



CliftonLarsonAllen LLP
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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, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, 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.

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP'.

Greenwood Village, Colorado
January 16, 2020

BNC METROPOLITAN DISTRICT NO. 3
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/16/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ (4,584)	\$ 1,045
REVENUES			
Property taxes	-	4,796	3,315
Specific ownership tax	-	180	265
Developer advance	55,738	20,000	4,680,000
Transfer from BNC MD No. 1	-	-	3,400,000
Transfer from BNC MD No. 2	-	-	1,410,000
Other revenue	1	-	-
Total revenues	55,739	24,976	9,493,580
Total funds available	55,739	20,392	9,494,625
EXPENDITURES			
General Fund	60,323	19,347	64,000
Capital Projects Fund	-	-	9,430,000
Total expenditures	60,323	19,347	9,494,000
Total expenditures and transfers out requiring appropriation	60,323	19,347	9,494,000
ENDING FUND BALANCES	\$ (4,584)	\$ 1,045	\$ 625
EMERGENCY RESERVE	\$ -	\$ 150	\$ 110
TOTAL RESERVE	\$ -	\$ 150	\$ 110

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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/16/20

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
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ASSESSED VALUATION

Agricultural	\$ 4,140	\$ 4,140	\$ 3,860
State assessed	3,480	3,620	2,810
Personal property	26,000	25,250	40,930
Certified Assessed Value	<u>\$ 33,620</u>	<u>\$ 33,010</u>	<u>\$ 47,600</u>

MILL LEVY

General	69.649	69.649	70.135
Total mill levy	<u>69.649</u>	<u>69.649</u>	<u>70.135</u>

PROPERTY TAXES

General	\$ 2,342	\$ 2,299	\$ 3,338
Levied property taxes	2,342	2,299	3,338
Adjustments to actual/rounding	(2,342)	2,497	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ 4,796</u>	<u>\$ 3,338</u>

BUDGETED PROPERTY TAXES

General	\$ -	\$ 4,796	\$ 3,338
	<u>\$ -</u>	<u>\$ 4,796</u>	<u>\$ 3,338</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ (4,584)	\$ 1,045
REVENUES			
Property taxes	-	4,796	3,315
Specific ownership tax	-	180	265
Developer advance	55,738	20,000	60,000
Other revenue	1	-	-
Total revenues	55,739	24,976	63,580
Total funds available	55,739	20,392	64,625
EXPENDITURES			
General and administrative			
Accounting	15,746	10,000	15,000
County Treasurer's fee	-	34	50
Dues and licenses	200	313	350
Insurance and bonds	-	2,000	3,500
District management	32,602	5,000	25,000
Legal services	10,726	2,000	15,000
Miscellaneous	10	-	1,000
Election expense	736	-	2,000
Contingency	-	-	2,100
Operations and maintenance			
Engineering	303	-	-
Total expenditures	60,323	19,347	64,000
Total expenditures and transfers out requiring appropriation	60,323	19,347	64,000
ENDING FUND BALANCE	\$ (4,584)	\$ 1,045	\$ 625
EMERGENCY RESERVE	\$ -	\$ 150	\$ 110
TOTAL RESERVE	\$ -	\$ 150	\$ 110

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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	-	4,620,000
Transfer from BNC MD No. 1			3,400,000
Transfer from BNC MD No. 2			1,410,000
Total revenues	-	-	9,430,000
Total funds available	-	-	9,430,000
EXPENDITURES			
Capital Projects			
Repay developer advance	-	-	4,620,000
Engineering	-	-	30,000
Capital outlay	-	-	4,620,000
Construction Management	-	-	160,000
Total expenditures	-	-	9,430,000
Total expenditures and transfers out requiring appropriation	-	-	9,430,000
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
2020 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 70.135 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 8% of the property taxes collected.

**BNC METROPOLITAN DISTRICT NO. 3
2020 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.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

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 2020, as defined under TABOR.

This information is an integral part of the accompanying budget.