

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2022**

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/8/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 157	\$ 157	\$ 50
REVENUES			
Property taxes	6,072	30,652	30,672
Specific ownership taxes	435	2,264	2,147
Total revenues	<u>6,507</u>	<u>32,916</u>	<u>32,819</u>
Total funds available	<u>6,664</u>	<u>33,073</u>	<u>32,869</u>
EXPENDITURES			
Debt Service Fund	6,507	33,023	32,819
Total expenditures	<u>6,507</u>	<u>33,023</u>	<u>32,819</u>
Total expenditures and transfers out requiring appropriation	<u>6,507</u>	<u>33,023</u>	<u>32,819</u>
ENDING FUND BALANCES	<u>\$ 157</u>	<u>\$ 50</u>	<u>\$ 50</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/8/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>			
Commercial	\$ -	\$ -	\$ 499
Agricultural	549	549	555
Vacant land	155,150	785,407	785,407
Certified Assessed Value	\$ 155,699	\$ 785,956	\$ 786,461
 <b>MILL LEVY</b>			
Contractual Obligations	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000
 <b>PROPERTY TAXES</b>			
Contractual Obligations	\$ 6,072	\$ 30,652	\$ 30,672
Budgeted property taxes	\$ 6,072	\$ 30,652	\$ 30,672
 <b>BUDGETED PROPERTY TAXES</b>			
Contractual Obligations	\$ 6,072	\$ 30,652	\$ 30,672
	\$ 6,072	\$ 30,652	\$ 30,672

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/8/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 50	\$ 50	\$ 50
REVENUES			
Total revenues	-	-	-
Total funds available	50	50	50
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ 50	\$ 50	\$ 50

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/8/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 107	\$ 107	\$ -
REVENUES			
Property taxes	6,072	30,652	30,672
Specific ownership taxes	435	2,264	2,147
Total revenues	<u>6,507</u>	<u>32,916</u>	<u>32,819</u>
Total funds available	<u>6,614</u>	<u>33,023</u>	<u>32,819</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	121	613	613
Transfers to District No. 4	6,386	32,410	32,206
Total expenditures	<u>6,507</u>	<u>33,023</u>	<u>32,819</u>
Total expenditures and transfers out requiring appropriation	<u>6,507</u>	<u>33,023</u>	<u>32,819</u>
ENDING FUND BALANCE	<u>\$ 107</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Brands East Metropolitan District No. 2's (the "District") (formerly known as Eagle Crossing Windsor 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 20, 2015. The formation of the District was approved by the Town of Windsor, Colorado in conjunction with the approval by the Town Board of a Consolidated Service Plan for the District, The Brands East Metropolitan District No. 1, The Brands East Metropolitan District No. 3, and The Brands East Metropolitan District No. 4 (formerly known as Eagle Crossing Windsor Metropolitan District No. 1, Eagle Crossing Windsor Metropolitan District No. 3, and Eagle Crossing Windsor Metropolitan District No. 4, respectively) on September 8, 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 the 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 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 the 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 Information page of the budget using the mill levy adopted by the District.

**THE BRANDS EAST METROPOLITAN DISTRICT NO. 2  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**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.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 2% of property taxes.

**Transfer to The Brands East Metropolitan District No. 4**

Pursuant to a Capital Pledge Agreement dated November 8, 2018 by and among the District, The Brands East Metropolitan District No. 3, The Brands East Metropolitan District No. 4 (collectively, "Financing Districts"), and U.S. Bank N.A., the Financing Districts will impose the required mill levy each year to generate the property tax revenues to be pledged towards the repayments of the Series 2018 Notes issued by The Brands East Metropolitan District No. 4, and any additional loans from U.S. Bank. The District will remit the net tax revenues to the Brands East Metropolitan District No. 4.

**Debt and Leases**

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

**Reserves**

**Emergency Reserves**

The District has not provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2022, as defined under TABOR, because there is no operating budget.

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