

THE BRANDS METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

**THE BRANDS METROPOLITAN DISTRICT NO. 2
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 336,991	\$ 536,530	\$ 679,795
REVENUES			
Property taxes	105,776	121,396	120,634
Specific ownership taxes	7,612	7,601	8,444
Interest income	614	5,080	-
Developer advance	-	3,779,676	-
Transfer from District No. 1 - PIF	127,140	96,921	60,800
Transfer from District No. 1 - Sales tax rebate	63,078	-	33,875
Loan issuance (Refunding)	-	5,400,000	-
Other revenue	-	108	200
Total revenues	<u>304,220</u>	<u>9,410,782</u>	<u>223,953</u>
TRANSFERS IN	<u>-</u>	<u>3,746,676</u>	<u>-</u>
Total funds available	<u>641,211</u>	<u>13,693,988</u>	<u>903,748</u>
EXPENDITURES			
Debt Service Fund	104,681	1,741,165	420,000
Capital Projects Fund	-	7,526,352	-
Total expenditures	<u>104,681</u>	<u>9,267,517</u>	<u>420,000</u>
TRANSFERS OUT	<u>-</u>	<u>3,746,676</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>104,681</u>	<u>13,014,193</u>	<u>420,000</u>
ENDING FUND BALANCES	<u>\$ 536,530</u>	<u>\$ 679,795</u>	<u>\$ 483,748</u>
DEBT SERVICE RESERVE	<u>\$ 47,000</u>	<u>\$ 404,000</u>	<u>\$ 404,000</u>
TOTAL RESERVE	<u>\$ 47,000</u>	<u>\$ 404,000</u>	<u>\$ 404,000</u>

THE BRANDS METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/30/25

ACTUAL	ESTIMATED	BUDGET
2023	2024	2025

ASSESSED VALUATION

Commercial	\$ 2,482,200	\$ 2,516,569	\$ 2,472,576
Agricultural	83	11	11
State assessed	3,940	4,140	4,293
Vacant land	223,271	473,965	473,917
Certified Assessed Value	\$ 2,709,494	\$ 2,994,685	\$ 2,950,797

MILL LEVY

Debt Service	39.000	40.537	40.882
Total mill levy	39.000	40.537	40.882

PROPERTY TAXES

Debt Service	\$ 105,670	\$ 121,396	\$ 120,634
Levied property taxes	105,670	121,396	120,634
Adjustments to actual/rounding	106	-	-
Budgeted property taxes	\$ 105,776	\$ 121,396	\$ 120,634

BUDGETED PROPERTY TAXES

Debt Service	\$ 105,776	\$ 121,396	\$ 120,634
	\$ 105,776	\$ 121,396	\$ 120,634

**THE BRANDS METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 426	\$ 426	\$ 426
REVENUES			
Total revenues	-	-	-
Total funds available	426	426	426
EXPENDITURES			
General and administrative			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ 426	\$ 426	\$ 426

**THE BRANDS METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 336,565	\$ 536,104	\$ 679,369
REVENUES			
Property taxes	105,776	121,396	120,634
Specific ownership taxes	7,612	7,601	8,444
Interest income	614	5,080	-
Transfer from District No. 1 - PIF	127,140	96,921	60,800
Transfer from District No. 1 - Sales tax rebate	63,078	-	33,875
Other revenue	-	108	200
Loan issuance (Refunding)	-	5,400,000	-
Total revenues	304,220	5,631,106	223,953
Total funds available	640,785	6,167,210	903,322
EXPENDITURES			
General and administrative			
County Treasurer's Fee	2,128	2,436	2,413
Non-use fee	21,418	10,739	-
Paying agent fees	2,250	6,250	4,000
Miscellaneous	19	-	-
Contingency	-	-	9,676
Debt Service			
Loan interest - Series 2021A	33,866	16,460	-
Loan interest - Series 2024	-	48,852	300,759
Loan principal - Series 2021A	45,000	-	-
Loan principal - Series 2024	-	-	103,152
Refunding escrow	-	1,438,428	-
Cost of issuance	-	218,000	-
Total expenditures	104,681	1,741,165	420,000
TRANSFERS OUT			
Transfers to other fund	-	3,746,676	-
Total expenditures and transfers out requiring appropriation	104,681	5,487,841	420,000
ENDING FUND BALANCES	\$ 536,104	\$ 679,369	\$ 483,322
DEBT SERVICE RESERVE	\$ 47,000	\$ 404,000	\$ 404,000
TOTAL RESERVE	\$ 47,000	\$ 404,000	\$ 404,000

No assurance provided. See summary of significant assumptions.

**THE BRANDS METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	3,779,676	-
Total revenues	-	3,779,676	-
TRANSFERS IN			
Transfers from other funds	-	3,746,676	-
Total funds available	-	7,526,352	-
EXPENDITURES			
Capital Projects			
Repay developer advance	-	3,746,676	-
Public improvements	-	3,779,676	-
Total expenditures	-	7,526,352	-
Total expenditures and transfers out requiring appropriation	-	7,526,352	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**THE BRANDS METROPOLITAN DISTRICT NO. 2
2025 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
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

For property tax collection year 2025, SB22-238, SB23B-001, SB24-233, and HB24B-1001 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 2025 are provided based upon the debt amortization schedule of the Loan discussed below under Debt and Leases.

**THE BRANDS METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

In October 2024, the District entered into a loan agreement with Independent Bank dba Independent Financial to obtain a tax-exempt term loan, the Limited Tax General Obligation and Special Revenue Refunding Note, Series 2024, in the amount of \$5,400,000 (Loan). The Loan is due on October 3, 2029, with principal and interest due semiannually on June 1 and December 1. The Loan bears an interest rate of 5.520%. Principal payments on the Loan are due and payable in the amounts set forth in the schedule attached. Proceeds from this Loan were used to: (a) refund the outstanding Series 2021A Note; (b) repay Developer-paid costs of public improvements; (c) funding the Debt Service Reserve Fund; (d) and cover loan issue costs.

The Loan is secured by and payable from the Pledged Revenue consisting of moneys derived from the following sources, after payment of any costs of collection: (a) all Property Tax Revenues (as defined in the Loan Agreement); (b) all Specific Ownership Taxes (as defined in the Loan Agreement); (c) the Pledged Net PIF Revenues; (d) the Gross Sales Tax Revenues; (e) all Pledged PILOT Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to apply as Pledged Revenue.

The District has no operating or capital lease.

Reserves

Emergency Reserve

The District has not provided an Emergency Reserve equal to at least 3% of fiscal year spending for 2025, as defined under TABOR, because there is no operating budget..

Debt Service Reserve

The District maintains a Debt Service 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, 2025

\$5,400,000
Limited Tax General Obligation and
Special Revenue Refunding Note, Series 2024
Dated October 3, 2024
Interest rate 5.520%
Principal Due December 1
Interest Payable June 1 and December 1

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 103,152	\$ 349,611	\$ 452,762
2026	109,006	294,905	403,911
2027	115,192	288,720	403,911
2028	120,929	282,983	403,912
2029	4,951,722	231,108	5,182,830
	<u>\$ 5,400,000</u>	<u>\$ 1,447,326</u>	<u>\$ 6,847,326</u>