</u>	<u>59,178,346</u>	<u>-</u>
Developer Advances					
Capital - Principal	14,824,166	17,205	(14,682,845)	158,526	-
Capital - Interest	68,032	779,078	-	847,110	-
Operations - Principal	97,541	-	-	97,541	-
Operations - Interest	27,567	12,698	-	40,265	-
	<u>15,017,306</u>	<u>808,981</u>	<u>(14,682,845)</u>	<u>1,143,442</u>	<u>-</u>
Total	<u>\$ 59,395,661</u>	<u>\$ 15,686,981</u>	<u>\$ (14,760,854)</u>	<u>\$ 60,321,788</u>	<u>\$ -</u>

\$43,570,000 Limited Tax General Obligation Bonds, Series 2020A

On December 23, 2020, the District issued \$43,570,000 Limited Tax General Obligation Bonds, Series 2020A, (Series 2020A Bonds) for the purpose of financing Public Improvements, repaying Brookfield Residential, LLC (the Developer), paying the cost of issuance of the Bonds and funding capitalized interest and a surplus fund. The proceeds from the sale of the Series 2020A Bonds included a premium amount of \$964,373 which is being amortized over the life of the bond.

The Series 2020A Bonds bear an interest rate of 5.0%, payable semiannually on each June 1 and December 1, commencing on June 1, 2021. The Series 2020A Bonds have annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2028. The term bonds mature on December 1, 2035, December 1, 2040 and December 1, 2050 respectively.

The Series 2020A Bonds are secured by the Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Required Mill Levy, and any other legally available moneys as determined by the District. The Series 2020A Bonds are also secured by the Surplus Fund.

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 3: Long-Term Obligations (Continued)

\$43,570,000 Limited Tax General Obligation Bonds, Series 2020A (Continued)

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2020A Bond.

December 31,	Principal	Interest	Total
2025	\$ -	\$ 2,178,500	\$ 2,178,500
2026	-	2,178,500	2,178,500
2027	-	2,178,500	2,178,500
2028	230,000	2,178,500	2,408,500
2029	245,000	2,167,000	2,412,000
2030 - 2034	2,850,000	10,540,250	13,390,250
2035 - 2039	5,840,000	9,549,250	15,389,250
2040 - 2044	10,230,000	7,679,000	17,909,000
2045 - 2049	16,015,000	4,578,250	20,593,250
2050	8,160,000	408,000	8,568,000
	<u>\$ 43,570,000</u>	<u>\$ 43,635,750</u>	<u>\$ 87,205,750</u>

\$16,430,000 Subordinate Limited Tax General Obligation Bonds, Series 2024B

On October 23, 2024, the District issued \$14,878,000 Subordinate Limited Tax General Obligation Bonds, Series 2024B, (Series 2024B Bonds) for the purpose of repaying Brookfield Residential, LLC (the Developer) in accordance with the Public Improvements Acquisition and Reimbursement Agreement for project costs incurred and paying the cost of issuance of the Bonds.

The Series 2024B Bonds bear an interest rate of 7.5%, payable annually on each December 15, commencing on December 15, 2024 to the extent of available subordinate pledged revenue.

Public Improvements Acquisition and Reimbursement Agreement (Capital Costs)

On June 29, 2020, the District entered into a Public Improvements Acquisition and Reimbursement Agreement (Agreement) by and between the District and the Developer. The District agreed to reimburse the Developer for District Eligible Costs, together with interest thereon. The obligations to reimburse for District Eligible Costs do not constitute multiple fiscal year financial obligations of the District and are subject to annual appropriation by the District. The accepted District Eligible Costs bear interest at a rate of 6.5% per annum from the date of the District's acceptance. The District Eligible Costs are to be repaid using any legally available revenues, including bond proceeds. As of December 31, 2024, the District had outstanding capital advances totaling \$158,526 and accrued interest due of \$847,110.

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 3: Long-Term Obligations (Continued)

Funding and Reimbursement Agreement (Operations and Maintenance Costs)

A Funding and Reimbursement Agreement was entered into as of June 11, 2019 by and between the District and the Developer. In accordance with the agreement, the Developer agrees to loan to the District an amount of money not to exceed \$100,000. The parties may also increase the loan amount by execution of a supplement to the agreement. The District intends to repay any advances made under this agreement from the proceeds of any revenues determined by the District to be available thereof. This agreement is not considered to be a long-term debt of the District. The indebtedness bears interest at 6.5% per annum. The amounts due are payable from any available revenue but the property tax mill levy is limited to 50 mills. This agreement terminated on December 31, 2020 with all outstanding balances remaining due to the Developer. As of December 31, 2024, the District had outstanding operating advances totaling \$97,541 and accrued interest due of \$33,925.

Debt Authorization

On November 6, 2018, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$1,560,000,000, at an interest rate not to exceed 15% per annum. As of December 31, 2024, the District had remaining voted debt authorization of approximately \$1,516,430,000. The District has not budgeted to issue new debt during 2024.

Note 4: Related Parties

All of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 5: Intergovernmental Agreements

The agreements listed below relate to one or more of the Districts and are not all-inclusive.

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 5: Intergovernmental Agreements (Continued)

Brighton Crossing Authority Establishment Agreement

Brighton Crossing Metropolitan Districts 5-8 have been formed on adjacent property within the Brighton Crossing development, and each has the ability to provide similar services on behalf of their respective residents and taxpayers. In an effort to simplify the overall governance structure within the community, each of the Brighton Crossing Metropolitan Districts 5-8, together with Brighton Crossing Metropolitan District 4, entered into a Brighton Crossing Authority Establishment Agreement on April 15, 2019, to oversee the operation and maintenance of various public improvements and provide covenant enforcement services on behalf of the entirety of Brighton Crossing. Use of an Authority will allow for a single entity to provide consistent services throughout the Brighton Crossing community, as well as realize certain cost savings which each individual district would be unable to obtain directly. On June 11, 2019, the Board of the Authority approved a first amendment to the Brighton Crossing Authority Establishment Agreement. This amendment changed the name of the Authority to Brighton Crossing Operations Board. The Authority currently owns, operates, and maintains various public improvements, and provides covenant enforcement and design review services on behalf of its residents and taxpayers.

Note 6: Risk Management

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

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

Note 7: 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.

Brighton Crossing Metropolitan District No. 6

Notes to Financial Statements

December 31, 2024

Note 7: Tax, Spending and Debt Limitations (Continued)

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.

Required Supplementary Information

Brighton Crossing Metropolitan District No. 6
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
General Property Taxes	\$ 67,283	\$ 67,531	\$ 248
Specific Ownership Taxes	4,373	3,276	(1,097)
Service Fees	640,013	315,783	(324,230)
Development Fees	147,000	657,000	510,000
Investment Earnings	1,000	82,448	81,448
Total Revenues	<u>859,669</u>	<u>1,126,038</u>	<u>266,369</u>
Expenditures			
General Government	172,425	134,797	37,628
Payments to Brighton Crossings Operations Board	661,160	965,211	(304,051)
Contingency	15,000	-	15,000
Total Expenditures	<u>848,585</u>	<u>1,100,008</u>	<u>(251,423)</u>
Net Change in Fund Balance	11,084	26,030	14,946
Fund Balance, Beginning of Year	<u>14,705</u>	<u>7,495</u>	<u>(7,210)</u>
Fund Balance, End of Year	<u>\$ 25,789</u>	<u>\$ 33,525</u>	<u>\$ 7,736</u>

Brighton Crossing Metropolitan District No. 6

Notes to Required Supplementary Information

December 31, 2024

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the District. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The District follows these procedures to establish the budgetary information reflected in the financial statements:

- In October, management submits to the District Board a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the District Board.
- Budgets are legally adopted for all funds of the District. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Colorado governments may not exceed budgeted appropriations at the fund level.
- All appropriations lapse at year end.

Supplementary Information

Brighton Crossing Metropolitan District No. 6

Budgetary Comparison Schedule

Debt Service Fund

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
General Property Taxes	\$ 336,423	\$ 341,038	\$ 337,661	\$ (3,377)
Specific Ownership Taxes	21,867	15,995	16,381	386
Service Fees	959,201	945,948	955,208	9,260
Investment Earnings	200,000	261,809	270,657	8,848
Total Revenues	<u>1,517,491</u>	<u>1,564,790</u>	<u>1,579,907</u>	<u>15,117</u>
Expenditures				
General Government	5,046	5,116	5,065	51
Debt Service				
Interest and Fiscal Charges	2,191,500	2,186,500	2,187,500	(1,000)
Total Expenditures	<u>2,196,546</u>	<u>2,191,616</u>	<u>2,192,565</u>	<u>(949)</u>
Excess Revenues over Expenditures	(679,055)	(626,826)	(612,658)	14,168
Other Financing Sources (Uses)				
Transfers In (Out)	-	(15,697,373)	(14,534,700)	1,162,673
Bonds Proceeds - Face Amount	-	16,197,373	14,878,000	(1,319,373)
Cost of Issuance	-	(500,000)	(333,009)	166,991
Total Other Financing Sources (Uses)	-	-	10,291	10,291
Net Change in Fund Balance	(679,055)	(626,826)	(602,367)	24,459
Fund Balance, Beginning of Year	<u>6,688,975</u>	<u>6,708,588</u>	<u>6,708,587</u>	<u>(1)</u>
Fund Balance, End of Year	<u>\$ 6,009,920</u>	<u>\$ 6,081,762</u>	<u>\$ 6,106,220</u>	<u>\$ 24,458</u>

Brighton Crossing Metropolitan District No. 6

Budgetary Comparison Schedule

Capital Projects Fund

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Investment Earnings	\$ 150,000	\$ 150,000	\$ 115	\$ (149,885)
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>115</u>	<u>(149,885)</u>
Expenditures				
General Government	100,000	100,000	-	100,000
Debt Service				
Principal	-	15,697,373	14,534,700	1,162,673
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	15,575,000	15,546,360	17,320	15,529,040
Contingency	1,000,000	1,000,000	-	1,000,000
Total Expenditures	<u>16,675,000</u>	<u>32,343,733</u>	<u>14,552,020</u>	<u>17,791,713</u>
Excess Revenues over Expenditures	(16,525,000)	(32,193,733)	(14,551,905)	17,641,828
Other Financing Sources (Uses)				
Developer Advances	16,675,000	16,675,000	17,205	(16,657,795)
Transfers In	-	15,697,373	14,534,700	(1,162,673)
Total Other Financing Sources (Uses)	16,675,000	32,372,373	14,551,905	(17,820,468)
Net Change in Fund Balance	150,000	178,640	-	(178,640)
Fund Balance, Beginning of Year	-	15,905,686	-	(15,905,686)
Fund Balance, End of Year	<u>\$ 150,000</u>	<u>\$ 16,084,326</u>	<u>\$ -</u>	<u>\$ (16,084,326)</u>

Brighton Crossing Metropolitan District No. 6
 Summary of Assessed Valuation, Mill Levy and Property Taxes Collected
 For the Year Ended December 31, 2024

Year Ended December 31	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Tax		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2019	\$ 28,180	0.000	0.000	\$ -	\$ -	0.00%
2020	\$ 24,840	10.070	50.350	\$ 1,501	\$ 1,501	100.00%
2021	\$ 55,730	10.070	50.349	\$ 3,367	\$ 3,344	99.32%
2022	\$ 1,947,740	10.070	50.350	\$ 117,683	\$ 117,683	100.00%
2023	\$ 4,730,510	10.002	50.008	\$ 283,878	\$ 283,878	100.00%
2024	\$ 6,360,080	10.579	52.896	\$ 403,706	\$ 405,192	100.37%
Estimated for Year Ending December 31, 2025	\$ 6,360,080	10.726	54.681	\$ 526,944		

Note

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment