Brighton Crossing Metropolitan District No. 4
Brighton, Colorado

Financial Statements and
Supplementary Information
Year ended December 31, 2025

Clinger Hagerman

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Clinger Hagerman

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Brighton Crossing Metropolitan District No. 4
Brighton, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Brighton Crossing Metropolitan District No. 4 (the District) as of and for the year ended December 31, 2025, 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 District as of December 31, 2025, and the respective changes in financial position 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. 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.

Emphasis of Matter – Correction of an Error

As discussed in Note 10 to the financial statements, the District identified an error in previously issued financial statements related to deferred outflows- loss on bond refunding. As a result, beginning net position of governmental activities has been restated to correct the error. Our opinion is not modified with respect to this matter.

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, 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 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule – General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management 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 opinions on the basic financial statements are 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 District's basic financial statements. The accompanying budgetary comparison schedule – 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. The 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 budgetary comparison schedule – Debt Service Fund 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 comprises the schedule outlined in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other 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.

Clinger Hagerman, LLC

Greeley, Colorado
September 15, 2026

Basic Financial Statements

Brighton Crossing Metropolitan District No. 4
Statement of Net Position
December 31, 2025

	Governmental Activities
ASSETS	
Cash and investments	$ 1,653,036
Cash and investments- restricted	485,711
Property taxes receivable	2,438,885
Receivable from county treasurer	8,535
Prepaid items	4,943
Total Assets	4,591,110
LIABILITIES	
Accounts payable	8,049
Payable to Brighton Crossing Operations Board	1,621,810
Accrued interest - bonds	117,955
Non-current liabilities:	
Due within one year	625,000
Due in more than one year	69,063,306
Total Liabilities	71,436,120
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	2,438,885
Deferred gain on refunding	82,796
Total Deferred Inflows of Resources	2,521,681
NET POSITION	
Restricted for:	
Emergency	25,343
Debt service	492,398
Unrestricted	(69,884,432)
Total Net Position	$ (69,366,691)

Brighton Crossing Metropolitan District No. 4
Statement of Activities
Year Ended December 31, 2025

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Primary Government
Primary Government					
Governmental Activities:					
General government	$ 120,167	$ -	$ -	$ -	$ (120,167)
Payment to Brighton Crossing Operations Board	749,508	-	-	-	(749,508)
Interest on long-term debt	3,379,476	-	-	-	(3,379,476)
Total Governmental Activities	4,249,151	-	-	-	(4,249,151)
Total Primary Government	$ 4,249,151	$ -	$ -	$ -	(4,249,151)
General revenues					
Property tax					2,344,623
Specific ownership tax					120,468
Oil and gas royalties					231,741
Conservation trust revenue					18,896
Net investment income					105,299
Total General revenues					2,821,027
Change in Net Position					(1,428,124)
Net Position, beginning of year, as previously reported					(67,580,992)
Error correction					(357,575)
Net Position, beginning of year, as restated					(67,938,567)
Net Position, end of year					$ (69,366,691)

Brighton Crossing Metropolitan District No. 4
Balance Sheet – Governmental Funds
December 31, 2025

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and investments	$ 1,653,036	$ -	$ 1,653,036
Cash and investments - restricted	-	485,711	485,711
Receivables:			
Property taxes	497,705	1,941,180	2,438,885
Receivable from county treasurer	1,848	6,687	8,535
Prepaid expenses	4,943	-	4,943
Total Assets	$ 2,157,532	$ 2,433,578	$ 4,591,110
LIABILITIES			
Accounts payable	$ 8,049	$ -	$ 8,049
Payable to Brighton Crossing Operations Board	1,621,810	-	1,621,810
Total Liabilities	1,629,859	-	1,629,859
DEFERRED INFLOWS OF RESOURCES			
Property taxes	497,705	1,941,180	2,438,885
FUND BALANCES			
Nonspendable	4,943	-	4,943
Restricted:			
Emergency reserves	25,343	-	25,343
Debt service	-	492,398	492,398
Unassigned	(318)	-	(318)
Total Fund Balances	29,968	492,398	522,366
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,157,532	$ 2,433,578	$ 4,591,110

Brighton Crossing Metropolitan District No. 4
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
December 31, 2025

Fund balances - total governmental funds	$	522,366
Amounts reported for the governmental activities in the Statement of Net Position are different for the following reasons:		
Long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the governmental funds.		
Bonds payable		(30,440,000)
Developer advances and accrued interest		(37,577,171)
Accrued interest- bonds		(117,955)
Deferred gain on refunding		(82,796)
Unamortized premium on bonds, net		(1,671,135)
Net position of governmental activities	$	(69,366,691)

Brighton Crossing Metropolitan District No. 4
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
Year Ended December 31, 2025

	General	Debt Service	Total Governmental Funds
Revenues			
Property taxes	$ 507,747	$ 1,836,876	$ 2,344,623
Specific ownership taxes	26,088	94,380	120,468
Oil and gas royalties	231,741	-	231,741
Conservation trust revenue	18,896	-	18,896
Interest income	60,288	45,011	105,299
Total revenues	844,760	1,976,267	2,821,027
Expenditures			
General government	92,606	27,561	120,167
Payment to Brighton Crossing Operations Board	749,508		749,508
Debt service			
Principal	-	560,000	560,000
Interest and fiscal charges	-	1,441,500	1,441,500
Total expenditures	842,114	2,029,061	2,871,175
Net Change in Fund Balance	2,646	(52,794)	(50,148)
Fund Balance, beginning of year	27,322	545,192	572,514
Fund Balance, end of year	$ 29,968	$ 492,398	$ 522,366

Brighton Crossing Metropolitan District No. 4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds to the Statement of Activities
Year Ended December 31, 2025

Net change in fund balances - total governmental funds	$	(50,148)
Amounts reported for governmental activities in the Statement of Activities are different for the following reasons:		
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Premiums on debt issuance are recognized as a current resource at issuance in governmental funds but are amortized over the life of the debt.		
Long-term debt principal payments		560,000
Some expenses reported in the Statement of Activities do not require current financial resources and are not reported as expenditures in governmental funds.		
Change in accrued interest payable on bonds		2,170
Change in accrued interest payable on developer advances		(2,019,906)
Amortization of premiums		75,961
Amortization of deferred gain on refunding		3,799
Change in net position governmental activities	$	(1,428,124)

Note 1 – Definition of Reporting Entity

Brighton Crossing Metropolitan District No. 4 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on April 23, 1985, as Bromley Park Metropolitan District No. 4 pursuant to the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District, which is located entirely within the City of Brighton (the City), changed its name to Brighton Crossing Metropolitan District No. 4 in 2003.

The District was originally one of six contiguous metropolitan districts, together with South Beebe Draw Metropolitan District (formerly Bromley Park Metropolitan District No. 1) and Bromley Park Metropolitan Districts Nos. 2, 3, 5 and 6. The District, South Beebe Draw Metropolitan District, and Bromley Park Metropolitan District Nos. 2 and 3 are parties to an Annexation Agreement with the City, originally dated June 4, 1985, and subsequently amended on December 16, 1986, November 11, 1994, May 28, 1996, and October 24, 1997. The agreement was entered into with the previous developer of the majority of the property within the District, which from 1994 through 1997 was BPK Holdings, LLC (BPK). Bromley Park Metropolitan Districts Nos. 5 and 6 were formed in 2000.

In connection with the continued development of the Brighton Crossings community, Brighton Crossing Metropolitan District Nos. 5, 6, 7 and 8 were subsequently organized in 2018 pursuant to a separate service plan approved by the City. The District and Brighton Crossing Metropolitan District Nos. 5, 6, 7 and 8 are parties to the Brighton Crossings Authority Establishment Agreement, as amended, which established the Brighton Crossings Operations Board (the Operations Board) as a separate governmental entity to provide for the operation and maintenance of certain public improvements and other services throughout the Brighton Crossings community.

The current developer of the District is Brookfield Residential, LLC, formerly known as Carma, Inc. (the Developer). The Developer and the District have assumed the rights and responsibilities associated with all intergovernmental agreements (see Note 5).

The District was established to provide water, sewer and storm drainage services and to provide for the construction, installation, financing and operation of streets, parks and recreation facilities, mosquito control, transportation and television relay systems, and related improvements.

The District is governed by an elected Board of Directors.

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

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The District follows GASB guidance in determining the financial reporting entity. Under GASB standards, legally separate organizations are included within the reporting entity if the District is financially accountable for those organizations or if the nature and significance of the relationship is such that exclusion would cause the financial statements to be misleading or incomplete.

Based upon the application of the criteria established by GASB, the District has determined that no legally separate organizations should be included as component units of the District. Accordingly, South Beebe Draw Metropolitan District and Districts 2, 3, 5 and 6 are excluded from the District's reporting entity. The District is not a component unit of any other governmental entity.

Note 2 – Summary of Significant Accounting Policies

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the governmental activities of the District. The effect of interfund activity has been

removed from these statements. Governmental activities, which normally are supported by property taxes, specific ownership taxes, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, specific ownership taxes, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for 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. Under this method, revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property and specific ownership taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Revenues are considered 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 year-end.

Property taxes, specific ownership taxes, interest revenue, and certain intergovernmental revenues associated with the current fiscal period are considered susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. All other revenue items are recognized when cash is received because they are generally not measurable until actually received. Developer advances are not considered revenues of the District.

Expenditures generally are recognized when the related liability is incurred. However, principal and interest on long-term debt are recognized as expenditures only when payment is due.

The District reports the following major governmental funds:

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

Debt Service Fund – The Debt Service Fund accounts for resources accumulated and payments made for principal and interest on long-term debt.

Budgets and Budgetary Accounting
In accordance with the State Budget Law of Colorado, 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.

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, 2025, 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.

Cash and investments
Cash includes demand deposits, savings accounts, and other highly liquid investments with maturities of three months or less from the date of acquisition. Certain cash and investments are restricted pursuant to the Indenture of Trust and Pledge related to the District's debt. Restricted amounts are held by the Trustee and may be used only for debt service purposes as provided in the bond documents.

Long-Term Obligations
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the related debt using the straight-line method. Management has determined that this method is not materially different from the effective interest method.

In the governmental fund financial statements, proceeds from the issuance of long-term debt are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses. Principal and interest payments are reported as debt service expenditures when due. Long-term debt is not reported as a liability in the governmental fund financial statements because those statements are prepared using the current financial resources measurement focus.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports the deferred loss on refunding as a deferred outflow of resources in the accompanying Statement of Net Position.

In addition to liabilities, the statement of net position 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred property taxes as deferred inflows and recognizes them as revenue when the amounts become available.

Net Position and Fund Balance Classifications
Government-wide Statements

Net position is displayed in three components:

Net investment in capital assets—Capital assets, net of accumulated depreciation, plus capital related deferred outflows of resources reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets. The District functions as a financing arm of the development and has no capital assets, and therefore no net investment in capital assets.

Restricted net position —Net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position — Residual net position that does not meet the definition of “restricted net position” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources, as needed.

Fund Statements
The residual amount remaining after liabilities and deferred inflows of resources are subtracted from the sum of assets and deferred outflows of resources is called fund balance. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* fund balance is classified into five components: nonspendable, restricted, committed, assigned, and unassigned. Definitions are presented below:

Nonspendable Fund Balance – This classification reflects the portion of net resources that is inherently nonspendable because of its form or because it must be maintained intact.

Restricted Fund Balance – The portion of fund balance for which there are legally enforceable restrictions on use, either by limitations imposed 1) by creditors, grantors, contributors, or laws and regulations of other governments or 2) by laws through constitutional provisions or enabling legislation.

Committed Fund Balance – The portion of net resources for which there are self-imposed limitations enacted by the District that 1) require formal action at the same level to remove and 2) are set in place prior to the end of the period. Fund balance commitments are established, modified, or rescinded through a resolution enacted by the Board of Directors in accordance with Colorado law. 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 net resources after nonspendable, restricted, committed, and assigned amounts have been determined in the General Fund. No other funds report unassigned fund balance, unless expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, resulting in a negative unassigned fund balance value.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources – first committed, then assigned and unassigned.

Revenues, Expenditures and Expenses

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. Property taxes are certified to the County Commissioners no later than December 15 for collection in the following year. The County Treasurer collects the taxes and remits collections to the District throughout the 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 sales of the tax liens on delinquent properties are held in November or December.

Property taxes are recognized in accordance with GAAP. Property taxes levied for the subsequent year are recorded as deferred inflows of resources when measurable and recognized as revenue in the year for which they are levied, provided they are available to finance current operations. Any taxes not considered available are reported as deferred inflows of resources until the period in which they become available.

Use of Estimates
Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Recently Adopted Accounting Pronouncements
GASB Statement No. 102, *Certain Risk Disclosures*, was implemented by the District for the fiscal year ended December 31, 2025. Management determined that no concentrations or constraints requiring disclosure were present; therefore, implementation had no impact on the District's financial statements and no additional disclosures were required.

Subsequent Events
Management has evaluated subsequent events through September 15, 2026, the date the financial statements were available to be issued. Based on this evaluation, no events occurred that require recognition or disclosure in the accompanying financial statements.

Note 3 – Cash and Investments

As of December 31, 2025, cash and investments are classified in the accompanying financial statements as follows:

Cash and Investments	$	1,653,036
Cash and Investments- Restricted		485,711
Total	$	2,138,747

The District's cash and investments as of December 31, 2025 consist of the following:

Cash and Investment Type		
Deposits	$	226,811
Colorado Liquid Asset Trust (COLOTRUST)		1,911,936
Total cash and investments	$	2,138,747

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 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. At December 31, 2025, the District had no cash deposits in excess of FDIC limits.

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

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

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

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain repurchase agreements collateralized by certain authorized securities

- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At December 31, 2025, the District's investment consisted entirely of an investment in the Colorado Local Government Liquid Asset Trust (COLOTRUST) totaling $1,911,936.

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust, an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST offers shares in two portfolios, COLOTRUST Prime and COLOTRUST Plus. Both portfolios may invest in U.S. Treasury securities 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. A designated custodial bank serves as custodian for COLOTRUST's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. COLOTRUST is rated AAAm by Standard and Poor's. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. As of December 31, 2025, the District has $1,911,936 invested in COLOTRUST.

Fair Value Measurement and Application

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

Note 4 – Long-term Debt

The following is a summary of the changes in long-term debt of the District for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Governmental Activities					
General Obligation Bonds					
2024 Bonds	$ 31,000,000	$ -	$ 560,000	$ 30,440,000	$ 625,000
Unamortized premium - 2024 Bonds	1,747,096	-	75,961	1,671,135	-
	$ 32,747,096	$ -	$ 635,961	$ 32,111,135	$ 625,000
Developer Advances					
Capital - Principal	8,307,166	-	-	8,307,166	-
Capital - Interest	3,407,036	696,664	-	4,103,700	-
Reimbursement - Principal	13,979,897	-	-	13,979,897	-
Reimbursement - Interest	6,384,313	1,171,439	-	7,555,752	-
Operations - Principal	1,813,082	-	-	1,813,082	-
Operations - Interest	1,665,771	151,803	-	1,817,574	-
	35,557,265	2,019,906	-	37,577,171	-
Total Governmental Activities Long-term Liabilities	$ 68,304,361	$ 2,019,906	$ 635,961	$ 69,688,306	$ 625,000

General Obligation Refunding Bonds

The District has issued the following general obligation and refunding bonds and reimbursement obligations:

Series 2024 Bonds
On October 17, 2024, the District issued $31,000,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2024 (Series 2024 Bonds) for the purpose of refunding the District's Series 2017A, Series 2017B and Series 2017C Bonds, and paying other costs in connection with the issuance of the bonds.

The Series 2024 Bonds bear interest at 5.0%, payable semiannually on each June 1 and December 1, commencing on December 1, 2024.

The Series 2024 Bonds maturing on and after December 1, 2035 are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $5,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on December 1, 2034 and on any date thereafter, upon payment of par plus accrued interest, with no redemption premium. The Series 2024 Bonds maturing on December 1, 2047 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2043, and on each December 1 thereafter prior to the maturity date of such Bonds, upon payment of par and accrued interest, without redemption premium.

The original issue premium on the Series 2024 Bonds is being amortized over the term of the bonds using the straight-line method, which approximates the effective interest rate method. Accumulated amortization of original issue premium amounted to $101,127, with an unamortized balance of $1,671,135 at December 31, 2025.

A gain on deferred refunding was recorded in the amount of $87,376 due to the difference between the reacquisition price and the carrying amount of the old debt. The deferred refunding is amortized based on the remaining term of the previously refunded bonds. Accumulated amortization as of December 31, 2025, was $4,580.

Events of Default
The bond resolutions contain customary events of default, including the failure to impose or apply the required mill levy or pledged revenues, failure to perform material covenants contained in the bond resolutions, failure to cure defaults after required notice, and the filing of certain bankruptcy or insolvency proceedings by the District. Because repayment is limited to pledged revenues, an insufficiency of pledged revenues, by itself, does not constitute an event of default where provided by the applicable bond resolution.

Developer Advances

Loan and Infrastructure Acquisition Agreement
On December 17, 2004, the District entered into a Loan and Infrastructure Acquisition Agreement (the Agreement) with the Developer. The Agreement replaced and terminated the Loan Agreement dated February 12, 2002, and the Improvement Acquisition Agreement dated May 14, 2002.

The Agreement established two funding mechanisms for public infrastructure benefiting the District: (i) advances from the Developer to the District and (ii) the District's acquisition of eligible public infrastructure constructed by the Developer at the District's request. The Agreement also provided for Developer advances to fund principal and interest payments on the District's Series 2004 Bonds. The Series 2004 Bonds were subsequently refunded by the Series 2013 Bonds, which were paid in full in 2017 with proceeds from a Developer advance.

The maximum amount of capital advances permitted under the Agreement was initially $4,000,000 and was increased to $50,000,000 in 2018, subject to further increase by supplement or amendment. Advances bear interest at the prime rate plus 1.0% per annum. Amounts due may be paid from any available District revenues, including proceeds from future bonds; however, the property tax mill levy available for repayment is limited to

50 mills. The District intends to repay advances from proceeds of additional Senior Bonds, as defined in the Agreement, and other revenues determined by the District to be available for such purpose.

The District's payment obligations under the Agreement are subject to the availability of District revenues and do not constitute an unconditional multiple-fiscal-year financial obligation of the District. The Agreement terminated in 2018; however, all outstanding principal and accrued interest remained payable to the Developer in accordance with its terms. As of December 31, 2025, outstanding capital and operations advances totaled $8,307,166 and $1,813,082, respectively, with accrued interest of $4,103,700 and $1,817,574, respectively.

Resolution Regarding Reimbursement of Funds Advances for and on Behalf of the District
On November 30, 2017, the District approved a Resolution Regarding Reimbursement of Funds Advanced for and on Behalf of the District, (the Resolution) declaring its intent to reimburse the Developer advances. The Funds were used to repay a portion of the Series 2013 Bonds. The reimbursement of these funds is subject to certain limitations as outlined in the Resolution. Interest will accrue on the principal balance at 8.0% from the date of the advance. The Resolution evidences an intent to reimburse but shall not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provisions, nor shall it constitute a multiple fiscal year financial obligation, and any reimbursement shall be at all times subject to annual appropriation by the District in its absolute discretion. As of December 31, 2025, the District had outstanding amounts under the resolution totaling $13,979,897 and accrued interest due of $7,555,752.

Authorized Debt
As of December 31, 2025, the District had remaining voted debt authorization of $0. The District has not budgeted to issue new debt during 2026.

Annual Debt Service Requirements
The annual requirements to amortize the outstanding bonds as of December 31, 2025 are as follows:

	Governmental Activities		
	Principal	Interest	Total
2026	$ 625,000	$ 1,413,500	$ 2,038,500
2027	655,000	1,382,250	2,037,250
2028	730,000	1,349,500	2,079,500
2029	765,000	1,313,000	2,078,000
2030	845,000	1,274,750	2,119,750
2031-2035	5,170,000	5,680,500	10,850,500
2036-2040	7,220,000	4,193,750	11,413,750
2041-2045	9,760,000	2,202,750	11,962,750
2046-2050	4,670,000	282,000	4,952,000
Total	$ 30,440,000	$ 19,092,000	$ 49,532,000

Note 5 – District Agreements

Infrastructure Fees and System Development Fees
The District imposes an Infrastructure Fee and a System Development Fee pursuant to the associated Development Agreement within each filing. The Development Agreements specify which City fees will be waived by the City in order for the District to collect their fees. The District imposes an Infrastructure Fee of $1,100/unit. For Filing #1, the District imposes a System Development Fee of $200/unit in lieu of the City's existing Crossing Fee. For Filings #2 and #3, the District imposes a Systems Development Fee of $1,643/unit in lieu of the City's Traffic Impact Fee. The fees are paid directly to the District prior to the City issuing a building permit. The District agreed to use the System Development Fees for public improvements such as the maintenance and construction of parks, trails, street crossings and traffic improvements. The District collected no fees related to this agreement during 2025.

Brighton Crossing Authority Establishment Agreement
Brighton Crossing Metropolitan Districts 5-8 have been formed on adjacent property within the Brighton Crossings development, and each has the ability to provide similar services on behalf of their respective residents and taxpayers. In an effort to simplify the overall governance structure within the community, each of the Brighton Crossing Metropolitan Districts 4-8 entered into a Brighton Crossings Authority Establishment Agreement on April 15, 2019, to oversee the operation and maintenance of various public improvements and provide covenant enforcement services on behalf of the entirety of Brighton Crossings. Use of an Authority will allow for a single entity to provide consistent services throughout the Brighton Crossings community, as well as realize certain cost savings which each individual district would be unable to obtain directly. On June 11, 2019, the Board approved a first amendment to the Brighton Crossings Authority Establishment Agreement. This amendment changed the name of the Authority to Brighton Crossings Operations Board. The Authority currently owns, operates, and maintains various public improvements, and provides covenant enforcement and design review services on behalf of its residents and taxpayers.

Oil and Gas Lease Agreement
On September 11, 2017, the District entered into an Oil and Gas Lease Agreement (the Lease Agreement) with Petro Operating Company, L.L.C. (the Lessee), a limited liability company. The Lease Agreement was for a term of three years and as long after as oil or gas or produced from the leased premises. Under the Lease Agreement, the District granted access to non-surface land within the District to the Lessee, in which the Lessee may procure oil and gas. In consideration for the use of the leased premises, the Lessee will provide the District (1) the equal of 18.75% of all oil produced and saved from the leased premises, (2) 18.75% of the net proceeds generated from each well on the leased premises from which gas is found or sold (or the market value at the well of such gas used off of the premises), and (3) 18.75% of the market value of gas produced from any well used off of the premises, or the manufacturing of casinghead gasoline or dry commercial gas. On June 11, 2019, the District assigned all of its rights, title, and interest in the lease to Brighton Crossings Operations Board. The District collected and remitted royalty fees of $237,228 to Brighton Crossings Operations Board during 2025.

Note 6 – Related Parties

The District is part of the Brighton Crossing multiple-district structure and enters into transactions with Brighton Crossing Operations Board and Brighton Crossing Metropolitan District Nos. 5, 6, 7, and 8 pursuant to intergovernmental agreements. These transactions may include service fees, reimbursements, cost allocations, and other amounts contemplated by the agreements.

At December 31, 2025, amounts reported in the accompanying financial statements included $1,621,810 due to Brighton Crossing Operations Board. Amounts due to related parties are payable as funds become available.

Note 7 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool), an intergovernmental risk-sharing organization established to provide property, liability, public officials' liability, and other insurance coverage to participating special districts. The District pays annual premiums to the Pool for this coverage. In the event aggregate losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and accumulated reserves, the Pool may require additional contributions from participating members.

There have been no significant reductions in insurance coverage from the prior year, and settled claims have not exceeded insurance coverage during any of the past three fiscal years.

Note 8 – Taxpayer’s Bill of Rights (TABOR)

Article X, Section 20 of the Colorado Constitution, referred to 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.

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 and 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 November 7, 2000, 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 9 – Deficit Net Position

The District reported a deficit net position of $(69,366,691) at December 31, 2025. The deficit is primarily attributable to the District's financing of public infrastructure improvements that have been conveyed to other governmental entities. The debt issued to finance those improvements remains an obligation of the District until repaid from pledged revenues. Accordingly, the deficit net position is an expected result of the District's financing structure and does not reflect the District's ability to meet its debt service obligations.

Note 10 – Error Correction

During the year ended December 31, 2025, the District identified an error in its previously issued financial statements related to the accounting for the refunding of bonds. As of December 31, 2024, the District reported a deferred outflow of resources related to the loss of refunding of $270,979. The refunding transaction had been incorrectly calculated and should have resulted in a deferred inflow of resources related to a gain on refunding of $86,596.

The correction of this error decreased deferred outflows of resources by $270,979, increased deferred inflow of resources by $86,596, and decreased net position of governmental activities by $357,575. Accordingly, net position of governmental activities as of December 31, 2024, which was previously reported as $(67,580,992), has been restated to $(67,938,567).

The correction has been reported retroactively in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The effect of the error correction on beginning net position is as follows:

	Balance at December 31, 2024 as previously reported	Error Correction	Opening balance, as restated
Statement of Net Position			
Governmental Activities			
Deferred outflows of resources	$ 270,979	$ 270,979	$ -
Deferred inflows of resources	-	86,596	86,596
Net position	$ (67,580,992)	$ 357,575	$ (67,938,567)

Required Supplementary Information

Brighton Crossing Metropolitan District No. 4
Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ 520,958	$ 520,958	$ 507,747	$ (13,211)
Specific ownership taxes	28,653	26,313	26,088	(225)
Oil and gas royalties	50,000	265,427	231,741	(33,686)
Conservation trust revenues	20,000	20,000	18,896	(1,104)
Interest income	30,000	47,816	60,288	12,472
TOTAL REVENUES	649,611	880,514	844,760	(35,754)
EXPENDITURES				
General government	112,171	92,476	92,606	(130)
Payment to Brighton Crossing Operations Board	543,750	788,041	749,508	38,533
TOTAL EXPENDITURES	655,921	880,517	842,114	38,403
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,310)	(3)	2,646	2,649
Fund Balance, beginning of year	27,322	27,322	27,322	-
Fund Balance, end of year	$ 21,012	$ 27,319	$ 29,968	$ 2,649

See accompanying notes to the required supplementary information.

Note 1: Stewardship, Compliance, and Accountability

Budgets

The District follows these procedures to establish the budgetary information reflected in the financial statements:

- In October, management submits to the District Board a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the District Board.
- Budgets are legally adopted for all funds of the District. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Colorado governments may not exceed budgeted appropriations at the fund level.
- All appropriations lapse at year end.

Supplementary Information

Brighton Crossing Metropolitan District No. 4
Budgetary Comparison Schedule – Debt Service Fund
Year Ended December 31, 2025

	Budget		
	Original and Final	Actual	Variance with Final Budget
REVENUES:			
Property taxes	$ 1,823,484	$ 1,836,876	$ 13,392
Specific ownership taxes	100,292	94,380	(5,912)
Interest income	200,000	45,011	(154,989)
TOTAL REVENUES	2,123,776	1,976,267	(147,509)
EXPENDITURES			
General government	35,352	27,561	7,791
Debt service			
Principal	560,000	560,000	-
Interest and fiscal charges	1,441,500	1,441,500	-
TOTAL EXPENDITURES	2,036,852	2,029,061	7,791
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	86,924	(52,794)	(139,718)
Fund Balance, beginning of year	545,192	545,192	-
Fund Balance, end of year	$ 632,116	$ 492,398	$ (139,718)

Other Information

Brighton Crossing Metropolitan District No. 4
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected
Year Ended December 31, 2025

Year Ended 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	
2002	$ 1,369,390	38.000	-	$ 52,000	$ 44,792	86.14%
2003	308,140	38.000	-	11,700	11,653	99.60%
2004	2,459,050	38.000	-	93,444	92,714	99.22%
2005	4,195,450	1.000	43.000	184,599	184,233	99.80%
2006	7,353,800	1.000	43.000	323,567	323,563	100.00%
2007	8,779,010	1.000	43.000	386,276	386,641	100.09%
2008	9,530,030	1.000	43.000	419,321	419,191	99.97%
2009	9,700,360	1.000	43.000	426,815	426,844	100.01%
2010	8,013,910	1.000	43.000	352,612	352,614	100.00%
2011	8,063,250	1.000	43.000	354,783	354,184	99.83%
2012	7,902,870	7.000	43.000	395,144	395,143	100.00%
2013	8,097,570	7.000	43.000	404,879	404,879	100.00%
2014	8,135,710	7.000	45.000	423,057	423,012	99.99%
2015	8,763,280	7.000	45.000	455,691	455,738	100.01%
2016	12,034,160	7.000	45.000	625,776	625,776	100.00%
2017	13,991,860	7.000	45.000	727,577	727,578	100.00%
2018	22,968,340	7.000	55.277	1,430,399	1,430,298	99.99%
2019	24,264,070	7.000	55.277	1,511,093	1,511,093	100.00%
2020	32,792,960	11.133	55.664	2,190,471	2,191,054	100.03%
2021	34,379,410	11.133	55.664	2,296,441	2,546,728	110.90%
2022	38,237,800	11.133	55.664	2,554,170	2,546,728	99.71%
2023	37,724,590	10.349	51.744	2,342,433	2,342,199	99.99%
2024	44,423,730	11.800	59.001	3,145,245	3,163,197	100.57%
2025	44,477,280	11.415	41.296	2,344,442	2,344,624	100.01%
Estimated for year ending December 31, 2026	$ 43,316,370	11.490	44.814	$ 2,438,885		

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.