

BNC METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

BNC METROPOLITAN DISTRICT NO. 3
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31, 2022

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 4,037,451	\$ 4,045,521	\$ 9,444,462
REVENUES			
Property taxes	2,677	38,895	4,984
Specific ownership taxes	278	2,587	349
Interest income	1,418	61,000	95,000
Developer advance	54,500	10,999,109	5,457,000
Bond issuance	-	16,605,298	-
Total revenues	58,873	27,706,889	5,557,333
Total funds available	4,096,324	31,752,410	15,001,795
EXPENDITURES			
General Fund	50,803	53,177	63,000
Capital Projects Fund	-	22,254,771	14,937,972
Total expenditures	50,803	22,307,948	15,000,972
Total expenditures and transfers out requiring appropriation	50,803	22,307,948	15,000,972
ENDING FUND BALANCES	\$ 4,045,521	\$ 9,444,462	\$ 823
EMERGENCY RESERVE	\$ 89	\$ 1,200	\$ 200

BNC METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31, 2022

1/25/23

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
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ASSESSED VALUATION

Agricultural	\$ 3,860	\$ 1,980	\$ 4,090
State assessed	1,500	5,390	4,340
Personal property	33,790	546,180	62,640
Certified Assessed Value	<u>\$ 39,150</u>	<u>\$ 553,550</u>	<u>\$ 71,070</u>

MILL LEVY

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

PROPERTY TAXES

General	\$ 2,746	\$ 38,823	\$ 4,984
Levied property taxes	2,746	38,823	4,984
Adjustments to actual/rounding	(69)	72	-
Budgeted property taxes	<u>\$ 2,677</u>	<u>\$ 38,895</u>	<u>\$ 4,984</u>

BUDGETED PROPERTY TAXES

General	\$ 2,677	\$ 38,895	\$ 4,984
	<u>\$ 2,677</u>	<u>\$ 38,895</u>	<u>\$ 4,984</u>

BNC METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31, 2022

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (12,467)	\$ (5,815)	\$ 1,490
REVENUES			
Property taxes	2,677	38,895	4,984
Specific ownership taxes	278	2,587	349
Developer advance	54,500	19,000	57,000
Total revenues	57,455	60,482	62,333
Total funds available	44,988	54,667	63,823
EXPENDITURES			
General and administrative			
Accounting	16,482	16,500	18,500
Auditing	5,000	5,500	6,100
County Treasurer's fees	40	584	75
Dues and licenses	309	312	400
Insurance and bonds	3,471	2,481	4,000
District management	9,166	14,000	17,500
Legal services	16,050	12,000	13,000
Miscellaneous	85	200	500
Directors' fees	200	100	100
Election expense	-	1,500	2,000
Contingency	-	-	825
Total expenditures	50,803	53,177	63,000
Total expenditures and transfers out requiring appropriation	50,803	53,177	63,000
ENDING FUND BALANCE	\$ (5,815)	\$ 1,490	\$ 823
EMERGENCY RESERVE	\$ 89	\$ 1,200	\$ 200

BNC METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31, 2022

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 4,049,918	\$ 4,051,336	\$ 9,442,972
REVENUES			
Interest income	1,418	61,000	95,000
Developer advance	-	10,980,109	5,400,000
Bond issuance	-	16,605,298	-
Total revenues	1,418	27,646,407	5,495,000
Total funds available	4,051,336	31,697,743	14,937,972
EXPENDITURES			
General and Administrative			
Accounting	-	1,000	5,000
Bond issue costs	-	288,553	34,070
Capital Projects			
Repay Developer advance	-	10,980,109	5,400,000
Engineering	-	5,000	5,000
Capital outlay	-	10,980,109	9,493,902
Total expenditures	-	22,254,771	14,937,972
Total expenditures and transfers out requiring appropriation	-	22,254,771	14,937,972
ENDING FUND BALANCE	\$ 4,051,336	\$ 9,442,972	\$ -

**BNC METROPOLITAN DISTRICT NO. 3
2023 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**BNC METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenue (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.

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.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 2%.

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.

**BNC METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On December 29, 2022 the District issued the Limited Tax General Obligation Bonds, Series 2022A (the "Senior Bonds") and Subordinate Cash Flow Bonds, Series 2022B (the "Subordinate Bonds"), in the respective amounts of \$11,815,297.50 and \$4,790,000.

Proceeds of the Senior and Subordinate Bonds will be used for the purpose of paying Project Costs, which are the costs attributing to the acquisition, construction, and installation of approved public facilities and costs of issuing the Senior and Subordinate Bonds.

The District has outstanding Developer advances. The anticipated Developer advances are as follows:

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022*	Additions	Reductions	Balance - December 31, 2023*
Developer Advances:							
Operations	\$ 225,641	\$ 19,000	\$ -	\$ 244,641	\$ 57,000	\$ -	\$ 301,641
Capital	-	10,980,109	10,980,109	-	5,400,000	5,400,000	-
Accrued Interest on Developer Advances:							
Operations	124,247	18,811	-	143,058	21,851	-	164,910
Capital	-	-	-	-	-	-	-
Total	<u>\$ 349,888</u>	<u>\$ 11,017,920</u>	<u>\$ 10,980,109.00</u>	<u>\$ 387,699</u>	<u>\$ 5,478,851</u>	<u>\$ 5,400,000</u>	<u>\$ 466,551</u>

*Estimated balances

Reserves

Emergency Reserve Funds

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2023, as defined under TABOR.

This information is an integral part of the accompanying budget.