

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,753,435	\$ 818,420	\$ 1,294,672
REVENUES			
Property taxes	141,244	128,782	140,931
Specific ownership taxes	10,738	9,015	9,865
Interest income	670	1,004	3,000
Transfers from District No. 1	358,333	381,030	411,861
Transfers from District No. 2	32,369	32,160	32,361
Transfers from District No. 3	135,744	335,456	435,221
Loan issuance (Refunding)	-	-	5,970,000
Total revenues	<u>679,098</u>	<u>887,447</u>	<u>7,003,239</u>
TRANSFERS IN	<u>-</u>	<u>16,136</u>	<u>-</u>
Total funds available	<u>2,432,533</u>	<u>1,722,003</u>	<u>8,297,911</u>
EXPENDITURES			
General Fund	-	-	-
Debt Service Fund	404,093	411,195	8,297,861
Capital Projects Fund	1,210,020	-	-
Total expenditures	<u>1,614,113</u>	<u>411,195</u>	<u>8,297,861</u>
TRANSFERS OUT	<u>-</u>	<u>16,136</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,614,113</u>	<u>427,331</u>	<u>8,297,861</u>
ENDING FUND BALANCES	<u>\$ 818,420</u>	<u>\$ 1,294,672</u>	<u>\$ 50</u>
DEBT SERVICE RESERVE	<u>\$ 330,989</u>	<u>\$ 330,989</u>	<u>\$ -</u>
TOTAL RESERVE	<u>\$ 330,489</u>	<u>\$ 330,489</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Commercial	\$ 4,305,146	\$ 4,011,236	\$ 4,413,644
Agricultural	358	318	290
State assessed	-	1,248	3,840
Vacant land	402,636	279,937	279,937
Certified Assessed Value	<b>\$ 4,708,140</b>	<b>\$ 4,292,739</b>	<b>\$ 4,697,711</b>
<b>MILL LEVY</b>			
Debt Service	30.000	30.000	30.000
Total mill levy	<b>30.000</b>	<b>30.000</b>	<b>30.000</b>
<b>PROPERTY TAXES</b>			
Debt Service	\$ 141,244	\$ 128,782	\$ 140,931
Budgeted property taxes	<b>\$ 141,244</b>	<b>\$ 128,782</b>	<b>\$ 140,931</b>
<b>BUDGETED PROPERTY TAXES</b>			
Debt Service	<b>\$ 141,244</b>	<b>\$ 128,782</b>	<b>\$ 140,931</b>
	<b>\$ 141,244</b>	<b>\$ 128,782</b>	<b>\$ 140,931</b>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
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  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 559,797	\$ 834,506	\$ 1,294,622
<b>REVENUES</b>			
Property taxes	141,244	128,782	140,931
Specific ownership taxes	10,738	9,015	9,865
Interest income	374	1,004	3,000
Transfers from District No. 1	358,333	381,030	411,861
Transfers from District No. 2	32,369	32,160	32,361
Transfers from District No. 3	135,744	335,456	435,221
Loan issuance (Refunding)	-	-	5,970,000
Total revenues	678,802	887,447	7,003,239
Total funds available	1,238,599	1,721,953	8,297,861
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	2,832	2,576	2,819
Miscellaneous	20	20	-
Non-Use fees	17,210	17,378	-
Paying agent fees	-	2,000	2,000
Contingency	-	-	31,709
Debt Service			
Loan interest - Series 2018A	103,906	102,732	101,167
Loan interest - Series 2019A	45,130	44,348	42,968
Loan interest - Series 2019B	35,711	34,606	33,502
Loan interest - Series 2020A	29,960	28,211	27,582
Loan principal - Series 2018A	30,000	40,000	2,585,000
Loan principal - Series 2019A	30,746	30,746	1,711,887
Loan principal - Series 2019B	42,887	42,886	1,300,895
Loan principal - Series 2020A	65,691	65,692	2,058,332
Cost of issuance	-	-	400,000
Total expenditures	404,093	411,195	8,297,861
<b>TRANSFERS OUT</b>			
Transfers to other funds	-	16,136	-
Total expenditures and transfers out requiring appropriation	404,093	427,331	8,297,861
ENDING FUND BALANCE	\$ 834,506	\$ 1,294,622	\$ -
DEBT SERVICE RESERVE - SERIES 2018A	\$ 135,000	\$ 135,000	\$ -
DEBT SERVICE RESERVE - SERIES 2019A	65,695	65,695	-
DEBT SERVICE RESERVE - SERIES 2019B	51,464	51,464	-
DEBT SERVICE RESERVE - SERIES 2020A	78,830	78,830	-
TOTAL DEBT SERVICE RESERVES	\$ 330,989	\$ 330,989	\$ -

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,193,588	\$ (16,136)	\$ -
REVENUES			
Interest income	296	-	-
Total revenues	<u>296</u>	<u>-</u>	<u>-</u>
TRANSFERS IN			
Transfer from other funds	<u>-</u>	<u>16,136</u>	<u>-</u>
Total funds available	<u>1,193,884</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Miscellaneous	20	-	-
Transfers to District No. 1	1,210,000	-	-
Total expenditures	<u>1,210,020</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,210,020</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ (16,136)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
2023 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  
2023 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.

**Bond Issuance**

In 2023, the District plans to refinance the Loan discussed in the Debt and Leases below.

**Expenditures**

**County Treasurer's Fees**

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

**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.



**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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, 2023**

	<b>\$2,700,000 Tax-Exempt Loan (Series 2018A)</b> Dated November 8, 2018 Interest rate 3.86% Principal Due December 1 Interest Payable June 1 and December 1			<b>\$1,824,871 Tax-Exempt Loan (Series 2019A)</b> Dated August 16, 2019 Interest rate 2.51% Principal Due December 1 Interest Payable June 1 and December 1		
<b>Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 2,585,000	\$ 101,167	\$ 2,686,167	\$ 1,711,887	\$ 42,968	\$ 1,754,855
	\$ 2,585,000	\$ 101,167	\$ 2,686,167	\$ 1,711,887	\$ 42,968	\$ 1,754,855

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2023**

	<b>\$1,429,555 Tax-Exempt Loan (Series 2019B)</b> <b>Dated December 13, 2019</b> <b>Interest rate 2.54%</b> <b>Principal Due December 1</b> <b>Interest Payable June 1 and December 1</b>			<b>\$2,189,716 Tax-Exempt Loan (Series 2020A)</b> <b>Dated November 20, 2020</b> <b>Interest rate 1.34%</b> <b>Principal Due December 1</b> <b>Interest Payable June 1 and December 1</b>		
<b>Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
December 31,	\$ 1,300,895	\$ 33,502	\$ 1,334,397	\$ 2,058,332	\$ 27,582	\$ 2,085,914
2023	\$ 1,300,895	\$ 33,502	\$ 1,334,397	\$ 2,058,332	\$ 27,582	\$ 2,085,914

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2023**

<u>Year Ended</u> <u>December 31,</u> 2023	<u>Totals</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$ 7,656,114	\$ 205,219	7,861,333
	<u>\$ 7,656,114</u>	<u>\$ 205,219</u>	<u>\$ 7,861,333</u>

No assurance provided. See summary of significant assumptions.