

THE BRANDS EAST METROPOLITAN DISTRICT NOS. 1-4

2022 CONSOLIDATED ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Consolidated Service Plan for The Brands East Metropolitan District Nos. 1-4 (collectively the “**Districts**”), the Districts are required to provide an annual report to the Town Manager of the Town of Windsor with regard to the following matters:

For the year ending December 31, 2022, the Districts make the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

There were no changes or proposed changes to the boundaries of the Districts in 2022.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

The Districts did not enter into or terminate any Intergovernmental Agreements with other governmental entities during the reporting year.

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

The Districts have not adopted any rules and regulations as of December 31, 2022.

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

To our actual knowledge, based on review of the court records in Larimer County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts’ public improvements as of December 31, 2022.

5. The status of the construction of public improvements by the Districts.

The Districts did not undertake the construction of any Public Improvements as of December 31st of the prior year.

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

The Districts did not construct any facilities or improvements as of December 31st of the prior year.

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

The assessed valuation of each District is as follows:

District No. 1 - \$145
District No. 2 - \$790,253
District No. 3 - \$9,148,004
District No. 4 - \$4,697,711

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

Copies of the 2023 Budgets are attached hereto as **Exhibit A**.

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 Audit For District No. 4 and the Exemption Applications for District Nos. 1-3 are attached hereto as **Exhibit B**.

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

The Districts are not aware of any uncured events of default by the Districts existing for more than ninety (90) days.

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

The Districts are not aware of any inability to pay their obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

Service Plan Requirements

1. A narrative summary of the progress of the Districts in implementing the Service Plan for the report year.

The Districts continue to work towards constructing the improvements contemplated in the Service Plan, through the provision of operations services and financing public improvements through the issuance of debt.

- 2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (i.e., balance sheet) as of December 31st of the report year and the statement of operations (i.e., revenues and expenditures) for the report year.**

The Audit For District No. 4 and the Exemption Applications for District Nos. 1-3 are attached hereto as **Exhibit B**.

- 3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year.**

The 2023 budgets are attached hereto as **Exhibit A**.

- 4. Unless disclosed within a separate schedule to the financial statements, summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issues in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties pledged to debt retirement in the report year.**

Copies of the 2023 Budgets are attached hereto as **Exhibit A**.

- 5. Any other information deemed relevant by the Town Board or deemed reasonably necessary by the Town Manager**

Not applicable.

- 6. Copies of developer Reimbursement Agreement or amendments thereto made in the applicable year.**

The Districts did not enter any new Reimbursement Agreements or Amendments during 2022.

- 7. Copies of documentation, such as acceptance letters or resolution packages substantiating that developer reimbursement for property or services obtained by the developer on the Districts' behalf do not exceed fair market value.**

The Districts did not accept any costs from developers for reimbursement in 2022.

EXHIBIT A
2023 Budgets

THE BRANDS EAST METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31**

1/23/2023

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|--------------------|-------------------|------------------|
| BEGINNING FUND BALANCES | \$ (35,393) | \$ (44,135) | \$ 13,500 |
| REVENUES | | | |
| Property taxes | 6 | 6 | 6 |
| Public improvement fees | 278,471 | 298,000 | 319,000 |
| Sales tax rebate | 146,169 | 150,000 | 160,500 |
| Transfers from District No. 4 | 1,210,000 | - | - |
| Developer advances | 874,043 | 95,987 | 81,394 |
| Total revenues | <u>2,508,689</u> | <u>543,993</u> | <u>560,900</u> |
| Total funds available | <u>2,473,296</u> | <u>499,858</u> | <u>574,400</u> |
| EXPENDITURES | | | |
| General Fund | 473,388 | 486,358 | 560,000 |
| Capital Projects Fund | 2,044,043 | - | - |
| Total expenditures | <u>2,517,431</u> | <u>486,358</u> | <u>560,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>2,517,431</u> | <u>486,358</u> | <u>560,000</u> |
| ENDING FUND BALANCES | <u>\$ (44,135)</u> | <u>\$ 13,500</u> | <u>\$ 14,400</u> |
| EMERGENCY RESERVE | <u>\$ 12,790</u> | <u>\$ 13,500</u> | <u>\$ 14,400</u> |
| TOTAL RESERVE | <u>\$ 12,790</u> | <u>\$ 13,500</u> | <u>\$ 14,400</u> |

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31**

1/23/2023

| ACTUAL | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2021 | 2022 | 2023 |

ASSESSED VALUATION

| | | | | | | |
|--------------------------|----|-----|----|-----|----|-----|
| Vacant land | \$ | 145 | \$ | 145 | \$ | 145 |
| Certified Assessed Value | \$ | 145 | \$ | 145 | \$ | 145 |

MILL LEVY

| | | | |
|-----------------|--------|--------|--------|
| General | 39.000 | 39.000 | 39.000 |
| Total mill levy | 39.000 | 39.000 | 39.000 |

PROPERTY TAXES

| | | | | | | |
|-------------------------|----|---|----|---|----|---|
| General | \$ | 6 | \$ | 6 | \$ | 6 |
| Budgeted property taxes | \$ | 6 | \$ | 6 | \$ | 6 |

BUDGETED PROPERTY TAXES

| | | | | | | |
|---------|----|---|----|---|----|---|
| General | \$ | 6 | \$ | 6 | \$ | 6 |
| | \$ | 6 | \$ | 6 | \$ | 6 |

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31**

1/23/2023

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ (35,393) | \$ (44,135) | \$ 13,500 |
| REVENUES | | | |
| Property taxes | 6 | 6 | 6 |
| Public Improvement Fees | 278,471 | 298,000 | 319,000 |
| Sales tax rebate | 146,169 | 150,000 | 160,500 |
| Developer Advances | 40,000 | 95,987 | 81,394 |
| Total revenues | 464,646 | 543,993 | 560,900 |
| Total funds available | 429,253 | 499,858 | 574,400 |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 58,954 | 55,000 | 62,000 |
| Audit | 10,600 | 10,000 | 11,500 |
| County Treasurer's fee | - | - | 1 |
| Dues and membership | 1,244 | 1,296 | 1,400 |
| Insurance | 10,022 | 9,022 | 11,000 |
| Legal | 26,215 | 27,000 | 45,000 |
| Legal - Election | - | 2,990 | 3,000 |
| Engineering | 7,935 | - | 10,000 |
| Miscellaneous | - | 20 | - |
| Mowing | 85 | - | - |
| Transfer to District No. 4 - PIF | 212,164 | 231,030 | 251,361 |
| Transfer to District No. 4 - Sales taxes | 146,169 | 150,000 | 160,500 |
| Contingency | - | - | 4,238 |
| Total expenditures | 473,388 | 486,358 | 560,000 |
| Total expenditures and transfers out requiring appropriation | 473,388 | 486,358 | 560,000 |
| ENDING FUND BALANCE | \$ (44,135) | \$ 13,500 | \$ 14,400 |
| EMERGENCY RESERVE | \$ 12,790 | \$ 13,500 | \$ 14,400 |
| TOTAL RESERVE | \$ 12,790 | \$ 13,500 | \$ 14,400 |

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1
 CAPITAL PROJECTS FUND
 2023 BUDGET
 WITH 2021 ACTUAL AND 2022 ESTIMATED
 For the Years Ended and Ending December 31**

1/23/2023

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|------------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Developer Advances | 834,043 | - | - |
| Transfers from District No. 4 | 1,210,000 | - | - |
| Total revenues | <u>2,044,043</u> | <u>-</u> | <u>-</u> |
| Total funds available | <u>2,044,043</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | |
| Capital Projects | | | |
| Repayment of Developer Advances | 810,000 | - | - |
| Public improvements | 1,234,043 | - | - |
| Total expenditures | <u>2,044,043</u> | <u>-</u> | <u>-</u> |
| Total expenditures and transfers out requiring appropriation | <u>2,044,043</u> | <u>-</u> | <u>-</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Brands East Metropolitan District No. 1's (the "District") (formerly known as Eagle Crossing Windsor Metropolitan District No. 1) 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. 2, The Brands East Metropolitan District No. 3, and The Brands East Metropolitan District No. 4 (formerly known as Eagle Crossing Windsor Metropolitan District No. 2, Eagle Crossing Windsor Metropolitan District No. 3, and Eagle Crossing Windsor Metropolitan District No. 4, 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 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, 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. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Assigned Revenues - Public Improvement Fees, Sales Tax Rebates

Pursuant to the BAA and PIF Revenues Assignment Agreement dated November 8, 2018, the Developers have agreed to pay the District the amount of Sales Tax rebated by the Town of Windsor in accordance with the Business Assistance Agreement dated March 27, 2017. Additionally, for the purpose of providing for costs of public improvements, the Developers have designated the District as the primary Public Improvement Fees (PIF) recipient and have assigned all revenues resulting from the PIF imposed within the boundaries of the District.

Expenditures

General and Administrative

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal and accounting.

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. 4

Pursuant to the BAA and PIF Revenues Assignment Agreement dated November 8, 2018, the District has agreed to remit all Assigned Revenues (as defined above), net of the annual operations amount, to the Brands East Metropolitan District No. 4 for the benefit of repaying the Series 2018A Note and any additional Loans with U.S. Bank.

Debt and Leases

The District does not have any debt. Additionally, the District has no operating or capital leases.

Reserve

Emergency Reserve

The District has provided an Emergency Reserve equal to at least 3% of fiscal year spending for 2023, as defined under TABOR.

This information is an integral part of the accompanying budget.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2
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 | \$ 50 | \$ 50 | \$ 50 |
| REVENUES | | | |
| Property taxes | 30,652 | 30,672 | 30,820 |
| Specific ownership taxes | 2,330 | 2,122 | 2,157 |
| Total revenues | <u>32,982</u> | <u>32,794</u> | <u>32,977</u> |
| Total funds available | <u>33,032</u> | <u>32,844</u> | <u>33,027</u> |
| EXPENDITURES | | | |
| Debt Service Fund | 32,982 | 32,794 | 32,977 |
| Total expenditures | <u>32,982</u> | <u>32,794</u> | <u>32,977</u> |
| Total expenditures and transfers out requiring appropriation | <u>32,982</u> | <u>32,794</u> | <u>32,977</u> |
| ENDING FUND BALANCES | <u>\$ 50</u> | <u>\$ 50</u> | <u>\$ 50</u> |

No assurance provided. See summary of significant assumptions.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 2
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 |
|------------------------------------|----------------|-------------------|----------------|
| ASSESSED VALUATION | | | |
| Commercial | \$ 785,407 | \$ 785,407 | \$ 785,407 |
| Agricultural | 549 | 555 | 506 |
| State assessed | - | 499 | 4,340 |
| Certified Assessed Value | \$ 785,956 | \$ 786,461 | \$ 790,253 |
| MILL LEVY | | | |
| Contractual Obligations | 39.000 | 39.000 | 39.000 |
| Total mill levy | 39.000 | 39.000 | 39.000 |
| PROPERTY TAXES | | | |
| Contractual Obligations | \$ 30,652 | \$ 30,672 | \$ 30,820 |
| Budgeted property taxes | \$ 30,652 | \$ 30,672 | \$ 30,820 |
| BUDGETED PROPERTY TAXES | | | |
| Contractual Obligations | \$ 30,652 | \$ 30,672 | \$ 30,820 |
| | \$ 30,652 | \$ 30,672 | \$ 30,820 |

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2
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. 2
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 | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 30,652 | 30,672 | 30,820 |
| Specific ownership tax | 2,330 | 2,122 | 2,157 |
| Total revenues | <u>32,982</u> | <u>32,794</u> | <u>32,977</u> |
| Total funds available | <u>32,982</u> | <u>32,794</u> | <u>32,977</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 613 | 614 | 616 |
| Transfers to District No. 4 | 32,369 | 32,160 | 32,361 |
| Miscellaneous | - | 20 | - |
| Total expenditures | <u>32,982</u> | <u>32,794</u> | <u>32,977</u> |
| Total expenditures and transfers out requiring appropriation | <u>32,982</u> | <u>32,794</u> | <u>32,977</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Brands East Metropolitan District No. 2's (the "District") (formerly known as Eagle Crossing Windsor Metropolitan District No. 2) 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. 3, and The Brands East Metropolitan District No. 4 (formerly known as Eagle Crossing Windsor Metropolitan District No. 1, Eagle Crossing Windsor Metropolitan District No. 3, and Eagle Crossing Windsor Metropolitan District No. 4, 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 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 Information page of the budget using the mill levy adopted by the District.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2
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.

Expenditures

County Treasurer's Fees

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

Transfer to The Brands East Metropolitan District No. 4

Pursuant to a Capital Pledge Agreement dated November 8, 2018 by and among the District, The Brands East Metropolitan District No. 3, The Brands East Metropolitan District No. 4 (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 Series 2018 Notes issued by The Brands East Metropolitan District No. 4, and any additional loans from U.S. Bank. The District will remit the net tax revenues to the Brands East Metropolitan District No. 4.

Debt and Leases

The District does not have any debt. Additionally, the District has no operating or capital leases.

Reserves

Emergency Reserves

The District has not provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2023, as defined under TABOR, because there is no operating budget.

This information is an integral part of the accompanying budget.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 3
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/2023

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 50 | \$ 50 | \$ 50 |
| REVENUES | | | |
| Property taxes | 128,498 | 319,759 | 414,496 |
| Specific ownership taxes | 9,816 | 22,112 | 29,015 |
| Total revenues | <u>138,314</u> | <u>341,871</u> | <u>443,511</u> |
| Total funds available | <u>138,364</u> | <u>341,921</u> | <u>443,561</u> |
| EXPENDITURES | | | |
| General Fund | - | - | - |
| Debt Service Fund | 138,314 | 341,871 | 443,511 |
| Total expenditures | <u>138,314</u> | <u>341,871</u> | <u>443,511</u> |
| Total expenditures and transfers out requiring appropriation | <u>138,314</u> | <u>341,871</u> | <u>443,511</u> |
| ENDING FUND BALANCES | <u>\$ 50</u> | <u>\$ 50</u> | <u>\$ 50</u> |

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/2023

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|--------------------------------|---------------------|---------------------|---------------------|
| ASSESSED VALUATION | | | |
| Residential | \$ 2,741,260 | \$ 6,992,907 | \$ 8,806,000 |
| Commercial | 146,740 | 283,704 | 250,827 |
| Agricultural | 282 | 297 | 287 |
| State assessed | - | 129,606 | 90,600 |
| Vacant land | 85,831 | 290 | 290 |
| Certified Assessed Value | \$ 2,974,113 | \$ 7,406,804 | \$ 9,148,004 |
| MILL LEVY | | | |
| Contractual Obligations | 43.417 | 43.171 | 45.310 |
| Total mill levy | 43.417 | 43.171 | 45.310 |
| PROPERTY TAXES | | | |
| Contractual Obligations | \$ 129,127 | \$ 319,759 | \$ 414,496 |
| Levied property taxes | 129,127 | 319,759 | 414,496 |
| Adjustments to actual/rounding | (629) | - | - |
| Budgeted property taxes | \$ 128,498 | \$ 319,759 | \$ 414,496 |
| BUDGETED PROPERTY TAXES | | | |
| Contractual Obligations | \$ 128,498 | \$ 319,759 | \$ 414,496 |
| | \$ 128,498 | \$ 319,759 | \$ 414,496 |

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/2023

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ 50 | \$ 50 | \$ 50 |
| REVENUES | | | |
| Total revenues | - | - | - |
| Total funds available | 50 | 50 | 50 |
| EXPENDITURES | | | |
| General and administrative | | | |
| 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. 3
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/2023

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 128,498 | 319,759 | 414,496 |
| Specific ownership taxes | 9,816 | 22,112 | 29,015 |
| Total revenues | <u>138,314</u> | <u>341,871</u> | <u>443,511</u> |
| Total funds available | <u>138,314</u> | <u>341,871</u> | <u>443,511</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 2,570 | 6,395 | 8,290 |
| Transfers to District No. 4 | 135,744 | 335,456 | 435,221 |
| Miscellaneous | - | 20 | - |
| Total expenditures | <u>138,314</u> | <u>341,871</u> | <u>443,511</u> |
| Total expenditures and transfers out requiring appropriation | <u>138,314</u> | <u>341,871</u> | <u>443,511</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Brands East Metropolitan District No. 3's (the "District") (formerly known as Eagle Crossing Windsor Metropolitan District No. 3) 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. 4 (formerly known as Eagle Crossing Windsor Metropolitan District No. 1, Eagle Crossing Windsor Metropolitan District No. 2, and Eagle Crossing Windsor Metropolitan District No. 4, 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 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. 3
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.

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. 4

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. 4 (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 Series 2018 Notes issued by The Brands East Metropolitan District No. 4, and any additional loans from U.S. Bank. The District will remit the net tax revenues to the Brands East Metropolitan District No. 4.

Debt and Leases

The District does not have any debt. Additionally, the District has no operating or capital leases.

Reserves

Emergency Reserves

The District has not provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2023, as defined under TABOR, because there is no operating budget.

This information is an integral part of the accompanying budget.

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 | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2021 | 2022 | 2023 |

ASSESSED VALUATION

| | | | |
|--------------------------|--------------|--------------|--------------|
| 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 | \$ 4,708,140 | \$ 4,292,739 | \$ 4,697,711 |

MILL LEVY

| | | | |
|-----------------|--------|--------|--------|
| Debt Service | 30.000 | 30.000 | 30.000 |
| Total mill levy | 30.000 | 30.000 | 30.000 |

PROPERTY TAXES

| | | | |
|-------------------------|------------|------------|------------|
| Debt Service | \$ 141,244 | \$ 128,782 | \$ 140,931 |
| Budgeted property taxes | \$ 141,244 | \$ 128,782 | \$ 140,931 |

BUDGETED PROPERTY TAXES

| | | | |
|--------------|------------|------------|------------|
| Debt Service | \$ 141,244 | \$ 128,782 | \$ 140,931 |
| | \$ 141,244 | \$ 128,782 | \$ 140,931 |

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 |
| REVENUES | | | |
| 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 |
| EXPENDITURES | | | |
| 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 |
| TRANSFERS OUT | | | |
| 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

| | \$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 | | |
|------------------------------------|--|-----------------|--------------|---|-----------------|--------------|
| Year Ended December 31, | Principal | Interest | Total | Principal | Interest | Total |
| 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

\$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> | | | | | | |
|--|---------------------|------------------|---------------------|---------------------|------------------|---------------------|
| 2023 | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| | \$ 1,300,895 | \$ 33,502 | \$ 1,334,397 | \$ 2,058,332 | \$ 27,582 | \$ 2,085,914 |
| | <u>\$ 1,300,895</u> | <u>\$ 33,502</u> | <u>\$ 1,334,397</u> | <u>\$ 2,058,332</u> | <u>\$ 27,582</u> | <u>\$ 2,085,914</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, 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.

EXHIBIT B
2022 Audit Exemption Applications
(District Nos. 1-3)
2022 Audit (District No. 4)

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

| | |
|--------------------|---|
| NAME OF GOVERNMENT | The Brands East Metropolitan District No. 1 |
| ADDRESS | 8390 E Crescent Parkway Suite 300 Greenwood Village, CO 80111 |
| CONTACT PERSON | Gigi Pangindian |
| PHONE | 303-779-5710 |
| EMAIL | Gigi.Pangindian@claconnect.com |

For the Year Ended
12/31/2022
or fiscal year ended:

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

| | |
|---------------------------|---|
| NAME: | Gigi Pangindian |
| TITLE | Accountant for the District |
| FIRM NAME (if applicable) | CliftonLarsonAllen LLP |
| ADDRESS | 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111 |
| PHONE | 303-779-5710 |
| DATE PREPARED | March 24, 2023 |
| RELATIONSHIP TO ENTITY | CPA Firm providing accounting services to the District |

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

| | | |
|--------------------------|-------------------------------------|---------------------|
| YES | NO | If Yes, date filed: |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | |

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Please use this space to provide explanation of any items on this page

| Line # | Description | Governmental Funds | | Description | Proprietary/Fiduciary Funds | | |
|--|---|--------------------|-------|---|-----------------------------|-------|--|
| | | General Fund | Fund* | | Fund* | Fund* | |
| Assets | | | | Assets | | | |
| 1-1 | Cash & Cash Equivalents | \$ 249,990 | \$ - | Cash & Cash Equivalents | \$ - | \$ - | |
| 1-2 | Investments | \$ - | \$ - | Investments | \$ - | \$ - | |
| 1-3 | Receivables | \$ - | \$ - | Receivables | \$ - | \$ - | |
| 1-4 | Due from Other Entities or Funds | \$ - | \$ - | Due from Other Entities or Funds | \$ - | \$ - | |
| 1-5 | Property Tax Receivable | \$ 6 | \$ - | Other Current Assets [specify...] | \$ - | \$ - | |
| | All Other Assets [specify...] | | | | \$ - | \$ - | |
| 1-6 | Lease Receivable (as Lessor) | \$ - | \$ - | | | | |
| 1-7 | Receivable - Public Improvement fees | \$ 266,053 | \$ - | Total Current Assets | \$ - | \$ - | |
| 1-8 | Receivable - Sales Tax Rebate | \$ 46,364 | \$ - | Capital & Right to Use Assets, net (from Part 6-4) | \$ - | \$ - | |
| 1-9 | Due from The Brands East Metro District No. 4 | \$ 10 | \$ - | Other Long Term Assets [specify...] | \$ - | \$ - | |
| 1-10 | Prepays insurance | \$ 9,088 | \$ - | | \$ - | \$ - | |
| 1-11 | (add lines 1-1 through 1-10) TOTAL ASSETS | \$ 571,511 | \$ - | (add lines 1-1 through 1-10) TOTAL ASSETS | \$ - | \$ - | |
| Deferred Outflows of Resources: | | | | Deferred Outflows of Resources | | | |
| 1-12 | [specify...] | \$ - | \$ - | [specify...] | \$ - | \$ - | |
| 1-13 | [specify...] | \$ - | \$ - | [specify...] | \$ - | \$ - | |
| 1-14 | (add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS | \$ - | \$ - | (add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS | \$ - | \$ - | |
| 1-15 | TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ 571,511 | \$ - | TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ - | \$ - | |
| Liabilities | | | | Liabilities | | | |
| 1-16 | Accounts Payable | \$ 28,565 | \$ - | Accounts Payable | \$ - | \$ - | |
| 1-17 | Accrued Payroll and Related Liabilities | \$ - | \$ - | Accrued Payroll and Related Liabilities | \$ - | \$ - | |
| 1-18 | Unearned Property Tax Revenue | \$ - | \$ - | Accrued Interest Payable | \$ - | \$ - | |
| 1-19 | Due to Other Entities or Funds | \$ - | \$ - | Due to Other Entities or Funds | \$ - | \$ - | |
| 1-20 | All Other Current Liabilities | \$ - | \$ - | All Other Current Liabilities | \$ - | \$ - | |
| 1-21 | (add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES | \$ 28,565 | \$ - | (add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES | \$ - | \$ - | |
| 1-22 | All Other Liabilities [specify...] | \$ - | \$ - | Proprietary Debt Outstanding (from Part 4-4) | \$ - | \$ - | |
| 1-23 | Due to Brands Metro District No. 1 | \$ 436 | \$ - | Other Liabilities [specify...]: | \$ - | \$ - | |
| 1-24 | Due to The Brands East Metro District No. 4 | \$ 617,972 | \$ - | | \$ - | \$ - | |
| 1-25 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-26 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-27 | (add lines 1-21 through 1-26) TOTAL LIABILITIES | \$ 646,973 | \$ - | (add lines 1-21 through 1-26) TOTAL LIABILITIES | \$ - | \$ - | |
| Deferred Inflows of Resources: | | | | Deferred Inflows of Resources | | | |
| 1-28 | Deferred Property Taxes | \$ 6 | \$ - | Pension/OPEB Related | \$ - | \$ - | |
| 1-29 | Lease related (as lessor) | \$ - | \$ - | Other [specify...] | \$ - | \$ - | |
| 1-30 | (add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS | \$ 6 | \$ - | (add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS | \$ - | \$ - | |
| Fund Balance | | | | Net Position | | | |
| 1-31 | Nonspendable Prepaid | \$ 9,088 | \$ - | Net Investment in Capital Assets | \$ - | \$ - | |
| 1-32 | Nonspendable Inventory | \$ - | \$ - | | | | |
| 1-33 | Restricted [specify...] TABOR | \$ 14,500 | \$ - | Emergency Reserves | \$ - | \$ - | |
| 1-34 | Committed [specify...] | \$ - | \$ - | Other Designations/Reserves | \$ - | \$ - | |
| 1-35 | Assigned [specify...] | \$ - | \$ - | Restricted | \$ - | \$ - | |
| 1-36 | Unassigned: | \$ (99,056) | \$ - | Undesignated/Unreserved/Unrestricted | \$ - | \$ - | |
| 1-37 | Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL FUND BALANCE | \$ (75,468) | \$ - | Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL NET POSITION | \$ - | \$ - | |
| 1-38 | Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE | \$ 571,511 | \$ - | Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | \$ - | \$ - | |

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

| Line # | Description | Governmental Funds | | Description | Proprietary/Fiduciary Funds | | |
|--------------------------------|---|--------------------|-------|---|-----------------------------|-------|--|
| | | General Fund | Fund* | | Fund* | Fund* | |
| Tax Revenue | | | | Tax Revenue | | | |
| 2-1 | Property [include mills levied in Question 10-6] | \$ 6 | \$ - | Property [include mills levied in Question 10-6] | \$ - | \$ - | Please use this space to provide explanation of any items on this page |
| 2-2 | Specific Ownership | \$ - | \$ - | Specific Ownership | \$ - | \$ - | |
| 2-3 | Sales and Use Tax | \$ - | \$ - | Sales and Use Tax | \$ - | \$ - | |
| 2-4 | Other Tax Revenue [specify...]: | \$ - | \$ - | Other Tax Revenue [specify...]: | \$ - | \$ - | |
| 2-5 | | \$ - | \$ - | | \$ - | \$ - | |
| 2-6 | | \$ - | \$ - | | \$ - | \$ - | |
| 2-7 | | \$ - | \$ - | | \$ - | \$ - | |
| 2-8 | Add lines 2-1 through 2-7 TOTAL TAX REVENUE | \$ 6 | \$ - | Add lines 2-1 through 2-7 TOTAL TAX REVENUE | \$ - | \$ - | |
| 2-9 | Licenses and Permits | \$ - | \$ - | Licenses and Permits | \$ - | \$ - | |
| 2-10 | Highway Users Tax Funds (HUTF) | \$ - | \$ - | Highway Users Tax Funds (HUTF) | \$ - | \$ - | |
| 2-11 | Conservation Trust Funds (Lottery) | \$ - | \$ - | Conservation Trust Funds (Lottery) | \$ - | \$ - | |
| 2-12 | Community Development Block Grant | \$ - | \$ - | Community Development Block Grant | \$ - | \$ - | |
| 2-13 | Fire & Police Pension | \$ - | \$ - | Fire & Police Pension | \$ - | \$ - | |
| 2-14 | Grants | \$ - | \$ - | Grants | \$ - | \$ - | |
| 2-15 | Donations | \$ - | \$ - | Donations | \$ - | \$ - | |
| 2-16 | Charges for Sales and Services | \$ - | \$ - | Charges for Sales and Services | \$ - | \$ - | |
| 2-17 | Rental Income | \$ - | \$ - | Rental Income | \$ - | \$ - | |
| 2-18 | Fines and Forfeits | \$ - | \$ - | Fines and Forfeits | \$ - | \$ - | |
| 2-19 | Interest/Investment Income | \$ - | \$ - | Interest/Investment Income | \$ - | \$ - | |
| 2-20 | Tap Fees | \$ - | \$ - | Tap Fees | \$ - | \$ - | |
| 2-21 | Proceeds from Sale of Capital Assets | \$ - | \$ - | Proceeds from Sale of Capital Assets | \$ - | \$ - | |
| 2-22 | All Other [specify...]: Public Improvement Fees | \$ 318,651 | \$ - | All Other [specify...]: | \$ - | \$ - | |
| 2-23 | Sales Tax Rebate | \$ 164,254 | \$ - | | \$ - | \$ - | |
| 2-24 | Add lines 2-8 through 2-23 TOTAL REVENUES | \$ 482,911 | \$ - | Add lines 2-8 through 2-23 TOTAL REVENUES | \$ - | \$ - | |
| Other Financing Sources | | | | Other Financing Sources | | | |
| 2-25 | Debt Proceeds | \$ - | \$ - | Debt Proceeds | \$ - | \$ - | |
| 2-26 | Lease Proceeds | \$ - | \$ - | Lease Proceeds | \$ - | \$ - | |
| 2-27 | Developer Advances | \$ - | \$ - | Developer Advances | \$ - | \$ - | |
| 2-28 | Other [specify...]: | \$ - | \$ - | Other [specify...]: | \$ - | \$ - | |
| 2-29 | Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES | \$ - | \$ - | Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES | \$ - | \$ - | |
| 2-30 | Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES | \$ 482,911 | \$ - | Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES | \$ - | \$ - | GRAND TOTALS |
| | | | | | | | \$ 482,911 |

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES

| Line # | Description | Governmental Funds | | Description | Proprietary/Fiduciary Funds | | Please use this space to provide explanation of any items on this page |
|--------|--|--------------------|-------|---|-----------------------------|-------|--|
| | | General Fund | Fund* | | Fund* | Fund* | |
| | Expenditures | | | Expenses | | | |
| 3-1 | General Government | \$ 98,309 | \$ - | General Operating & Administrative | \$ - | \$ - | |
| 3-2 | Judicial | \$ - | \$ - | Salaries | \$ - | \$ - | |
| 3-3 | Law Enforcement | \$ - | \$ - | Payroll Taxes | \$ - | \$ - | |
| 3-4 | Fire | \$ - | \$ - | Contract Services | \$ - | \$ - | |
| 3-5 | Highways & Streets | \$ - | \$ - | Employee Benefits | \$ - | \$ - | |
| 3-6 | Solid Waste | \$ - | \$ - | Insurance | \$ - | \$ - | |
| 3-7 | Contributions to Fire & Police Pension Assoc. | \$ - | \$ - | Accounting and Legal Fees | \$ - | \$ - | |
| 3-8 | Health | \$ - | \$ - | Repair and Maintenance | \$ - | \$ - | |
| 3-9 | Culture and Recreation | \$ - | \$ - | Supplies | \$ - | \$ - | |
| 3-10 | Transfers to other districts | \$ - | \$ - | Utilities | \$ - | \$ - | |
| 3-11 | Other [specify...]: | \$ - | \$ - | Contributions to Fire & Police Pension Assoc. | \$ - | \$ - | |
| 3-12 | Transfer to District No. 4 - PIF | \$ 251,681 | \$ - | Other [specify...] | \$ - | \$ - | |
| 3-13 | Transfer to District No. 4 - Sales Tax Rebate | \$ 164,254 | \$ - | | \$ - | \$ - | |
| 3-14 | Capital Outlay | \$ - | \$ - | Capital Outlay | \$ - | \$ - | |
| | Debt Service | | | Debt Service | | | |
| 3-15 | Principal (should match amount in 4-4) | \$ - | \$ - | Principal (should match amount in 4-4) | \$ - | \$ - | |
| 3-16 | Interest | \$ - | \$ - | Interest | \$ - | \$ - | |
| 3-17 | Bond Issuance Costs | \$ - | \$ - | Bond Issuance Costs | \$ - | \$ - | |
| 3-18 | Developer Principal Repayments | \$ - | \$ - | Developer Principal Repayments | \$ - | \$ - | |
| 3-19 | Developer Interest Repayments | \$ - | \$ - | Developer Interest Repayments | \$ - | \$ - | |
| 3-20 | All Other [specify...]: | \$ - | \$ - | All Other [specify...]: | \$ - | \$ - | |
| 3-21 | | \$ - | \$ - | | \$ - | \$ - | |
| 3-22 | Add lines 3-1 through 3-21 | \$ 514,244 | \$ - | Add lines 3-1 through 3-21 | \$ - | \$ - | GRAND TOTAL |
| | TOTAL EXPENDITURES | | | TOTAL EXPENSES | | | \$ 514,244 |
| 3-23 | Interfund Transfers (In) | \$ - | \$ - | Net Interfund Transfers (In) Out | \$ - | \$ - | |
| 3-24 | Interfund Transfers Out | \$ - | \$ - | Other [specify...][enter negative for expense] | \$ - | \$ - | |
| 3-25 | Other Expenditures (Revenues): | \$ - | \$ - | Depreciation/Amortization | \$ - | \$ - | |
| 3-26 | | \$ - | \$ - | Other Financing Sources (Uses) (from line 2-28) | \$ - | \$ - | |
| 3-27 | | \$ - | \$ - | Capital Outlay (from line 3-14) | \$ - | \$ - | |
| 3-28 | | \$ - | \$ - | Debt Principal (from line 3-15, 3-18) | \$ - | \$ - | |
| 3-29 | (Add lines 3-23 through 3-28) | | | (Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS | \$ - | \$ - | |
| | TOTAL TRANSFERS AND OTHER EXPENDITURES | \$ - | \$ - | | \$ - | \$ - | |
| 3-30 | Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29 | \$ (31,333) | \$ - | Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23 | \$ - | \$ - | |
| 3-31 | Fund Balance, January 1 from December 31 prior year report | \$ (44,135) | \$ - | Net Position, January 1 from December 31 prior year report | \$ - | \$ - | |
| 3-32 | Prior Period Adjustment (MUST explain) | \$ - | \$ - | Prior Period Adjustment (MUST explain) | \$ - | \$ - | |
| 3-33 | Fund Balance, December 31 | | | Net Position, December 31 | | | |
| | Sum of Lines 3-30, 3-31, and 3-32 | | | Sum of Lines 3-30, 3-31, and 3-32 | | | |
| | This total should be the same as line 1-37. | \$ (75,468) | \$ - | This total should be the same as line 1-37. | \$ - | \$ - | |

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES NO

Please use this space to provide any explanations or comments:

- 4-1 Does the entity have outstanding debt? YES NO
- 4-2 Is the debt repayment schedule attached? If no, MUST explain:
 YES NO
 See comments in the space provided.
- 4-3 Is the entity current in its debt service payments? If no, MUST explain:
 YES NO
 N/A. See comments in 4-2.

4-2: The District's outstanding debt is related to advances from the Developer. Repayment is subject to annual appropriation (when the District has available cash).

| Please complete the following debt schedule, if applicable: (please only include principal amounts) | Outstanding at beginning of year* | Issued during year | Retired during year | Outstanding at year-end |
|---|-----------------------------------|--------------------|---------------------|-------------------------|
| General obligation bonds | \$ - | \$ - | \$ - | \$ - |
| Revenue bonds | \$ - | \$ - | \$ - | \$ - |
| Notes/Loans | \$ - | \$ - | \$ - | \$ - |
| Lease Liabilities | \$ - | \$ - | \$ - | \$ - |
| Developer Advances | \$ 259,238 | \$ - | \$ - | \$ 259,238 |
| Other (specify): | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 259,238 | \$ - | \$ - | \$ 259,238 |

*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

YES NO

- 4-5 Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]?
 How much? YES NO
 Date the debt was authorized: \$ 225,000,000
 11/4/2014
- 4-6 Does the entity intend to issue debt within the next calendar year?
 How much? YES NO
 \$ -
- 4-7 Does the entity have debt that has been refinanced that it is still responsible for?
 What is the amount outstanding? YES NO
 \$ -
- 4-8 Does the entity have any lease agreements?
 What is being leased? YES NO
 What is the original date of the lease?
 Number of years of lease?
 Is the lease subject to annual appropriation? YES NO
 What are the annual lease payments? \$ -

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

AMOUNT TOTAL

Please use this space to provide any explanations or comments:

| | | | | |
|---------------------|---|------------|------------|--|
| 5-1 | YEAR-END Total of ALL Checking and Savings accounts | \$ 249,990 | | |
| 5-2 | Certificates of deposit | \$ - | | |
| TOTAL CASH DEPOSITS | | | \$ 249,990 | |

Investments (if investment is a mutual fund, please list underlying investments):

| | | | | |
|----------------------------|--|------|------------|--|
| | | \$ - | | |
| | | \$ - | | |
| 5-3 | | \$ - | | |
| | | \$ - | | |
| TOTAL INVESTMENTS | | | \$ - | |
| TOTAL CASH AND INVESTMENTS | | | \$ 249,990 | |

Please answer the following question by marking in the appropriate box

YES NO N/A

- 5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.? YES NO N/A
- 5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain: YES NO N/A

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following question by marking in the appropriate box YES NO Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets? YES NO
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain: YES NO

N/A - Construction In Progress

| 6-3 Complete the following Capital & Right-To-Use Assets table for GOVERNMENTAL FUNDS: | Balance - beginning of the year ¹ | Additions ² | Deletions | Year-End Balance |
|--|--|------------------------|-------------|---------------------|
| Land | \$ - | \$ - | \$ - | \$ - |
| Buildings | \$ - | \$ - | \$ - | \$ - |
| Machinery and equipment | \$ - | \$ - | \$ - | \$ - |
| Furniture and fixtures | \$ - | \$ - | \$ - | \$ - |
| Infrastructure | \$ - | \$ - | \$ - | \$ - |
| Construction In Progress (CIP) | \$ 7,493,148 | \$ - | \$ - | 7,493,148 |
| Leased Right-to-Use Assets | \$ - | \$ - | \$ - | \$ - |
| Intangible Assets | \$ - | \$ - | \$ - | \$ - |
| Other (explain): | \$ - | \$ - | \$ - | \$ - |
| Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - |
| Accumulated Depreciation (Enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 7,493,148 | \$ - | \$ - | \$ 7,493,148 |

| 6-4 Complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS: | Balance - beginning of the year* | Additions | Deletions | Year-End Balance |
|--|----------------------------------|-------------|-------------|------------------|
| Land | \$ - | \$ - | \$ - | \$ - |
| Buildings | \$ - | \$ - | \$ - | \$ - |
| Machinery and equipment | \$ - | \$ - | \$ - | \$ - |
| Furniture and fixtures | \$ - | \$ - | \$ - | \$ - |
| Infrastructure | \$ - | \$ - | \$ - | \$ - |
| Construction In Progress (CIP) | \$ - | \$ - | \$ - | \$ - |
| Leased Right-to-Use Assets | \$ - | \$ - | \$ - | \$ - |
| Intangible Assets | \$ - | \$ - | \$ - | \$ - |
| Other (explain): | \$ - | \$ - | \$ - | \$ - |
| Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - |
| Accumulated Depreciation (Enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ - | \$ - | \$ - | \$ - |

* Must agree to prior year-end balance
 - Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

PART 7 - PENSION INFORMATION

* YES NO Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan? YES NO
- 7-2 Does the entity have a volunteer firefighters' pension plan? YES NO
- If yes: Who administers the plan? YES NO

Indicate the contributions from:

| | | | |
|---|--|-----------|----------|
| Tax (property, SO, sales, etc.): | | \$ | - |
| State contribution amount: | | \$ | - |
| Other (gifts, donations, etc.): | | \$ | - |
| TOTAL | | \$ | - |
| What is the monthly benefit paid for 20 years of service per retiree as of Jan 1? | | \$ | - |

PART 8 - BUDGET INFORMATION

| Please answer the following question by marking in the appropriate box | | YES | NO | N/A | Please use this space to provide any explanations or comments: | | | | | | | | | | |
|--|--|-------------------------------------|------------------------------|------------------------------|--|--|------|--|------|--|------|--|--|--|--|
| 8-1 | Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | |
| 8-2 | Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | |
| If yes: Please indicate the amount appropriated for each fund separately for the year reported | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #cccccc;"> <th style="text-align: left; padding: 5px;">Governmental/Proprietary Fund Name</th> <th style="text-align: right; padding: 5px;">Total Appropriations By Fund</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">General Fund - to be amended</td> <td style="text-align: right; padding: 5px;">\$ 520,000</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="text-align: right; padding: 5px;">\$ -</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="text-align: right; padding: 5px;">\$ -</td> </tr> <tr> <td style="padding: 5px;"></td> <td style="text-align: right; padding: 5px;">\$ -</td> </tr> </tbody> </table> | | Governmental/Proprietary Fund Name | Total Appropriations By Fund | General Fund - to be amended | \$ 520,000 | | \$ - | | \$ - | | \$ - | | | | |
| Governmental/Proprietary Fund Name | Total Appropriations By Fund | | | | | | | | | | | | | | |
| General Fund - to be amended | \$ 520,000 | | | | | | | | | | | | | | |
| | \$ - | | | | | | | | | | | | | | |
| | \$ - | | | | | | | | | | | | | | |
| | \$ - | | | | | | | | | | | | | | |

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

| Please answer the following question by marking in the appropriate box | | YES | NO | Please use this space to provide any explanations or comments: |
|---|--|-------------------------------------|--------------------------|--|
| 9-1 | Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR. | | | | |

PART 10 - GENERAL INFORMATION

| Please answer the following question by marking in the appropriate box | | YES | NO | Please use this space to provide any explanations or comments: | | | | | |
|---|--|-------------------------------------|-------------------------------------|---|--------|--------------------|---------------|--|--|
| 10-1 | Is this application for a newly formed governmental entity? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 10-3: 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. | | | | | |
| If yes: Date of formation: <input style="width: 150px; height: 30px; border: 1px solid black;" type="text"/> | | | | | | | | | |
| 10-2 | Has the entity changed its name in the past or current year? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | |
| If Yes: NEW name <input style="width: 400px; height: 20px; border: 1px solid black;" type="text"/> | | | | | | | | | |
| PRIOR name <input style="width: 400px; height: 20px; border: 1px solid black;" type="text"/> | | | | | | | | | |
| 10-3 Is the entity a metropolitan district? | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | |
| 10-4 | Please indicate what services the entity provides: | | | | | | | | |
| <input style="width: 450px; height: 20px; border: 1px solid black;" type="text" value="See comments in the space provided."/> | | | | | | | | | |
| 10-5 | Does the entity have an agreement with another government to provide services? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | |
| If yes: List the name of the other governmental entity and the services provided: | | | | | | | | | |
| <input style="width: 450px; height: 20px; border: 1px solid black;" type="text"/> | | | | | | | | | |
| 10-6 | Does the entity have a certified mill levy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | |
| If yes: Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts): | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tbody> <tr> <td style="padding: 5px;">Bond Redemption mills</td> <td style="text-align: right; padding: 5px;">0.000</td> </tr> <tr> <td style="padding: 5px;">General/Other mills</td> <td style="text-align: right; padding: 5px;">39.000</td> </tr> <tr style="background-color: #0056b3; color: white;"> <td style="padding: 5px;">Total mills</td> <td style="text-align: right; padding: 5px;">39.000</td> </tr> </tbody> </table> | | Bond Redemption mills | 0.000 | General/Other mills | 39.000 | Total mills | 39.000 | | |
| Bond Redemption mills | 0.000 | | | | | | | | |
| General/Other mills | 39.000 | | | | | | | | |
| Total mills | 39.000 | | | | | | | | |

Please use this space to provide any additional explanations or comments not previously included:

OSA USE ONLY

| Entity Wide: | | General Fund | | Governmental Funds | | Notes |
|---------------------------------|----|--------------|-------------------------|--------------------|------------------------------|----------------|
| Unrestricted Cash & Investments | \$ | 249,990 | Unrestricted Fund Balan | \$(99,056) | Total Tax Revenue | \$ 6 |
| Current Liabilities | \$ | 28,565 | Total Fund Balance | \$(75,468) | Revenue Paying Debt Service | \$ - |
| Deferred Inflow | \$ | 6 | PY Fund Balance | \$(44,135) | Total Revenue | \$ 482,911 |
| | | | Total Revenue | 482,911 | Total Debt Service Principal | \$ - |
| | | | Total Expenditures | 514,244 | Total Debt Service Interest | \$ - |
| | | | Interfund In | - | | |
| Governmental | | | Interfund Out | - | Enterprise Funds | |
| Total Cash & Investments | \$ | 249,990 | - | - | Net Position | \$ - |
| Transfers In | \$ | - | Proprietary | | PY Net Position | \$ - |
| Transfers Out | \$ | - | - Current Assets | | | |
| Property Tax | \$ | 6 | Deferred Outflow | | Government-Wide | |
| Debt Service Principal | \$ | - | - Current Liabilities | | - Total Outstanding Debt | \$ 259,238 |
| Total Expenditures | \$ | 514,244 | Deferred Inflow | | - Authorized but Unissued | \$ 225,000,000 |
| Total Developer Advances | \$ | - | - Cash & Investments | | - Year Authorized | 11/4/2014 |
| Total Developer Repayments | \$ | - | - Principal Expense | | | |

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of ALL members of the governing body below.

A MAJORITY of the members of the governing body must complete and sign in the column below.

| 1 | Full Name | I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. | Signed | Date: |
|---|-----------------|---|------------------------|-------------------------------|
| | Martin Lind | I, <u>Martin Lind</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. | <u>Martin Lind</u> | March 30, 2023 4:34 PM PDT |
| | Justin Donahoo | I, <u>Justin Donahoo</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. | <u>Justin Donahoo</u> | March 30, 2023 4:25 PM PDT |
| | Austin Lind | I, <u>Austin Lind</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. | <u>Austin Lind</u> | March 31, 2023 12:03 PM MDT |
| | Marissa Donahoo | I, <u>Marissa Donahoo</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. | <u>Marissa Donahoo</u> | March 30, 2023 5:24 PM MDT |
| | Garrett Scallon | I, <u>Garrett Scallon</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. | <u>Garrett Scallon</u> | March 31, 2023 7:49 AM MDT |
| | Full Name | I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. | Signed _____ | Date: _____ |
| | Full Name | I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. | Signed _____ | Date: _____ |



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111

phone 303-779-5710 fax 303-779-0348
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
The Brands East Metropolitan District No. 1
Larimer County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Brands East Metropolitan District No. 1 as of and for the year ended December 31, 2022, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to The Brands East Metropolitan District No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 24, 2023

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

The Brands East Metropolitan District No. 2
8390 E Crescent Parkway
Suite 300
Greenwood Village, CO 80111

For the Year Ended
12/31/22
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL

Gigi Pangindian
303-779-5710
Gigi.Pangindian@claconnect.com

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

Gigi Pangindian
Accountant for the District
CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
303-779-5710
March 24, 2023

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)



PROPRIETARY
(CASH OR BUDGETARY BASIS)



PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

| Line# | Description | Round to nearest Dollar | Please use this space to provide any necessary explanations |
|-------|--|-------------------------|---|
| 2-1 | Taxes: Property (report mills levied in Question 10-6) | \$ 30,672 | |
| 2-2 | Specific ownership | \$ 2,195 | |
| 2-3 | Sales and use | \$ - | |
| 2-4 | Other (specify): | \$ - | |
| 2-5 | Licenses and permits | \$ - | |
| 2-6 | Intergovernmental: Grants | \$ - | |
| 2-7 | Conservation Trust Funds (Lottery) | \$ - | |
| 2-8 | Highway Users Tax Funds (HUTF) | \$ - | |
| 2-9 | Other (specify): | \$ - | |
| 2-10 | Charges for services | \$ - | |
| 2-11 | Fines and forfeits | \$ - | |
| 2-12 | Special assessments | \$ - | |
| 2-13 | Investment income | \$ - | |
| 2-14 | Charges for utility services | \$ - | |
| 2-15 | Debt proceeds (should agree with line 4-4, column 2) | \$ - | |
| 2-16 | Lease proceeds | \$ - | |
| 2-17 | Developer Advances received (should agree with line 4-4) | \$ - | |
| 2-18 | Proceeds from sale of capital assets | \$ - | |
| 2-19 | Fire and police pension | \$ - | |
| 2-20 | Donations | \$ - | |
| 2-21 | Other (specify): | \$ - | |
| 2-22 | | \$ - | |
| 2-23 | | \$ - | |
| 2-24 | (add lines 2-1 through 2-23) TOTAL REVENUE | \$ 32,867 | |

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

| Line# | Description | Round to nearest Dollar | Please use this space to provide any necessary explanations |
|-------|---|-------------------------|---|
| 3-1 | Administrative | \$ 10 | |
| 3-2 | Salaries | \$ - | |
| 3-3 | Payroll taxes | \$ - | |
| 3-4 | Contract services | \$ - | |
| 3-5 | Employee benefits | \$ - | |
| 3-6 | Insurance | \$ - | |
| 3-7 | Accounting and legal fees | \$ - | |
| 3-8 | Repair and maintenance | \$ - | |
| 3-9 | Supplies | \$ - | |
| 3-10 | Utilities and telephone | \$ - | |
| 3-11 | Fire/Police | \$ - | |
| 3-12 | Streets and highways | \$ - | |
| 3-13 | Public health | \$ - | |
| 3-14 | Capital outlay | \$ - | |
| 3-15 | Utility operations | \$ - | |
| 3-16 | Culture and recreation | \$ - | |
| 3-17 | Debt service principal (should agree with Part 4) | \$ - | |
| 3-18 | Debt service interest | \$ - | |
| 3-19 | Repayment of Developer Advance Principal (should agree with line 4-4) | \$ - | |
| 3-20 | Repayment of Developer Advance Interest | \$ - | |
| 3-21 | Contribution to pension plan (should agree to line 7-2) | \$ - | |
| 3-22 | Contribution to Fire & Police Pension Assoc. (should agree to line 7-2) | \$ - | |
| 3-23 | Other (specify): | | |
| 3-24 | County Treasurer's Fee | \$ 613 | |
| 3-25 | Transfer to The Brands East Metro District No. 4 | \$ 32,055 | |
| 3-26 | (add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES | \$ 32,678 | |

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

| | Yes | No | | |
|---|-------------------------------------|-------------------------------------|-------------|--------------|
| 4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| 4-2 Is the debt repayment schedule attached? If no, MUST explain: N/A. The District's outstanding debt is a \$50 liability to the Developer. Repayment is subject to annual appropriation. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| 4-3 Is the entity current in its debt service payments? If no, MUST explain: N/A. See comments in 4-2. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| 4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers) | | | | |
| General obligation bonds | \$ - | \$ - | \$ - | \$ - |
| Revenue bonds | \$ - | \$ - | \$ - | \$ - |
| Notes/Loans | \$ - | \$ - | \$ - | \$ - |
| Lease Liabilities | \$ - | \$ - | \$ - | \$ - |
| Developer Advances | \$ 50 | \$ - | \$ - | \$ 50 |
| Other (specify): | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 50 | \$ - | \$ - | \$ 50 |

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

| | Yes | No |
|--|-------------------------------------|-------------------------------------|
| 4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? \$ 225,000,000 Date the debt was authorized: 11/4/2014 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ - | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ - | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments? \$ - | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

| | Amount | Total |
|---|----------|----------|
| 5-1 YEAR-END Total of ALL Checking and Savings Accounts | \$ 1,419 | |
| 5-2 Certificates of deposit | \$ - | |
| Total Cash Deposits | | \$ 1,419 |
| Investments (if investment is a mutual fund, please list underlying investments): | | |
| | \$ - | |
| | \$ - | |
| 5-3 | \$ - | |
| | \$ - | |
| Total Investments | | \$ - |
| Total Cash and Investments | | \$ 1,419 |

Please answer the following questions by marking in the appropriate boxes

| | Yes | No | N/A |
|---|-------------------------------------|--------------------------|-------------------------------------|
| 5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: Yes No

N/A. The District has no capital assets.

| Complete the following capital & right-to-use assets table: | Balance - beginning of the year* | Additions (Must be included in Part 3) | Deletions | Year-End Balance |
|--|----------------------------------|--|-------------|------------------|
| Land | \$ - | \$ - | \$ - | \$ - |
| Buildings | \$ - | \$ - | \$ - | \$ - |
| Machinery and equipment | \$ - | \$ - | \$ - | \$ - |
| Furniture and fixtures | \$ - | \$ - | \$ - | \$ - |
| Infrastructure | \$ - | \$ - | \$ - | \$ - |
| Construction In Progress (CIP) | \$ - | \$ - | \$ - | \$ - |
| Leased Right-to-Use Assets | \$ - | \$ - | \$ - | \$ - |
| Other (explain): | \$ - | \$ - | \$ - | \$ - |
| Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ - | \$ - | \$ - | \$ - |

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No

If yes: Who administers the plan?

Indicate the contributions from:

| | |
|----------------------------------|-------------|
| Tax (property, SO, sales, etc.): | \$ - |
| State contribution amount: | \$ - |
| Other (gifts, donations, etc.): | \$ - |
| TOTAL | \$ - |

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1? \$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A

- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

| Governmental/Proprietary Fund Name | Total Appropriations By Fund |
|------------------------------------|------------------------------|
| General Fund | \$ - |
| Debt Service Fund | \$ 32,819 |
| | |
| | |

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

10-1 Is this application for a newly formed governmental entity?

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

See explanation

10-4 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills
General/Other mills
Total mills

| | |
|---------------------|---------------|
| | - |
| Contract obligation | 39.000 |
| Total mills | 39.000 |

Please use this space to provide any explanations or comments:

10-3: 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.

PART 11 - GOVERNING BODY APPROVAL

| Please answer the following question by marking in the appropriate box | | YES | NO |
|--|--|-------------------------------------|--------------------------|
| 12-1 | If you plan to submit this form electronically, have you read the new Electronic Signature Policy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

| Print the names of ALL members of current governing body below. Print Board Member's Name | | A MAJORITY of the members of the governing body must complete and sign in the column below. |
|--|-----------------|--|
| Board Member 1 | Martin Lind | I, <u>Martin Lind</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. <small>DocuSigned by:</small> Signed: <u>Martin Lind</u> Date: <u>March 30, 2023 8:06 AM PDT</u> My term Expires: <u>May 2025</u> |
| Board Member 2 | Justin Donahoo | I, <u>Justin Donahoo</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. <small>DocuSigned by:</small> Signed: <u>Justin Donahoo</u> Date: <u>March 30, 2023 8:08 AM PDT</u> My term Expires: <u>May 2025</u> |
| Board Member 3 | Marissa Donahoo | I, <u>Marissa Donahoo</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. <small>DocuSigned by:</small> Signed: <u>Marissa Donahoo</u> Date: <u>March 30, 2023 9:09 AM MDT</u> My term Expires: <u>May 2023</u> |
| Board Member 4 | Austin Lind | I, <u>Austin Lind</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. <small>DocuSigned by:</small> Signed: <u>Austin Lind</u> Date: <u>March 30, 2023 9:38 AM MDT</u> My term Expires: <u>May 2023</u> |
| Board Member 5 | Garrett Scallon | I, <u>Garrett Scallon</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. <small>DocuSigned by:</small> Signed: <u>Garrett Scallon</u> Date: <u>March 30, 2023 9:47 AM MDT</u> My term Expires: <u>May 2025</u> |
| Board Member 6 | | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____ |
| Board Member 7 | | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____ |



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111

phone 303-779-5710 fax 303-779-0348
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
The Brands East Metropolitan District No. 2
Larimer County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Brands East Metropolitan District No. 2 as of and for the year ended December 31, 2022, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to The Brands East Metropolitan District No. 2.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 24, 2023

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

| | |
|--------------------|---|
| NAME OF GOVERNMENT | The Brands East Metropolitan District No. 3 |
| ADDRESS | 8390 E Crescent Parkway Suite 300 Greenwood Village, CO 80111 |
| CONTACT PERSON | Gigi Pangindian |
| PHONE | 303-779-5710 |
| EMAIL | Gigi.Pangindian@claconnect.com |

For the Year Ended
12/31/2022
or fiscal year ended:

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

| | |
|---------------------------|---|
| NAME: | Gigi Pangindian |
| TITLE | Accountant for the District |
| FIRM NAME (if applicable) | CliftonLarsonAllen LLP |
| ADDRESS | 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111 |
| PHONE | 303-779-5710 |
| DATE PREPARED | March 13, 2023 |
| RELATIONSHIP TO ENTITY | CPA Firm providing accounting services to the District |

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

| | | |
|--------------------------|-------------------------------------|---------------------|
| YES | NO | If Yes, date filed: |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | |

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Please use this space to provide explanation of any items on this page

| Line # | Description | Governmental Funds | | Description | Proprietary/Fiduciary Funds | | |
|--|---|--------------------|-------------------|---|-----------------------------|-------|--|
| | | General Fund | Debt Service Fund | | Fund* | Fund* | |
| Assets | | | | Assets | | | |
| 1-1 | Cash & Cash Equivalents | \$ 50 | \$ 31,131 | Cash & Cash Equivalents | \$ - | \$ - | |
| 1-2 | Investments | \$ - | \$ - | Investments | \$ - | \$ - | |
| 1-3 | Receivables | \$ - | \$ - | Receivables | \$ - | \$ - | |
| 1-4 | Due from Other Entities or Funds | \$ - | \$ - | Due from Other Entities or Funds | \$ - | \$ - | |
| 1-5 | Property Tax Receivable | \$ - | \$ 414,496 | Other Current Assets [specify...] | \$ - | \$ - | |
| | All Other Assets [specify...] | | | | | | |
| 1-6 | Lease Receivable (as Lessor) | \$ - | \$ - | | | | |
| 1-7 | County Treasurer receivable | \$ - | \$ 1,648 | Total Current Assets | \$ - | \$ - | |
| 1-8 | Due from County Treasurer | \$ - | \$ 449 | Capital & Right to Use Assets, net (from Part 6-4) | \$ - | \$ - | |
| 1-9 | | \$ - | \$ - | Other Long Term Assets [specify...] | \$ - | \$ - | |
| 1-10 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-11 | (add lines 1-1 through 1-10) TOTAL ASSETS | \$ 50 | \$ 447,724 | (add lines 1-1 through 1-10) TOTAL ASSETS | \$ - | \$ - | |
| Deferred Outflows of Resources: | | | | Deferred Outflows of Resources | | | |
| 1-12 | [specify...] | \$ - | \$ - | [specify...] | \$ - | \$ - | |
| 1-13 | [specify...] | \$ - | \$ - | [specify...] | \$ - | \$ - | |
| 1-14 | (add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS | \$ - | \$ - | (add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS | \$ - | \$ - | |
| 1-15 | TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ 50 | \$ 447,724 | TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ - | \$ - | |
| Liabilities | | | | Liabilities | | | |
| 1-16 | Accounts Payable | \$ - | \$ - | Accounts Payable | \$ - | \$ - | |
| 1-17 | Accrued Payroll and Related Liabilities | \$ - | \$ - | Accrued Payroll and Related Liabilities | \$ - | \$ - | |
| 1-18 | Unearned Property Tax Revenue | \$ - | \$ - | Accrued Interest Payable | \$ - | \$ - | |
| 1-19 | Due to Other Entities or Funds | \$ - | \$ - | Due to Other Entities or Funds | \$ - | \$ - | |
| 1-20 | All Other Current Liabilities | \$ - | \$ - | All Other Current Liabilities | \$ - | \$ - | |
| 1-21 | (add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES | \$ - | \$ - | (add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES | \$ - | \$ - | |
| 1-22 | All Other Liabilities [specify...] | \$ - | \$ - | Proprietary Debt Outstanding (from Part 4-4) | \$ - | \$ - | |
| 1-23 | Due to The Brands East Metro District No. 4 | \$ - | \$ 31,580 | Other Liabilities [specify...]: | \$ - | \$ - | |
| 1-24 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-25 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-26 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-27 | (add lines 1-21 through 1-26) TOTAL LIABILITIES | \$ - | \$ 31,580 | (add lines 1-21 through 1-26) TOTAL LIABILITIES | \$ - | \$ - | |
| Deferred Inflows of Resources: | | | | Deferred Inflows of Resources | | | |
| 1-28 | Deferred Property Taxes | \$ - | \$ 414,496 | Pension/OPEB Related | \$ - | \$ - | |
| 1-29 | Lease related (as lessor) | \$ - | \$ - | Other [specify...] | \$ - | \$ - | |
| 1-30 | (add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS | \$ - | \$ 414,496 | (add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS | \$ - | \$ - | |
| Fund Balance | | | | Net Position | | | |
| 1-31 | Nonspendable Prepaid | \$ - | \$ - | Net Investment in Capital Assets | \$ - | \$ - | |
| 1-32 | Nonspendable Inventory | \$ - | \$ - | | | | |
| 1-33 | Restricted [specify...] Debt Service | \$ - | \$ 1,648 | Emergency Reserves | \$ - | \$ - | |
| 1-34 | Committed [specify...] | \$ - | \$ - | Other Designations/Reserves | \$ - | \$ - | |
| 1-35 | Assigned [specify...] | \$ - | \$ - | Restricted | \$ - | \$ - | |
| 1-36 | Unassigned: | \$ 50 | \$ - | Undesignated/Unreserved/Unrestricted | \$ - | \$ - | |
| 1-37 | Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL FUND BALANCE | \$ 50 | \$ 1,648 | Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL NET POSITION | \$ - | \$ - | |
| 1-38 | Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE | \$ 50 | \$ 447,724 | Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | \$ - | \$ - | |

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

| Line # | Description | Governmental Funds | | Description | Proprietary/Fiduciary Funds | | |
|--------------------------------|---|--------------------|-------------------|---|-----------------------------|-------|--|
| | | General Fund | Debt Service Fund | | Fund* | Fund* | |
| Tax Revenue | | | | Tax Revenue | | | |
| 2-1 | Property [include mills levied in Question 10-6] | \$ - | \$ 319,759 | Property [include mills levied in Question 10-6] | \$ - | \$ - | Please use this space to provide explanation of any items on this page |
| 2-2 | Specific Ownership | \$ - | \$ 22,875 | Specific Ownership | \$ - | \$ - | |
| 2-3 | Sales and Use Tax | \$ - | \$ - | Sales and Use Tax | \$ - | \$ - | |
| 2-4 | Other Tax Revenue [specify...]: | \$ - | \$ - | Other Tax Revenue [specify...]: | \$ - | \$ - | |
| 2-5 | | \$ - | \$ - | | \$ - | \$ - | |
| 2-6 | | \$ - | \$ - | | \$ - | \$ - | |
| 2-7 | | \$ - | \$ - | | \$ - | \$ - | |
| 2-8 | Add lines 2-1 through 2-7 TOTAL TAX REVENUE | \$ - | \$ 342,634 | Add lines 2-1 through 2-7 TOTAL TAX REVENUE | \$ - | \$ - | |
| 2-9 | Licenses and Permits | \$ - | \$ - | Licenses and Permits | \$ - | \$ - | |
| 2-10 | Highway Users Tax Funds (HUTF) | \$ - | \$ - | Highway Users Tax Funds (HUTF) | \$ - | \$ - | |
| 2-11 | Conservation Trust Funds (Lottery) | \$ - | \$ - | Conservation Trust Funds (Lottery) | \$ - | \$ - | |
| 2-12 | Community Development Block Grant | \$ - | \$ - | Community Development Block Grant | \$ - | \$ - | |
| 2-13 | Fire & Police Pension | \$ - | \$ - | Fire & Police Pension | \$ - | \$ - | |
| 2-14 | Grants | \$ - | \$ - | Grants | \$ - | \$ - | |
| 2-15 | Donations | \$ - | \$ - | Donations | \$ - | \$ - | |
| 2-16 | Charges for Sales and Services | \$ - | \$ - | Charges for Sales and Services | \$ - | \$ - | |
| 2-17 | Rental Income | \$ - | \$ - | Rental Income | \$ - | \$ - | |
| 2-18 | Fines and Forfeits | \$ - | \$ - | Fines and Forfeits | \$ - | \$ - | |
| 2-19 | Interest/Investment Income | \$ - | \$ 368 | Interest/Investment Income | \$ - | \$ - | |
| 2-20 | Tap Fees | \$ - | \$ - | Tap Fees | \$ - | \$ - | |
| 2-21 | Proceeds from Sale of Capital Assets | \$ - | \$ - | Proceeds from Sale of Capital Assets | \$ - | \$ - | |
| 2-22 | All Other [specify...]: | \$ - | \$ - | All Other [specify...]: | \$ - | \$ - | |
| 2-23 | | \$ - | \$ - | | \$ - | \$ - | |
| 2-24 | Add lines 2-8 through 2-23 TOTAL REVENUES | \$ - | \$ 343,002 | Add lines 2-8 through 2-23 TOTAL REVENUES | \$ - | \$ - | |
| Other Financing Sources | | | | Other Financing Sources | | | |
| 2-25 | Debt Proceeds | \$ - | \$ - | Debt Proceeds | \$ - | \$ - | |
| 2-26 | Lease Proceeds | \$ - | \$ - | Lease Proceeds | \$ - | \$ - | |
| 2-27 | Developer Advances | \$ - | \$ - | Developer Advances | \$ - | \$ - | |
| 2-28 | Other [specify...]: | \$ - | \$ - | Other [specify...]: | \$ - | \$ - | |
| 2-29 | Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES | \$ - | \$ - | Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES | \$ - | \$ - | |
| 2-30 | Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES | \$ - | \$ 343,002 | Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES | \$ - | \$ - | \$ 343,002 |

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 -STOP- You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES

| Line # | Description | Governmental Funds | | Description | Proprietary/Fiduciary Funds | | Please use this space to provide explanation of any items on this page |
|--------|--|--------------------|-------------------|---|-----------------------------|-------|--|
| | | General Fund | Debt Service Fund | | Fund* | Fund* | |
| | Expenditures | | | Expenses | | | |
| 3-1 | General Government | \$ - | \$ 10 | General Operating & Administrative | \$ - | \$ - | |
| 3-2 | Judicial | \$ - | \$ - | Salaries | \$ - | \$ - | |
| 3-3 | Law Enforcement | \$ - | \$ - | Payroll Taxes | \$ - | \$ - | |
| 3-4 | Fire | \$ - | \$ - | Contract Services | \$ - | \$ - | |
| 3-5 | Highways & Streets | \$ - | \$ - | Employee Benefits | \$ - | \$ - | |
| 3-6 | Solid Waste | \$ - | \$ - | Insurance | \$ - | \$ - | |
| 3-7 | Contributions to Fire & Police Pension Assoc. | \$ - | \$ - | Accounting and Legal Fees | \$ - | \$ - | |
| 3-8 | Health | \$ - | \$ - | Repair and Maintenance | \$ - | \$ - | |
| 3-9 | Culture and Recreation | \$ - | \$ - | Supplies | \$ - | \$ - | |
| 3-10 | Transfers to other districts | \$ - | \$ - | Utilities | \$ - | \$ - | |
| 3-11 | Other [specify...]: | \$ - | \$ - | Contributions to Fire & Police Pension Assoc. | \$ - | \$ - | |
| 3-12 | County Treasurer's Fee | \$ - | \$ 6,403 | Other [specify...] | \$ - | \$ - | |
| 3-13 | | \$ - | \$ - | | \$ - | \$ - | |
| 3-14 | Capital Outlay | \$ - | \$ - | Capital Outlay | \$ - | \$ - | |
| | Debt Service | | | Debt Service | | | |
| 3-15 | Principal (should match amount in 4-4) | \$ - | \$ - | Principal (should match amount in 4-4) | \$ - | \$ - | |
| 3-16 | Interest | \$ - | \$ - | Interest | \$ - | \$ - | |
| 3-17 | Bond Issuance Costs | \$ - | \$ - | Bond Issuance Costs | \$ - | \$ - | |
| 3-18 | Developer Principal Repayments | \$ - | \$ - | Developer Principal Repayments | \$ - | \$ - | |
| 3-19 | Developer Interest Repayments | \$ - | \$ - | Developer Interest Repayments | \$ - | \$ - | |
| 3-20 | All Other [specify...]: | \$ - | \$ - | All Other [specify...]: | \$ - | \$ - | |
| 3-21 | Transfer to The Brands Metro District No. 4 | \$ - | \$ 334,941 | | \$ - | \$ - | |
| 3-22 | Add lines 3-1 through 3-21 | \$ - | \$ 341,354 | Add lines 3-1 through 3-21 | \$ - | \$ - | GRAND TOTAL |
| | TOTAL EXPENDITURES | \$ - | \$ 341,354 | TOTAL EXPENSES | \$ - | \$ - | \$ 341,354 |
| 3-23 | Interfund Transfers (In) | \$ - | \$ - | Net Interfund Transfers (In) Out | \$ - | \$ - | |
| 3-24 | Interfund Transfers Out | \$ - | \$ - | Other [specify...][enter negative for expense] | \$ - | \$ - | |
| 3-25 | Other Expenditures (Revenues): | \$ - | \$ - | Depreciation/Amortization | \$ - | \$ - | |
| 3-26 | | \$ - | \$ - | Other Financing Sources (Uses) (from line 2-28) | \$ - | \$ - | |
| 3-27 | | \$ - | \$ - | Capital Outlay (from line 3-14) | \$ - | \$ - | |
| 3-28 | | \$ - | \$ - | Debt Principal (from line 3-15, 3-18) | \$ - | \$ - | |
| 3-29 | (Add lines 3-23 through 3-28) | \$ - | \$ - | (Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS | \$ - | \$ - | |
| 3-30 | Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29 | \$ - | \$ 1,648 | Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23 | \$ - | \$ - | |
| 3-31 | Fund Balance, January 1 from December 31 prior year report | \$ 50 | \$ - | Net Position, January 1 from December 31 prior year report | \$ - | \$ - | |
| 3-32 | Prior Period Adjustment (MUST explain) | \$ - | \$ - | Prior Period Adjustment (MUST explain) | \$ - | \$ - | |
| 3-33 | Fund Balance, December 31 | \$ - | \$ - | Net Position, December 31 | \$ - | \$ - | |
| | Sum of Lines 3-30, 3-31, and 3-32 | \$ 50 | \$ 1,648 | Sum of Lines 3-30, 3-31, and 3-32 | \$ - | \$ - | |
| | This total should be the same as line 1-37. | \$ 50 | \$ 1,648 | This total should be the same as line 1-37. | \$ - | \$ - | |

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES NO

Please use this space to provide any explanations or comments:

4-1 Does the entity have outstanding debt? YES NO

4-2 Is the debt repayment schedule attached? If no, MUST explain:
 YES NO

4-3 Is the entity current in its debt service payments? If no, MUST explain:
 YES NO

4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)

| | Outstanding at beginning of year* | Issued during year | Retired during year | Outstanding at year-end |
|--------------------------|-----------------------------------|--------------------|---------------------|-------------------------|
| General obligation bonds | \$ - | \$ - | \$ - | \$ - |
| Revenue bonds | \$ - | \$ - | \$ - | \$ - |
| Notes/Loans | \$ - | \$ - | \$ - | \$ - |
| Lease Liabilities | \$ - | \$ - | \$ - | \$ - |
| Developer Advances | \$ 50 | \$ - | \$ - | \$ 50 |
| Other (specify): | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 50 | \$ - | \$ - | \$ 50 |

*must agree to prior year ending balance

4-2: N/A. The District's outstanding debt is a \$50 liability to the Developer. Repayment is subject to annual appropriation.
 4-3: N/A. See comments above.

Please answer the following questions by marking the appropriate boxes.

YES NO

4-5 Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]?
 How much? YES NO
 Date the debt was authorized:

4-6 Does the entity intend to issue debt within the next calendar year?
 How much? YES NO

4-7 Does the entity have debt that has been refinanced that it is still responsible for?
 What is the amount outstanding? YES NO

4-8 Does the entity have any lease agreements?
 What is being leased? YES NO
 What is the original date of the lease?
 Number of years of lease?
 Is the lease subject to annual appropriation? YES NO
 What are the annual lease payments?

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

AMOUNT TOTAL

Please use this space to provide any explanations or comments:

| | | | | |
|---|---|-----------|------------------|--|
| 5-1 | YEAR-END Total of ALL Checking and Savings accounts | \$ 31,181 | | |
| 5-2 | Certificates of deposit | \$ - | | |
| TOTAL CASH DEPOSITS | | | \$ 31,181 | |
| Investments (if investment is a mutual fund, please list underlying investments): | | | | |
| 5-3 | | \$ - | | |
| | | \$ - | | |
| | | \$ - | | |
| | | \$ - | | |
| TOTAL INVESTMENTS | | | \$ - | |
| TOTAL CASH AND INVESTMENTS | | | \$ 31,181 | |

Please answer the following question by marking in the appropriate box

YES NO N/A

5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.? YES NO N/A

5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain: YES NO N/A

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following question by marking in the appropriate box YES NO Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets? YES NO
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain: YES NO

N/A. The District does not have capital assets.

6-3 Complete the following Capital & Right-To-Use Assets table for GOVERNMENTAL FUNDS:

| | Balance - beginning of the year ¹ | Additions ² | Deletions | Year-End Balance |
|--|--|------------------------|-------------|------------------|
| Land | \$ - | \$ - | \$ - | \$ - |
| Buildings | \$ - | \$ - | \$ - | \$ - |
| Machinery and equipment | \$ - | \$ - | \$ - | \$ - |
| Furniture and fixtures | \$ - | \$ - | \$ - | \$ - |
| Infrastructure | \$ - | \$ - | \$ - | \$ - |
| Construction In Progress (CIP) | \$ - | \$ - | \$ - | \$ - |
| Leased Right-to-Use Assets | \$ - | \$ - | \$ - | \$ - |
| Intangible Assets | \$ - | \$ - | \$ - | \$ - |
| Other (explain): | \$ - | \$ - | \$ - | \$ - |
| Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - |
| Accumulated Depreciation (Enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ - | \$ - | \$ - | \$ - |

6-4 Complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS:

| | Balance - beginning of the year* | Additions | Deletions | Year-End Balance |
|--|----------------------------------|-------------|-------------|------------------|
| Land | \$ - | \$ - | \$ - | \$ - |
| Buildings | \$ - | \$ - | \$ - | \$ - |
| Machinery and equipment | \$ - | \$ - | \$ - | \$ - |
| Furniture and fixtures | \$ - | \$ - | \$ - | \$ - |
| Infrastructure | \$ - | \$ - | \$ - | \$ - |
| Construction In Progress (CIP) | \$ - | \$ - | \$ - | \$ - |
| Leased Right-to-Use Assets | \$ - | \$ - | \$ - | \$ - |
| Intangible Assets | \$ - | \$ - | \$ - | \$ - |
| Other (explain): | \$ - | \$ - | \$ - | \$ - |
| Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - |
| Accumulated Depreciation (Enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ - | \$ - | \$ - | \$ - |

* Must agree to prior year-end balance
 - Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

PART 7 - PENSION INFORMATION

* YES NO Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan? YES NO
- 7-2 Does the entity have a volunteer firefighters' pension plan? YES NO
- If yes: Who administers the plan? YES NO

Indicate the contributions from:

| | |
|---|-------------|
| Tax (property, SO, sales, etc.): | \$ - |
| State contribution amount: | \$ - |
| Other (gifts, donations, etc.): | \$ - |
| TOTAL | \$ - |
| What is the monthly benefit paid for 20 years of service per retiree as of Jan 1? | \$ - |

PART 8 - BUDGET INFORMATION

| Please answer the following question by marking in the appropriate box | | YES | NO | N/A | Please use this space to provide any explanations or comments: | | | | | | | | | | |
|--|--|---|--------------------------|--------------------------|--|------------------------------------|------------------------------|--------------|------|-------------------|------------|--|------|--|------|
| 8-1 | Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | |
| 8-2 | Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | |
| If yes: Please indicate the amount appropriated for each fund separately for the year reported | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Governmental/Proprietary Fund Name</th> <th>Total Appropriations By Fund</th> </tr> </thead> <tbody> <tr> <td>General Fund</td> <td>\$ -</td> </tr> <tr> <td>Debt Service Fund</td> <td>\$ 342,142</td> </tr> <tr> <td></td> <td>\$ -</td> </tr> <tr> <td></td> <td>\$ -</td> </tr> </tbody> </table> | | | | Governmental/Proprietary Fund Name | Total Appropriations By Fund | General Fund | \$ - | Debt Service Fund | \$ 342,142 | | \$ - | | \$ - |
| Governmental/Proprietary Fund Name | Total Appropriations By Fund | | | | | | | | | | | | | | |
| General Fund | \$ - | | | | | | | | | | | | | | |
| Debt Service Fund | \$ 342,142 | | | | | | | | | | | | | | |
| | \$ - | | | | | | | | | | | | | | |
| | \$ - | | | | | | | | | | | | | | |

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

| Please answer the following question by marking in the appropriate box | | YES | NO | Please use this space to provide any explanations or comments: |
|--|--|-------------------------------------|--------------------------|--|
| 9-1 | Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| <small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small> | | | | |

PART 10 - GENERAL INFORMATION

| Please answer the following question by marking in the appropriate box | | YES | NO | Please use this space to provide any explanations or comments: | | | | | | |
|--|--|---|-------------------------------------|--|---|-------|---------------------|--------|--------------------|---------------|
| 10-1 | Is this application for a newly formed governmental entity? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | 10-4: Financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of public improvements within the District, including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, television relay and translation, and security. | | | | | |
| If yes: Date of formation: <input type="text"/> | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | | |
| 10-2 | Has the entity changed its name in the past or current year? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | | |
| If Yes: NEW name <input type="text"/> | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | | |
| PRIOR name <input type="text"/> | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | |
| 10-3 | Is the entity a metropolitan district? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | |
| 10-4 | Please indicate what services the entity provides: | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | | |
| <input type="text" value="See explanation box."/> | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | | |
| 10-5 | Does the entity have an agreement with another government to provide services? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | | |
| If yes: List the name of the other governmental entity and the services provided: <input type="text"/> | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | |
| 10-6 | Does the entity have a certified mill levy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | |
| If yes: Please provide the number of mills levied for the year reported (do not enter \$ amounts): | | <table border="1"> <tbody> <tr> <td>Bond Redemption mills</td> <td>0.000</td> </tr> <tr> <td>General/Other mills</td> <td>43.171</td> </tr> <tr> <td>Total mills</td> <td>43.171</td> </tr> </tbody> </table> | | | Bond Redemption mills | 0.000 | General/Other mills | 43.171 | Total mills | 43.171 |
| Bond Redemption mills | 0.000 | | | | | | | | | |
| General/Other mills | 43.171 | | | | | | | | | |
| Total mills | 43.171 | | | | | | | | | |

Please use this space to provide any additional explanations or comments not previously included:

OSA USE ONLY

| Entity Wide: | | General Fund | | Governmental Funds | | Notes |
|---------------------------------|----|--------------|-------------------------|--------------------|--------------------------------|----------------|
| Unrestricted Cash & Investments | \$ | 31,181 | Unrestricted Fund Balan | \$ | 50 Total Tax Revenue | \$ 342,634 |
| Current Liabilities | \$ | - | Total Fund Balance | \$ | 50 Revenue Paying Debt Service | - |
| Deferred Inflow | \$ | 414,496 | PY Fund Balance | \$ | 50 Total Revenue | \$ 343,002 |
| | | | Total Revenue | \$ | - Total Debt Service Principal | - |
| | | | Total Expenditures | \$ | - Total Debt Service Interest | - |
| | | | Interfund In | \$ | | |
| | | | Interfund Out | \$ | | |
| Governmental | | | - Proprietary | | - Enterprise Funds | |
| Total Cash & Investments | \$ | 31,181 | - Current Assets | \$ | Net Position | - |
| Transfers In | \$ | | Deferred Outflow | \$ | - PY Net Position | - |
| Transfers Out | \$ | | - Current Liabilities | \$ | - Government-Wide | |
| Property Tax | \$ | 319,759 | Deferred Inflow | \$ | - Total Outstanding Debt | \$ 50 |
| Debt Service Principal | \$ | | - Cash & Investments | \$ | - Authorized but Unissued | \$ 225,000,000 |
| Total Expenditures | \$ | 341,354 | - Principal Expense | \$ | - Year Authorized | 11/4/2014 |
| Total Developer Advances | \$ | | | | | |
| Total Developer Repayments | \$ | | | | | |

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of ALL members of the governing body below.

A MAJORITY of the members of the governing body must complete and sign in the column below.

| | Full Name | DocuSigned by: I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____ |
|---|-----------------|--|
| 1 | Martin Lind | I, Martin Lind, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Martin Lind</u> Date: <u>March 30, 2023 8:06 AM PDT</u> My term Expires: <u>May 2025</u> |
| 2 | Justin Donahoo | I, Justin Donahoo, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Justin Donahoo</u> Date: <u>March 30, 2023 8:08 AM PDT</u> My term Expires: <u>May 2025</u> |
| 3 | Austin Lind | I, Austin Lind, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Austin Lind</u> Date: <u>March 30, 2023 9:38 AM MDT</u> My term Expires: <u>May 2025</u> |
| 4 | Marissa Donahoo | I, Marissa Donahoo, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Marissa Donahoo</u> Date: <u>March 30, 2023 9:09 AM MDT</u> My term Expires: <u>May 2025</u> |
| 5 | Garrett Scallon | I, Garrett Scallon, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Garrett Scallon</u> Date: <u>March 30, 2023 9:47 AM MDT</u> My term Expires: <u>May 2025</u> |
| 6 | | I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____ |
| 7 | | I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____ |



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Accountant's Compilation Report

Board of Directors
The Brands East Metropolitan District No. 3
Larimer County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Brands East Metropolitan District No. 3 as of and for the year ended December 31, 2022, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to The Brands East Metropolitan District No. 3.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 13, 2023

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
Larimer County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**


YEAR ENDED DECEMBER 31, 2022

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
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YEAR ENDED DECEMBER 31, 2022**


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Independent Auditor's Report

To the Board of Directors
The Brands East Metropolitan District No. 4

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of The Brands East Metropolitan District No. 4 (the District), as of and for the year ended December 31, 2022 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 financial position of the governmental activities and the major funds of The Brands East Metropolitan District No. 4, as of December 31, 2022, 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 Opinions

We conducted our audits 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 Brands East Metropolitan District No. 4 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Brands East Metropolitan District No. 4'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, including omissions, 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 Brands East Metropolitan District No. 4'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 Brands East Metropolitan District No. 4'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.

Other Matters

Required Supplementary Information

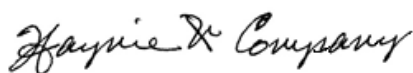
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Brands East Metropolitan District No. 4's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as 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. Such 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Littleton, Colorado

July 26, 2023

BASIC FINANCIAL STATEMENTS

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
STATEMENT OF NET POSITION
DECEMBER 31, 2022

| | Governmental Activities |
|--------------------------------------|----------------------------|
| ASSETS | |
| Cash and Investments | \$ 60 |
| Cash and Investments - Restricted | 682,815 |
| Due from District No. 1 | 617,972 |
| Due from District No. 2 | 1,339 |
| Due from District No. 3 | 31,580 |
| Receivable - County Treasurer | 1,113 |
| Property Taxes Receivable | 140,931 |
| Total Assets | 1,475,810 |
| LIABILITIES | |
| Due to District No. 1 | 10 |
| Accrued Interest Payable | 17,151 |
| Noncurrent Liabilities: | |
| Due Within One Year | 7,656,115 |
| Total Liabilities | 7,673,276 |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Tax Revenues | 140,931 |
| Total Deferred Inflows of Resources | 140,931 |
| NET POSITION | |
| Restricted for: | |
| Debt Service | 983,510 |
| Unrestricted | (7,321,907) |
| Total Net Position | \$ (6,338,397) |

See accompanying Notes to Basic Financial Statements.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

| FUNCTIONS/PROGRAMS | Program Revenues | | | Net Revenues (Expenses) and Change in Net Position |
|---|----------------------------|--|--|---|
| Primary Government: Governmental Activities: | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| General Government Interest and Related Costs on Long-Term Debt | Expenses | | | |
| | \$ 10 | \$ - | \$ - | \$ (10) |
| | <u>233,710</u> | <u>-</u> | <u>782,931</u> | <u>549,221</u> |
| Total Governmental Activities | <u>\$ 233,720</u> | <u>\$ -</u> | <u>\$ 782,931</u> | <u>549,211</u> |
| GENERAL REVENUES | | | | |
| Property Taxes | | | | 128,782 |
| Specific Ownership Taxes | | | | 9,213 |
| Interest Income | | | | 8,928 |
| Total General Revenues | | | | <u>146,923</u> |
| CHANGE IN NET POSITION | | | | |
| Net Position - Beginning of Year | | | | <u>(7,034,531)</u> |
| NET POSITION - END OF YEAR | | | | <u>\$ (6,338,397)</u> |

See accompanying Notes to Basic Financial Statements.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

| ASSETS | General | Debt Service | Capital Projects | Total Governmental Fund |
|--|--------------|---------------------|---------------------|-------------------------------|
| Cash and Investments | \$ 60 | \$ - | \$ - | \$ 60 |
| Cash and Investments - Restricted | - | 679,646 | 3,169 | 682,815 |
| Due from District No. 1 | - | 617,972 | - | 617,972 |
| Due from District No. 2 | - | 1,339 | - | 1,339 |
| Due from District No. 3 | - | 31,580 | - | 31,580 |
| Receivable - County Treasurer | - | 1,113 | - | 1,113 |
| Property Taxes Receivable | - | 140,931 | - | 140,931 |
| | <u>\$ 60</u> | <u>\$ 1,472,581</u> | <u>\$ 3,169</u> | <u>\$ 1,475,810</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Due to District No. 1 | \$ 10 | \$ - | \$ - | \$ 10 |
| Total Liabilities | <u>10</u> | <u>-</u> | <u>-</u> | <u>10</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property Tax Revenues | - | 140,931 | - | 140,931 |
| Total Deferred Inflows of Resources | <u>-</u> | <u>140,931</u> | <u>-</u> | <u>140,931</u> |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Debt Service | - | 1,331,650 | - | 1,331,650 |
| Unassigned | 50 | - | 3,169 | 3,219 |
| Total Fund Balances | <u>50</u> | <u>1,331,650</u> | <u>3,169</u> | <u>1,334,869</u> |
| | <u>\$ 60</u> | <u>\$ 1,472,581</u> | <u>\$ 3,169</u> | |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | |
| | <u>\$ 60</u> | <u>\$ 1,472,581</u> | <u>\$ 3,169</u> | |
| Amounts reported for governmental activities in the statement of net position are different because: | | | | |
| Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported in the funds. | | | | |
| Loans Payable | | | | (7,656,115) |
| Accrued Loan Interest | | | | (17,151) |
| | | | | <u>(7,673,266)</u> |
| Net Position of Governmental Activities | | | | <u>\$ (6,338,397)</u> |

See accompanying Notes to Basic Financial Statements.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

| | General | Debt Service | Capital Projects | Total Governmental Fund |
|---|--------------|---------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Property Taxes | \$ - | \$ 128,782 | \$ - | \$ 128,782 |
| Specific Ownership Taxes | - | 9,213 | - | 9,213 |
| Interest Income | - | 8,927 | 1 | 8,928 |
| Transfers from District No. 1 | - | 415,935 | - | 415,935 |
| Transfers from District No. 2 | - | 32,055 | - | 32,055 |
| Transfers from District No. 3 | - | 334,941 | - | 334,941 |
| Total Revenues | <u>-</u> | <u>929,853</u> | <u>1</u> | <u>929,854</u> |
| EXPENDITURES | | | | |
| General: | | | | |
| County Treasurer's Fees | - | 2,596 | - | 2,596 |
| Miscellaneous | - | 10 | - | 10 |
| Debt Service: | | | | |
| Non-Use Fee | - | 17,378 | - | 17,378 |
| Paying Agent Fees | - | 4,200 | - | 4,200 |
| Loan Interest - Series 2018A | - | 102,732 | - | 102,732 |
| Loan Interest - Series 2019A | - | 44,348 | - | 44,348 |
| Loan Interest - Series 2019B | - | 34,606 | - | 34,606 |
| Loan Interest - Series 2020A | - | 28,211 | - | 28,211 |
| Loan Principal - Series 2018A | - | 40,000 | - | 40,000 |
| Loan Principal - Series 2019A | - | 30,746 | - | 30,746 |
| Loan Principal - Series 2019B | - | 42,887 | - | 42,887 |
| Loan Principal - Series 2020A | - | 65,691 | - | 65,691 |
| Total Expenditures | <u>-</u> | <u>413,405</u> | <u>-</u> | <u>413,405</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | 516,448 | 1 | 516,449 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers to (from) Other Funds | - | (19,304) | 19,304 | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(19,304)</u> | <u>19,304</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | - | 497,144 | 19,305 | 516,449 |
| Fund Balances - Beginning of Year | <u>50</u> | <u>834,506</u> | <u>(16,136)</u> | <u>818,420</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 50</u> | <u>\$ 1,331,650</u> | <u>\$ 3,169</u> | <u>\$ 1,334,869</u> |

See accompanying Notes to Basic Financial Statements.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

| | | |
|--|----|---------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 516,449 |
|--|----|---------|

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, loans, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

| | | |
|--------------------------|--|---------|
| Loans Principal Payments | | 179,324 |
|--------------------------|--|---------|

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.

| | | |
|---|--|-----|
| Accrued Interest on Loans - Change in Liability | | 361 |
|---|--|-----|

| | | |
|---|----|----------------|
| Change in Net Position of Governmental Activities | \$ | <u>696,134</u> |
|---|----|----------------|

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|---------------------------------|-------------------|---|
| REVENUES | | | |
| Total Revenues | \$ - | \$ - | \$ - |
| EXPENDITURES | | | |
| Total Expenditures | - | - | - |
| NET CHANGE IN FUND BALANCE | - | - | - |
| Fund Balance - Beginning of Year | 50 | 50 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 50</u> | <u>\$ 50</u> | <u>\$ -</u> |

See accompanying Notes to Basic Financial Statements.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

The Brands East Metropolitan District No. 4 (the District), (formerly known as Eagle Crossing Windsor Metropolitan District No. 4), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court in and for Larimer County, Colorado, on January 20, 2015, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide 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 was organized in conjunction with three other related Districts, The Brands East Metropolitan District No.1, No. 2, and No. 3 (formerly known as Eagle Crossing Windsor Metropolitan District No. 1, No. 2, and No. 3). The District, along with The Brands East Metropolitan District Nos. 2-3, serve as the Financing Districts, which are responsible for providing the tax base needed to support financing of capital improvements. The Brands East Metropolitan District No. 1 serves as the Operating District which is responsible for coordinating the financing, construction, and maintenance of all public improvements and other services for the Financing Districts.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set 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 District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

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 as general revenues.

Separate financial statements are provided for the governmental funds. 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 related cash flows.

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 major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. 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.

Pooled Cash and Investments

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 single bank account. 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.

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 always 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period 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. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by 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 – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

| | |
|-----------------------------------|------------|
| Cash and Investments | \$ 60 |
| Cash and Investments - Restricted | 682,815 |
| Total Cash and Investments | \$ 682,875 |

Cash and investments as of December 31, 2022, consist of the following:

| | |
|--------------------------------------|------------|
| Deposits with Financial Institutions | \$ 61,551 |
| Investments | 621,324 |
| Total Cash and Investments | \$ 682,875 |

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. 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 for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 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.

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$61,551.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- * Obligations of the United States, certain U.S. government agency securities of the World Bank
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Fair Value Measurement and Application

The District categorizes its fair value measurements 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, and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE (which are recorded at amortized cost), and COLOTRUST (which are recorded at net asset value).

As of December 31, 2022, the District had the following investments:

| <u>Investment</u> | <u>Maturity</u> | <u>Amount</u> |
|---|-----------------------------------|-------------------|
| First American Government Obligation Fund | Weighted-Average Under 60 Days | <u>\$ 621,324</u> |

First American Government Obligation Fund

All debt service monies that are included in the trust accounts at US Bank are invested in the First American Government Obligation Fund. This portfolio is a money market mutual fund which invests in the U.S. Government Securities, which are fully guaranteed as to principal and interest by the United States, with maturities of 43 days or less and repurchase agreements collateralized by U.S. Government Securities. The Fund is rated AAAM by Standard & Poor's.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

| | Balance - December 31, 2021 | Additions | Retirements | Balance - December 31, 2022 | Due Within One Year |
|--------------------------|-----------------------------------|-------------|-------------------|-----------------------------------|---------------------------|
| Governmental Activities: | | | | | |
| US Bank Tax-Exempt Loans | | | | | |
| Series 2018A Note | \$ 2,625,000 | \$ - | \$ 40,000 | \$ 2,585,000 | \$ 2,585,000 |
| Series 2019A Note | 1,742,633 | - | 30,746 | 1,711,887 | 1,711,887 |
| Series 2019B Note | 1,343,781 | - | 42,887 | 1,300,894 | 1,300,895 |
| Series 2020A Note | 2,124,025 | - | 65,691 | 2,058,334 | 2,058,333 |
| Total | <u>\$ 7,835,439</u> | <u>\$ -</u> | <u>\$ 179,324</u> | <u>\$ 7,656,115</u> | <u>\$ 7,656,115</u> |

US Bank Tax-Exempt Loans: On November 8, 2018, the District entered into a loan agreement with US Bank to obtain a tax-exempt, nonbank qualified, draw down term loan up to \$15,000,000 (Loan). The Loan is due on December 1, 2023, with interest paid semiannually on June 1 and December 1 and principal due on December 1. Proceeds from this Loan were used to repay Developer-paid costs of public improvements, funding the Debt Service Reserve Fund and Capitalized Interest Fund, and cover issue costs. \$2,700,000 was drawn upon closing (Series 2018A Note) bearing a 3.86% interest rate. Series 2019A Note in the amount of \$1,824,871 was drawn on August 16, 2019 bearing a 2.51% interest rate, Series 2019B Note in the amount of \$1,429,555 was drawn on December 13, 2019 bearing a 2.54% interest rate, and Series 2020A Note in the amount of \$2,189,716 was drawn on November 30, 2020 bearing a 1.34% interest rate. 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 Loan is secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, (3) pledged net PIF revenues, (4) pledged net sales tax revenues, (5) pledged PILOT revenues, and (6) any other legally available monies which the District determines to be treated as Pledged Revenue. The Loan is also secured by amounts held by the Trustee in the Reserve Fund. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal and any interest on the Loan as they become due and payable and to make up any deficiencies in the Reserve Fund. The maximum Required Mill Levy is 39.000 mills, adjusted for change in the ratio of actual value to assessed value of property within the District.

The District's long-term obligations relating to the Loan will mature as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|-------------------|---------------------|
| 2023 | \$ 7,656,115 | \$ 205,816 | \$ 7,861,931 |
| Total | <u>\$ 7,656,115</u> | <u>\$ 205,816</u> | <u>\$ 7,861,931</u> |

The District anticipates refinancing the Loan in 2023.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

| | Authorized November 4, 2014 Election | Authorization Used 2018 | Authorization Used 2019 | Authorization Used 2020 | Authorized But Unissued |
|----------------------------------|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Streets | \$ 15,000,000 | \$ (1,897,548) | \$ (2,770,011) | \$ (2,115,956) | \$ 8,216,485 |
| Safety Protection | 15,000,000 | (10,657) | - | - | 14,989,343 |
| Water | 15,000,000 | (271,280) | (275,224) | - | 14,453,496 |
| Sanitary and Storm Sewer | 15,000,000 | (446,069) | - | (73,760) | 14,480,171 |
| Public Transportation | 15,000,000 | (74,446) | (209,192) | - | 14,716,362 |
| Mosquito Control | 15,000,000 | - | - | - | 15,000,000 |
| Safety Protection | 15,000,000 | - | - | - | 15,000,000 |
| Fire Protection | 15,000,000 | - | - | - | 15,000,000 |
| Television Relay and Translation | 15,000,000 | - | - | - | 15,000,000 |
| Security | 15,000,000 | - | - | - | 15,000,000 |
| Operations and Maintenance | 15,000,000 | - | - | - | 15,000,000 |
| Debt Refunding | 15,000,000 | - | - | - | 15,000,000 |
| IGA for Public Improvements | 15,000,000 | - | - | - | 15,000,000 |
| Private Agreements as Debt | 15,000,000 | - | - | - | 15,000,000 |
| Special Assessment | 15,000,000 | - | - | - | 15,000,000 |
| Total | <u>\$ 225,000,000</u> | <u>\$ (2,700,000)</u> | <u>\$ (3,254,426)</u> | <u>\$ (2,189,716)</u> | <u>\$ 216,855,858</u> |

Pursuant to the Service Plan, the maximum general obligation indebtedness for all of Financing Districts (as defined below) combined is to not exceed \$15,000,000.

NOTE 5 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

The restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2022, as follows:

| | |
|-------------------------------|------------------------------------|
| Restricted Net Position: | <u>Governmental Activities</u> |
| Debt Service | \$ 983,510 |
| Total Restricted Net Position | <u>\$ 983,510</u> |

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of long-term debt and accrued interest issued for public improvements constructed or acquired by District No. 1 (Operating District), for the benefit of the Districts, which public improvements are either owned or maintained by District No. 1 or will be conveyed to other governmental entities.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 AGREEMENTS

District Coordinating Services Agreement (District Nos. 1-4)

On March 27, 2018 (effective January 1, 2018), the District and District Nos. 1-3 entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts (Administrative Services) and costs related to the continued operation and maintenance (O&M Services) of certain public improvements benefitting the Districts, and their residents and taxpayers.

Pursuant to the Coordinating Services Agreement, District No. 1 was designated as the “coordinating district” (the Coordinating District) and the District along with District Nos. 2 and 3 were each designated as “financing districts” (the Financing Districts). The Coordinating District agrees to perform the Administrative Services for the Financing Districts, which include but is not limited to serving as the “official custodian” and repository for the Financing Districts’ records, coordination of all Board meetings, review and preparation of financial reports, analysis of financial conditions, insurance and election administration, budget preparation, and construction administration and supervision, etc. In addition, the Coordinating District will also own, operate and maintain any public improvements not dedicated to other governmental entities including common areas, parks, entry monuments, landscaping, open space tracts, recreational facilities and other community amenities. The Financing Districts shall be responsible for any and all costs, fees, charges and expenses incurred by the Coordinating District in providing the Administrative and O&M Services through the imposition of ad valorem mill levy against the taxable property lying within their respective boundaries.

Common Finance Plan Resolution

On November 6, 2018, District Nos. 1-3 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the Common Finance Plan Resolution) for the benefit of all Districts. The financial plan of the Districts is to: (i) issue no more debt than the Districts can reasonably pay within thirty years of each series of debt from revenues derived from the maximum Debt Mill Levy and other legally available revenues, and (ii) satisfy all other financial obligations arising out of the Districts’ administrative and operations and maintenance activities.

District No. 1 has entered into several Infrastructure Acquisition and Reimbursement Agreements (the IARA’s) with developers and builders within the Project Area to reimburse the Developers for certified District eligible costs and acquire any public improvements that is to be owned by District No. 1. Pursuant to the Common Finance Plan Resolution, the District declared its intent, upon issuance of the Loan, to transfer all available revenues to District No. 1 for the payment of such capital costs, including amounts owed by District No. 1 pursuant to the IARA’s. District Nos. 2 and 3 also entered into Capital Pledge Agreements with the District to support the payment of debt service on the Loan.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 AGREEMENTS (CONTINUED)

Capital Pledge Agreements

On November 8, 2018, the Financing Districts entered into an agreement with US Bank pursuant to which they will impose the required mill levy each year to generate the property tax revenues to be pledged towards the repayment of the US Bank Tax-Exempt Loans (discussed in Note 4 above). District Nos. 2 and 3 will remit their net tax revenues to the District.

BAA and PIF Revenues Assignment Agreement

On November 8, 2018, the District and District No. 1 have entered into a BAA and PIF Revenues Assignment Agreement whereas in exchange for the District incurring indebtedness in the form of Loans, District No. 1 has agreed to remit all Assigned Revenues (as defined below), net of the annual operation amount, to the District for the benefit of repaying the Series 2018A Note and any additional Loans with US Bank.

District No. 1's Assigned Revenues include the pledged net sales tax revenues and pledged net PIF revenues. For the purpose of providing for costs of the public improvements within the Districts, Eagle Crossing Development Inc. and Eagle Crossing Windsor, LLC (collectively, the "Developers") and the Town of Windsor has entered into a Business Assistance Agreement Regarding The Brands East dated March 27, 2017 (the "Business Assistance Agreement," or "BAA"), pursuant to which the Town is required to rebate to the Developers certain Town Sales Tax generated within the Brands East Project, including but not limited to, the property located within the boundaries of the Districts. Furthermore, pursuant to an Agreement Regarding Remittance of Business Assistance Agreement Revenues dated November 8, 2018, the Developers have agreed to pay District No. 1 all Town Sales Tax payable to the Developers in accordance with the BAA.

Additionally, the Developers have designated District No. 1 as the primary Public Improvement Fees (PIF) recipient in various Assignment and Designation of Primary PIF Recipient agreements, and have assigned all gross PIF Revenues to District No. 1. Gross PIR Revenues mean the revenues derived from the imposition of the PIF on PIF sales initiated, consummated, conducted, transacted, or otherwise occurring within the boundaries of the Financing Districts, payable to District No. 1 in accordance with the provisions of the applicable PIF Covenant and the PIF Assignments, which include (i) the Assignment and Designation of Primary PIF Recipient The Brands East – Windsor (Fossil Ridge) dated November 6, 2018, between Eagle Crossing Windsor, LLC and the District No. 1, (ii) the Assignment and Designation of Primary PIF Recipient The Brands East – Windsor dated November 6, 2018 between Eagle Crossing Windsor, LLC and District No. 1, and (iii) the Assignment and Designation of Primary PIF Recipient Eagle Crossing – Windsor dated November 6, 2018, between Eagle Crossing Windsor, LLC and District No. 1.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 RELATED PARTIES

The Developers of the property which constitutes the District are Eagle Crossing Development, Inc., Eagle Crossing Windsor, LLC, and Trollco Inc. Certain members of the Board of Directors of the Districts are officers or employees of or related to the Developers or an entity affiliated with the Developers or the majority owner of the Developers, and may have conflicts of interest in dealing with the District.

NOTE 8 INTERFUND AND OPERATING TRANSFERS

The District transferred \$19,304 from the Debt Service Fund to the Capital Projects Fund to eliminate the latter's fund deficit related to 2020 loan issuance.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool 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 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's 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. On November 4, 2014, 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 TABOR.

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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. Since the District's net revenue is pledged for debt service, an emergency reserve has not been provided. An emergency reserve has been established in District No. 1's General Fund as of December 31, 2022.

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.

SUPPLEMENTARY INFORMATION

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|---------------------------------|---------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 128,782 | \$ 128,782 | \$ - |
| Specific Ownership Taxes | 9,015 | 9,213 | 198 |
| Interest Income | 1,000 | 8,927 | 7,927 |
| Transfers from District No. 1 | 303,930 | 415,935 | 112,005 |
| Transfers from District No. 2 | 32,206 | 32,055 | (151) |
| Transfers from District No. 3 | 335,747 | 334,941 | (806) |
| Total Revenues | <u>810,680</u> | <u>929,853</u> | <u>119,173</u> |
| EXPENDITURES | | | |
| General and Administrative: | | | |
| County Treasurers Fee | 2,576 | 2,596 | (20) |
| Contingency | 41,860 | - | 41,860 |
| Miscellaneous | - | 10 | (10) |
| Debt Service: | | | |
| Non-Use Fees | 14,700 | 17,378 | (2,678) |
| Paying Agent Fees | 2,000 | 4,200 | (2,200) |
| Loan Interest - Series 2018A | 102,732 | 102,732 | - |
| Loan Interest - Series 2019A | 43,740 | 44,348 | (608) |
| Loan Interest - Series 2019B | 34,606 | 34,606 | - |
| Loan Interest - Series 2020A | 28,462 | 28,211 | 251 |
| Loan Principal - Series 2018A | 40,000 | 40,000 | - |
| Loan Principal - Series 2019A | 30,746 | 30,746 | - |
| Loan Principal - Series 2019B | 42,886 | 42,887 | (1) |
| Loan Principal - Series 2020A | 65,692 | 65,691 | 1 |
| Total Expenditures | <u>450,000</u> | <u>413,405</u> | <u>36,595</u> |
| NET CHANGE IN FUND BALANCES | 360,680 | 516,448 | 155,768 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer (to) from Other Funds | - | (19,304) | (19,304) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(19,304)</u> | <u>(19,304)</u> |
| NET CHANGE IN FUND BALANCE | 360,680 | 497,144 | 136,464 |
| Fund Balance - Beginning of Year | <u>770,354</u> | <u>834,506</u> | <u>64,152</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 1,131,034</u> | <u>\$ 1,331,650</u> | <u>\$ 200,616</u> |

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2022**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|-------------------|---|
| REVENUES | | | |
| Interest Income | \$ - | \$ 1 | \$ 1 |
| Total Revenues | <u>-</u> | <u>1</u> | <u>1</u> |
| EXPENDITURES | | | |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | 1 | 1 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer (to) from Other Funds | - | 19,304 | 19,304 |
| Total Other Financing Source (Uses) | <u>-</u> | <u>19,304</u> | <u>19,304</u> |
| NET CHANGE IN FUND BALANCE | - | 19,305 | 19,305 |
| Fund Balance - Beginning of Year | <u>-</u> | <u>(16,136)</u> | <u>(16,136)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ -</u> | <u>\$ 3,169</u> | <u>\$ 3,169</u> |

OTHER INFORMATION

**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 | | | | | | | | | | | | | | | | | | |
| Year Ended <u>December 31,</u> 2023 | <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Principal</td> <td style="width: 33%; text-align: center;">Interest</td> <td style="width: 33%; text-align: center;">Total</td> </tr> <tr> <td style="text-align: center;">\$ 2,585,000</td> <td style="text-align: center;">\$ 101,167</td> <td style="text-align: center;">\$ 2,686,167</td> </tr> <tr> <td style="text-align: center;"><u>\$ 2,585,000</u></td> <td style="text-align: center;"><u>\$ 101,167</u></td> <td style="text-align: center;"><u>\$ 2,686,167</u></td> </tr> </table> | Principal | Interest | Total | \$ 2,585,000 | \$ 101,167 | \$ 2,686,167 | <u>\$ 2,585,000</u> | <u>\$ 101,167</u> | <u>\$ 2,686,167</u> | <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Principal</td> <td style="width: 33%; text-align: center;">Interest</td> <td style="width: 33%; text-align: center;">Total</td> </tr> <tr> <td style="text-align: center;">\$ 1,711,887</td> <td style="text-align: center;">\$ 43,565</td> <td style="text-align: center;">\$ 1,755,452</td> </tr> <tr> <td style="text-align: center;"><u>\$ 1,711,887</u></td> <td style="text-align: center;"><u>\$ 43,565</u></td> <td style="text-align: center;"><u>\$ 1,755,452</u></td> </tr> </table> | Principal | Interest | Total | \$ 1,711,887 | \$ 43,565 | \$ 1,755,452 | <u>\$ 1,711,887</u> | <u>\$ 43,565</u> | <u>\$ 1,755,452</u> |
| Principal | Interest | Total | | | | | | | | | | | | | | | | | | |
| \$ 2,585,000 | \$ 101,167 | \$ 2,686,167 | | | | | | | | | | | | | | | | | | |
| <u>\$ 2,585,000</u> | <u>\$ 101,167</u> | <u>\$ 2,686,167</u> | | | | | | | | | | | | | | | | | | |
| Principal | Interest | Total | | | | | | | | | | | | | | | | | | |
| \$ 1,711,887 | \$ 43,565 | \$ 1,755,452 | | | | | | | | | | | | | | | | | | |
| <u>\$ 1,711,887</u> | <u>\$ 43,565</u> | <u>\$ 1,755,452</u> | | | | | | | | | | | | | | | | | | |

THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2022

| Year Ended December 31, 2023 | \$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 | | | Totals | | |
|------------------------------------|--|------------------|---------------------|--|------------------|---------------------|---------------------|-------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| | \$ 1,300,895 | \$ 33,502 | \$ 1,334,397 | \$ 2,058,333 | \$ 27,582 | \$ 2,085,915 | \$ 7,656,115 | \$ 205,816 | \$ 7,861,931 |
| | <u>\$ 1,300,895</u> | <u>\$ 33,502</u> | <u>\$ 1,334,397</u> | <u>\$ 2,058,333</u> | <u>\$ 27,582</u> | <u>\$ 2,085,915</u> | <u>\$ 7,656,115</u> | <u>\$ 205,816</u> | <u>\$ 7,861,931</u> |

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2022**

| Year Ended December 31, | Prior Year Assessed Valuation for Current Year Property Tax Levy | Mills Levied for | | Total Property Taxes | | Percent Collected to Levied |
|---|---|------------------|--------------|-------------------------|-----------|-----------------------------------|
| | | General | Debt Service | Levied | Collected | |
| | | | | | | |
| 2018 | \$ 489,954 | 30.000 | 0.000 | \$ 14,699 | \$ 14,699 | 100.00 % |
| 2019 | 1,156,965 | 0.000 | 30.000 | 34,709 | 34,709 | 100.00 |
| 2020 | 3,152,554 | 0.000 | 30.000 | 94,577 | 94,577 | 100.00 |
| 2021 | 4,708,140 | 0.000 | 30.000 | 141,244 | 141,244 | 100.00 |
| 2022 | 4,292,739 | 0.000 | 30.000 | 128,782 | 128,782 | 100.00 |
| Estimated for the Year Ending December 31, 2023 | \$ 4,697,711 | 0.000 | 30.000 | \$ 140,931 | | |