BRENNAN METROPOLITAN DISTRICT

2025 ANNUAL REPORT
TO
THE TOWN OF ERIE, COLORADO

Pursuant to §32-1-207(3)(c) and Section VII. of the Service Plan for Brennan Metropolitan District (the "**District**"), the District is required to provide an annual report to the Town of Erie with regard to the following matters:

For the year ending December 31, 2025, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. **Boundary changes made.**

   There were no boundary changes made to the District's boundaries in 2025.

2. **Intergovernmental Agreements entered into or terminated.**

   The District did not enter into or terminate any intergovernmental agreements in 2025.

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

   As of December 31, 2025, the District had not adopted any rules or regulations.

4. **A summary of litigation involving Public Improvements owned by the District.**

   To our actual knowledge, based on review of the court records in Boulder County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's Public Improvements as of December 31, 2025.

5. **Status of the construction of Public Improvements by the District.**

   All public improvement construction financed by the District was previously completed.

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

   Approximately $2,275,000 worth of public infrastructure was constructed by the developer and reimbursed by the District with proceeds from its Series 2016 bonds. The infrastructure included street, curb, gutter, sidewalk, street lighting, traffic signage, storm sewer, sanitary sewer, water main distribution, drainage, erosion controls, etc., and was previously conveyed to the Town of Erie to the extent required by the Town of Erie. No additional District funded public infrastructure in 2025, and the District has no plans for any additional capital improvements.

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

The final assessed valuation for 2025 as reported by the Boulder County Assessor is $5,531,053.

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

*A copy of the 2026 Budget is 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 2025 Audit is not complete at the time of filing and will be provided as a supplement upon completion. The 2024 Audit is the most current audit and it is attached hereto as **Exhibit B**.*

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

There were no uncured defaults existing for more than 90-days under any District debt instrument in 2025.

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

There were no incidents of District inability to pay its obligations as they came due under any obligation which continued beyond 90-days in 2025.

Service Plan Requirements

12. **A narrative summary of the progress of the District in implementing its Service Plan.**

The District has implemented its Service Plan. Public infrastructure was constructed and the District issued Bonds to make reimbursement payment to the developer for verified public infrastructure costs.

13. **A summary of the capital expenditures incurred by the District in development of public facilities in the fiscal year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following.**

See No. 6 above. No additional public infrastructure in 2025, and no additional capital improvements are planned.

14. **A summary of the financial obligations of the District at the end of the fiscal year, including the amount of outstanding indebtedness, the amount and terms of any new**

District indebtedness or long-term obligations issued in the fiscal year, the amount of payment or retirement of existing indebtedness of the District in the fiscal year, the total assessed valuation of all taxable properties within the District as of January 1 of the fiscal year, and the current mill levy of the District pledged to debt retirement in the fiscal year.

In October 2016, the District issued 30-year term $2,370,000 General Obligation Limited Tax Bonds, Series 2016A and $516,000 Subordinate General Obligation Limited Tax Bonds, Series 2016B. In September 2021, the District refinanced the Series 2016 Bonds through the issuance of its Series 2021 Bonds.

The Total assessed valuation for 2025 as reported by the Boulder County Assessor is $5,531,053.

The current 2025 mill levy pledged to debt for collection is 32.500 mills.

15. **A summary of residential and commercial development which has occurred with the District for the fiscal year.**

Residential home construction occurred in 2017 and 2018. There is no commercial land use in the District.

16. **A summary of all taxes, fees, charges and assessments imposed by the District as of January 1 of the fiscal year.**

Operational and debt service mill levies only; no fees, charges or assessments.

17. **The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board.**

Board Member Name	Board Position	Address	Phone Number
Art W. Abramson	President Term to May 2027	677 Brennan Circle Erie, CO 80516	303-449-5715
Kenneth W. Switzer	Secretary Term to May 2027	675 Brennan Circle Erie, CO 80516	303-444-3932
Arthur Henderlong	Treasurer Term to May 2027	674 Brennan Circle Erie, CO 80516	219-776-6220
Carolyn Dahlgren	Asst. Secretary Term to May 2029	647 Brennan Circle Erie, CO 80516	970-618-2240
Vacant			

District General Counsel:	WBA, PC
Address of General Counsel:	WBA, PC 2154 E. Commons Avenue, Suite 2000 Centennial, Colorado 80122
Phone Number:	(303) 858-1800
Regular Meeting Schedule:	Regular meetings are held on the second Tuesday of April and October at 6:00 P.M. by telephone, electronic, or other means not including physical presence.

EXHIBIT A
2026 Budget

BRENNAN METROPOLITAN DISTRICT
2026
BUDGET MESSAGE

Attached please find a copy of the adopted 2026 budget for the Brennan Metropolitan District.

The Brennan Metropolitan District has adopted a budget for two separate funds, a General Fund to provide for the payment of operating expenditures; and a Debt Service Fund to provide for payments on the outstanding general obligation bonds issued by the district

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2026 will be property taxes. The district intends to impose a 32.500 mill levy on the property within the district for 2026, of which 4.500 mills will be dedicated to the General Fund and the balance of 28.000 mills will be allocated to the Debt Service Fund.

Brennan Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2026

	Actuals 2024	Adopted Budget 2025	Actual 6/30/2025	Estimate 2025	Adopted Budget 2026
Beginning fund balance	$ 89,845	$ 78,063	$ 84,736	$ 84,734	$ 69,381
Revenues:					
Property taxes	22,277	23,546	23,064	23,500	24,890
Specific ownership taxes	889	2,356	522	1,100	2,489
Interest income	5,004	100	1,140	2,000	1,000
Total revenues	28,170	26,002	24,726	26,600	28,379
Total funds available	118,015	104,065	109,462	111,334	97,760
Expenditures:					
Accounting	9,951	8,500	4,498	9,000	10,000
Audit	6,500	6,500		6,500	7,500
Election expense	-	7,500	-	2,000	-
Insurance/SDA dues	2,805	3,900	3,068	3,100	3,900
Legal	13,685	18,000	10,201	18,000	18,000
Miscellaneous	20	500	477	1,000	1,000
Treasurer fees	320	353	346	353	373
Website	-	2,500	950	2,000	2,500
Contingency	-	54,879	-	-	53,189
Emergency reserve (3%)	-	1,433	-	-	1,298
Total expenditures	33,281	104,065	19,540	41,953	97,760
Ending fund balance	$ 84,734	$ -	$ 89,922	$ 69,381	$ -
Assessed valuation		$ 5,232,310			$ 5,531,053
Mill Levy		4.500			4.500

Brennan Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2026

	Actuals 2024	Adopted Budget 2025	Actual 6/30/2025	Estimate 2025	Adopted Budget 2026
Beginning fund balance	$ 133,043	$ 135,173	$ 146,839	$ 146,840	$ 145,589
Revenues:					
Interest income	9,438	1,000	3,991	4,000	2,500
Property taxes	161,451	156,969	153,764	156,750	154,869
Specific ownership taxes	6,731	9,419	3,483	7,000	9,293
Total revenues	177,620	167,388	161,238	167,750	166,662
Total funds available	310,663	302,561	308,077	314,590	312,251
Expenditures:					
Bond interest expense	86,400	84,150	42,075	84,150	81,900
Bond principal	75,000	75,000	-	75,000	80,000
Treasurer's fees	2,423	2,355	2,307	2,351	2,323
Trustee / paying agent fees	-	7,500	4,000	7,500	7,500
Total expenditures	163,823	169,005	48,382	169,001	171,723
Ending fund balance	$ 146,840	$ 133,556	$ 259,695	$ 145,589	$ 140,528
Assessed valuation		$ 5,232,310			$ 5,531,053
Mill Levy		30.000			28.000
Total Mill Levy		34.500			32.500

EXHIBIT B
2024 Audit

BRENNAN METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2024

with

Independent Auditor's Report

CONTENTS

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Board of Directors
Brennan Metropolitan District
Boulder County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Brennan Metropolitan District (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Brennan Metropolitan District as of December 31, 2024, and the respective changes in financial position and the respective 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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 opinions on the basic financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP
Denver, Colorado

July 28, 2025

BRENNAN METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2024

	General	Debt Service	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and investments	$ 82,949	$ -	$ 82,949	$ -	$ 82,949
Cash and investments - restricted	1,433	146,290	147,723	-	147,723
Receivable - County Treasurer	75	550	625	-	625
Property taxes receivable	23,546	156,969	180,515	-	180,515
Prepaid expenses	2,521	-	2,521	-	2,521
Capital assets not being depreciated	-	-	-	2,275,250	2,275,250
Total Assets	110,524	303,809	414,333	2,275,250	2,689,583
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	-	-	58,264	58,264
Total Deferred Outflows of Resources	-	-	-	58,264	58,264
Total Assets and Deferred Outflows of Resources	$ 110,524	$ 303,809	$ 414,333		
LIABILITIES					
Accounts payable	$ 2,244	$ -	$ 2,244	-	2,244
Accrued interest on bonds	-	-	-	7,013	7,013
Long-term liabilities:					
Due within one year	-	-	-	75,000	75,000
Due in more than one year	-	-	-	2,782,789	2,782,789
Total Liabilities	2,244	-	2,244	2,864,802	2,867,046
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	23,546	156,969	180,515	-	180,515
Total Deferred Inflows of Resources	23,546	156,969	180,515	-	180,515
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepaids	2,521	-	2,521	(2,521)	-
Restricted:					
Emergencies	1,433	-	1,433	(1,433)	-
Debt service	-	146,840	146,840	(146,840)	-
Unassigned	80,780	-	80,780	(80,780)	-
Total Fund Balances	84,734	146,840	231,574	(231,574)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 110,524	$ 303,809	$ 414,333		
Net Position:					
Restricted for:					
Emergencies				1,433	1,433
Debt service				139,828	139,828
Unrestricted				(440,974)	(440,974)
Total Net Position				$ (299,714)	$ (299,714)

The notes to the financial statements are an integral part of these statements.

BRENNAN METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	General	Debt Service	Total	Adjustments	Statement of Activities
EXPENDITURES					
Accounting and audit	$ 16,451	$ -	$ 16,451	$ -	$ 16,451
Insurance	2,805	-	2,805	-	2,805
Legal	13,686	-	13,686	-	13,686
Miscellaneous expenses	20	-	20	-	20
Treasurer's fees	320	2,423	2,743	-	2,743
Bond principal	-	75,000	75,000	(75,000)	-
Bond interest expense	-	86,400	86,400	332	86,732
Total Expenditures	33,282	163,823	197,105	(74,669)	122,437
GENERAL REVENUES					
Property taxes	22,277	161,451	183,728	-	183,728
Specific ownership taxes	889	6,731	7,620	-	7,620
Interest income	5,004	9,438	14,442	-	14,442
Total General Revenues	28,170	177,620	205,790	-	205,790
NET CHANGES IN FUND BALANCES	(5,112)	13,797	8,685	(8,685)	
CHANGE IN NET POSITION				83,354	83,354
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR	89,846	133,043	222,889	(605,956)	(383,067)
END OF YEAR	$ 84,734	$ 146,840	$ 231,574	$ (531,288)	$ (299,714)

The notes to the financial statements are an integral part of these statements.

BRENNAN METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2024

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 21,334	$ 22,277	$ 943
Specific ownership taxes	2,135	889	(1,246)
Interest income	100	5,004	4,904
Total Revenues	23,569	28,170	4,601
EXPENDITURES			
Accounting and audit	11,000	16,451	(5,451)
Election expense	-	-	-
Insurance	3,900	2,805	1,095
Legal	18,000	13,686	4,314
Website	2,500	-	2,500
Miscellaneous expenses	500	20	480
Treasurer's fees	320	320	-
Contingency	74,722	-	74,722
Emergency reserve	1,087	-	1,087
Total Expenditures	112,029	33,282	78,747
NET CHANGE IN FUND BALANCE	(88,460)	(5,112)	83,348
FUND BALANCE:			
BEGINNING OF YEAR	88,460	89,846	1,386
END OF YEAR	$ -	$ 84,734	$ 84,734

The notes to the financial statements are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

The accounting policies of Brennan Metropolitan District (the "District"), located in the Town of Erie, (the "Town") Boulder County, Colorado, conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on June 22, 2016, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to provide public improvements within and without the boundaries of the District, including the planning, design, acquisition, construction, installation and financing of the Public Improvements pursuant to the District's Service Plan. The District is to dedicate the Public Improvements to the Town of Erie or other appropriate jurisdiction or owner's association for operation and maintenance. In addition, the District may undertake operations and maintenance of certain Public Improvements as provided for in its Service Plan. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

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

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

Basis of Presentation

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

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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

The District reports the following major governmental funds:

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

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

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2024, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

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

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

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Original Issue Premium and Loss on Refunding

Original issue premium from the Series 2021 Bonds are being amortized over the term of the bonds using the interest method. The deferred loss on refunding is being amortized over the life of the bonds using the effective interest method. Accumulated amortization of original issue premium and the deferred loss on refunding amounted to $13,069 and $14,754, respectively, at December 31, 2024.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. All improvements will be conveyed to other entities. No depreciation expense was recognized during 2024.

Property Taxes

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

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $1,433 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $146,840 is restricted for the payment of the debt service costs associated with the Series 2021 Bonds (see Note 4).

Committed Fund Balance
The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance
Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance
Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position
Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Investments

As of December 31, 2024, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	$ 82,949
Cash and investments – Restricted	147,723
Total	$ 230,672

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

Deposits with financial institutions	$ 6,921
Investments – MSILF	188,874
Investments - COLOTRUST	34,877
	$ 230,672

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment, is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value (NAV) per share.

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

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

As of December 31, 2024, the District had the following investment:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of $1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2024, the District had $34,877 invested in COLOTRUST.

Morgan Stanley Treasury Portfolio

The District's funds that were included in the trust accounts at UMB Bank were invested in the Morgan Stanley Treasury Portfolio ("Portfolio"). This Portfolio is a money market fund and each share is equal in value to $1.00. All investments within the Portfolio are recorded at fair value and the District records its investment in the Portfolio at NAV. The Portfolio is AAAm rated and invests exclusively in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. The maturity of the underlying securities is 15 days or less. As of December 31, 2024, the District has $188,874 invested in the fund.

Note 3: Capital Assets

An analysis of the changes in capital assets for the period ended December 31, 2024, follows:

Governmental Type Activities:	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
Capital assets not being depreciated:				
Construction in progress	$ 2,275,250	$ -	$ -	$ 2,275,250
Total capital assets not being depreciated	2,275,250	-	-	2,275,250
Government type assets, net	$ 2,275,250	$ -	$ -	$ 2,275,250

Upon completion and acceptance, all capital assets will be conveyed by the District to other local governments. The District will not be responsible for maintenance of those capital assets conveyed to other entities.

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2024, is as follows:

$3,000,000 Limited Tax General Obligation Refunding Bonds Series 2021

On September 29, 2021, the District issued $3,000,000 of Limited Tax General Obligation Refunding Bonds Series 2021 (“Series 2021 Bonds”), for the purpose of refunding all of the Districts outstanding Series 2016A Bonds and Series 2016B Bonds, fully funding a Reserve Fund and paying the costs of issuing the Series 2021 Bonds. The Series 2021 Bonds bear interest at the rate of 3.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2022. The Series 2021 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2022 and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $1,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2031, upon payment of par, and accrued interest.

The Series 2021 Bonds are secured by the Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mill Levy, the amounts on deposit in the Bond Fund and The Reserve Fund and any other legally available moneys as determined by the District.

Advance Refunding
On September 29, 2021, the General Obligation Limited Tax Bonds, Series 2016A ("Series 2016A Bonds"), and $516,000 of Subordinate General Obligation Limited Tax Bonds, Series 2016B ("Series 2016B Bonds")were advanced refunded with the issuance of the 2021 Bonds. An escrow was funded to repay the bonds along with accrued interest in full. The refunding resulted in a net present value savings of $1,018,526.

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2021 Bonds.

	Principal	Interest	Total
2025	$ 75,000	$ 84,150	$ 159,150
2026	80,000	81,900	161,900
2027	85,000	79,500	164,500
2028	90,000	76,950	166,950
2029	90,000	74,250	164,250
2030-2034	540,000	326,850	866,850
2035-2039	670,000	238,350	908,350
2040-2044	810,000	128,850	938,850
2045-2046	365,000	16,500	381,500
	$ 2,805,000	$ 1,107,300	$ 3,912,300

The following is an analysis of changes in long-term debt for the year ending December 31, 2024:

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024	Current Portion
Series 2021 Bonds	$ 2,880,000	$ -	$ 75,000	$ 2,805,000	$ 75,000
Developer reimbursement	1,178	-	-	1,178	-
Premium on Series 2021 Bonds	55,638	-	4,027	51,611	-
Total	$ 2,936,816	$ -	$ 79,027	$ 2,857,789	$ 75,000

Debt Authorization
As of December 31, 2024, the District had remaining voted debt authorization of $35,114,000 for public improvements, $5,000,000 for operations and maintenance costs, $8,000,000 for refunding purposes, $5,000,000 for intergovernmental agreements, and $5,000,000 for other agreements. The District has not budgeted to issue any new debt during 2025. Per the District's Service Plan, the District cannot issue debt in excess of $5,000,000.

Note 5: Other Agreements

Administrative, Operations and Maintenance Advance and Reimbursement Agreement
On July 27, 2016, BC Brennan LLC, a Delaware limited liability company (the "Developer") and the District entered into an Administrative, Operations and Maintenance Advance and Reimbursement Agreement pursuant to which the Developer agreed to advance reasonable funds as requested from time to time by the District to pay the District's operating, maintenance, and general administrative expenses to a maximum amount of $25,000. Advances will accrue interest at 8.5%. As of December 31, 2024, the District had $1,178 due to the Developer under this agreement.

Funding, Acquisition and Reimbursement Agreement
On July 27, 2016, the Developer and the District entered into a Funding, Acquisition and Reimbursement Agreement pursuant to which the Developer agreed to construct certain Public Improvements serving the Development and advance funds to the District to pay costs relating thereto, and the District agreed to purchase Public Improvements from the Developer and to reimburse the Developer for the amounts advanced.

Intergovernmental Agreement
On July 27, 2016, the District and the Town entered into an Intergovernmental Agreement which, among other things, recites the limitations on the District's exercise of powers as set forth in the Service Plan. This agreement generally functions as a contractual obligation of the District to abide by the limitations imposed on it by the Town in the Service plan, and pursuant to the Town's Special District Code.

Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights ("TABOR"), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On June 22, 2016, 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 Article X, Section 20 of the Colorado Constitution.

Note 7: Risk Management

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

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

Note 8: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and

2) long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

1) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities.

2) governmental funds report bond proceeds as revenue; and,

3) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

BRENNAN METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2024

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 161,452	$ 161,451	$ (1)
Specific ownership taxes	9,688	6,731	(2,957)
Interest income	1,000	9,438	8,438
Total Revenues	172,140	177,620	5,480
EXPENDITURES			
Bond interest expense	86,400	86,400	-
Bond principal	75,000	75,000	-
Paying agent fees	7,500	-	7,500
Treasurer's fees	2,422	2,423	(1)
Total Expenditures	171,322	163,823	7,499
NET CHANGE IN FUND BALANCE	818	13,797	12,979
FUND BALANCE:			
BEGINNING OF YEAR	119,873	133,043	10,760
END OF YEAR	$ 120,691	$ 146,840	$ 23,739

The notes to the financial statements are an integral part of these statements.

BRENNAN METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2023

December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Tax		Percent Collected to Levied
		General Fund	Debt Service	Levied	Collected	
2016	$ -	0.000	0.000	$ -	$ -	100.00%
2017	$ 1,275,710	35.627	14.373	$ 63,786	$ 63,786	100.00%
2018	$ 1,834,214	25.027	30.250	$ 101,390	$ 101,390	100.00%
2019	$ 2,970,788	15.606	39.671	$ 164,216	$ 162,450	98.92%
2020	$ 3,808,856	12.294	43.370	$ 212,016	$ 212,016	100.00%
2021	$ 4,169,491	11.343	44.321	$ 232,091	$ 230,121	99.15%
2022	$ 4,434,665	5.000	37.000	$ 186,256	$ 184,613	99.12%
2023	$ 4,350,474	5.000	37.000	$ 182,720	$ 184,071	100.74%
2024	$ 5,219,910	4.087	30.930	$ 182,786	$ 183,728	100.52%
Estimated for December 31, 2025	$ 5,232,310	4.500	30.000	$ 180,515		

NOTE

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