

Accountant's Compilation Report

Board of Directors
BNC Metropolitan District No. 3
Adams County, Colorado

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, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 American Institute of Certified Public Accountants. 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.

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.



Greenwood Village, Colorado
January 22, 2018

BNC METROPOLITAN DISTRICT NO. 3
SUMMARY
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

1/22/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	-	-	2,342
2 Specific ownership taxes	-	-	260
3 Developer advance	-	25,000	3,398,117
Total revenues	-	25,000	3,400,719
Total funds available	-	25,000	3,400,719
EXPENDITURES			
4 General and administration			
5 Accounting	-	6,000	10,000
6 Contingency	-	1,700	14,177
7 County Treasurer's fees	-	-	23
8 District management	-	5,000	10,000
9 Dues and membership	-	300	300
10 Election	-	-	1,000
11 Insurance	-	1,000	3,500
12 Legal	-	10,000	10,000
13 Miscellaneous	-	1,000	1,000
14 Capital projects			
15 Capital improvements	-	-	3,161,160
16 Construction management	-	-	159,559
17 Engineering	-	-	30,000
Total expenditures	-	25,000	3,400,719
Total expenditures and transfers out requiring appropriation	-	25,000	3,400,719
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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
For the Years Ended and Ending December 31,

1/22/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
ASSESSED VALUATION - ADAMS			
Agricultural	\$ -	\$ 3,770	\$ 4,140
Personal Property	-	23,500	26,000
State Assessed	-	3,340	3,480
Certified Assessed Value	<u>\$ -</u>	<u>\$ 30,610</u>	<u>\$ 33,620</u>
MILL LEVY			
GENERAL FUND	-	-	69.649
Total Mill Levy	<u>-</u>	<u>-</u>	<u>69.649</u>
PROPERTY TAXES			
GENERAL FUND	\$ -	\$ -	\$ 2,342
Budgeted Property Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,342</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ -	\$ -	\$ 2,342
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,342</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
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

1/22/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	-	-	2,342
2 Specific ownership taxes	-	-	260
3 Developer advance	-	25,000	47,398
Total revenues	-	25,000	50,000
Total funds available	-	25,000	50,000
EXPENDITURES			
General and administration			
4 Accounting	-	6,000	10,000
5 Contingency	-	1,700	14,177
6 County Treasurer's fees	-	-	23
7 District management	-	5,000	10,000
8 Dues and membership	-	300	300
9 Election	-	-	1,000
10 Insurance	-	1,000	3,500
11 Legal	-	10,000	10,000
12 Miscellaneous	-	1,000	1,000
Total expenditures	-	25,000	50,000
Total expenditures and transfers out requiring appropriation	-	25,000	50,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

1/22/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Developer advance	-	-	3,350,719
Total revenues	-	-	3,350,719
Total funds available	-	-	3,350,719
EXPENDITURES			
Capital projects			
2 Capital improvements	-	-	3,161,160
3 Construction management	-	-	159,559
4 Engineering	-	-	30,000
Total expenditures	-	-	3,350,719
Total expenditures and transfers out requiring appropriation	-	-	3,350,719
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation, was formed by Court Order on November 30, 2000, 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 7, 2000, 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.

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 11% of the property taxes collected.

**BNC METROPOLITAN DISTRICT NO. 3
2018 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 2018, as defined under TABOR.

This information is an integral part of the accompanying budget.