

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

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

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 5,408	\$ 4,540	\$ 5,800
REVENUES			
Property taxes	-	-	12
Specific ownership tax	-	-	1
Public Improvement fees	116,034	128,000	170,400
Sales tax rebate	64,402	64,000	70,000
Transfer from District No. 2	1,353,000	2,056	-
Developer advance - Certified costs	7,949,733	-	2,000,000
Developer advance	-	40,020	94,100
Total revenues	<u>9,483,169</u>	<u>234,076</u>	<u>2,334,513</u>
Total funds available	<u>9,488,577</u>	<u>238,616</u>	<u>2,340,313</u>
EXPENDITURES			
General Fund	231,304	232,816	333,000
Capital Projects Fund	9,252,733	-	2,000,000
Total expenditures	<u>9,484,037</u>	<u>232,816</u>	<u>2,333,000</u>
Total expenditures and transfers out requiring appropriation	<u>9,484,037</u>	<u>232,816</u>	<u>2,333,000</u>
ENDING FUND BALANCES	<u>\$ 4,540</u>	<u>\$ 5,800</u>	<u>\$ 7,313</u>
EMERGENCY RESERVE	<u>\$ 7,000</u>	<u>\$ 5,800</u>	<u>\$ 7,300</u>
TOTAL RESERVE	<u>\$ 7,000</u>	<u>\$ 5,800</u>	<u>\$ 7,300</u>

No assurance provided. See summary of significant assumptions.

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

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 12	\$ 12	\$ 11
State assessed	-	-	303
Certified Assessed Value	\$ 12	\$ 12	\$ 314
 <b>MILL LEVY</b>			
General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000
 <b>PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ 12
Budgeted property taxes	\$ -	\$ -	\$ 12
 <b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ 12
	\$ -	\$ -	\$ 12

No assurance provided. See summary of significant assumptions.

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

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 5,408	\$ 4,540	\$ 5,800
<b>REVENUES</b>			
Property taxes	-	-	12
Specific ownership tax	-	-	1
Developer advance	-	40,020	94,100
Public Improvement fees	116,034	128,000	170,400
Sales tax rebate	64,402	64,000	70,000
Transfer from District No. 2	50,000	2,056	-
Total revenues	<u>230,436</u>	<u>234,076</u>	<u>334,513</u>
Total funds available	<u>235,844</u>	<u>238,616</u>	<u>340,313</u>
<b>EXPENDITURES</b>			
General and administrative			
Accounting	42,894	50,000	58,000
Dues and licenses	1,068	1,175	1,300
Election	-	2,675	2,500
Engineering	10,305	-	10,000
Insurance	7,584	8,101	9,300
Legal	28,041	14,000	40,000
Miscellaneous	20	-	4,915
Transfer to other Districts	-	20	-
Operations and maintenance			
Irrigation repairs	-	500	-
Landscape maintenance	5,456	8,300	8,000
Snow removal	1,000	2,000	5,000
Transfer to District No. 2 - PIF	70,534	82,045	123,985
Transfer to District No. 2 - Sales tax rebate	64,402	64,000	70,000
Total expenditures	<u>231,304</u>	<u>232,816</u>	<u>333,000</u>
Total expenditures and transfers out requiring appropriation	<u>231,304</u>	<u>232,816</u>	<u>333,000</u>
ENDING FUND BALANCE	<u>\$ 4,540</u>	<u>\$ 5,800</u>	<u>\$ 7,313</u>
EMERGENCY RESERVE	<u>\$ 7,000</u>	<u>\$ 5,800</u>	<u>\$ 7,300</u>
TOTAL RESERVE	<u>\$ 7,000</u>	<u>\$ 5,800</u>	<u>\$ 7,300</u>

No assurance provided. See summary of significant assumptions.

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

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance - Certified costs	7,949,733	-	2,000,000
Transfer from District No. 2 - Project Fund	1,303,000	-	-
Total revenues	<u>9,252,733</u>	<u>-</u>	<u>2,000,000</u>
Total funds available	<u>9,252,733</u>	<u>-</u>	<u>2,000,000</u>
EXPENDITURES			
Capital Projects			
Public improvements - Certified costs	7,949,733	-	2,000,000
Repayment of developer advance	1,303,000	-	-
Total expenditures	<u>9,252,733</u>	<u>-</u>	<u>2,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>9,252,733</u>	<u>-</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  
2023 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 2023 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  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues** (continued)

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

Pursuant to the BAA and PIF Revenues Assignment Agreement dated 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.

**Developer Advance**

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**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 2023, the District anticipates acquiring public improvements constructed and funded by the Developer (Developer Advance).

**THE BRANDS METROPOLITAN DISTRICT NO. 1  
2023 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 2023 as defined under TABOR.

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