

THE BRANDS METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**THE BRANDS METROPOLITAN DISTRICT NO. 1
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 14,684	\$ 5,408	\$ 28,565
REVENUES			
Public Improvements fees	-	131,000	135,000
Sales tax rebate	-	25,000	26,000
Transfer from District No. 2	25,000	1,420,049	-
Developer advance - Certified costs	-	7,949,733	2,000,000
Developer advance	-	-	79,435
Total revenues	<u>25,000</u>	<u>9,525,782</u>	<u>2,240,435</u>
Total funds available	<u>39,684</u>	<u>9,531,190</u>	<u>2,269,000</u>
EXPENDITURES			
General Fund	34,276	249,892	263,000
Capital Projects Fund	-	9,252,733	2,000,000
Total expenditures	<u>34,276</u>	<u>9,502,625</u>	<u>2,263,000</u>
Total expenditures and transfers out requiring appropriation	<u>34,276</u>	<u>9,502,625</u>	<u>2,263,000</u>
ENDING FUND BALANCES	<u>\$ 5,408</u>	<u>\$ 28,565</u>	<u>\$ 6,000</u>
EMERGENCY RESERVE	<u>\$ 800</u>	<u>\$ 6,900</u>	<u>\$ 6,000</u>
TOTAL RESERVE	<u>\$ 800</u>	<u>\$ 6,900</u>	<u>\$ 6,000</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ 12	\$ 12	\$ 12
Certified Assessed Value	\$ 12	\$ 12	\$ 12
MILL LEVY			
General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000
PROPERTY TAXES			
General	\$ -	\$ -	\$ -
Budgeted property taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE BRANDS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 14,684	\$ 5,408	\$ 28,565
REVENUES			
Developer advance	-	-	79,435
Public Improvements fees	-	131,000	135,000
Sales tax rebate	-	25,000	26,000
Transfer from District No. 2	25,000	117,049	-
Total revenues	25,000	273,049	240,435
Total funds available	39,684	278,457	269,000
EXPENDITURES			
General and administrative			
Accounting	9,355	50,200	55,000
Insurance	-	7,584	8,000
Election	2,367	-	2,500
Engineering	-	24,000	20,000
Dues and licenses	697	1,068	1,200
Legal	12,714	46,000	40,000
Miscellaneous	-	40	4,255
Operations and maintenance			
Utilities	293	-	2,500
Irrigation repairs	1,161	-	-
Landscape maintenance	4,343	7,000	7,500
Snow removal	3,346	3,500	7,000
Transfer to District No. 2 - PIF	-	85,500	89,045
Transfer to District No. 2 - Sales tax rebate	-	25,000	26,000
Total expenditures	34,276	249,892	263,000
Total expenditures and transfers out requiring appropriation	34,276	249,892	263,000
ENDING FUND BALANCE	\$ 5,408	\$ 28,565	\$ 6,000
EMERGENCY RESERVE	\$ 800	\$ 6,900	\$ 6,000
TOTAL RESERVE	\$ 800	\$ 6,900	\$ 6,000

No assurance provided. See summary of significant assumptions.

**THE BRANDS METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance - Certified costs	-	7,949,733	2,000,000
Transfer from District No. 2	-	1,303,000	-
Total revenues	<u>-</u>	<u>9,252,733</u>	<u>2,000,000</u>
Total funds available	<u>-</u>	<u>9,252,733</u>	<u>2,000,000</u>
EXPENDITURES			
Capital Projects			
Public improvement - Certified costs	-	7,949,733	2,000,000
Repayment of Developer advance	-	1,303,000	-
Total expenditures	<u>-</u>	<u>9,252,733</u>	<u>2,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>9,252,733</u>	<u>2,000,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Brands Metropolitan District No.1's (the "District") (formerly known as Eagle Crossing Loveland Metropolitan District No. 1) organization was approved by eligible electors of the District at an election held on November 4, 2014. The District was organized by order of the District Court in and for Larimer County on January 6, 2015. The formation of the District was approved by the City of Loveland, Colorado in conjunction with the approval by the City Council of a Consolidated Service Plan for the District, The Brands Metropolitan District No. 2, The Brands Metropolitan District No. 3, and The Brands Metropolitan District No. 4 (formerly known as Eagle Crossing Loveland Metropolitan District No. 2, Eagle Crossing Loveland Metropolitan District No. 3, and Eagle Crossing Loveland Metropolitan District No. 4, respectively) on September 16, 2014. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.)

At a special election of the eligible electors of the District on November 4, 2014, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

The District prepares its budget on modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

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

For 2022 collection year, the District will levy 39.000 mills for operations, but anticipates to receive less than \$1 of property taxes due to minimal assessed valuation of properties within the District.

**THE BRANDS METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Assigned Revenues - Public Improvement Fees, Sales Tax Rebates

Pursuant to the BAA and PIF Revenues Assignment Agreement dated April 8, 2021, the Developers have agreed to pay the District the amount of Sales Tax rebated by the City of Loveland in accordance with the Business Assistance Agreement and PIF Matters Agreement dated April 8, 2021. Additionally, for the purpose of providing for costs of public improvements, the Developers have designated the District as the primary Public Improvement Fees (PIF) recipient and have assigned all revenues resulting from the PIF imposed within the boundaries of the District.

Transfers from The Brands Metropolitan District No. 2

Pursuant to a Joint Resolution Regarding Intent to Implement Common Plan of Finance dated April 7, 2021, The Brands Metropolitan District No. 2 will transfer proceeds from its loan issuances to the District for the purpose of repaying the Developers under various Developer Reimbursement/Acquisition Agreements.

Expenditures

General and Administrative Expenditures

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

Transfers to The Brands Metropolitan District No. 2

Pursuant to the BAA and PIF Revenues Assignment Agreement dated April 8, 2021, the District has agreed to remit all Assigned Revenues (as defined above), net of the annual operations amount, to the Brands Metropolitan District No. 2 for the benefit of repaying the Series 2021A Note and any additional Loans with U.S. Bank.

Public Improvements

In 2022, the District anticipates acquiring public improvements constructed and funded by the Developer (Developer Advance).

**THE BRANDS METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

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

Reserve

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2022 as defined under TABOR.

This information is an integral part of the accompanying budget.