

BRADBURN METROPOLITAN DISTRICT #3

FINANCIAL STATEMENTS

MARCH 31, 2019



Accountant's Compilation Report

Board of Directors
Bradburn Metropolitan District #3
Adams County, Colorado

Management is responsible for the accompanying financial statements of Bradburn Metropolitan District #3, which comprise the balance sheet - governmental funds as of March 31, 2019, and the related statement of revenues, expenditures, and changes in fund balance - actual, for the period from January 01, 2019 through March 31, 2019, for the General Fund, in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the accompanying financial forecasted budget, which comprises the statement of revenues, expenditures, and changes in fund balance - budget, for the year then ending, for the General Fund, and the related summary of significant assumptions in accordance with guidelines for the presentation of financial forecast established by the American Institute of Certified Public Accountants. We have performed compilation engagements in accordance with Statements of 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, examine, or review the historical financial statements or the financial forecasted 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 these historical financial statements and this financial forecasted budget.

The forecasted budget results may not be achieved as there will usually be differences between the forecasted budget 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.

Management has elected to omit the management's discussion and analysis, the government-wide financial statements, the statement of revenues, expenditures and changes in fund balance - governmental funds, and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the historical financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the historical financial statements are not designed for those who are not informed about such matters.

The supplementary information and the supplementary financial forecasted budget information are presented for additional analysis and are not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however we have not audited, examined, or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on the supplementary historical information and the supplementary budget information.

We are not independent with respect to Bradburn Metropolitan District #3.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
April 11, 2019

BRADBURN METROPOLITAN DISTRICT #3
BALANCE SHEET - GOVERNMENTAL FUNDS
MARCH 31, 2019

	General	Debt Service	Total
ASSETS			
1st Bank - Checking	\$ 2,547	\$ -	\$ 2,547
Colotrust	191,158	247,471	438,629
UMB 2016 Bond Fund	-	199,871	199,871
UMB 2016 Reserve Fund	-	328,062	328,062
Receivable from County Treasurer	4,672	21,507	26,179
TOTAL ASSETS	\$ 198,377	\$ 796,911	\$ 995,288
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payable	\$ 9,089	\$ -	\$ 9,089
Total Liabilities	9,089	-	9,089
FUND BALANCES			
Total Fund Balances	189,288	796,911	986,199
TOTAL LIABILITIES AND FUND BALANCES	\$ 198,377	\$ 796,911	\$ 995,288

These financial statements should be read only in connection with the accompanying accountant's compilation report.

BRADBURN METROPOLITAN DISTRICT #3
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2019

GENERAL FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Property taxes	\$ 120,294	\$ 56,613	\$ (63,681)
Specific ownership tax	7,218	2,426	(4,792)
Interest income	1,000	1,308	308
TOTAL REVENUES	128,512	60,347	(68,165)
EXPENDITURES			
Accounting	17,000	7,708	9,292
Auditing	5,000	-	5,000
County Treasurer's fee	1,804	849	955
Dues and licenses	500	510	(10)
Insurance and bonds	3,500	2,909	591
Legal services	20,000	1,384	18,616
Alley Maintenance	75,000	-	75,000
Contingency	5,196	-	5,196
TOTAL EXPENDITURES	128,000	13,360	114,640
NET CHANGE IN FUND BALANCES	512	46,987	46,475
FUND BALANCES - BEGINNING	89,329	142,300	52,971
FUND BALANCES - ENDING	\$ 89,841	\$ 189,287	\$ 99,446

These financial statements should be read only in connection with the accompanying accountant's compilation report.

SUPPLEMENTARY INFORMATION

BRADBURN METROPOLITAN DISTRICT #3
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2019

DEBT SERVICE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Property taxes	\$ 553,816	\$ 260,640	\$ (293,176)
Specific ownership tax	33,229	11,168	(22,061)
Interest income	7,000	2,995	(4,005)
TOTAL REVENUES	594,045	274,803	(319,242)
EXPENDITURES			
County Treasurer's fee	8,307	3,910	4,397
Paying agent fees	3,000	2,500	500
Bond interest - 2014 Bonds	342,287	-	342,287
Bond principal	100,000	-	100,000
Contingency	1,406	-	1,406
TOTAL EXPENDITURES	455,000	6,410	448,590
NET CHANGE IN FUND BALANCES	139,045	268,393	129,348
FUND BALANCES - BEGINNING	518,722	528,518	9,796
FUND BALANCES - ENDING	\$ 657,767	\$ 796,911	\$ 139,144

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

Services Provided

The District is a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court on November 28, 2000, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide construction, installation, financing and operation of public improvements, including water, wastewater, streets, park and recreation facilities, and other improvements needed for the District. The District's service area is located entirely within the City of Westminster, Adams County, Colorado.

On November 7, 2000, the electorate authorized general obligation indebtedness of \$8,000,000 for street improvements, \$1,000,000 for traffic safety, \$5,500,000 for parks and recreation, \$2,500,000 for water supply system, \$2,500,000 for sanitary sewer system, \$1,000,000 for television relay system, \$1,000,000 for public transportation, \$500,000 for mosquito control, \$26,000,000 for debt associated with intergovernmental contracts, \$23,500,000 for refinancing of District debt, and \$2,500,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$100,000 for general operations and maintenance, and \$2,500,000 in revenues other than ad valorem taxes. At the election held on November 8, 2016 the electorate authorized to increase its ad valorem property taxes imposed to pay operations, maintenance and other expenses of the District by \$150,000 annually, or such greater or lesser amount as may be derived from an ad valorem mill levy not in excess of 9.508 mills (as adjusted to account for changes in law or the method by which assessed valuation is calculated occurring after 2016). The 2019 operations and maintenance mill levy is 7.108 mills. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

This District has no employees and all administrative functions are contracted.

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.

Revenues

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.

BRADBURN METROPOLITAN DISTRICT NO. 3
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - (Continued)

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.20% from 7.96% for property tax years 2017-2018 on April 17, 2017 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation.

The District's maximum Required Mill Levy is 39.832 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund]. As of December 31, 2019, the adjusted maximum mill levy for debt service is 32.724 mills.

The calculation of the taxes levied is displayed on page on the Property Tax Summary page of the Budget at the adopted total mill levy of 39.832 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% of the property taxes collected by the District.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.50%.

Expenditures

Administrative and Operating Expenditures

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, meeting expense, and other administrative expenses. As well as, alleyway maintenance which includes concrete and repair of alleys.

Debt Service

Principal and interest payments in 2019 are provided based on the debt amortization schedule from the Series 2016 Bonds (discussed under Debts and Leases).

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

Debt and Leases

On November 23, 2016, the District issued Series 2016 \$8,500,000 General Obligation Tax-Refunding Bonds (the Series 2016 Bonds). The 2016 Bonds are term bonds and bear interest at 4.00%, payable semi-annually on June 1 and December 1, beginning on December 1, 2016. The Bonds maturing on December 1, 2046 and thereafter are subject to redemption prior to maturity, at the option of the

District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2026, and on any date thereafter, upon payment of par and accrued interest, without redemption premium. Annual mandatory sinking fund principal payments are due on December 1 of each year beginning on December 1, 2017.

The 2016 Bonds are secured by pledged revenues consisting of the Required Mill Levy, Capital Fees, that portion of the Specific Ownership Taxes allocable to the Required Mill Levy, and any other legally available moneys in that the District determines to apply as pledged revenues. The Required Mill Levy is an ad valorem mill imposed upon all taxable property of the District each year in an amount which will be sufficient to pay the principal of an interest on the 2016 Bonds when due and owing.

The District's current debt service schedule is attached for the Series 2016 Bonds.

The District has no operating or capital leases.

Reserve Funds

Emergency Reserve

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

Debt Service Reserve

The District maintains a Debt Service Reserve as required with the issuance of the 2016 Bonds.

**BRADBURN METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$8,500,000 General Obligation Refunding Bonds
Series 2016, Dated November 23, 2016
4.00% Term Bonds Due December 1, 2046
Interest Payable June 1 and December 1,
Principal Due December 1**

Year Ended December 31,	Principal	Interest	Total
2019	\$ 100,000	\$ 342,288	\$ 442,288
2020	115,000	338,287	453,287
2021	120,000	333,688	453,688
2022	135,000	328,887	463,887
2023	140,000	323,488	463,488
2024	155,000	317,887	472,887
2025	160,000	311,688	471,688
2026	175,000	305,287	480,287
2027	185,000	298,288	483,288
2028	200,000	290,425	490,425
2029	210,000	281,925	491,925
2030	225,000	273,000	498,000
2031	235,000	263,437	498,437
2032	255,000	253,450	508,450
2033	270,000	241,975	511,975
2034	290,000	229,825	519,825
2035	305,000	216,775	521,775
2036	330,000	203,050	533,050
2037	345,000	188,200	533,200
2038	365,000	174,400	539,400
2039	380,000	159,800	539,800
2040	410,000	144,600	554,600
2041	425,000	128,200	553,200
2042	450,000	111,200	561,200
2043	470,000	93,200	563,200
2044	500,000	74,400	574,400
2045	520,000	54,400	574,400
2046	840,000	33,600	873,600
	<u>\$ 8,310,000</u>	<u>\$ 6,315,650</u>	<u>\$ 14,625,650</u>

This supplementary information should be read only in connection with the accompanying accountant's compilation report.

Bradburn Metropolitan District No. 3
Schedule of Cash Position
March 31, 2019
Updated as of April 10, 2019

	General Fund	Debt Service Fund	Total
<u>1st Bank</u>			
Balance as of 3/31/19	\$ 2,546.76	\$ -	\$ 2,546.76
Subsequent Activity:			
<i>Anticipated Vouchers Payable</i>	(4,010.46)	-	(4,010.46)
<i>Anticipated transfer from Colotrust</i>	2,500.00	-	2,500.00
<i>Anticipated Balance</i>	<u>1,036.30</u>	<u>-</u>	<u>1,036.30</u>
<u>COLOTRUST - PLUS</u>			
Balance as of 3/31/19	191,158.40	247,471.37	438,629.77
Subsequent Activity:			
04/10/19 Property Tax Deposit	4,671.52	21,507.00	26,178.52
<i>Anticipated transfer to checking</i>	(2,500.00)	-	(2,500.00)
<i>Anticipated transfer to UMB</i>	-	(268,978.37)	(268,978.37)
<i>Anticipated Balance</i>	<u>193,329.92</u>	<u>-</u>	<u>193,329.92</u>
<u>UMB - 2016 Bond Fund</u>			
<u>145404.1</u>			
Balance as of 3/31/19	-	199,870.88	199,870.88
Subsequent Activity:			
<i>Anticipated transfer from Colotrust</i>	-	268,978.37	268,978.37
<i>Anticipated Balance</i>	<u>-</u>	<u>468,849.25</u>	<u>468,849.25</u>
<u>UMB - 2016 Reserve Fund</u>			
<u>145404.2</u>			
Balance as of 3/31/19	-	328,061.60	328,061.60
Subsequent Activity:			
<i>None</i>	-	-	-
<i>Anticipated Balances</i>	<u>-</u>	<u>328,061.60</u>	<u>\$ 328,061.60</u>
Total anticipated balances	<u>\$ 194,366.22</u>	<u>\$ 796,910.85</u>	<u>\$ 991,277.07</u>

Yield Information @ 3/31/19:

Colotrust Plus - 2.58%

**Bradburn Metropolitan District #3
Property Taxes Reconciliation
2019**

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 1,878.48	\$ -	\$ 4,840.17	\$ -	\$ (28.18)	\$ 6,690.47	0.28%	0.28%	\$ 32,572.15	4.39%	4.39%
February	292,881.12	-	4,730.60	-	(4,393.22)	293,218.50	43.45%	43.73%	287,857.38	43.25%	47.64%
March	22,493.33	-	4,022.59	-	(337.40)	26,178.52	3.34%	47.06%	26,833.46	3.42%	51.06%
April	-	-	-	-	-	-	0.00%	47.06%	42,993.96	5.87%	56.93%
May	-	-	-	-	-	-	0.00%	47.06%	30,903.48	4.07%	61.00%
June	-	-	-	-	-	-	0.00%	47.06%	257,383.11	38.54%	99.54%
July	-	-	-	-	-	-	0.00%	47.06%	6,496.28	0.26%	99.80%
August	-	-	-	-	-	-	0.00%	47.06%	5,718.77	0.00%	99.80%
September	-	-	-	-	-	-	0.00%	47.06%	5,645.12	0.15%	99.95%
October	-	-	-	-	-	-	0.00%	47.06%	5,046.43	0.00%	99.95%
November	-	-	-	-	-	-	0.00%	47.06%	6,305.76	0.05%	100.00%
December	-	-	-	-	-	-	0.00%	47.06%	4,878.36	0.00%	100.00%
	\$ 317,252.93	\$ -	\$ 13,593.36	\$ -	\$ (4,758.80)	\$ 326,087.49	47.06%	47.06%	\$ 712,634.26	100.00%	100.00%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied	Mills Levied	Assessed Value
General Fund	\$ 120,294.00	17.84%	\$ 56,613.35	47.06%	7.108 \$ 16,923,840
Debt Service Fund	\$ 553,816.00	82.16%	\$ 260,639.58	47.06%	32.724
	\$ 674,110.00	100.00%	\$ 317,252.93	47.06%	39.832

Specific Ownership Tax

General Fund	\$ 7,218.00	17.84%	\$ 2,425.72	33.61%
Debt Service Fund	\$ 33,229.00	82.16%	\$ 11,167.64	33.61%
	\$ 40,447.00	100.00%	\$ 13,593.36	33.61%

Treasurer's Fees

General Fund	\$ 1,804.00	17.84%	\$ 849.20	47.07%
Debt Service Fund	\$ 8,307.00	82.16%	\$ 3,909.60	47.06%
	\$ 10,111.00	100.00%	\$ 4,758.80	47.07%

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