

**BNC METROPOLITAN DISTRICT NO. 3
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**


YEAR ENDED DECEMBER 31, 2023


**BNC METROPOLITAN DISTRICT NO. 3
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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
BNC Metropolitan District No. 3

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of BNC Metropolitan District No. 3 (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of BNC Metropolitan District No. 3, as of December 31, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BNC Metropolitan District No. 3 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BNC Metropolitan District No. 3's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BNC Metropolitan District No. 3's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BNC Metropolitan District No. 3's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

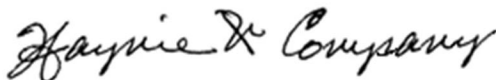
Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise BNC Metropolitan District No. 3's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Littleton, Colorado
September 26, 2024

BASIC FINANCIAL STATEMENTS

BNC METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 57
Cash and Investments - Restricted	4,338,220
Receivable from County Treasurer	28
Prepaid Expenses	5,247
Property Tax Receivable	37,517
Capital Assets, Not Being Depreciated	<u>18,232,348</u>
Total Assets	<u>22,613,417</u>
LIABILITIES	
Accounts Payable	36,547
Payroll Taxes Payable	138
Noncurrent Liabilities:	
Due in More Than One Year	<u>19,653,829</u>
Total Liabilities	<u>19,690,514</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>37,517</u>
Total Deferred Inflows of Resources	<u>37,517</u>
NET POSITION	
Restricted For:	
Emergency Reserves	100
Unrestricted	<u>2,885,286</u>
Total Net Position	<u><u>\$ 2,885,386</u></u>

See accompanying Notes to Basic Financial Statements.

BNC METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 102,891	\$ -	\$ -	\$ (102,891)
Interest and Related Costs on Long-Term Debt	865,924	-	-	(865,924)
Total Governmental Activities	<u>\$ 968,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(968,815)</u>
GENERAL REVENUES				
Property Taxes				4,984
Specific Ownership Taxes				484
Net Investment Income				419,675
Total General Revenues				<u>425,143</u>
CHANGE IN NET POSITION				
Net Position - Beginning of Year				3,429,058
NET POSITION - END OF YEAR				<u><u>\$ 2,885,386</u></u>

See accompanying Notes to Basic Financial Statements.

**BNC METROPOLITAN DISTRICT NO. 3
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 57	\$ -	\$ -	\$ 57
Cash and Investments - Restricted	100	-	4,338,120	4,338,220
Receivable from County Treasurer	28	-	-	28
Prepaid Expenses	5,247	-	-	5,247
Property Tax Receivable	9,708	27,809	-	37,517
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 15,140</u>	<u>\$ 27,809</u>	<u>\$ 4,338,120</u>	<u>\$ 4,381,069</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 21,037	\$ -	\$ 15,510	\$ 36,547
Payroll Taxes Payable	138	-	-	138
Total Liabilities	<u>21,175</u>	<u>-</u>	<u>15,510</u>	<u>36,685</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	<u>9,708</u>	<u>27,809</u>	<u>-</u>	<u>37,517</u>
Total Deferred Inflows of Resources	<u>9,708</u>	<u>27,809</u>	<u>-</u>	<u>37,517</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	5,247	-	-	5,247
Restricted for:				
Emergency Reserves	100	-	-	100
Capital Projects	-	-	4,322,610	4,322,610
Unassigned	<u>(21,090)</u>	<u>-</u>	<u>-</u>	<u>(21,090)</u>
Total Fund Balances	<u>(15,743)</u>	<u>-</u>	<u>4,322,610</u>	<u>4,306,867</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,140</u>	<u>\$ 27,809</u>	<u>\$ 4,338,120</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Capital Assets, Not Being Depreciated 18,232,348

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable (17,044,790)
Bond Interest Payable (300,940)
Developer Advance Payable (2,139,894)
Developer Advance Interest Payable (168,205)

Net Position of Governmental Activities \$ 2,885,386

See accompanying Notes to Basic Financial Statements.

BNC METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 4,984	\$ -	\$ 4,984
Specific Ownership Taxes	484	-	484
Net Investment Income	-	419,675	419,675
Total Revenues	<u>5,468</u>	<u>419,675</u>	<u>425,143</u>
EXPENDITURES			
General and Administrative:			
Accounting	25,748	-	25,748
Auditing	6,100	-	6,100
County Treasurer's Fees	75	-	75
Directors' Fees	500	-	500
Dues and Licenses	311	-	311
Insurance and Bonds	3,271	-	3,271
District Management	15,906	-	15,906
Legal	27,085	-	27,085
Legal - Special Counsel	13,164	-	13,164
Miscellaneous	975	-	975
Election	928	-	928
Capital:			
Engineering	-	8,828	8,828
Capital Outlay	-	6,940,182	6,940,182
Bond Issue Costs	-	31,050	31,050
Total Expenditures	<u>94,063</u>	<u>6,980,060</u>	<u>7,074,123</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(88,595)	(6,560,385)	(6,648,980)
OTHER FINANCING SOURCES (USES)			
Developer Advance	82,500	6,940,182	7,022,682
Repay Developer Advance	-	(5,508,233)	(5,508,233)
Total Other Financing Sources (Uses)	<u>82,500</u>	<u>1,431,949</u>	<u>1,514,449</u>
NET CHANGE IN FUND BALANCES	(6,095)	(5,128,436)	(5,134,531)
Fund Balances - Beginning of Year	<u>(9,648)</u>	<u>9,451,046</u>	<u>9,441,398</u>
FUND BALANCES - END OF YEAR	<u>\$ (15,743)</u>	<u>\$ 4,322,610</u>	<u>\$ 4,306,867</u>

See accompanying Notes to Basic Financial Statements.

BNC METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Governmental Funds	\$ (5,134,531)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of any cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	6,940,182
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Long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Developer Advance	(7,022,682)
Repay Developer Advance Principal	5,435,986

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accretion on Bonds	(436,866)
Accrued Interest on Bonds - Change in Liability	(300,940)
Accrued Interest on Developer Advances - Change in Liability	(24,821)

Change in Net Position of Governmental Activities	\$ <u>(543,672)</u>
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BNC METROPOLITAN DISTRICT NO. 3
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 4,984	\$ 4,984	\$ 4,984	\$ -
Specific Ownership Taxes	349	579	484	(95)
Total Revenues	5,333	5,563	5,468	(95)
EXPENDITURES				
Accounting	18,500	24,000	25,748	(1,748)
Auditing	6,100	6,100	6,100	-
County Treasurer's Fees	75	75	75	-
Directors' Fees	100	300	500	(200)
Dues and Licenses	400	311	311	-
Insurance and Bonds	4,000	3,271	3,271	-
District Management	17,500	15,000	15,906	(906)
Legal	13,000	25,000	27,085	(2,085)
Legal - Special Counsel	-	25,000	13,164	11,836
Miscellaneous	500	1,000	975	25
Election	2,000	928	928	-
Contingency	825	4,015	-	4,015
Total Expenditures	63,000	105,000	94,063	10,937
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(57,667)	(99,437)	(88,595)	10,842
OTHER FINANCING SOURCES (USES)				
Developer Advance	57,000	109,500	82,500	(27,000)
Total Other Financing Sources (Uses)	57,000	109,500	82,500	(27,000)
NET CHANGE IN FUND BALANCE	(667)	10,063	(6,095)	(16,158)
Fund Balance - Beginning of Year	1,490	(9,648)	(9,648)	-
FUND BALANCE - END OF YEAR	<u>\$ 823</u>	<u>\$ 415</u>	<u>\$ (15,743)</u>	<u>\$ (16,158)</u>

See accompanying Notes to Basic Financial Statements.

BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 DEFINITION OF REPORTING ENTITY

BNC Metropolitan District No. 3 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by an order and decree of the District Court for Adams County, Colorado issued on January 8, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Commerce City on September 15, 2003. The District is located in Commerce City, Adams County, Colorado.

The District was established to provide financing for the acquisition, construction, and installation of water, sanitation, drainage, street improvements, parks and recreational facilities, television relay and translation, and mosquito control.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District has no employees, and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds is recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its budget for the year ending December 31, 2023.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of the net investment in capital assets.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2023. The deficit will be eliminated with the receipt of Developer advances in 2024.

BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 57
Cash and Investments - Restricted	4,338,220
Total Cash and Investments	<u>\$ 4,338,277</u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 157
Investments	4,338,120
Total Cash and Investments	<u>\$ 4,338,277</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District's cash deposits had a bank and carrying balance of \$157.

Investments

The District has an investment policy by which it follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average	
	Under 60 Days	\$ 4,338,120
Total		<u>\$ 4,338,120</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE CASH FUND may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, highest rated commercial paper, and any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

CSAFE (Continued)

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

	Balance - December 31, 2022	Increases	Decreases	Balance - December 31, 2023
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 11,292,166	\$ 6,940,182	\$ -	\$ 18,232,348
Capital Assets, Net	<u>\$ 11,292,166</u>	<u>\$ 6,940,182</u>	<u>\$ -</u>	<u>\$ 18,232,348</u>

Upon completion and acceptance, certain assets will be conveyed to other local governments.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance - December 31, 2022	Additions	Retirements	Balance - December 31, 2023	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Series 2022A	\$ 11,817,924	\$ 436,866	\$ -	\$ 12,254,790	\$ -
Series 2022B	4,790,000	-	-	4,790,000	-
Accrued Interest on:					
Series 2022B	-	300,940	-	300,940	-
Developer Advances:					
Operations	241,141	82,500	-	323,641	-
Capital	312,057	6,940,182	5,435,986	1,816,253	-
Accrued Interest on Developer Advances:					
Operations	143,247	20,977	-	164,224	-
Capital	137	76,091	72,247	3,981	-
Total	<u>\$ 17,304,506</u>	<u>\$ 7,857,556</u>	<u>\$ 5,508,233</u>	<u>\$ 19,653,829</u>	<u>\$ -</u>

BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation (Limited Tax Convertible to Unlimited Tax) Convertible Capital Appreciation Bonds, Series 2022A (the Senior Bonds) and **Subordinate General Obligation Limited Tax Bonds, Series 2022B(3)** (the Subordinate Bonds and together with the Senior Bonds, the Bonds).

The District issued the Bonds on December 29, 2022, in the original principal amount of \$11,815,297.50 and appreciating to a principal amount of \$12,750,000 for the Senior Bonds and \$4,790,000 for the Subordinate Bonds.

Proceeds of the Bonds

Proceeds from the sale of the Bonds were used to pay (a) the Project Costs (as defined in the Senior and Subordinate Indentures), including amounts due under the FFAA (defined and described in Note 6) and (b) other costs incurred in connection with the issuance of the Bonds.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2027, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2027, through November 30, 2028	3.00%
December 1, 2028, through November 30, 2029	2.00
December 1, 2029, through November 30, 2030	1.00
December 1, 2030, and thereafter	0.00

Senior Bonds Details

The Senior Bonds were issued as capital appreciation bonds, convertible to current interest bonds. The Senior Bonds accrete in value at an annual yield equal to 4.0% from their date of issuance to December 1, 2024. The accreted amount compounds semi-annually on June 1 and December 1, beginning on June 1, 2023, to and including December 1, 2024. Such accreted amount, together with the original principal amount of the Senior Bonds, at conversion on December 1, 2024, will be \$12,750,000.

Upon conversion to current interest bonds, the Senior Bonds will bear interest at 4.0% per annum, payable semi-annually to the extent of Senior Pledged Revenue on June 1 and December 1, commencing on June 1, 2025. Annual mandatory sinking fund principal payments on the Senior Bonds are due on December 1, beginning on December 1, 2025. The Senior Bonds mature on December 1, 2052.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to termination on December 2, 2062. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Senior Bond.

BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Details (Continued)

The Senior Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on December 2, 2062, regardless of the amount of principal and interest amounts remaining unpaid.

The Senior Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the Senior Indenture.

No assets have been pledged as collateral on the Senior Bonds.

Events of Default of the Senior Bonds

Events of default occur if the District fails to impose the Senior Required Mill Levy (defined below), or to apply the Senior Pledged Revenue (defined below) as required by the Senior Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Senior Indenture.

Acceleration of the Senior Bonds shall not be an available remedy for an Event of Default.

Senior Pledged Revenue

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, consisting of the moneys derived by the District from (1) the Senior Required Mill Levy; (2) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (3) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue (the Senior Pledged Revenue).

Senior Required Mill Levy

The Senior Required Mill Levy, prior to the Conversion Date (defined below), is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the Senior Bonds as they come due, but (i) not in excess of 50 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after August 21, 2000), and (ii) for so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills (as adjusted), or such lesser mill levy which will pay the Senior Bonds as they come due and will fund the Senior Surplus Fund (defined below) up to the Maximum Surplus Amount (defined below) (the Senior Required Mill Levy).

After the Conversion Date, the Senior Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds when due, without limitation of rate.

The Conversion Date is the first date on which the Debt to Assessed Ratio is 50% or less and no amounts of principal or interest on the Senior Bonds are due but unpaid (the Conversion Date).

**BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Surplus Fund

The Senior Bonds are additionally secured by amounts in the Senior Surplus Fund. Prior to the Conversion Date, Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund (the Senior Surplus Fund), up to the Maximum Surplus Amount of \$1,181,530 (the Maximum Surplus Amount). After the Conversion Date, the Senior Surplus Fund shall be terminated, and moneys therein remitted to the District for application to any lawful purpose of the District.

Details of the Subordinate Bonds

The Subordinate Bonds bear interest at 6.0% per annum, payable annually to the extent of Subordinate Pledged Revenue available on each December 15, commencing on December 15, 2023. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to maturity on December 15, 2052.

To the extent principal of any Subordinate Bond is not paid when due, such principal shall remain outstanding until paid, subject to termination on December 16, 2062. To the extent interest on any Subordinate Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Subordinate Bond.

The Subordinate Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on December 16, 2062, regardless of the amount of principal and interest amounts remaining unpaid.

The Subordinate Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the Subordinate Indenture. No assets have been pledged as collateral on the Subordinate Bonds.

Events of Default of the Subordinate Bonds

Events of default occur if the District fails to impose the Subordinate Required Mill Levy, or to apply the Subordinate Pledged Revenues as required by the Subordinate Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Subordinate Indenture.

Acceleration of the Subordinate Bonds shall not be an available remedy for an Event of Default.

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, consisting of the moneys derived by the District from (1) the Subordinate Required Mill Levy (defined below); (2) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy (defined below); and (3) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue (the Subordinate Pledged Revenue).

BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Required Mill Levy

The Subordinate Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in the amount of 50 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after August 21, 2000) less the amount of the Senior Bond Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all or the principal and interest of the Bonds in full. If the amount of the Senior Bond Mill Levy equals or exceeds 50 mills in any year, adjusted for changes aforesaid, the Subordinate Required Mill Levy for that year shall be zero.

Maturity Schedule

The accreted amount of the District's Senior Bonds, after conversion, will mature as follows:

<u>Year Ending December 31,</u>	Series 2022A		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ -	\$ -
2025	-	510,000	510,000
2026	180,000	510,000	690,000
2027	200,000	502,800	702,800
2028	225,000	494,800	719,800
2029-2033	1,345,000	2,328,800	3,673,800
2034-2038	1,860,000	2,020,200	3,880,200
2039-3043	2,465,000	1,601,800	4,066,800
2044-2048	3,235,000	1,049,800	4,284,800
2049-2052	3,240,000	332,400	3,572,400
Total	<u>\$ 12,750,000</u>	<u>\$ 9,350,600</u>	<u>\$ 22,100,600</u>

Due to the cash flow nature of the Subordinate Bonds that are payable only to the extent of Subordinate Pledged Revenue available, principal and interest payments on the Subordinate Bonds cannot be predicted with certainty and are not presented in the maturity schedule.

Debt Authorization

On November 4, 2003, the District's voters authorized total indebtedness of \$180,000,000. At December 31, 2023, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

**BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization (Continued)

	Authorized November 4, 2003 Election	Authorization Used Series 2022A	Authorization Used Series 2022B	Remaining at December 31, 2023
Street Improvements	\$ 21,000,000	\$ 5,367,750	\$ 2,016,590	\$ 13,615,660
Parks and Recreation	16,000,000	1,453,500	546,060	14,000,440
Water	11,000,000	2,486,250	934,050	7,579,700
Sanitation/Storm Sewer	9,500,000	3,442,500	1,293,300	4,764,200
Mosquito Control	1,000,000	-	-	1,000,000
Operational Expenses	500,000	-	-	500,000
TV Relay and Translation	1,000,000	-	-	1,000,000
Intergovernmental Agreements	60,000,000	-	-	60,000,000
Refunding of Debt	60,000,000	-	-	60,000,000
Total	<u>\$ 180,000,000</u>	<u>\$ 12,750,000</u>	<u>\$ 4,790,000</u>	<u>\$ 162,460,000</u>

As of December 31, 2023, the District had \$42,460,000 remaining authority under the Service Plan.

NOTE 6 AGREEMENTS

Cost Sharing Intergovernmental Agreement

The District entered into a Cost Sharing Intergovernmental Agreement with BNC Metropolitan District No. 1 and BNC Metropolitan District No. 2 on October 24, 2017, as amended on December 23, 2019 (the IGA). Pursuant to the IGA, the District shall be the Constructing District. BNC Metropolitan District Nos. 1 and 2 are to transfer to the District the amounts necessary for the District to complete the remaining public improvements. In the event that the District does not utilize the funds provided by BNC Metropolitan District No. 1 or 2 on or before December 31, 2022, the District shall return such funds and BNC Metropolitan District No. 1 or 2 shall be entitled to complete the remaining public improvements as described in more detail therein.

NOTE 7 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

The District had a restricted net position of \$100 for emergencies.

NOTE 8 RELATED PARTIES

The Developer of the property which constitutes the District is Catellus CC Note, LLC. A majority of the members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

**BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 RELATED PARTIES (CONTINUED)

Operation Funding Agreements

The District entered into a series of Operations Funding Agreements with 104th Avenue Investment Partners LLC (the Original Developer) for fiscal years 2004 – 2009 (the 2004-2009 OFA) whereby the Original Developer agreed to advance various amounts to the District for the operations and maintenance expenses of the District with an interest rate of 8.00%.

The District entered into an Operation Funding Agreement with Catellus CC Note, LLC (the Developer) on October 24, 2017, with an effective date of January 1, 2017 (the 2017-2018 OFA). Pursuant to the 2017-2018 OFA, which was consented to by the Original Developer, the Developer agreed to advance funds to the District for the operations and maintenance expenses of the District for fiscal years 2017 through 2018, not to exceed a total of \$75,000.00 and with an interest rate of 8.00%.

The District entered into an Operation Funding Agreement with the Developer on October 21, 2020, with an effective date of January 1, 2019, as amended on November 18, 2021, December 5, 2022, and December 4, 2023 (the 2019-2021 OFA). Pursuant to the 2019-2021 OFA, the Developer will provide advances to the District for operations and maintenance for fiscal years 2019 through 2024 not to exceed a total of \$370,000.00. The advances will bear an interest rate of 8.00%.

The total amount due as of December 31, 2023, under the 2004-2009 OFA, 2017-2018 OFA, and 2019-2021 OFA, is \$487,865 (\$323,641 in principal and \$164,224 in accrued interest).

Facilities Funding and Acquisition Agreement

The District entered into a Facilities Funding and Acquisition Agreement with the Developer on October 24, 2017, as amended by that certain Amended and Restated Facilities Funding and Acquisition Agreement on October 21, 2020, with an effective date of October 24, 2017 (the FFAA). Pursuant to the FFAA, the Developer will provide advances to the District to finance public improvement costs verified by an independent engineer. The advances will bear an interest rate of 8.00%.

The total amount due as of December 31, 2023 under the FFAA is \$1,820,234 (\$1,816,253 in principal and \$3,981 in accrued interest).

Reimbursement Agreement with Catellus CC Note, LLC and AMH Development, LLC

The District entered into a Reimbursement Agreement with Developer and AMH Development, LLC (AMH Builder) on June 23, 2021 pertaining to property located within the boundaries of the District. Pursuant to this agreement, AMH Builder will construct or cause the construction of certain public improvements, including street, park and recreation, water, sanitary and storm drainage, and television relay and translation improvements (Permissible Improvements) which benefit property within the District's boundaries and/or service area.

**BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 RELATED PARTIES (CONTINUED)

**Reimbursement Agreement with Catellus CC Note, LLC and AMH Development, LLC
(Continued)**

AMH Builder will construct the Permissible Improvements at its own expense and, pursuant to the June 4, 2021 Purchase and Sale Agreement by and between the Developer and AMH Builder, now directs the District to reimburse the Developer for costs incurred by AMH Builder for design, testing, engineering, and construction of the improvements. Subject to the receipt of funding, the District agrees to reimburse the Developer for Certified Construction Costs (defined therein) up to a maximum amount of \$60,000,000.00 together with interest thereon. Certified Construction Costs shall accrue interest from the date such costs are incurred by AMH Builder. Simple interest shall accrue on amounts reimbursable to the Developer under this agreement, until paid, at a rate of 8.00% per annum.

Reimbursement Agreement with Catellus CC Note, LLC and Century Land Holdings, LLC

The District entered into a Reimbursement Agreement with the Developer and Century Land Holdings, LLC (Century Builder) on June 24, 2021 pertaining to property located within the boundaries of the District. Pursuant to this agreement, Century Builder will construct or cause the construction of Permissible Improvements which benefit property within the District's boundaries and/or service area. Century Builder will construct the Permissible Improvements at its own expense and, pursuant to the December 23, 2020 Purchase and Sale Agreement by and between the Developer and Century Builder, now directs the District to reimburse the Developer for costs incurred by Century Builder for design, testing, engineering, and construction of the improvements. Subject to the receipt of funding, the District agrees to reimburse the Developer for Certified Construction Costs (defined therein) up to a maximum amount of \$60,000,000.00 together with interest thereon. Certified Construction Costs shall accrue interest from the date such costs are incurred by AMH Builder. Simple interest shall accrue on amounts reimbursable to the Developer under this agreement, until paid, at a rate of 8.00% per annum.

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

BNC METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property, workers' compensation, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 4, 2003, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**BNC METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 95,000	\$ 419,675	\$ 324,675
Total Revenues	<u>95,000</u>	<u>419,675</u>	<u>324,675</u>
EXPENDITURES			
Accounting	5,000	-	5,000
Engineering	5,000	8,828	(3,828)
Bond Issue Costs	34,070	31,050	3,020
Capital Outlay	9,493,902	6,940,182	2,553,720
Total Expenditures	<u>9,537,972</u>	<u>6,980,060</u>	<u>2,557,912</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,442,972)	(6,560,385)	2,882,587
OTHER FINANCING SOURCES (USES)			
Developer Advance	5,400,000	6,940,182	1,540,182
Repay Developer Advance	(5,400,000)	(5,508,233)	(108,233)
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,431,949</u>	<u>1,431,949</u>
NET CHANGE IN FUND BALANCE	(9,442,972)	(5,128,436)	4,314,536
Fund Balance - Beginning of Year	<u>9,442,972</u>	<u>9,451,046</u>	<u>8,074</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 4,322,610</u></u>	<u><u>\$ 4,322,610</u></u>

BNC METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2023

\$11,815,297.50 (Value at Issuance)
\$12,750,000 (Value at Conversion Date)
General Obligation Limited Tax
Convertible Capital Appreciation Bonds
Series 2022A
Dated December 29, 2022
Interest Rate 4.00%
Principal Due December 1

Interest Payable June 1 and December 1						
Year Ending December 31,	Value at Issuance					
	<u>\$11,815,297.50</u>	<u>Accretion</u>	<u>Accreted Value</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024		\$ 495,210	\$ 12,750,000	\$ -	\$ -	\$ -
2025				-	510,000	510,000
2026				180,000	510,000	690,000
2027				200,000	502,800	702,800
2028				225,000	494,800	719,800
2029				230,000	485,800	715,800
2030				255,000	476,600	731,600
2031				265,000	466,400	731,400
2032				290,000	455,800	745,800
2033				305,000	444,200	749,200
2034				330,000	432,000	762,000
2035				345,000	418,800	763,800
2036				375,000	405,000	780,000
2037				390,000	390,000	780,000
2038				420,000	374,400	794,400
2039				435,000	357,600	792,600
2040				470,000	340,200	810,200
2041				490,000	321,400	811,400
2042				525,000	301,800	826,800
2043				545,000	280,800	825,800
2044				585,000	259,000	844,000
2045				605,000	235,600	840,600
2046				650,000	211,400	861,400
2047				675,000	185,400	860,400
2048				720,000	158,400	878,400
2049				745,000	129,600	874,600
2050				795,000	99,800	894,800
2051				825,000	68,000	893,000
2052				875,000	35,000	910,000
Total				<u>\$ 12,750,000</u>	<u>\$ 9,350,600</u>	<u>\$ 22,100,600</u>

BNC METROPOLITAN DISTRICT NO. 3
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property	Mills Levied		Total Property Taxes		Percentage Collected to Levied
	Tax Levy	General	Debt Service	Levied	Collected	
2019	\$ 33,010	69.649	0.000	\$ 2,299	\$ 4,796	208.61 %
2020	47,600	70.135	0.000	3,338	3,338	100.00
2021	39,150	70.135	0.000	2,746	2,677	97.49
2022	553,550	70.135	0.000	38,823	38,895	100.18
2023	71,070	70.135	0.000	4,984	4,984	100.00
Estimated for the Year Ending December 31, 2024	\$ 534,920	18.148	51.987	\$ 37,517		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.