

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 423,491	\$ 1,753,435	\$ 770,404
REVENUES			
Property taxes	94,577	141,244	128,782
Specific ownership taxes	6,779	10,438	9,015
Interest income	804	1,200	1,000
Transfers from District No. 1	260,515	293,693	303,930
Transfers from District No. 2	6,386	32,410	32,206
Transfers from District No. 3	52	136,243	335,747
Loan proceeds	2,189,716	-	-
Othe revenue	-	15,932	-
Total revenues	<u>2,558,829</u>	<u>631,160</u>	<u>810,680</u>
TRANSFERS IN	<u>78,830</u>	-	-
Total funds available	<u>3,061,150</u>	<u>2,384,595</u>	<u>1,581,084</u>
EXPENDITURES			
General Fund	-	-	-
Debt Service Fund	304,979	404,171	450,000
Capital Projects Fund	923,906	1,210,020	-
Total expenditures	<u>1,228,885</u>	<u>1,614,191</u>	<u>450,000</u>
TRANSFERS OUT	<u>78,830</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>1,307,715</u>	<u>1,614,191</u>	<u>450,000</u>
ENDING FUND BALANCES	<u>\$ 1,753,435</u>	<u>\$ 770,404</u>	<u>\$ 1,131,084</u>
DEBT SERVICE RESERVE	<u>\$ 330,989</u>	<u>\$ 330,989</u>	<u>\$ 330,989</u>
TOTAL RESERVE	<u>\$ 330,489</u>	<u>\$ 330,489</u>	<u>\$ 330,989</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2022

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Commercial	\$ 2,611,723	\$ 4,305,146	\$ 4,011,236
Agricultural	358	358	318
State assessed	-	-	1,248
Vacant land	540,473	402,636	279,937
Certified Assessed Value	\$ 3,152,554	\$ 4,708,140	\$ 4,292,739

MILL LEVY

Debt Service	30.000	30.000	30.000
Total mill levy	30.000	30.000	30.000

PROPERTY TAXES

Debt Service	\$ 94,577	\$ 141,244	\$ 128,782
Budgeted property taxes	\$ 94,577	\$ 141,244	\$ 128,782

BUDGETED PROPERTY TAXES

Debt Service	\$ 94,577	\$ 141,244	\$ 128,782
	\$ 94,577	\$ 141,244	\$ 128,782

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 50	\$ 50	\$ 50
REVENUES			
Total revenues	-	-	-
Total funds available	50	50	50
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ 50	\$ 50	\$ 50

No assurance provided. See summary of significant assumptions.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/24/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 417,130	\$ 559,797	\$ 770,354
REVENUES			
Property taxes	94,577	141,244	128,782
Specific ownership taxes	6,779	10,438	9,015
Interest income	507	700	1,000
Transfers from District No. 1	260,515	293,693	303,930
Transfers from District No. 2	6,386	32,410	32,206
Transfers from District No. 3	52	136,243	335,747
Total revenues	<u>368,816</u>	<u>614,728</u>	<u>810,680</u>
TRANSFERS IN			
Transfers from other funds	<u>78,830</u>	-	-
Total funds available	<u>864,776</u>	<u>1,174,525</u>	<u>1,581,034</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,893	2,835	2,576
Miscellaneous	40	40	-
Non-Use fees	23,037	16,500	14,700
Paying agent fees	-	2,000	2,000
Contingency	-	-	41,860
Debt Service			
Loan interest - Series 2018A	104,885	103,907	102,732
Loan interest - Series 2019A	45,785	44,512	43,740
Loan interest - Series 2019B	35,706	35,710	34,606
Loan interest - Series 2020A	-	29,342	28,462
Loan principal - Series 2018A	25,000	30,000	40,000
Loan principal - Series 2019A	25,746	30,746	30,746
Loan principal - Series 2019B	42,887	42,887	42,886
Loan principal - Series 2020A	-	65,692	65,692
Total expenditures	<u>304,979</u>	<u>404,171</u>	<u>450,000</u>
Total expenditures and transfers out requiring appropriation	<u>304,979</u>	<u>404,171</u>	<u>450,000</u>
ENDING FUND BALANCE	<u>\$ 559,797</u>	<u>\$ 770,354</u>	<u>\$ 1,131,034</u>
DEBT SERVICE RESERVE - SERIES 2018A	\$ 135,000	\$ 135,000	\$ 135,000
DEBT SERVICE RESERVE - SERIES 2019A	65,695	65,695	65,695
DEBT SERVICE RESERVE - SERIES 2019B	51,464	51,464	51,464
DEBT SERVICE RESERVE - SERIES 2020A	78,830	78,830	78,830
TOTAL DEBT SERVICE RESERVES	<u>\$ 330,989</u>	<u>\$ 330,989</u>	<u>\$ 330,989</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 6,311	\$ 1,193,588	\$ -
REVENUES			
Interest income	297	500	-
Loan proceeds	2,189,716	-	-
Other revenue	-	15,932	-
Total revenues	<u>2,190,013</u>	<u>16,432</u>	<u>-</u>
Total funds available	<u>2,196,324</u>	<u>1,210,020</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Loan issue costs	19,304	-	-
Miscellaneous	60	20	-
Contingency	-	-	-
Transfers to District No. 1	904,542	1,210,000	-
Total expenditures	<u>923,906</u>	<u>1,210,020</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>78,830</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,002,736</u>	<u>1,210,020</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 1,193,588</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Brands East Metropolitan District No. 4's (the "District") (formerly known as Eagle Crossing Windsor Metropolitan District No. 4) organization was approved by eligible electors of the District at an election held on November 4, 2014. The District was organized by order of the District Court in and for Larimer County on January 20, 2015. The formation of the District was approved by the Town of Windsor, Colorado in conjunction with the approval by the Town Board of a Consolidated Service Plan for the District, The Brands East Metropolitan District No. 1, The Brands East Metropolitan District No. 2, and The Brands East Metropolitan District No. 3 (formerly known as Eagle Crossing Windsor Metropolitan District No. 1, Eagle Crossing Windsor Metropolitan District No. 2, and Eagle Crossing Windsor Metropolitan District No. 3, respectively) on September 8, 2014. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.)

At a special election of the eligible electors of the District on November 4, 2014, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

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

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

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Transfers from The Brands East Metropolitan District No. 1

Pursuant to the BAA and PIF Revenues Assignment Agreement dated November 8, 2018, the Brands East Metropolitan District No. 1 has agreed to remit all Assigned Revenues, net of the annual operations amount, to the District for the benefit of repaying the Loan (discussed below).

Transfers from The Brands East Metropolitan District Nos. 2-3

Pursuant to a Capital Pledge Agreement dated November 8, 2018 by and among the District, The Brands East Metropolitan District No. 2, The Brands East Metropolitan District No. 3 (collectively, "Financing Districts), and U.S. Bank N.A., the Financing Districts will impose the required mill levy each year to generate the property tax revenues to be pledged towards the repayments of the Loan (discussed below), and any additional loans from U.S. Bank. The Brands East Metropolitan District Nos. 2 and 3 will remit their next tax revenues to the District.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 2% of property taxes.

Transfers to The Brands East Metropolitan District No. 1

Pursuant to a Joint Resolution Regarding Intent to Implement Common Plan of Finance dated November 6, 2018, the District has agreed to transfer proceeds from the Loan to The Brands East Metropolitan District No. 1 for the purpose of repaying the Developers under various Developer Reimbursement/Acquisition Agreements.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

In 2018, the District entered into a loan agreement with US Bank to obtain a tax-exempt, non-bank qualified, draw down term loan up to \$15,000,000 (Loan). The Loan is due on December 1, 2023, with interest due semiannually on June 1 and December 1 and principal due on December 1. Proceeds from this Loan will be used to repay Developer-paid costs of public improvements, funding the Debt Service Reserve Fund and cover loan issue costs. Series 2018A Note in the amount of \$2,700,000 was drawn upon closing, bearing a 3.86% interest rate. Upon receipt of the certificate of occupancy for Springhill Suites, Series 2019A Note in the amount of \$1,824,871 were drawn on August 16, 2019, bearing a 2.51% interest rate, and Series 2019B Note in the amount of \$1,429,555 were drawn on December 13, 2019, bearing an interest rate of 2.54%. Series 2020A Note in the amount of \$2,189,176 were drawn on November 20, 2020, bearing an interest rate of 1.34%. Future draws are based on certain other conditions. A non-use fee of .25% per annum of the unfunded portion of the loan will be due and payable semi-annually.

The District has no operating or capital lease.

Reserves

Debt Service Reserves

The District maintains a reserve as required with the issuance of the Series 2018A, 2019A, 2019B, and 2020A Notes.

This information is an integral part of the accompanying budget.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2022

\$2,700,000 Tax-Exempt Loan (Series 2018A)
Dated November 8, 2018
Interest rate 3.86%
Principal Due December 1
Interest Payable June 1 and December 1

\$1,824,871 Tax-Exempt Loan (Series 2019A)
Dated August 16, 2019
Interest rate 2.51%
Principal Due December 1
Interest Payable June 1 and December 1

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 40,000	\$ 102,732	\$ 142,732	\$ 30,746	\$ 43,740	\$ 74,486
2023	2,585,000	101,167	2,686,167	1,711,887	42,968	1,754,855
	<u>\$ 2,625,000</u>	<u>\$ 203,899</u>	<u>\$ 2,828,899</u>	<u>\$ 1,742,633</u>	<u>\$ 86,708</u>	<u>\$ 1,829,341</u>

No assurance provided. See summary of significant assumptions.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2022

\$1,429,555 Tax-Exempt Loan (Series 2019B)
Dated December 13, 2019
Interest rate 2.54%
Principal Due December 1
Interest Payable June 1 and December 1

\$2,189,716 Tax-Exempt Loan (Series 2020A)
Dated November 20, 2020
Interest rate 1.34%
Principal Due December 1
Interest Payable June 1 and December 1

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 42,886	\$ 34,606	\$ 77,492	\$ 65,692	\$ 28,462	\$ 94,154
2023	1,300,895	33,502	1,334,397	2,058,332	27,582	2,085,914
	<u>\$ 1,343,781</u>	<u>\$ 68,108</u>	<u>\$ 1,411,889</u>	<u>\$ 2,124,024</u>	<u>\$ 56,044</u>	<u>\$ 2,180,068</u>

No assurance provided. See summary of significant assumptions.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2022

<u>Year Ended</u> <u>December 31,</u>	<u>Totals</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 179,324	\$ 209,540	\$ 388,864
2023	7,656,114	205,219	7,861,333
	<u>\$ 7,835,438</u>	<u>\$ 414,759</u>	<u>\$ 8,250,197</u>

No assurance provided. See summary of significant assumptions.