

THE BRANDS METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**THE BRANDS METROPOLITAN DISTRICT NO. 2
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 177,334	\$ 336,991	\$ 527,062
REVENUES			
Property taxes	94,683	105,670	121,396
Specific ownership taxes	6,169	7,481	8,498
Interest income	-	650	-
Transfer from District No. 1 - PIF	112,795	122,585	143,821
Transfer from District No. 1 - Sales tax rebate	53,157	58,000	70,000
Total revenues	<u>266,804</u>	<u>294,386</u>	<u>343,715</u>
Total funds available	<u>444,138</u>	<u>631,377</u>	<u>870,777</u>
EXPENDITURES			
General Fund	1,680	-	-
Debt Service Fund	105,467	104,315	110,000
Total expenditures	<u>107,147</u>	<u>104,315</u>	<u>110,000</u>
Total expenditures and transfers out requiring appropriation	<u>107,147</u>	<u>104,315</u>	<u>110,000</u>
ENDING FUND BALANCES	<u>\$ 336,991</u>	<u>\$ 527,062</u>	<u>\$ 760,777</u>
DEBT SERVICE RESERVE	<u>\$ 47,000</u>	<u>\$ 47,000</u>	<u>\$ 47,000</u>
TOTAL RESERVE	<u>\$ 47,000</u>	<u>\$ 47,000</u>	<u>\$ 47,000</u>

THE BRANDS METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/24/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Commercial	\$ 2,186,867	\$ 2,482,200	\$ 2,516,569
Agricultural	91	83	11
State assessed	499	3,940	4,140
Vacant land	223,271	223,271	473,965
Certified Assessed Value	\$ 2,410,728	\$ 2,709,494	\$ 2,994,685

MILL LEVY

Debt Service	39.000	39.000	40.537
Total mill levy	39.000	39.000	40.537

PROPERTY TAXES

Debt Service	\$ 94,018	\$ 105,670	\$ 121,396
Levied property taxes	94,018	105,670	121,396
Adjustments to actual/rounding	665	-	-
Budgeted property taxes	\$ 94,683	\$ 105,670	\$ 121,396

BUDGETED PROPERTY TAXES

Debt Service	\$ 94,683	\$ 105,670	\$ 121,396
	\$ 94,683	\$ 105,670	\$ 121,396

**THE BRANDS METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,106	\$ 426	\$ 426
REVENUES			
Total revenues	-	-	-
Total funds available	2,106	426	426
EXPENDITURES			
General and administrative			
Transfer to District No. 1	1,680	-	-
Total expenditures	1,680	-	-
Total expenditures and transfers out requiring appropriation	1,680	-	-
ENDING FUND BALANCES	\$ 426	\$ 426	\$ 426

THE BRANDS METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 175,228	\$ 336,565	\$ 526,636
REVENUES			
Property taxes	94,683	105,670	121,396
Specific ownership taxes	6,169	7,481	8,498
Interest income	-	650	-
Transfer from District No. 1 - PIF	112,795	122,585	143,821
Transfer from District No. 1 - Sales tax rebate	53,157	58,000	70,000
Total revenues	266,804	294,386	343,715
Total funds available	442,032	630,951	870,351
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,883	2,113	2,428
Non-use fee	21,418	21,500	22,000
Paying agent fees	2,250	2,250	3,000
Miscellaneous	10	50	100
Contingency	-	-	5,096
Debt Service			
Loan interest - Series 2021A	34,906	33,402	32,376
Loan principal - Series 2021A	45,000	45,000	45,000
Total expenditures	105,467	104,315	110,000
Total expenditures and transfers out requiring appropriation	105,467	104,315	110,000
ENDING FUND BALANCES	\$ 336,565	\$ 526,636	\$ 760,351
DEBT SERVICE RESERVE	\$ 47,000	\$ 47,000	\$ 47,000
TOTAL RESERVE	\$ 47,000	\$ 47,000	\$ 47,000

**THE BRANDS METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Brands Metropolitan District No. 2 (the "District") (formerly known as Eagle Crossing Loveland Metropolitan District No. 2) 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. 1, the Brands Metropolitan District No. 3, and the Brands Metropolitan District No.4 (formerly known as Eagle Crossing Loveland Metropolitan District No. 1, 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, waterer 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 Statues 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, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the mill levy imposed by the District.

**THE BRANDS METROPOLITAN DISTRICT NO. 2
2023 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%		

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District’s share will be equal to approximately 7% of the property taxes collected.

Transfers from The Brands Metropolitan District No. 1

Pursuant to a BAA and PIF Revenues Assignment Agreement dated April 8, 2021, the Brands Metropolitan District No.1 will remit all Assigned Revenues, net of the annual operations amount, to the District for the benefit of repaying the Loan discussed under Debts and Leases.

Expenditures

County Treasurer’s Fees

County Treasurer’s fees have been computed at 2% of property tax collections.

Debt Service

Principal and interest payments for 2024 are provided based upon the debt amortization schedule of the Loan discussed below under Debt and Leases.

**THE BRANDS METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

In April 2021, the District entered into a loan agreement with US Bank to obtain a tax-exempt, non-bank qualified, draw down term loan up to \$10,000,000 (Loan). The Loan is due on December 1, 2026, with interest due semiannually on June 1 and December 1 and principal due on December 1. Series 2021A Note in the amount of \$1,550,000 was drawn upon closing, bearing a 2.28% interest rate. Proceeds from this Loan were used to repay Developer-paid costs of public improvements, funding the Debt Service Reserve Fund and cover loan issue costs. Future draws are based on certain other conditions. A non-use fee of .25% per annum of the unfunded portion of the loan will be due and payable semi-annually.

The District has no operating or capital lease.

Reserves

The District maintains a reserve as required with the issuance of the Loan.

This information is an integral part of the accompanying budget.

**THE BRANDS METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2024**

**\$1,550,000 Tax-Exempt Loan (Series 2021A)
Dated April 8, 2021
Interest rate 2.28%
Principal Due December 1
Interest Payable June 1 and December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 45,000	\$ 32,376	\$ 77,376
2025	50,000	31,350	81,350
2026	1,325,000	30,210	1,355,210
	<u>\$ 1,420,000</u>	<u>\$ 93,936</u>	<u>\$ 1,513,936</u>