

## THE BRANDS EAST METROPOLITAN DISTRICT NOS. 1-4

### 2023 CONSOLIDATED ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Consolidated Service Plan for The Brands East Metropolitan District Nos. 1-4 (each a "District") are quasi-municipal corporations and political subdivisions of the State of Colorado, the Districts are required to provide an annual report to the Town Clerk of the Town of Windsor with regard to the following matters:

For the year ending December 31, 2023, the Districts make the following report:

#### §32-1-207(3) Statutory Requirements

**1. Boundary changes made.**

There were no boundary changes made to the Districts' boundaries during the reporting year.

**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, 2023.

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

To our actual knowledge, based on review of the court records in Weld County, Colorado, and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts' public improvements as of December 31, 2023.

**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 31<sup>st</sup> of the reporting 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 that were conveyed or dedicated to the county or municipality as of December 31<sup>st</sup> of the reporting year.

**7. The final assessed valuation of the Districts as of December 31<sup>st</sup> of the reporting year.**

The assessed valuations of each District as of December 31<sup>st</sup> of the reporting year are below:

District No. 1: \$140  
District No. 2: \$752,308  
District No. 3: \$9,271,814  
District No. 4: \$6,351,887

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

Copies of the 2024 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 2023 Audit for District No. 4 and the 2023 Audit Exemption Applications for District Nos. 1, 2 and 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 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year.**

The 2023 Audit for District No. 4 and the 2023 Audit Exemption Applications for District Nos. 1, 2 and 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.**

Copies of the 2024 Budgets are attached hereto as **Exhibit A**.

4. **Unless disclosed within a separate schedule to the financial statements, a 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 Districts 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 within the Districts as of January 1<sup>st</sup> of the report year and the current mill levy of the Districts pledged to debt retirement in the report year.**

Copies of the 2024 Budgets are attached hereto as **Exhibit A**.

The assessed valuations of each District as of December 31<sup>st</sup> of the reporting year are below:

District No. 1: \$140  
District No. 2: \$752,308  
District No. 3: \$9,271,814  
District No. 4: \$6,351,887

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 Agreements or amendments thereto made in the applicable year.**

The Districts did not enter into any new Reimbursement Agreements or Amendments during the reporting year.

- 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 during the reporting year.

**EXHIBIT A**  
**2024 Budgets**

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (44,135)	\$ (75,468)	\$ 15,000
REVENUES			
Property taxes	6	6	5
Sales tax rebate	164,254	172,200	184,300
Public improvement fees	318,651	326,500	349,000
Developer advance	-	109,800	74,695
Other revenue	-	-	200,384
Total revenues	<u>482,911</u>	<u>608,506</u>	<u>808,384</u>
Total funds available	<u>438,776</u>	<u>533,038</u>	<u>823,384</u>
EXPENDITURES			
General Fund	514,244	518,038	607,000
Capital Projects Fund	-	-	200,384
Total expenditures	<u>514,244</u>	<u>518,038</u>	<u>807,384</u>
Total expenditures and transfers out requiring appropriation	<u>514,244</u>	<u>518,038</u>	<u>807,384</u>
ENDING FUND BALANCES	<u>\$ (75,468)</u>	<u>\$ 15,000</u>	<u>\$ 16,000</u>
EMERGENCY RESERVE	\$ 14,500	\$ 15,000	\$ 16,000
TOTAL RESERVE	<u>\$ 14,500</u>	<u>\$ 15,000</u>	<u>\$ 16,000</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
<b>ASSESSED VALUATION</b>			
Vacant land	\$ 145	\$ 145	\$ 140
Certified Assessed Value	\$ 145	\$ 145	\$ 140
 <b>MILL LEVY</b>			
General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000
 <b>PROPERTY TAXES</b>			
General	\$ 6	\$ 6	\$ 5
Budgeted property taxes	\$ 6	\$ 6	\$ 5
 <b>BUDGETED PROPERTY TAXES</b>			
General	\$ 6	\$ 6	\$ 5
	\$ 6	\$ 6	\$ 5

No assurance provided. See summary of significant assumptions.



**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (44,135)	\$ (75,468)	\$ 15,000
REVENUES			
Property taxes	6	6	5
Sales tax rebate	164,254	172,200	184,300
Public improvement fees	318,651	326,500	349,000
Developer advance	-	109,800	74,695
Total revenues	<u>482,911</u>	<u>608,506</u>	<u>608,000</u>
Total funds available	<u>438,776</u>	<u>533,038</u>	<u>623,000</u>
EXPENDITURES			
General and administrative			
Accounting	54,024	50,000	62,000
Auditing	11,600	6,300	7,000
Dues and membership	1,296	1,355	1,500
Insurance	9,022	9,088	11,000
Election	3,304	3,107	-
Engineering	-	1,500	10,000
Legal	18,093	15,000	45,000
Miscellaneous	970	627	-
Transfer to District No. 4 - PIF	251,681	258,861	280,684
Transfer to District No. 4 - Sales taxes	164,254	172,200	184,300
Contingency	-	-	5,516
Total expenditures	<u>514,244</u>	<u>518,038</u>	<u>607,000</u>
Total expenditures and transfers out requiring appropriation	<u>514,244</u>	<u>518,038</u>	<u>607,000</u>
ENDING FUND BALANCES	<u>\$ (75,468)</u>	<u>\$ 15,000</u>	<u>\$ 16,000</u>
EMERGENCY RESERVE	<u>\$ 14,500</u>	<u>\$ 15,000</u>	<u>\$ 16,000</u>
TOTAL RESERVE	<u>\$ 14,500</u>	<u>\$ 15,000</u>	<u>\$ 16,000</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 200,384
REVENUES			
Other revenue	-	200,384	-
Total revenues	-	200,384	-
Total funds available	-	200,384	200,384
EXPENDITURES			
Contingency	-	-	200,384
Total expenditures	-	-	200,384
Total expenditures and transfers out requiring appropriation	-	-	200,384
ENDING FUND BALANCES	\$ -	\$ 200,384	\$ -

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1  
2024 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  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>		<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

**Assigned Revenues - Public Improvement Fees, Sales Tax Rebates**

Pursuant to a certain BAA and PIF Revenues Assignment Agreement, 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 a certain BAA and PIF Revenues Assignment Agreement, 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 to pay principal and interest on a refunding loan issued by District No. 4 in December 2023.

**Debt and Leases**

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

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 1  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserve**

**Emergency Reserve**

The District has provided an Emergency Reserve equal to at least 3% of fiscal year spending for 2024, 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, 2024**

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 50	\$ 239	\$ 50
REVENUES			
Property taxes	30,672	30,820	30,498
Specific ownership taxes	2,195	2,251	2,135
Other revenue	-	-	2,367
Total revenues	<u>32,867</u>	<u>33,071</u>	<u>35,000</u>
Total funds available	<u>32,917</u>	<u>33,310</u>	<u>35,050</u>
EXPENDITURES			
Debt Service Fund	32,678	33,260	35,000
Total expenditures	<u>32,678</u>	<u>33,260</u>	<u>35,000</u>
Total expenditures and transfers out requiring appropriation	<u>32,678</u>	<u>33,260</u>	<u>35,000</u>
ENDING FUND BALANCES	<u>\$ 239</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**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
<b>ASSESSED VALUATION</b>			
Commercial	\$ 785,407	\$ 785,407	\$ 747,246
Agricultural	555	506	522
State assessed	499	4,340	4,540
Certified Assessed Value	\$ 786,461	\$ 790,253	\$ 752,308
 <b>MILL LEVY</b>			
Contractual Obligations	39.000	39.000	40.539
Total mill levy	39.000	39.000	40.539
 <b>PROPERTY TAXES</b>			
Contractual Obligations	\$ 30,672	\$ 30,820	\$ 30,498
Budgeted property taxes	\$ 30,672	\$ 30,820	\$ 30,498
 <b>BUDGETED PROPERTY TAXES</b>			
Contractual Obligations	\$ 30,672	\$ 30,820	\$ 30,498
	\$ 30,672	\$ 30,820	\$ 30,498

No assurance provided. See summary of significant assumptions.



**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 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 BALANCES	\$ 50	\$ 50	\$ 50

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 189	\$ -
REVENUES			
Property taxes	30,672	30,820	30,498
Specific ownership taxes	2,195	2,251	2,135
Other revenue	-	-	2,367
Total revenues	<u>32,867</u>	<u>33,071</u>	<u>35,000</u>
Total funds available	<u>32,867</u>	<u>33,260</u>	<u>35,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	613	616	610
Miscellaneous	10	-	-
Transfers to District No. 4	32,055	32,644	32,023
Contingency	-	-	2,367
Total expenditures	<u>32,678</u>	<u>33,260</u>	<u>35,000</u>
Total expenditures and transfers out requiring appropriation	<u>32,678</u>	<u>33,260</u>	<u>35,000</u>
ENDING FUND BALANCES	<u>\$ 189</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2  
2024 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  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>	<b>Category</b>	<b>Rate</b>	<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		Oil & Gas Production	87.50%		

**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 certain Amended and Restated Capital Pledge Agreement, the District agreed to impose a debt service mill levy against all taxable property within its boundaries, and transfer the resulting property tax revenues, net of fees, along with specific ownership taxes attributable to such mill levy, to District No. 4, to pay principal and interest on a refunding loan issued by District No. 4 in December 2023.

**Debt and Leases**

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

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserves**

The District has not provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2024, 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, 2024**

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 3  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 50	\$ 1,697	\$ 50
REVENUES			
Property taxes	319,759	414,496	426,170
Specific ownership taxes	22,875	30,422	29,832
Interest income	367	114	-
Other revenue	-	-	3,998
Total revenues	<u>343,001</u>	<u>445,032</u>	<u>460,000</u>
Total funds available	<u>343,051</u>	<u>446,729</u>	<u>460,050</u>
EXPENDITURES			
Debt Service Fund	341,354	446,679	460,000
Total expenditures	<u>341,354</u>	<u>446,679</u>	<u>460,000</u>
Total expenditures and transfers out requiring appropriation	<u>341,354</u>	<u>446,679</u>	<u>460,000</u>
ENDING FUND BALANCES	<u>\$ 1,697</u>	<u>\$ 50</u>	<u>\$ 50</u>
AVAILABLE FOR OPERATIONS	50	50	50
TOTAL RESERVE	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 50</u>

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 3  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

**ASSESSED VALUATION**

Residential	\$ 6,992,907	\$ 8,806,000	\$ 8,621,125
Commercial	283,704	250,827	260,324
Agricultural	297	287	20
State assessed	129,606	90,600	96,200
Vacant land	290	290	294,145
Certified Assessed Value	\$ 7,406,804	\$ 9,148,004	\$ 9,271,814

**MILL LEVY**

Contractual Obligations	43.171	45.310	45.964
Total mill levy	43.171	45.310	45.964

**PROPERTY TAXES**

Contractual Obligations	\$ 319,759	\$ 414,496	\$ 426,170
Budgeted property taxes	\$ 319,759	\$ 414,496	\$ 426,170

**BUDGETED PROPERTY TAXES**

<b>Contractual Obligations</b>	<b>\$ 319,759</b>	<b>\$ 414,496</b>	<b>\$ 426,170</b>
	<b>\$ 319,759</b>	<b>\$ 414,496</b>	<b>\$ 426,170</b>



**THE BRANDS EAST METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 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 BALANCES	\$ 50	\$ 50	\$ 50

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 3  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 1,647	\$ -
REVENUES			
Property taxes	319,759	414,496	426,170
Specific ownership taxes	22,875	30,422	29,832
Interest income	367	114	-
Other revenue	-	-	3,998
Total revenues	<u>343,001</u>	<u>445,032</u>	<u>460,000</u>
Total funds available	<u>343,001</u>	<u>446,679</u>	<u>460,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	6,403	8,292	8,523
Miscellaneous	10	-	-
Transfers to District No. 4	334,941	438,387	447,479
Contingency	-	-	3,998
Total expenditures	<u>341,354</u>	<u>446,679</u>	<u>460,000</u>
Total expenditures and transfers out requiring appropriation	<u>341,354</u>	<u>446,679</u>	<u>460,000</u>
ENDING FUND BALANCES	<u>\$ 1,647</u>	<u>\$ -</u>	<u>\$ -</u>

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 3  
2024 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  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>	<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**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 certain Amended and Restated Capital Pledge Agreement, the District agreed to impose a debt service mill levy against all taxable property within its boundaries, and transfer the resulting property tax revenues, net of fees, along with specific ownership taxes attributed to such mill levy, to District No. 4, to pay principal and interest on a refunding loan issued by District No. 4 in December 2023.

**Debt and Leases**

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

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserves**

The District has not provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2024, 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, 2024**

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 818,420	\$ 1,334,869	\$ 206,952
REVENUES			
Property taxes	128,782	140,931	198,065
Specific ownership taxes	9,213	10,028	13,865
Interest income	8,928	25,020	15,000
Transfers from District No. 1	415,935	431,061	464,984
Transfers from District No. 2	32,055	32,604	32,023
Transfers from District No. 3	334,941	437,439	447,479
Loan Issuance (refunding)	-	6,095,000	-
Total revenues	<u>929,854</u>	<u>7,172,083</u>	<u>1,171,416</u>
TRANSFERS IN	<u>19,304</u>	-	-
Total funds available	<u>1,767,578</u>	<u>8,506,952</u>	<u>1,378,368</u>
EXPENDITURES			
Debt Service Fund	413,405	8,300,000	610,000
Capital Projects Fund	-	-	-
Total expenditures	<u>413,405</u>	<u>8,300,000</u>	<u>610,000</u>
TRANSFERS OUT	<u>19,304</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>432,709</u>	<u>8,300,000</u>	<u>610,000</u>
ENDING FUND BALANCES	<u>\$ 1,334,869</u>	<u>\$ 206,952</u>	<u>\$ 768,368</u>
DEBT SERVICE RESERVE - SERIES 2018A	\$ 135,000	\$ -	-
DEBT SERVICE RESERVE - SERIES 2019A	65,695	-	-
DEBT SERVICE RESERVE - SERIES 2019B	51,464	-	-
DEBT SERVICE RESERVE - SERIES 2020A	78,830	-	-
TOTAL RESERVE	<u>\$ 330,989</u>	<u>\$ -</u>	<u>\$ -</u>

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

01/30/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

**ASSESSED VALUATION**

Commercial	\$ 4,011,236	\$ 4,413,644	\$ 6,060,642
Agricultural	318	290	298
State assessed	1,248	3,840	3,940
Vacant land	279,937	279,937	287,007
Certified Assessed Value	\$ 4,292,739	\$ 4,697,711	\$ 6,351,887

**MILL LEVY**

Debt Service	30.000	30.000	31.182
Total mill levy	30.000	30.000	31.182

**PROPERTY TAXES**

Debt Service	\$ 128,782	\$ 140,931	\$ 198,065
Budgeted property taxes	\$ 128,782	\$ 140,931	\$ 198,065

**BUDGETED PROPERTY TAXES**

<b>Debt Service</b>	<b>\$ 128,782</b>	<b>\$ 140,931</b>	<b>\$ 198,065</b>
	<b>\$ 128,782</b>	<b>\$ 140,931</b>	<b>\$ 198,065</b>



**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 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 BALANCES	\$ 50	\$ 50	\$ 50

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**  
**DEBT SERVICE FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

01/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 834,506	\$ 1,331,650	\$ 203,713
<b>REVENUES</b>			
Property taxes	128,782	140,931	198,065
Specific ownership taxes	9,213	10,028	13,865
Interest income	8,927	25,000	15,000
Transfers from District No. 1	415,935	431,061	464,984
Transfers from District No. 2	32,055	32,604	32,023
Transfers from District No. 3	334,941	437,439	447,479
Loan Issuance (refunding)	-	6,095,000	-
Total revenues	<u>929,853</u>	<u>7,172,063</u>	<u>1,171,416</u>
Total funds available	<u>1,764,359</u>	<u>8,503,713</u>	<u>1,375,129</u>
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	2,596	2,830	3,961
Cost of issuance	-	240,950	-
Miscellaneous	10	-	-
Non-Use fees	17,378	18,000	-
Paying agent fees	4,200	2,000	3,000
Contingency	-	174,757	32,930
Debt Service			
Loan interest - Series 2018A	102,732	101,167	-
Loan interest - Series 2019A	44,348	43,565	-
Loan interest - Series 2019B	34,606	33,502	-
Loan interest - Series 2020A	28,211	27,115	-
Loan interest - Series 2023	-	-	302,000
Loan principal - Series 2018A	40,000	2,585,000	-
Loan principal - Series 2019A	30,746	1,711,887	-
Loan principal - Series 2019B	42,887	1,300,895	-
Loan principal - Series 2020A	65,691	2,058,332	-
Loan principal - Series 2023A	-	-	268,109
Total expenditures	<u>413,405</u>	<u>8,300,000</u>	<u>610,000</u>
<b>TRANSFERS OUT</b>			
Transfers to other fund	<u>19,304</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>432,709</u>	<u>8,300,000</u>	<u>610,000</u>
ENDING FUND BALANCES	<u>\$ 1,331,650</u>	<u>\$ 203,713</u>	<u>\$ 765,129</u>
DEBT SERVICE RESERVE - SERIES 2018A	\$ 135,000	\$ -	\$ -
DEBT SERVICE RESERVE - SERIES 2019A	65,695	-	-
DEBT SERVICE RESERVE - SERIES 2019B	51,464	-	-
DEBT SERVICE RESERVE - SERIES 2020A	78,830	-	-
TOTAL RESERVE	<u>\$ 330,989</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
 CAPITAL PROJECTS FUND  
 2024 BUDGET  
 WITH 2022 ACTUAL AND 2023 ESTIMATED  
 For the Years Ended and Ending December 31,**

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (16,136)	\$ 3,169	\$ 3,189
REVENUES			
Interest income	1	20	-
Total revenues	<u>1</u>	<u>20</u>	<u>-</u>
Total funds available	<u>3,169</u>	<u>3,189</u>	<u>3,189</u>
EXPENDITURES			
Contingency	-	-	3,189
Total expenditures	<u>-</u>	<u>-</u>	<u>3,189</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>3,189</u>
ENDING FUND BALANCES	<u>\$ 3,169</u>	<u>\$ 3,189</u>	<u>\$ -</u>

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
2024 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  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>	<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**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 a certain BAA and PIF Revenues Assignment Agreement, 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 certain Amended and Restated Capital Pledge Agreement between the District, District No. 2, and District No. 3 (Financing Districts), the Financing Districts agreed to impose a mill levy against taxable property within each Financing District's boundaries to pay principal and interest due on the refunding loan issued by the District in December 2023.

**Bond Issuance**

Principal and interest payments for 2024 are provided based upon the debt amortization schedule of the Loan discussed below under Debts and Leases.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**County Treasurer's Fees**

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

**Debt and Leases**

On December 21, 2023, the District entered into a loan agreement with Points West Community Bank to obtain a loan in the amount of \$6,040,000 (Loan). The Loan has an interest rate of 4.70%, payable semiannually on June 1 and December 1. Principal payment is scheduled every December 1, starting December 1, 2024. The Loan matures on December 1, 2028. Proceeds from the Loan were used to refund the District's prior loans with US Bank. The Loan is secured and payable from the pledged revenues consisting of property tax revenues, specific ownership revenue, and revenues assigned by the Developer to the District (public improvements fees and sales tax rebates).

The District has no operating or capital lease.

**Reserves**

**Emergency Reserves**

The District has not provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2024, as defined under TABOR, because there is no operating budget.

**This information is an integral part of the accompanying budget.**

**EXHIBIT B**  
**2023 Audit Exemption**  
**Applications (District Nos. 1, 2 & 3)**  
**2023 Audit (District No. 4)**

**APPLICATION FOR EXEMPTION FROM AUDIT**

**LONG FORM**

NAME OF GOVERNMENT	The Brands East Metropolitan District No. 1
ADDRESS	8390 East Crescent Parkway Suite 300 Greenwood Village, CO 80111-2814
CONTACT PERSON	Gigi Pangindian
PHONE	303-779-5710
EMAIL	gigi.pangindian@claconnect.com

For the Year Ended  
12/31/2023  
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 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111-2814
PHONE	303-779-5710
RELATIONSHIP TO ENTITY	CPA Firm providing accounting services to the District

<b>PREPARER</b> (SIGNATURE REQUIRED)	<b>DATE PREPARED</b>
<b>SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT</b>	<b>March 22, 2024</b>

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	Capital Projects Fund		Fund*	Fund*	
<b>Assets</b>				<b>Assets</b>			
1-1	Cash & Cash Equivalents	\$ 191,623	\$ 200,384	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	\$ 5	\$ -	Other Current Assets [specify...]	\$ -	\$ -	
	All Other Assets [specify...]				\$ -	\$ -	
1-6	Lease Receivable (as Lessor)	\$ -	\$ -		\$ -	\$ -	
1-7	Receivable - Public Improvement fees	\$ 57,321	\$ -	<b>Total Current Assets</b>	\$ -	\$ -	
1-8	Receivable - Sales tax rebate	\$ 46,877	\$ -	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	Prepaid insurance	\$ 9,215	\$ -		\$ -	\$ -	
1-11	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	<b>\$ 305,051</b>	<b>\$ 200,384</b>	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Deferred Outflows of Resources:</b>				<b>Deferred Outflows of Resources</b>			
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-14	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	<b>\$ -</b>	<b>\$ -</b>	
1-15	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 305,051</b>	<b>\$ 200,384</b>	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Liabilities</b>				<b>Liabilities</b>			
1-16	Accounts Payable	\$ 68,638	\$ -	Accounts Payable	\$ -	\$ -	
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-18	Unearned 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	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	<b>\$ 68,638</b>	<b>\$ -</b>	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-23	Due to The Brands East Metro District No. 4	\$ 331,357	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-24			\$ -		\$ -	\$ -	
1-25			\$ -		\$ -	\$ -	
1-26			\$ -		\$ -	\$ -	
1-27	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	<b>\$ 399,995</b>	<b>\$ -</b>	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Deferred Inflows of Resources:</b>				<b>Deferred Inflows of Resources</b>			
1-28	Deferred Property Taxes	\$ 5	\$ -	Pension/OPEB Related	\$ -	\$ -	
1-29	Lease related (as lessor)	\$ -	\$ -	Other [specify...]	\$ -	\$ -	
1-30	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Fund Balance</b>				<b>Net Position</b>			
1-31	Nonspendable Prepaid	\$ 9,215	\$ -	Net Investment in Capital and Right-to Use Assets	\$ -	\$ -	
1-32	Nonspendable Inventory	\$ -	\$ -				
1-33	Restricted [specify...] TABOR	\$ 15,900	\$ -	Emergency Reserves	\$ -	\$ -	
1-34	Committed [specify...] Capital Projects	\$ -	\$ 200,384	Other Designations/Reserves	\$ -	\$ -	
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-36	Unassigned:	\$ (120,064)	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
1-37	<b>Add lines 1-31 through 1-36</b> <b>This total should be the same as line 3-33</b> <b>TOTAL FUND BALANCE</b>	<b>\$ (94,949)</b>	<b>\$ 200,384</b>	<b>Add lines 1-31 through 1-36</b> <b>This total should be the same as line 3-33</b> <b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	
1-38	<b>Add lines 1-27, 1-30 and 1-37</b> <b>This total should be the same as line 1-15</b> <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	<b>\$ 305,051</b>	<b>\$ 200,384</b>	<b>Add lines 1-27, 1-30 and 1-37</b> <b>This total should be the same as line 1-15</b> <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	

## PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds			
		General Fund	Capital Projects Fund		Fund*	Fund*		
<b>Tax Revenue</b>				<b>Tax Revenue</b>				Please use this space to provide explanation of any items on this page
2-1	Property [include mills levied in Question 10-6]	\$ 6	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -		
2-2	Specific Ownership	\$ 1	\$ -	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 <b>TOTAL TAX REVENUE</b>	\$ 7	\$ -	Add lines 2-1 through 2-7 <b>TOTAL TAX REVENUE</b>	\$ -	\$ -		
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	\$ 334,133	\$ -	All Other [specify...]:	\$ -	\$ -		
2-23	Sales Tax Rebate, Other Revenue	\$ 193,399	\$ 200,384		\$ -	\$ -		
2-24	Add lines 2-8 through 2-23 <b>TOTAL REVENUES</b>	\$ 527,539	\$ 200,384	Add lines 2-8 through 2-23 <b>TOTAL REVENUES</b>	\$ -	\$ -		
<b>Other Financing Sources</b>				<b>Other Financing Sources</b>				
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -		
2-26	Lease Proceeds	\$ -	\$ -	Lease Proceeds	\$ -	\$ -		
2-27	Developer Advances	\$ 2,000	\$ -	Developer Advances	\$ -	\$ -		
2-28	Other [specify...]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -		
2-29	Add lines 2-25 through 2-28 <b>TOTAL OTHER FINANCING SOURCES</b>	\$ 2,000	\$ -	Add lines 2-25 through 2-28 <b>TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>GRAND TOTALS</b>	
2-30	Add lines 2-24 and 2-29 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 529,539	\$ 200,384	Add lines 2-24 and 2-29 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	\$ 729,923	

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	Capital Projects Fund		Fund*	Fund*	
<b>Expenditures</b>				<b>Expenses</b>			
3-1	General Government	\$ 89,127	\$ -	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. 2 - PIF	\$ 266,494	\$ -	Other [specify...]	\$ -	\$ -	
3-13	Transfer to District No. 2 - Sales Tax Rebate	\$ 193,399	\$ -		\$ -	\$ -	
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	<b>Add lines 3-1 through 3-21</b>	\$ 549,020	\$ -	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ -	
	<b>TOTAL EXPENDITURES</b>			<b>TOTAL EXPENSES</b>			<b>GRAND TOTAL</b>
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	\$ 549,020
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	<b>(Add lines 3-23 through 3-28)</b>			<b>(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS</b>	\$ -	\$ -	
	<b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -		\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ (19,481)	\$ 200,384	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	\$ (75,468)	\$ -	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 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ (94,949)	\$ 200,384	Net Position, December 31 Sum of Lines 3-30, 3-31, and 3-32 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-2	Is the debt repayment schedule attached? If no, <b>MUST</b> explain: <input style="width: 400px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	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).
4-3	Is the entity current in its debt service payments? If no, <b>MUST</b> explain: <input style="width: 400px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
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 & SBITA** Liabilities (GASB 87 & 96)	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 259,238	\$ 2,000	\$ -	\$ 261,238
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 259,238	\$ 2,000	\$ -	\$ 261,238

**\*\*Subscription Based Information Technology Arrangements**

\*Must agree to prior year-end 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? Date the debt was authorized:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	\$ 225,000,000 11/4/2014		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	\$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	\$ -		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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 type="checkbox"/>
	\$ -		

### 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	\$ 392,006		
5-2	Certificates of deposit	\$ -		
TOTAL CASH DEPOSITS			\$ 392,006	
Investments (if investment is a mutual fund, please list underlying investments):				
5-3		\$ -		
		\$ -		
		\$ -		
		\$ -		
	TOTAL INVESTMENTS			\$ -
TOTAL CASH AND INVESTMENTS			\$ 392,006	

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.?	<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.)? If no, <b>MUST</b> explain: <input style="width: 400px;" type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 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,  YES  NO  
**MUST explain:**

N/A - Construction in progress.

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

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 & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* 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.):	\$	-
<b>TOTAL</b>	<b>\$</b>	<b>-</b>
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, <b>MUST</b> 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, <b>MUST</b> 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>\$ 560,000</td> </tr> <tr> <td>Capital Projects Fund</td> <td>\$ -</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	\$ 560,000	Capital Projects Fund	\$ -		\$ -		\$ -
Governmental/Proprietary Fund Name	Total Appropriations By Fund														
General Fund	\$ 560,000														
Capital Projects Fund	\$ -														
	\$ -														
	\$ -														

**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"/>		10-3: 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 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 type="text"/>									
PRIOR name <input 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 type="text"/>								
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"/>									
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"> <tbody> <tr> <td>Bond Redemption mills</td> <td>0.000</td> </tr> <tr> <td>General/Other mills</td> <td>39.000</td> </tr> <tr> <td><b>Total mills</b></td> <td><b>39.000</b></td> </tr> </tbody> </table>		Bond Redemption mills	0.000	General/Other mills	39.000	<b>Total mills</b>	<b>39.000</b>
Bond Redemption mills	0.000								
General/Other mills	39.000								
<b>Total mills</b>	<b>39.000</b>								
		YES	NO	N/A					
10-7	<b>NEW 2023!</b> If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
<input type="text"/>									

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	\$	392,006	Unrestricted Fund Balan	\$	(120,064)	Total Tax Revenue	\$	7
Current Liabilities	\$	68,638	Total Fund Balance	\$	(94,949)	Revenue Paying Debt Service	\$	-
Deferred Inflow	\$	5	PY Fund Balance	\$	(75,468)	Total Revenue	\$	729,923
			Total Revenue	\$	529,539	Total Debt Service Principal	\$	-
			Total Expenditures	\$	549,020	Total Debt Service Interest	\$	-
						Total Assets	\$	505,435
						Total Liabilities	\$	399,995
<b>Governmental</b>			Interfund In	\$	-	<b>Enterprise Funds</b>		
Total Cash & Investments	\$	392,007	Interfund Out	\$	-	Net Position	\$	-
Transfers In	\$		- Proprietary	\$		- PY Net Position	\$	-
Transfers Out	\$		- Current Assets	\$		<b>Government-Wide</b>		
Property Tax	\$		6 Deferred Outflow	\$		- Total Outstanding Debt	\$	261,238
Debt Service Principal	\$		- Current Liabilities	\$		- Authorized but Unissued	\$	225,000,000
Total Expenditures	\$	549,020	Deferred Inflow	\$		- Year Authorized		11/4/2014
Total Developer Advances	\$		- Cash & Investments	\$				
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.

<b>MUST Print the names of ALL members of the governing body below.</b>		<b>A MAJORITY of the members of the governing body must sign below.</b>	
1	Full Name <b>Martin Lind</b>	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. Signed <u>Martin Lind</u> Date: <u>March 27, 2024   12:13 PM PDT</u> My term Expires: <u>May 2025</u>	
2	Full Name <b>Justin Donahoo</b>	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. Signed <u>Justin Donahoo</u> Date: <u>March 26, 2024   1:37 PM PDT</u> My term Expires: <u>May 2025</u>	
3	Full Name <b>Austin Lind</b>	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. Signed _____ Date: _____ My term Expires: <u>May 2027</u>	
4	Full Name <b>Marissa Donahoo</b>	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. Signed <u>Marissa Donahoo</u> Date: <u>March 26, 2024   2:51 PM MDT</u> My term Expires: <u>May 2027</u>	
5	Full Name <b>Garrett Scallon</b>	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. Signed <u>Garrett Scallon</u> Date: <u>March 27, 2024   10:06 AM MDT</u> My term Expires: <u>May 2025</u>	
6	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: _____ My term Expires: _____	
7	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: _____ My term Expires: _____	





**CliftonLarsonAllen LLP**  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
**phone** 303-779-5710 **fax** 303-779-0348  
**claconnect.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, 2023, 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 22, 2024

**Certificate Of Completion**

Envelope Id: 28A64AA5EB2D432F89949883B5A294A5	Status: Completed
Subject: Please DocuSign: Brands East MD1-2023 AExempt.pdf	
Source Envelope:	
Document Pages: 10	Signatures: 4
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Lara Wynn
Time Zone: (UTC-07:00) Mountain Time (US & Canada)	1625 Pelican Lakes Point, Suite 201
	Windsor, CO 80550
	lwynn@watervalley.com
	IP Address: 70.91.169.129

**Record Tracking**

Status: Original	Holder: Lara Wynn	Location: DocuSign
3/26/2024 2:26:35 PM	lwynn@watervalley.com	

**Signer Events**

Garrett Scallon  
 gscallon@watervalley.com  
 Chief Operating Officer  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
 2179AC4096744FA...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 70.91.169.129

**Timestamp**

Sent: 3/26/2024 2:35:38 PM  
 Viewed: 3/27/2024 10:03:54 AM  
 Signed: 3/27/2024 10:06:42 AM

**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign


Justin Donahoo  
 justin@jumahomes.com  
 Owner/Manager  
 JUMA HOMES  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 1F0D65F83C2F44E...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 71.237.41.137  
 Signed using mobile

Sent: 3/26/2024 2:35:37 PM  
 Viewed: 3/26/2024 2:37:40 PM  
 Signed: 3/26/2024 2:37:45 PM

**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign


Marissa Donahoo  
 marissa@watervalley.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 12C416EE08C34F7...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 71.237.41.137  
 Signed using mobile

Sent: 3/26/2024 2:35:37 PM  
 Viewed: 3/26/2024 2:51:10 PM  
 Signed: 3/26/2024 2:51:22 PM

**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign

Martin Lind  
 mlind@watervalley.com  
 Mngr  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 2D24A9FEA47645E...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 75.148.37.185  
 Signed using mobile

Sent: 3/26/2024 2:35:37 PM  
 Resent: 3/27/2024 11:54:11 AM  
 Viewed: 3/27/2024 1:13:21 PM  
 Signed: 3/27/2024 1:13:26 PM

**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign

**In Person Signer Events**

**Signature**

**Timestamp**

**Editor Delivery Events**

**Status**

**Timestamp**

Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/26/2024 2:35:38 PM
Envelope Updated	Security Checked	3/28/2024 10:38:35 AM
Certified Delivered	Security Checked	3/27/2024 1:13:21 PM
Signing Complete	Security Checked	3/27/2024 1:13:26 PM
Completed	Security Checked	3/28/2024 10:38:35 AM
Payment Events	Status	Timestamps

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

**NAME OF GOVERNMENT  
ADDRESS**

<b>The Brands East Metropolitan District No. 2</b>
<b>8390 East Crescent Parkway</b>
<b>Suite 300</b>
<b>Greenwood Village, CO 80111-2814</b>
<b>Gigi Pangindian</b>
<b>303-779-5710</b>
<a href="mailto:gigi.pangindian@claconnect.com">gigi.pangindian@claconnect.com</a>

**For the Year Ended  
12/31/23  
or fiscal year ended:**

**CONTACT PERSON  
PHONE  
EMAIL**

## 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**

Gigi Pangindian
Accountant for the District
CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111-2814
303-779-5710

<b>PREPARER</b> <small>(SIGNATURE REQUIRED)</small>	<b>DATE PREPARED</b>
<b>SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT</b>	<b>March 21, 2024</b>

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	<b>GOVERNMENTAL</b> <small>(MODIFIED ACCRUAL BASIS)</small> <input checked="" type="checkbox"/>	<b>PROPRIETARY</b> <small>(CASH OR BUDGETARY BASIS)</small> <input type="checkbox"/>
--	---	--

## 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)	\$ 30,820	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 2,220	
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	Interest income	\$ 1	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) <b>TOTAL REVENUE</b>	\$ 33,041	

## 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	Please use this space to provide any necessary explanations
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 Fees	\$ 616	
3-25	Transfer to The Brands East Metro District No. 4	\$ 32,295	
3-26	(add lines 3-1 through 3-24) <b>TOTAL EXPENDITURES/EXPENSES</b>	\$ 32,921	

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, <b>MUST</b> explain below: 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, <b>MUST</b> explain below: 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 & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 50	\$ -	\$ -	\$ 50
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50</b>

\*\*Subscription Based Information Technology Arrangements

\*Must agree to prior year-end 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"/>

Part 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed

## 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	\$ 425	
5-2 Certificates of deposit	\$ -	
<b>Total Cash Deposits</b>		\$ 425
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
<b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ 425

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 & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*must tie to prior year ending balance

Part 6 - Please use this space to provide any explanations/comments or attach documentation, if needed:

## 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.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

Part 7 - 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.? If no, **MUST** explain:  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	\$ 32,977

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

	Yes	No
<b>9-1</b> Please answer the following question by marking in the appropriate box <b>Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?</b>	<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>		

**If no, MUST explain:**

## PART 10 - GENERAL INFORMATION

	Yes	No						
<b>10-1</b> Is this application for a newly formed governmental entity? If yes: Date of formation: <input style="width: 400px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>						
<b>10-2</b> Has the entity changed its name in the past or current year? If yes: Please list the NEW name & PRIOR name: <input style="width: 600px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>						
<b>10-3</b> Is the entity a metropolitan district? Please indicate what services the entity provides: <input style="width: 600px;" type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
<b>10-4</b> 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: <input style="width: 600px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>						
<b>10-5</b> Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during If yes: Date Filed: <input style="width: 450px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>						
<b>10-6</b> Does the entity have a certified Mill Levy? If yes: Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
Bond Redemption mills General/Other mills Total mills		<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;"></td><td style="text-align: right;">-</td></tr> <tr><td>Contract obligation</td><td style="text-align: right;">39.000</td></tr> <tr><td></td><td style="text-align: right;">39.000</td></tr> </table>		-	Contract obligation	39.000		39.000
	-							
Contract obligation	39.000							
	39.000							
	Yes	No	N/A					
<b>10-7</b> <span style="color: red;">NEW 2023!</span> If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain. <input style="width: 600px;" type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

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

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.		A MAJORITY of the members of the governing body must sign below.
Board Member 1	Print Board Member's Name  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. Signed <u>Martin Lind</u> Date: <u>March 26, 2024   10:47 AM PDT</u> My term Expires: <u>May 2025</u>
Board Member 2	Print Board Member's Name  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. Signed <u>Justin Donahoo</u> Date: <u>March 26, 2024   10:35 AM PDT</u> My term Expires: <u>May 2025</u>
Board Member 3	Print Board Member's Name  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. Signed <u>Marissa Donahoo</u> Date: <u>March 26, 2024   11:39 AM MDT</u> My term Expires: <u>May 2027</u>
Board Member 4	Print Board Member's Name  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. Signed <u>Austin Lind</u> Date: <u>March 27, 2024   9:37 AM MDT</u> My term Expires: <u>May 2027</u>
Board Member 5	Print Board Member's Name  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. Signed <u>Garrett Scallon</u> Date: <u>March 27, 2024   10:07 AM MDT</u> My term Expires: <u>May 2025</u>
Board Member 6	Print Board Member's Name	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	Print Board Member's Name	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 Parkway, Suite 300  
Greenwood Village, CO 80111  
**phone** 303-779-5710 **fax** 303-779-0348  
**claconnect.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, 2023, 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 21, 2024

**Certificate Of Completion**

Envelope Id: 0930A008263E4591A779C39D6C476CD4	Status: Completed
Subject: Please DocuSign: Brands East MD2-2023 AExempt.pdf, Brands East MD3-2023 AExempt.pdf	
Source Envelope:	
Document Pages: 18	Signatures: 10
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Lara Wynn
Time Zone: (UTC-07:00) Mountain Time (US & Canada)	1625 Pelican Lakes Point, Suite 201
	Windsor, CO 80550
	lwynn@watervalley.com
	IP Address: 70.91.169.129

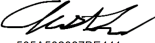
**Record Tracking**

Status: Original	Holder: Lara Wynn	Location: DocuSign
3/26/2024 11:26:25 AM	lwynn@watervalley.com	

**Signer Events**

Austin Lind  
ALIND@WATERVALLEY.COM  
Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
505A502087BE441...

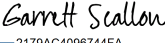
**Timestamp**

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Viewed: 3/27/2024 9:37:39 AM  
Signed: 3/27/2024 9:37:48 AM

Signature Adoption: Drawn on Device  
Using IP Address: 70.91.169.129

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Garrett Scallon  
gscallon@watervalley.com  
Chief Operating Officer  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
2179AC4096744FA...

Sent: 3/26/2024 11:34:57 AM  
Viewed: 3/27/2024 10:07:03 AM  
Signed: 3/27/2024 10:07:14 AM

Signature Adoption: Pre-selected Style  
Using IP Address: 70.91.169.129

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Justin Donahoo  
justin@jumahomes.com  
Owner/Manager  
JUMA HOMES  
Security Level: Email, Account Authentication (None)

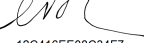
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Viewed: 3/26/2024 11:35:47 AM  
Signed: 3/26/2024 11:35:56 AM

Signature Adoption: Pre-selected Style  
Using IP Address: 71.237.41.137  
Signed using mobile

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign


Marissa Donahoo  
marissa@watervalley.com  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
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Sent: 3/26/2024 11:34:56 AM  
Viewed: 3/26/2024 11:39:35 AM  
Signed: 3/26/2024 11:39:46 AM

Signature Adoption: Drawn on Device  
Using IP Address: 71.237.41.137  
Signed using mobile

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Signer Events	Signature	Timestamp
Martin Lind mlind@watervalley.com Mngr Security Level: Email, Account Authentication (None)	 <p>DocuSigned by:  <i>Martin Lind</i>            2D24A9FEA47645E...</p> <p>Signature Adoption: Pre-selected Style            Using IP Address: 174.198.65.178            Signed using mobile</p>	Sent: 3/26/2024 11:34:57 AM Viewed: 3/26/2024 11:46:23 AM Signed: 3/26/2024 11:47:23 AM

**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	3/26/2024 11:34:57 AM
Certified Delivered	Security Checked	3/26/2024 11:46:23 AM
Signing Complete	Security Checked	3/26/2024 11:47:23 AM
Completed	Security Checked	3/27/2024 10:07:14 AM

Payment Events	Status	Timestamps
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**APPLICATION FOR EXEMPTION FROM AUDIT**

**LONG FORM**

NAME OF GOVERNMENT	The Brands East Metropolitan District No. 3
ADDRESS	8390 East Crescent Parkway Suite 300 Greenwood Village, CO 80111-2814
CONTACT PERSON	Gigi Pangindian
PHONE	303-779-5710
EMAIL	gigi.pangindian@claconnect.com

For the Year Ended  
12/31/2023  
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 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111-2814
PHONE	303-779-5710
RELATIONSHIP TO ENTITY	CPA Firm providing accounting services to the District

PREPARER (SIGNATURE REQUIRED)	DATE PREPARED
SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT	March 21, 2024

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.

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*	
<b>Assets</b>				<b>Assets</b>			
1-1	Cash & Cash Equivalents	\$ 50	\$ 5,047	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	\$ -	\$ 426,170	Other Current Assets [specify...]	\$ -	\$ -	
	All Other Assets [specify...]				\$ -	\$ -	
1-6	Lease Receivable (as Lessor)	\$ -	\$ -		\$ -	\$ -	
1-7	County Treasurer receivable	\$ -	\$ 2,385	<b>Total Current Assets</b>	\$ -	\$ -	
1-8		\$ -	\$ -	Capital & Right to Use Assets, net (from Part 6-4)	\$ -	\$ -	
1-9		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	\$ 50	\$ 433,602	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	\$ -	\$ -	
<b>Deferred Outflows of Resources:</b>				<b>Deferred Outflows of Resources</b>			
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-14	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -	
1-15	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ 50	\$ 433,602	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ -	\$ -	
<b>Liabilities</b>				<b>Liabilities</b>			
1-16	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ -	\$ -	
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-18	Unearned 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	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -	
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-23	Due to the Brands East Metro District No. 4	\$ -	\$ 3,171	Other Liabilities [specify...]:	\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	\$ -	\$ 3,171	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	\$ -	\$ -	
<b>Deferred Inflows of Resources:</b>				<b>Deferred Inflows of Resources</b>			
1-28	Deferred Property Taxes	\$ -	\$ 426,170	Pension/OPEB Related	\$ -	\$ -	
1-29	Lease related (as lessor)	\$ -	\$ -	Other [specify...]	\$ -	\$ -	
1-30	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	\$ -	\$ 426,170	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	\$ -	\$ -	
<b>Fund Balance</b>				<b>Net Position</b>			
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital and Right-to Use Assets	\$ -	\$ -	
1-32	Nonspendable Inventory	\$ -	\$ -				
1-33	Restricted [specify...] Debt Service	\$ -	\$ 4,261	Emergency Reserves	\$ -	\$ -	
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-36	Unassigned:	\$ 50	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
1-37	<b>Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL FUND BALANCE</b>	\$ 50	\$ 4,261	<b>Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL NET POSITION</b>	\$ -	\$ -	
1-38	<b>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</b>	\$ 50	\$ 433,602	<b>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</b>	\$ -	\$ -	

## PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds			
		General Fund	Debt Service Fund		Fund*	Fund*		
<b>Tax Revenue</b>				<b>Tax Revenue</b>				Please use this space to provide explanation of any items on this page
2-1	Property [include mills levied in Question 10-6]	\$ -	\$ 414,496	Property [include mills levied in Question 10-6]	\$ -	\$ -		
2-2	Specific Ownership	\$ -	\$ 29,858	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 <b>TOTAL TAX REVENUE</b>	\$ -	\$ 444,354	Add lines 2-1 through 2-7 <b>TOTAL TAX REVENUE</b>	\$ -	\$ -		
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	\$ -	\$ 114	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 <b>TOTAL REVENUES</b>	\$ -	\$ 444,468	Add lines 2-8 through 2-23 <b>TOTAL REVENUES</b>	\$ -	\$ -		
<b>Other Financing Sources</b>				<b>Other Financing Sources</b>				
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 <b>TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	Add lines 2-25 through 2-28 <b>TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>GRAND TOTALS</b>	
2-30	Add lines 2-24 and 2-29 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ 444,468	Add lines 2-24 and 2-29 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	\$ 444,468	

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*	
<b>Expenditures</b>				<b>Expenses</b>			
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	\$ -	\$ 8,292	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
<b>Debt Service</b>				<b>Debt Service</b>			
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 East Metro District No. 4	\$ -	\$ 433,553		\$ -	\$ -	
3-22	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ 441,855	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ -	
	<b>TOTAL EXPENDITURES</b>			<b>TOTAL EXPENSES</b>			<b>GRAND TOTAL</b>
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	\$ 441,855
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	<b>(Add lines 3-23 through 3-28)</b>			<b>(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS</b>	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ -	\$ 2,613	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	\$ 1,648	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.	\$ 50	\$ 4,261	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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-2	Is the debt repayment schedule attached? If no, <b>MUST</b> explain: <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 2px;"></div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-3	Is the entity current in its debt service payments? If no, <b>MUST</b> explain: <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 2px;"></div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
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 & SBITA** Liabilities (GASB 87 & 96)	\$ -	\$ -	\$ -
	Developer Advances	\$ 50	\$ -	\$ 50
	Other (specify):	\$ -	\$ -	\$ -
	TOTAL	\$ 50	\$ -	\$ 50

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.

**\*\*Subscription Based Information Technology Arrangements**

\*Must agree to prior year-end 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? Date the debt was authorized:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	\$ 225,000,000		
	11/4/2014		
4-6	Does the entity intend to issue debt within the next calendar year? 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? What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	\$ -		
4-8	Does the entity have any lease agreements? 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"/>
	\$ -	<input type="checkbox"/>	<input type="checkbox"/>

### 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	\$ 5,097		
5-2	Certificates of deposit	\$ -		
	TOTAL CASH DEPOSITS		\$ 5,097	
	Investments (if investment is a mutual fund, please list underlying investments):			
5-3		\$ -		
		\$ -		
		\$ -		
		\$ -		
	TOTAL INVESTMENTS		\$ -	
	TOTAL CASH AND INVESTMENTS		\$ 5,097	

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.?	<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.)? If no, <b>MUST</b> explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 2px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**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,  YES  NO  
**MUST explain:**

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*	Additions*	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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 & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* 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.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>
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, <b>MUST</b> 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, <b>MUST</b> 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					
		Governmental/Proprietary Fund Name		Total Appropriations By Fund	
		General Fund		\$ -	
		Debt Service Fund		\$ 443,511	
				\$ -	
				\$ -	

**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)]? <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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**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? If yes: Date of formation: <input type="text"/>	<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.
10-2	Has the entity changed its name in the past or current year? If Yes: NEW name <input type="text"/> PRIOR name <input type="text"/>	<input type="checkbox"/>	<input checked="" 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="text"/>				
10-5	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: <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
10-6	Does the entity have a certified mill levy? If yes: Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts):	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
		Bond Redemption mills	0.000		
		General/Other mills	Contractual obligation 45.310		
		<b>Total mills</b>	<b>45.310</b>		
		YES	NO	N/A	
10-7	<b>NEW 2023!</b> If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain. <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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

**OSA USE ONLY**

<b>Entity Wide:</b>			<b>General Fund</b>			<b>Governmental Funds</b>			<b>Notes</b>
Unrestricted Cash & Investments	\$	5,097	Unrestricted Fund Balance	\$	50	Total Tax Revenue	\$	444,354	
Current Liabilities	\$	-	Total Fund Balance	\$	50	Revenue Paying Debt Service	\$	-	
Deferred Inflow	\$	426,170	PY Fund Balance	\$	50	Total Revenue	\$	444,468	
			Total Revenue	\$	-	Total Debt Service Principal	\$	-	
			Total Expenditures	\$	-	Total Debt Service Interest	\$	-	
						Total Assets	\$	433,652	
						Total Liabilities	\$	3,171	
<b>Governmental</b>			Interfund In	\$	-	<b>Enterprise Funds</b>			
Total Cash & Investments	\$	5,097	Interfund Out	\$	-	Net Position	\$	-	
Transfers In	\$		- Proprietary			- PY Net Position	\$	-	
Transfers Out	\$		- Current Assets	\$		- <b>Government-Wide</b>			
Property Tax	\$	414,496	Deferred Outflow	\$		- Total Outstanding Debt	\$	50	
Debt Service Principal	\$		- Current Liabilities	\$		- Authorized but Unissued	\$	225,000,000	
Total Expenditures	\$	441,855	Deferred Inflow	\$		- Year Authorized		11/4/2014	
Total Developer Advances	\$		- Cash & Investments	\$					
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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**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.

MUST Print the names of ALL members of the governing body below.		A MAJORITY of the members of the governing body must sign below.	
1	Full Name <b>Martin Lind</b>	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. Signed <u>Martin Lind</u> Date: <u>March 26, 2024   10:47 AM PDT</u> My term Expires: <u>May 2025</u>	
2	Full Name <b>Justin Donahoo</b>	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. Signed <u>Justin Donahoo</u> Date: <u>March 26, 2024   10:35 AM PDT</u> My term Expires: <u>May 2025</u>	
3	Full Name <b>Austin Lind</b>	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. Signed <u>Austin Lind</u> Date: <u>March 27, 2024   9:37 AM MDT</u> My term Expires: <u>May 2027</u>	
4	Full Name <b>Marissa Donahoo</b>	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. Signed <u>Marissa Donahoo</u> Date: <u>March 26, 2024   11:39 AM MDT</u> My term Expires: <u>May 2027</u>	
5	Full Name <b>Garrett Scallon</b>	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. Signed <u>Garrett Scallon</u> Date: <u>March 27, 2024   10:07 AM MDT</u> My term Expires: <u>May 2025</u>	
6	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: _____ My term Expires: _____	
7	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: _____ My term Expires: _____	



**CliftonLarsonAllen LLP**  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
**phone** 303-779-5710 **fax** 303-779-0348  
**claconnect.com**

## **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, 2023, 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 21, 2024

**Certificate Of Completion**

Envelope Id: 0930A008263E4591A779C39D6C476CD4	Status: Completed
Subject: Please DocuSign: Brands East MD2-2023 AExempt.pdf, Brands East MD3-2023 AExempt.pdf	
Source Envelope:	
Document Pages: 18	Signatures: 10
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Lara Wynn
Time Zone: (UTC-07:00) Mountain Time (US & Canada)	1625 Pelican Lakes Point, Suite 201
	Windsor, CO 80550
	lwynn@watervalley.com
	IP Address: 70.91.169.129

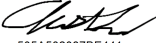
**Record Tracking**

Status: Original	Holder: Lara Wynn	Location: DocuSign
3/26/2024 11:26:25 AM	lwynn@watervalley.com	

**Signer Events**

Austin Lind  
 ALIND@WATERVALLEY.COM  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
 505A502087BE441...

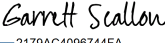
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 Signed: 3/27/2024 9:37:48 AM

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**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign

Garrett Scallon  
 gscallon@watervalley.com  
 Chief Operating Officer  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 2179AC4096744FA...

Sent: 3/26/2024 11:34:57 AM  
 Viewed: 3/27/2024 10:07:03 AM  
 Signed: 3/27/2024 10:07:14 AM

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**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign

Justin Donahoo  
 justin@jumahomes.com  
 Owner/Manager  
 JUMA HOMES  
 Security Level: Email, Account Authentication (None)

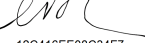
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 Signed: 3/26/2024 11:35:56 AM

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 Signed using mobile

**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign

Marissa Donahoo  
 marissa@watervalley.com  
 Security Level: Email, Account Authentication (None)


DocuSigned by:  
  
 12C416EE08C34F7...

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 Signed: 3/26/2024 11:39:46 AM

Signature Adoption: Drawn on Device  
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 Signed using mobile

**Electronic Record and Signature Disclosure:**  
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Signer Events	Signature	Timestamp
Martin Lind mlind@watervalley.com Mngr Security Level: Email, Account Authentication (None)	 <p>DocuSigned by:  <i>Martin Lind</i>            2D24A9FEA47645E...</p> <p>Signature Adoption: Pre-selected Style            Using IP Address: 174.198.65.178            Signed using mobile</p>	Sent: 3/26/2024 11:34:57 AM Viewed: 3/26/2024 11:46:23 AM Signed: 3/26/2024 11:47:23 AM

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In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	3/26/2024 11:46:23 AM
Signing Complete	Security Checked	3/26/2024 11:47:23 AM
Completed	Security Checked	3/27/2024 10:07:14 AM

Payment Events	Status	Timestamps
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**THE BRANDS METROPOLITAN DISTRICT NO. 2  
Larimer County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**


**YEAR ENDED DECEMBER 31, 2023**


**THE BRANDS METROPOLITAN DISTRICT NO. 2  
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YEAR ENDED DECEMBER 31, 2023**


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## Independent Auditors' Report

To the Board of Directors  
The Brands Metropolitan District No. 2

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of The Brands Metropolitan District No. 2 (the District) as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Brands Metropolitan District No. 2, as of December 31, 2023, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Brands Metropolitan District No. 2 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 Metropolitan District No. 2'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.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Brands Metropolitan District No. 2'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 Metropolitan District No. 2's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Brands Metropolitan District No. 2's basic financial statements. The schedule of revenues, expenditures, and changes in fund balance – budget and actual for Debt Service Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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.

## Other Information

Management is responsible for the other information included in the annual report. The other information and continuing disclosure annual financial information, as listed in the table of contents, does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information and continuing disclosure annual financial information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Haynie & Company*

Littleton, Colorado  
July 29, 2024

## **BASIC FINANCIAL STATEMENTS**

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 60
Cash and Investments - Restricted	480,587
Due from District No. 1	54,574
Receivable from County Treasurer	1,309
Property Tax Receivable	121,396
Total Assets	657,926
<b>LIABILITIES</b>	
Accrued Interest Payable	2,698
Noncurrent Liabilities:	
Due Within One Year	45,000
Due in More Than One Year	1,375,000
Total Liabilities	1,422,698
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	121,396
Total Deferred Inflows of Resources	121,396
<b>NET POSITION</b>	
Restricted for:	
Debt Service	486,405
Unrestricted	(1,372,573)
Total Net Position	\$ (886,168)

See accompanying Notes to Basic Financial Statements.



**THE BRANDS METROPOLITAN DISTRICT NO. 2  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

<b>FUNCTIONS/PROGRAMS</b>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary Government:					
Governmental Activities:					
Interest on Long-Term Debt and Related Costs	\$ 59,595	\$ -	\$ -	\$ 190,218	\$ 130,623
Total Governmental Activities	<u>\$ 59,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,218</u>	130,623
<b>GENERAL REVENUES</b>					
Property Taxes				105,776	
Specific Ownership Taxes				7,612	
Interest Income				614	
Total General Revenues				<u>114,002</u>	
<b>CHANGES IN NET POSITION</b>					
				244,625	
Net Position - Beginning of Year				<u>(1,130,793)</u>	
<b>NET POSITION - END OF YEAR</b>					
				<u>\$ (886,168)</u>	

See accompanying Notes to Basic Financial Statements.

**THE BRANDS METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 60	\$ -	\$ 60
Cash and Investments - Restricted	-	480,587	480,587
Receivable from County Treasurer	366	943	1,309
Due from District No. 1	-	54,574	54,574
Property Tax Receivable	-	121,396	121,396
	<u>\$ 426</u>	<u>\$ 657,500</u>	<u>\$ 657,926</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Tax	-	121,396	121,396
Total Deferred Inflows of Resources	<u>-</u>	<u>121,396</u>	<u>121,396</u>
<b>FUND BALANCES</b>			
Restricted for:			
Debt Service	-	536,104	536,104
Unassigned	426	-	426
Total Fund Balances	<u>426</u>	<u>536,104</u>	<u>536,530</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 426</u>	<u>\$ 657,500</u>	

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Series 2021A Note	(1,420,000)
Accrued Interest Payable	(2,698)
Net Position of Governmental Activities	<u>\$ (886,168)</u>

See accompanying Notes to Basic Financial Statements.

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ -	\$ 105,776	\$ 105,776
Specific Ownership Taxes	-	7,612	7,612
Transfer From District No. 1 - Sales Tax Rebate	-	63,078	63,078
Transfer From District No. 1 - PIF	-	127,140	127,140
Interest Income	-	614	614
Total Revenues	-	304,220	304,220
<b>EXPENDITURES</b>			
Current:			
County Treasurer's Fee	-	2,128	2,128
Miscellaneous	-	19	19
Debt Service:			
Non-Use Fee	-	21,418	21,418
Loan Interest - Series 2021A	-	33,866	33,866
Loan Principal - Series 2021A	-	45,000	45,000
Paying Agent Fees	-	2,250	2,250
Total Expenditures	-	104,681	104,681
<b>NET CHANGE IN FUND BALANCES</b>	-	199,539	199,539
Fund Balances - Beginning of Year	426	336,565	336,991
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 426</u>	<u>\$ 536,104</u>	<u>\$ 536,530</u>

See accompanying Notes to Basic Financial Statements.

**THE BRANDS METROPOLITAN DISTRICT NO. 2  
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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$	199,539
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Loan Principal Payments		45,000
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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		86
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Changes in Net Position of Governmental Activities	\$	<u>244,625</u>
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**THE BRANDS METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>EXPENDITURES</b>	-	-	-
Total Expenditures	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	50	426	376
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 50</u>	<u>\$ 426</u>	<u>\$ 376</u>

See accompanying Notes to Basic Financial Statements.

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

The Brands Metropolitan District No. 2 (the District), (formerly known as Eagle Crossing Loveland Metropolitan District No. 2), 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 6, 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 Metropolitan District No.1, No. 3, and No. 4 (formerly known as Eagle Crossing Loveland Metropolitan District No. 1, No. 3, and No. 4). The District, along with The Brands Metropolitan District No. 3 and No. 4, serve as the Financing Districts, which are responsible for providing the tax base needed to support financing of capital improvements. The Brands 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 METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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 and intergovernmental revenues. 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 BRANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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 METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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 METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Position:

Cash and Investments	\$ 60
Cash and Investments - Restricted	480,587
Total Cash and Investments	<u>\$ 480,647</u>

**Deposits with Financial Institutions**

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, 2023, the District's cash deposits had a bank balance and a carrying balance of \$480,647.

**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 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 METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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

As of December 31, 2023, the District had no investments.

**NOTE 4 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Governmental Activities					
US Bank Tax-Exempt Loans					
Series 2021A Note	\$ 1,465,000	\$ -	\$ 45,000	\$ 1,420,000	\$ 45,000
Total	<u>\$ 1,465,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 1,420,000</u>	<u>\$ 45,000</u>

**U.S. Bank Tax-Exempt Loans:** On April 8, 2021, the District entered into a loan agreement with U.S. Bank National Association (the Bank) to obtain a tax-exempt, nonbank qualified, draw down term loan up to \$10,000,000 (Loan). The Loan is due on December 1, 2026, 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. \$1,550,000 was drawn upon closing (Series 2021A Note) bearing a 2.28% 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.

As of December 31, 2023, the District had an unused line of credit in the amount of \$8,450,000 related to the Loan.

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

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:

Year Ending December 31,	Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	
2024	\$ 45,000	\$ 32,376	\$ 77,376
2025	50,000	31,350	81,350
2026	1,325,000	30,210	1,355,210
Total	<u>\$ 1,420,000</u>	<u>\$ 93,936</u>	<u>\$ 1,513,936</u>

**Authorized Debt**

At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 4, 2024 Election	Authorization Used 2021	Authorized But Unused
Streets	\$ 10,000,000	\$ -	\$ 10,000,000
Safety Protection	10,000,000	-	10,000,000
Water	10,000,000	-	10,000,000
Sanitary and Storm Sewer	10,000,000	(1,550,000)	8,450,000
Public Transportation	10,000,000	-	10,000,000
Mosquito Control	10,000,000	-	10,000,000
Fire Protection	10,000,000	-	10,000,000
Television Relay and Translation	10,000,000	-	10,000,000
Security	10,000,000	-	10,000,000
Operations and Maintenance	10,000,000	-	10,000,000
Parks and Recreation	10,000,000	-	10,000,000
Debt Refunding	10,000,000	-	10,000,000
IGA for Public Improvements	10,000,000	-	10,000,000
Private Agreements as Debt	10,000,000	-	10,000,000
Special Assessment	10,000,000	-	10,000,000
Total	<u>\$ 150,000,000</u>	<u>\$ (1,550,000)</u>	<u>\$ 148,450,000</u>

Pursuant to the Service Plan, the maximum general obligation indebtedness for all of Financing Districts (as defined below) combined is to not exceed \$10,000,000.

**THE BRANDS METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Debt Service	\$ 486,405
Total Restricted Net Position	\$ 486,405

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.

**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. 3 – 4 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.

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Common Finance Plan Resolution**

On April 7, 2021, District No. 1, No. 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 issue such debt as the Districts can reasonably pay for revenues derived from the Maximum Debt Mill Levy and/or any other legally available revenues of the Districts, including without limitation sales tax revenues and public improvement fees expected to be received by the Developer of the Project in accordance with the Business Assistance Agreement with the City of Loveland and remitted by the Developer to the Districts.

District No. 1 had entered into an Infrastructure Acquisition and Reimbursement Agreement (the IARA) with the Developer within the Project Area to reimburse the Developer 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. District Nos. 1 and 3 also entered into Capital Pledge Agreements with the District to support the payment of debt service on the Loan.

**Capital Pledge Agreement**

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 No. 3 and District No. 4 will remit their net tax revenues to the District.

**BAA and PIF Revenues Assignment Agreement**

On April 8, 2021, 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 2021A Note and any additional Loans with U.S. 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. (the "Developer") and the City of Loveland entered into a Business Assistance Agreement Regarding The Brands dated December 21, 2016 (the "Business Assistance Agreement," or "BAA"), pursuant to which the City is required to rebate to the Developer certain City Sales Tax generated within The Brands 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 and PIF Matters dated April 8, 2021, the Developer has agreed to pay District No. 1 all City Sales Tax payable to the Developer in accordance with the BAA.

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 6 AGREEMENTS (CONTINUED)**

**BAA and PIF Revenues Assignment Agreement (Continued)**

Additionally, the Developer designated District No. 1 as the primary Public Improvement Fees (PIF) recipient in various Designation and Assignment of Primary PIF Recipient agreements, and have assigned all gross PIF Revenues to District No. 1. Gross PIF 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 Designation and Assignment of PIF Revenues Concerning Declaration of Covenants Imposing and Implementing a Public Improvement Fee The Brands – Loveland dated April 6, 2021, between Eagle Crossing Development, Inc and the District No. 1, (ii) the Designation and Assignment of PIF Revenues Concerning Declaration of Covenants Imposing and Implementing a Project Improvement Fee The Brands – Loveland dated April 6, 2021 between Eagle Crossing Development, Inc and District No. 1, and (iii) the Designation and Assignment of PIF Revenues Concerning Declaration of Covenants Imposing and Implementing a Project Improvement Fee Eagle Crossing – Loveland dated April 6, 2021, between Eagle Crossing Development, Inc and District No. 1.

**NOTE 7 RELATED PARTIES**

The Developer of the property which constitutes the District is Eagle Crossing Development, 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 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.

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 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.

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, 2023.

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 METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 105,670	\$ 105,776	\$ 106
Specific Ownership Taxes	7,397	7,612	215
Transfer From District No. 1 - Sales Tax Rebate	70,000	63,078	(6,922)
Transfer From District No. 1 - PIF	123,985	127,140	3,155
Interest Income	-	614	614
Total Revenues	<u>307,052</u>	<u>304,220</u>	<u>(2,832)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fee	2,113	2,128	(15)
Paying Agent Fees	3,000	2,250	750
Non-Use Fee	22,000	21,418	582
Loan Interest - Series 2021A	33,402	33,866	(464)
Loan Principal - Series 2021A	45,000	45,000	-
Miscellaneous	-	19	(19)
Contingency	4,485	-	4,485
Total Expenditures	<u>110,000</u>	<u>104,681</u>	<u>5,319</u>
<b>NET CHANGE IN FUND BALANCE</b>	197,052	199,539	2,487
Fund Balance - Beginning of Year	<u>316,403</u>	<u>336,565</u>	<u>20,162</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 513,455</u></u>	<u><u>\$ 536,104</u></u>	<u><u>\$ 22,649</u></u>

## **OTHER INFORMATION**

**THE BRANDS METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2023**

\$1,550,000 Tax-Exempt Loan (Series 2021A)  
Dated April 8, 2021  
Interest Rate 2.28%  
Principal Due December 1  
Interest Payable June 1 and December 1

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 45,000	\$ 32,376	\$ 77,376
2025	50,000	31,350	81,350
2026	1,325,000	30,210	1,355,210
Total	<u>\$ 1,420,000</u>	<u>\$ 93,936</u>	<u>\$ 1,513,936</u>

**THE BRANDS METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Levied	Collected	
2018/2019	\$ 709,413	0.0%	39.000	-	\$ 27,667	\$ 27,667	100.00 %
2019/2020	1,597,573	125.2%	39.000	-	62,305	90,383	145.07 %
2020/2021	1,828,222	14.4%	39.000	-	71,301	71,218	99.88 %
2021/2022	2,410,728	31.9%	-	39.000	94,018	94,683	100.71 %
2022/2023	2,709,494	12.4%	-	39.000	105,670	105,776	100.10 %
Estimated for Year Ending December 31, 2024	\$ 2,994,685	10.5%	0.000	40.537	\$ 121,396		

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**


**YEAR ENDED DECEMBER 31, 2023**


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## Independent Auditors' 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 each major fund of The Brands East Metropolitan District No. 4 (the District), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Brands East Metropolitan District No. 4, as of December 31, 2023, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for 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 Auditors' 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.

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



In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The 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.

### **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.

### **Supplementary 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.

Such information 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.

## Other Information

Management is responsible for the other information included in the annual report. The other information and continuing disclosure annual financial information, as listed in the table of contents, does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information and continuing disclosure annual financial information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Haynie & Company*

Littleton, Colorado  
July 30, 2024

## **BASIC FINANCIAL STATEMENTS**

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 60
Cash and Investments - Restricted	36,852
Due from District No. 1	331,357
Due from District No. 2	212
Due from District No. 3	3,172
Receivable from County Treasurer	1,107
Property Tax Receivable	<u>198,065</u>
Total Assets	<u>570,825</u>
<b>LIABILITIES</b>	
Due to District No. 1	10
Accrued Interest Payable	7,447
Noncurrent Liabilities:	
Due Within One Year	302,000
Due in More Than One Year	<u>5,738,000</u>
Total Liabilities	<u>6,047,457</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	<u>198,065</u>
Total Deferred Inflows of Resources	<u>198,065</u>
<b>NET POSITION</b>	
Restricted for:	
Debt Service	362,068
Unrestricted	<u>(6,036,765)</u>
Total Net Position	<u><u>\$ (5,674,697)</u></u>

See accompanying Notes to Basic Financial Statements.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

	Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>				
Primary Government:				
Governmental Activities:				
General Government	\$ 70	\$ -	\$ -	\$ (70)
Interest on Long-Term Debt and Related Costs	450,659	-	925,741	475,082
Total Governmental Activities	\$ 450,729	\$ -	\$ 925,741	475,012
<b>GENERAL REVENUES</b>				
Property Taxes				140,931
Specific Ownership Taxes				10,152
Interest Income				37,605
Total General Revenues and Transfers				188,688
<b>CHANGES IN NET POSITION</b>				663,700
Net Position - Beginning of Year				(6,338,397)
<b>NET POSITION - END OF YEAR</b>				\$ (5,674,697)

See accompanying Notes to Basic Financial Statements.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 60	\$ -	\$ -	\$ 60
Cash and Investments - Restricted	-	33,667	3,185	36,852
Receivable from County Treasurer	-	1,107	-	1,107
Due from District No. 1	-	331,357	-	331,357
Due from District No. 2	-	212	-	212
Due from District No. 3	-	3,172	-	3,172
Property Tax Receivable	-	198,065	-	198,065
	<u>\$ 60</u>	<u>\$ 567,580</u>	<u>\$ 3,185</u>	<u>\$ 570,825</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to District No. 1	10	-	-	10
Total Liabilities	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax	-	198,065	-	198,065
Total Deferred Inflows of Resources	<u>-</u>	<u>198,065</u>	<u>-</u>	<u>198,065</u>
<b>FUND BALANCES</b>				
Restricted for:				
Debt Service	-	369,515	-	369,515
Unassigned	50	-	3,185	3,235
Total Fund Balances	<u>50</u>	<u>369,515</u>	<u>3,185</u>	<u>372,750</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 60</u>	<u>\$ 567,580</u>	<u>\$ 3,185</u>	

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest Payable

Loan Payable - Series 2023

(7,447)  
(6,040,000)

Net Position of Governmental Activities

\$ (5,674,697)

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ -	\$ 140,931	\$ -	\$ 140,931
Specific Ownership Taxes	-	10,152	-	10,152
Interest Income	-	37,589	16	37,605
Transfers from District No. 1	-	459,893	-	459,893
Transfers from District No. 2	-	32,295	-	32,295
Transfers from District No. 3	-	433,553	-	433,553
Total Revenues	<u>-</u>	<u>1,114,413</u>	<u>16</u>	<u>1,114,429</u>
<b>EXPENDITURES</b>				
Current:				
County Treasurer's Fee	-	2,830	-	2,830
Miscellaneous	-	70	-	70
Debt Service:				
Non-Use Fees	-	17,378	-	17,378
Paying Agent Fees	-	2,200	-	2,200
Loan Interest - Series 2018A	-	108,758	-	108,758
Loan Interest - Series 2019A	-	48,592	-	48,592
Loan Interest - Series 2019B	-	37,322	-	37,322
Loan Interest - Series 2020A	-	33,383	-	33,383
Loan Principal - Series 2018A	-	2,585,000	-	2,585,000
Loan Principal - Series 2019A	-	1,711,887	-	1,711,887
Loan Principal - Series 2019B	-	1,300,895	-	1,300,895
Loan Principal - Series 2020A	-	2,058,333	-	2,058,333
Cost of Issuance	-	209,900	-	209,900
Total Expenditures	<u>-</u>	<u>8,116,548</u>	<u>-</u>	<u>8,116,548</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(7,002,135)	16	(7,002,119)
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Issuance (Refunding)	-	6,040,000	-	6,040,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,040,000</u>	<u>-</u>	<u>6,040,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(962,135)	16	(962,119)
Fund Balances - Beginning of Year	<u>50</u>	<u>1,331,650</u>	<u>3,169</u>	<u>1,334,869</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 50</u>	<u>\$ 369,515</u>	<u>\$ 3,185</u>	<u>\$ 372,750</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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ (962,119)
--	--------------

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

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Loan Issuance - Series 2023 Note	(6,040,000)
Refunded Loans	7,656,115

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 Payable - Change in Liability	<u>9,704</u>
--	--------------

Changes in Net Position of Governmental Activities	<u><u>\$ 663,700</u></u>
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**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, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Total Revenues	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Total Expenditures	-	-	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Total Other Financing Sources (Uses)	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	50	50	-
<b>FUND BALANCE - END OF YEAR</b>	<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, 2023**

**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, 2023**

**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, 2023**

**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.

The District amended its annual budget for the year ended December 31, 2023.

**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, 2023**

**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, 2023**

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Position:

Cash and Investments	\$ 60
Cash and Investments - Restricted	36,852
Total Cash and Investments	\$ 36,912

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

Deposits with Financial Institutions	\$ 36,912
Total Cash and Investments	\$ 36,912

**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, 2023, the District's cash deposits had a bank balance and a carrying balance of \$36,912.

**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 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, 2023**

**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

As of December 31, 2023, the District did not have any investments.

**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, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Government Activities:					
Tax-Exempt Loans:					
Series 2018A Note	\$ 2,585,000	\$ -	\$ 2,585,000	\$ -	\$ -
Series 2019A Note	1,711,887	-	1,711,887	-	-
Series 2019B Note	1,300,894	-	1,300,894	-	-
Series 2020A Note	2,058,334	-	2,058,334	-	-
Series 2023 Note	-	6,040,000	-	6,040,000	302,000
Total Long-Term Obligations	<u>\$ 7,656,115</u>	<u>\$ 6,040,000</u>	<u>\$ 7,656,115</u>	<u>\$ 6,040,000</u>	<u>\$ 302,000</u>

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**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. A non-use fee of .25% per annum of the unfunded portion of the loan is 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.

All outstanding amounts under this Loan were refunded (paid in full) on December 21, 2023, with the issuance of the Series 2023 Note (discussed below).

**Points West Community Bank Special Revenue Note, Series 2023:** On December 21, 2023, the District entered into a loan agreement with Points West Community Bank to obtain a loan in the amount of \$6,040,000 (Series 2023 Note). The Series 2023 Note has an interest rate of 4.70%, payable semiannually on June 1 and December 1. Principal payment is scheduled every December 1, starting December 1, 2024. The Series 2023 Note matures on December 1, 2028. Proceeds from the Series 2023 Note were used to refund the District's prior loans with US Bank. The Series 2023 Note is secured and payable from the pledged revenues consisting of property tax revenues, specific ownership revenue, and revenues assigned by the Developer to the District (public improvements fees and sales tax rebates).



**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

The Series 2023 Note will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 302,000	\$ 268,109	\$ 570,109
2025	302,000	269,686	571,686
2026	302,000	255,492	557,492
2027	302,000	241,298	543,298
2028	4,832,000	227,104	5,059,104
Total	<u>\$ 6,040,000</u>	<u>\$ 1,261,689</u>	<u>\$ 7,301,689</u>

**Authorized Debt**

At December 31, 2023, 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>\$ (3,254,427)</u>	<u>\$ (2,189,716)</u>	<u>\$ 216,855,857</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.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Debt Service	\$ 362,068
Total Restricted Net Position	\$ 362,068

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.

**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.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 6 AGREEMENTS (CONTINUED)**

**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 IARAs) with developers and builders within the Project Area to reimburse them 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 IARAs. District Nos. 2 and 3 also entered into Capital Pledge Agreements with the District to support the payment of debts issued by the District.

**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, "Original Pledge Agreement"). District Nos. 2 and 3 will remit their net tax revenues to the District.

On December 21, 2023, the Financing Districts entered into an Amended and Restated Capital Pledge Agreement ("Pledge Agreement") which amends and restates the Original Pledge Agreement, and pursuant to which the Financing Districts will impose the required mill levy against all taxable property of the applicable Financing Districts to be pledged towards the repayment of the Points West Community Bank Series 2023 Note.

**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.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 6 AGREEMENTS (CONTINUED)**

**BAA and PIF Revenues Assignment Agreement (continued)**

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 PIF 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.

On December 21, 2023, the District and District No. 1 entered into an Amended and Restated BAA and PIF Revenues Assignment pursuant to which District No. 1 has assigned to the District all Town Sales Tax and all PIF Payable to District No. 1, net of certain collection costs related to the PIF, for the term of the Points West Community Bank Series 2023 Note.

**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 (the Developers). 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.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8 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 9 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.

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, 2023.

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, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 140,931	\$ 140,931	\$ 140,931	\$ -
Specific Ownership Taxes	9,865	10,028	10,152	124
Interest Income	3,000	25,000	37,589	12,589
Transfers from District No. 1	411,861	431,061	459,893	28,832
Transfers from District No. 2	32,361	32,604	32,295	(309)
Transfers from District No. 3	435,221	437,439	433,553	(3,886)
Total Revenues	<u>1,033,239</u>	<u>1,077,063</u>	<u>1,114,413</u>	<u>37,350</u>
<b>EXPENDITURES</b>				
County Treasurer's Fee	2,819	2,830	2,830	-
Miscellaneous	-	-	70	(70)
Non-Use Fees	-	18,000	17,378	622
Paying Agent Fees	2,000	2,000	2,200	(200)
Loan Interest - Series 2018A	101,167	101,167	108,758	(7,591)
Loan Interest - Series 2019A	42,968	43,565	48,592	(5,027)
Loan Interest - Series 2019B	33,502	33,502	37,322	(3,820)
Loan Interest - Series 2020A	27,582	27,115	33,383	(6,268)
Loan Principal - Series 2018A	2,585,000	2,585,000	2,585,000	-
Loan Principal - Series 2019A	1,711,887	1,711,887	1,711,887	-
Loan Principal - Series 2019B	1,300,895	1,300,895	1,300,895	-
Loan Principal - Series 2020A	2,058,332	2,058,332	2,058,333	(1)
Cost of Issuance	400,000	240,950	209,900	31,050
Contingency	31,709	174,757	-	174,757
Total Expenditures	<u>8,297,861</u>	<u>8,300,000</u>	<u>8,116,548</u>	<u>183,452</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,264,622)	(7,222,937)	(7,002,135)	220,802
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Issuance (Refunding)	5,970,000	6,095,000	6,040,000	(55,000)
Total Other Financing Sources (Uses)	<u>5,970,000</u>	<u>6,095,000</u>	<u>6,040,000</u>	<u>(55,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,294,622)	(1,127,937)	(962,135)	165,802
Fund Balance - Beginning of Year	<u>1,294,622</u>	<u>1,331,650</u>	<u>1,331,650</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 203,713</u>	<u>\$ 369,515</u>	<u>\$ 165,802</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, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ -	\$ 16	\$ 16
Total Revenues	<u>-</u>	<u>16</u>	<u>16</u>
<b>EXPENDITURES</b>			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	16	16
<b>OTHER FINANCING SOURCES (USES)</b>			
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	16	16
Fund Balance - Beginning of Year	<u>-</u>	<u>3,169</u>	<u>3,169</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 3,185</u></u>	<u><u>\$ 3,185</u></u>



## **OTHER INFORMATION**

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 4  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 DECEMBER 31, 2023**

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	
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
2023	4,697,711	0.000	30.000	140,931	140,931	100.00
Estimated for the Year Ending December 31, 2024	\$ 6,351,887	0.000	31.182	\$ 198,065		