

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

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

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 4,540	\$ (38,473)	\$ 9,900
REVENUES			
Property taxes	-	12	13
Specific ownership taxes	-	1	1
Developer advance	10,000	100,800	105,300
Public improvement fees	158,750	169,000	190,700
Sales tax rebate	53,157	58,000	70,000
Transfer from District No. 2	1,680	-	-
Developer advance - Certified costs	-	-	2,000,000
Total revenues	<u>223,587</u>	<u>327,813</u>	<u>2,366,014</u>
Total funds available	<u>228,127</u>	<u>289,340</u>	<u>2,375,914</u>
EXPENDITURES			
General Fund	266,600	279,440	368,000
Capital Projects Fund	-	-	2,000,000
Total expenditures	<u>266,600</u>	<u>279,440</u>	<u>2,368,000</u>
Total expenditures and transfers out requiring appropriation	<u>266,600</u>	<u>279,440</u>	<u>2,368,000</u>
ENDING FUND BALANCES	<u>\$ (38,473)</u>	<u>\$ 9,900</u>	<u>\$ 7,914</u>
EMERGENCY RESERVE	<u>\$ 6,500</u>	<u>\$ 6,900</u>	<u>\$ 7,900</u>
TOTAL RESERVE	<u>\$ 6,500</u>	<u>\$ 6,900</u>	<u>\$ 7,900</u>

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

1/30/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Agricultural	\$ 12	\$ 11	\$ 11
State assessed	-	303	310
Certified Assessed Value	\$ 12	\$ 314	\$ 321

MILL LEVY

General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000

PROPERTY TAXES

General	\$ -	\$ 12	\$ 13
Budgeted property taxes	\$ -	\$ 12	\$ 13

BUDGETED PROPERTY TAXES

General	\$ -	\$ 12	\$ 13
	\$ -	\$ 12	\$ 13

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

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 4,540	\$ (38,473)	\$ 9,900
REVENUES			
Property taxes	-	12	13
Specific ownership taxes	-	1	1
Developer advance	10,000	100,800	105,300
Public improvement fees	158,750	169,000	190,700
Sales tax rebate	53,157	58,000	70,000
Transfer from District No. 2	1,680	-	-
Total revenues	223,587	327,813	366,014
Total funds available	228,127	289,340	375,914
EXPENDITURES			
General and administrative			
Accounting	49,422	50,000	58,000
Auditing	12,000	6,100	7,000
Dues and membership	1,175	1,228	1,500
Election	2,878	2,678	-
Engineering	-	-	10,000
Insurance	8,101	8,360	10,000
Legal	17,062	20,000	40,000
Miscellaneous/Contingency	1,030	1,000	13,679
Operations and maintenance			
Landscape maintenance	7,430	8,000	9,000
Snow removal	1,550	1,489	5,000
Transfer to District No. 2 - PIF	112,795	122,585	143,821
Transfer to District No. 2 - Sales tax rebate	53,157	58,000	70,000
Total expenditures	266,600	279,440	368,000
Total expenditures and transfers out requiring appropriation	266,600	279,440	368,000
ENDING FUND BALANCES	\$ (38,473)	\$ 9,900	\$ 7,914
EMERGENCY RESERVE	\$ 6,500	\$ 6,900	\$ 7,900
TOTAL RESERVE	\$ 6,500	\$ 6,900	\$ 7,900

No assurance provided. See summary of significant assumptions.

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

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance - Certified costs	-	-	2,000,000
Total revenues	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>2,000,000</u>
EXPENDITURES			
Capital Projects			
Public improvements - Certified costs	-	-	2,000,000
Total expenditures	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>2,000,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**THE BRANDS METROPOLITAN DISTRICT NO. 1
2024 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 2024 collection year, the District will levy 39.000 mills for operations.

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

Revenues (continued)

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

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

Assigned Revenues - Public Improvement Fees, Sales Tax Rebates

Pursuant to 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.

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

Public Improvements

In 2024, the District anticipates acquiring public improvements constructed and funded by the Developer (Developer Advance).

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 2024 as defined under TABOR.

This information is an integral part of the accompanying budget.