



**CliftonLarsonAllen**

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**Accountant's Compilation Report**

Board of Directors  
BNC Metropolitan District No. 3

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of BNC Metropolitan District No. 3 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to BNC Metropolitan District No. 3.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
November 30, 2018



An independent member of Nexia International

**BNC METROPOLITAN DISTRICT NO. 3  
SUMMARY  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

11/30/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 100
REVENUES			
Property taxes	-	2,342	2,299
Specific ownership tax	-	260	138
Developer advance	-	69,245	3,412,282
Other revenue	-	1	-
Total revenues	-	71,848	3,414,719
TRANSFERS IN	-	-	-
Total funds available	-	71,848	3,414,819
EXPENDITURES			
General Fund	-	71,748	64,000
Capital Projects Fund	-	-	3,350,719
Total expenditures	-	71,748	3,414,719
TRANSFERS OUT	-	-	-
Total expenditures and transfers out requiring appropriation	-	71,748	3,414,719
ENDING FUND BALANCES	\$ -	\$ 100	\$ 100
EMERGENCY RESERVE	\$ -	\$ 100	\$ 100
TOTAL RESERVE	\$ -	\$ 100	\$ 100

This financial information should be read only in connection with the accompanying accountant's  
compilation report and summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3  
PROPERTY TAX SUMMARY INFORMATION  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

11/30/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
<b>ASSESSED VALUATION</b>			
Agricultural	\$ -	\$ 4,140	\$ 4,140
State assessed	-	3,480	3,620
Personal property		26,000	25,250
Certified Assessed Value	<u>\$ -</u>	<u>\$ 33,620</u>	<u>\$ 33,010</u>
<b>MILL LEVY</b>			
General	0.000	69.649	69.649
Total mill levy	<u>0.000</u>	<u>69.649</u>	<u>69.649</u>
<b>PROPERTY TAXES</b>			
General	\$ -	\$ 2,342	\$ 2,299
Levied property taxes	-	2,342	2,299
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ 2,342</u>	<u>\$ 2,299</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ -</u>	<u>\$ 2,342</u>	<u>\$ 2,299</u>
	<u>\$ -</u>	<u>\$ 2,342</u>	<u>\$ 2,299</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

11/30/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 100
REVENUES			
Property taxes	-	2,342	2,299
Specific ownership tax	-	260	138
Developer advance	-	69,245	61,563
Other revenue	-	1	-
Total revenues	-	71,848	64,000
Total funds available	-	71,848	64,100
EXPENDITURES			
General and administrative			
Accounting	-	17,000	15,000
County Treasurer's fee	-	23	34
Dues and licenses	-	200	200
Insurance and bonds	-	3,500	3,500
District management	-	35,000	25,000
Legal services	-	15,000	15,000
Miscellaneous	-	-	1,000
Election expense	-	722	-
Contingency	-	-	4,266
Operations and maintenance			
Engineering	-	303	-
Total expenditures	-	71,748	64,000
Total expenditures and transfers out requiring appropriation	-	71,748	64,000
ENDING FUND BALANCE	\$ -	\$ 100	\$ 100
EMERGENCY RESERVE	\$ -	\$ 100	\$ 100
TOTAL RESERVE	\$ -	\$ 100	\$ 100

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3  
CAPITAL PROJECTS FUND  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

11/30/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	-	3,350,719
Total revenues	-	-	3,350,719
Total funds available	-	-	3,350,719
EXPENDITURES			
Capital Projects			
Engineering	-	-	30,000
Capital outlay	-	-	3,161,160
Construction management	-	-	159,559
Total expenditures	-	-	3,350,719
Total expenditures and transfers out requiring appropriation	-	-	3,350,719
ENDING FUND BALANCE	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation, was formed by Court Order issued on January 8, 2004 and recorded on January 27, 2004, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Commerce City, Adams County, Colorado.

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

On November 4, 2003, voters of the District elected to approve general obligation indebtedness not to exceed \$60,000,000 at an interest rate not to exceed 15%. They also passed an election question to increase property taxes \$500,000 annually, without limitation of rate, to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue, other than ad valorem taxes, without regard to any limitations under TABOR.

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 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.

**Revenue**

**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 sales 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 Property Tax Summary page of the budget at the adopted total mill levy of 69.649 mills.

**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 6.0% of the property taxes collected.

**BNC METROPOLITAN DISTRICT NO. 3  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenue – (continued)**

**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 services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense.

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

**Debt and Leases**

The District has no outstanding debt or any operating or capital leases.

**Reserves**

**Emergency Reserve Funds**

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2019, as defined under TABOR.

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