

BRADBURN METROPOLITAN DISTRICT #3

FINANCIAL STATEMENTS

JULY 31, 2020

BRADBURN METROPOLITAN DISTRICT #3
BALANCE SHEET - GOVERNMENTAL FUNDS
JULY 31, 2020

| | General | Debt Service | Total |
|--|-------------------|---------------------|---------------------|
| ASSETS | | | |
| 1st Bank - Checking | \$ 3,759 | \$ - | \$ 3,759 |
| Colotrust | 341,944 | 208,826 | 550,770 |
| UMB 2016 Bond Fund | - | 607,542 | 607,542 |
| UMB 2016 Reserve Fund | - | 335,052 | 335,052 |
| Receivable from County Treasurer | 1,127 | 5,188 | 6,315 |
| TOTAL ASSETS | \$ 346,830 | \$ 1,156,608 | \$ 1,503,438 |
| LIABILITIES AND FUND BALANCES | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable | \$ 8,414 | \$ - | \$ 8,414 |
| Total Liabilities | 8,414 | - | 8,414 |
| FUND BALANCES | | | |
| Total Fund Balances | 338,416 | 1,156,608 | 1,495,024 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 346,830 | \$ 1,156,608 | \$ 1,503,438 |

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**BRADBURN METROPOLITAN DISTRICT #3
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SEVEN MONTHS ENDED JULY 31, 2020**

GENERAL FUND

| | <u>Annual Budget</u> | <u>Year to Date Actual</u> | <u>Variance</u> |
|------------------------------------|--------------------------|--------------------------------|-------------------|
| REVENUES | | | |
| Property taxes | \$ 135,843 | \$ 134,186 | \$ (1,657) |
| Specific ownership tax | 10,874 | 5,527 | (5,347) |
| Interest income | 1,400 | 1,905 | 505 |
| TOTAL REVENUES | <u>148,117</u> | <u>141,618</u> | <u>(6,499)</u> |
| EXPENDITURES | | | |
| Accounting | 18,500 | 12,538 | 5,962 |
| Auditing | 5,200 | 5,200 | - |
| County Treasurer's fee | 2,039 | 2,013 | 26 |
| Dues and licenses | 550 | 489 | 61 |
| Insurance and bonds | 3,500 | 2,953 | 547 |
| Legal services | 20,000 | 10,432 | 9,568 |
| Election expense | 1,500 | 1,988 | (488) |
| Alley Maintenance | 200,000 | - | 200,000 |
| Contingency | 4,711 | - | 4,711 |
| TOTAL EXPENDITURES | <u>256,000</u> | <u>35,613</u> | <u>220,387</u> |
| NET CHANGE IN FUND BALANCES | (107,883) | 106,005 | 213,888 |
| FUND BALANCES - BEGINNING | <u>148,294</u> | <u>232,411</u> | <u>84,117</u> |
| FUND BALANCES - ENDING | <u>\$ 40,411</u> | <u>\$ 338,416</u> | <u>\$ 298,005</u> |

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SUPPLEMENTARY INFORMATION

**BRADBURN METROPOLITAN DISTRICT #3
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SEVEN MONTHS ENDED JULY 31, 2020**

DEBT SERVICE FUND

| | <u>Annual Budget</u> | <u>Year to Date Actual</u> | <u>Variance</u> |
|------------------------------------|--------------------------|--------------------------------|-------------------|
| REVENUES | | | |
| Property taxes | \$ 625,398 | \$ 617,767 | \$ (7,631) |
| Specific ownership tax | 50,062 | 25,447 | (24,615) |
| Interest income | 11,000 | 4,767 | (6,233) |
| TOTAL REVENUES | <u>686,460</u> | <u>647,981</u> | <u>(38,479)</u> |
| EXPENDITURES | | | |
| County Treasurer's fee | 9,387 | 9,268 | 119 |
| Paying agent fees | 3,000 | 2,500 | 500 |
| Bond Interest - 2016 Bonds | 338,287 | 169,144 | 169,143 |
| Bond Principal - 2016 Bonds | 115,000 | - | 115,000 |
| Contingency | 1,826 | - | 1,826 |
| TOTAL EXPENDITURES | <u>467,500</u> | <u>180,912</u> | <u>286,588</u> |
| NET CHANGE IN FUND BALANCES | 218,960 | 467,069 | 248,109 |
| FUND BALANCES - BEGINNING | <u>682,834</u> | <u>689,539</u> | <u>6,705</u> |
| FUND BALANCES - ENDING | <u>\$ 901,794</u> | <u>\$ 1,156,608</u> | <u>\$ 254,814</u> |

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**BRADBURN METROPOLITAN DISTRICT NO. 3
2020 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 2020 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
2020 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, 2020, 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 8% 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.

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Debt Service

Principal and interest payments in 2020 are provided based on the debt amortization schedule from the Series 2016 Bonds (discussed under Debts and Leases).

**BRADBURN METROPOLITAN DISTRICT NO. 3
2020 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 2020, 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 |
|-------------------------|---------------------|---------------------|----------------------|
| 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>\$ 8,210,000</u> | <u>\$ 5,973,362</u> | <u>\$ 14,183,362</u> |

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BRADBURN METROPOLITAN DISTRICT NO. 3
Schedule of Cash Position
July 31, 2020
Updated as of August 25, 2020

| | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Total</u> |
|---------------------------------------|-------------------------|------------------------------|------------------------|
| <u>1st Bank</u> | | | |
| Balance as of 07/31/20 | \$ 3,759.33 | \$ - | \$ 3,759.33 |
| Subsequent Activity: | | | |
| 08/13/20 Checks # 1061-1062 | (8,413.57) | - | (8,413.57) |
| 08/13/20 Transfer from CT | 8,000.00 | - | 8,000.00 |
| <i>Anticipated Balance</i> | <u>3,345.76</u> | <u>-</u> | <u>3,345.76</u> |
| <u>COLOTRUST - PLUS</u> | | | |
| Balance as of 07/31/20 | 341,943.97 | 208,825.68 | 550,769.65 |
| Subsequent Activity: | | | |
| 08/10/20 Property Tax Deposit | 1,126.86 | 5,187.92 | 6,314.78 |
| 08/13/20 Transfer to checking | (8,000.00) | - | (8,000.00) |
| 08/13/20 Pledged revenue transfer | - | (214,000.00) | (214,000.00) |
| <i>Anticipated Balance</i> | <u>335,070.83</u> | <u>13.60</u> | <u>335,084.43</u> |
| <u>UMB - 2016 Bond Fund</u> | | | |
| Balance as of 07/31/20 | - | 607,542.31 | 607,542.31 |
| Subsequent Activity: | | | |
| 08/13/20 Pledged revenue transfer | - | 214,000.00 | 214,000.00 |
| <i>Anticipated Balance</i> | <u>-</u> | <u>821,542.31</u> | <u>821,542.31</u> |
| <u>UMB - 2016 Reserve Fund</u> | | | |
| Balance as of 07/31/20 | - | 335,052.42 | 335,052.42 |
| Subsequent Activity: | | | |
| <i>Anticipated Balance</i> | <u>-</u> | <u>335,052.42</u> | <u>335,052.42</u> |
| <i>Anticipated Balances</i> | <u>\$ 338,416.59</u> | <u>\$ 1,156,608.33</u> | <u>\$ 1,495,024.92</u> |

Yield Information (07/31/20)

Colotrust Plus - 0.39

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Bradburn Metropolitan District #3

Check List

All Bank Accounts

May 22, 2020 - September 14, 2020

INTERIM CHECKS

| Check Number | Check Date | Payee | Amount |
|---------------------------|------------|------------------------------------|----------|
| Vendor Checks | | | |
| 1061 | 08/13/20 | CliftonLarsonAllen LLP | 3,246.88 |
| 1062 | 08/13/20 | White Bear Ankele Tanaka & Waldron | 5,166.69 |
| Vendor Check Total | | | 8,413.57 |
| Check List Total | | | 8,413.57 |

Check count = 2

**Bradburn Metropolitan District #3
Property Taxes Reconciliation
2020**

| | 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 | \$ 5,727.58 | \$ - | \$ 4,443.28 | \$ - | \$ (85.91) | \$ 10,084.95 | 0.75% | 0.75% | \$ 6,690.47 | 0.28% | 0.28% | |
| February | 331,666.20 | - | 4,783.22 | - | (4,974.99) | 331,474.43 | 43.57% | 44.32% | 293,218.50 | 43.45% | 43.73% | |
| March | 28,202.85 | - | 3,902.68 | 15.42 | (423.28) | 31,697.67 | 3.70% | 48.03% | 26,178.52 | 3.34% | 47.06% | |
| April | 70,350.94 | - | 2,580.02 | 51.71 | (1,056.04) | 71,926.63 | 9.24% | 57.27% | 63,794.50 | 9.04% | 56.10% | |
| May | 60,918.07 | - | 6,050.72 | - | (913.77) | 66,055.02 | 8.00% | 65.27% | 24,395.55 | 3.05% | 59.16% | |
| June | 254,111.92 | - | 3,834.16 | 47.81 | (3,812.40) | 254,181.49 | 33.38% | 98.65% | 269,476.89 | 39.92% | 99.08% | |
| July | 975.40 | - | 5,380.09 | (26.48) | (14.23) | 6,314.78 | 0.13% | 98.78% | 10,481.44 | 0.92% | 100.00% | |
| August | - | - | - | - | - | - | 0.00% | 98.78% | 5,406.10 | 0.00% | 100.00% | |
| September | - | - | - | - | - | - | 0.00% | 98.78% | 4,798.86 | -0.04% | 99.96% | |
| October | - | - | - | - | - | - | 0.00% | 98.78% | 4,008.06 | 0.00% | 99.96% | |
| November | - | - | - | - | - | - | 0.00% | 98.78% | 5,852.97 | 0.00% | 99.96% | |
| December | - | - | - | - | - | - | 0.00% | 98.78% | 4,199.65 | 0.00% | 99.96% | |
| | \$ 751,952.96 | \$ - | \$ 30,974.17 | \$ 88.46 | \$ (11,280.62) | \$ 771,734.97 | 98.78% | 98.78% | \$ 718,501.51 | 99.96% | 99.96% | |

| Taxes Levied | % of Levied | Property Taxes Collected | % Collected to Amount Levied | Mills Levied | Assessed Value |
|---------------------|----------------------|--------------------------|------------------------------|---------------|---------------------|
| Property Tax | | | | | |
| General Fund | \$ 135,843.00 | 17.84% | \$ 134,185.55 | 98.78% | 7.108 \$ 19,111,300 |
| Debt Service Fund | \$ 625,398.00 | 82.16% | \$ 617,767.41 | 98.78% | 32.724 |
| | \$ 761,241.00 | 100.00% | \$ 751,952.96 | 98.78% | 39.832 |

Specific Ownership Tax

| | | | | |
|-------------------|---------------------|----------------|---------------------|---------------|
| General Fund | \$ 10,874.00 | 17.84% | \$ 5,527.32 | 50.83% |
| Debt Service Fund | \$ 50,062.00 | 82.16% | \$ 25,446.85 | 50.83% |
| | \$ 60,936.00 | 100.00% | \$ 30,974.17 | 50.83% |

Treasurer's Fees

| | | | | |
|-------------------|---------------------|----------------|---------------------|---------------|
| General Fund | \$ 2,039.00 | 17.84% | \$ 2,013.02 | 98.73% |
| Debt Service Fund | \$ 9,387.00 | 82.16% | \$ 9,267.60 | 98.73% |
| | \$ 11,426.00 | 100.00% | \$ 11,280.62 | 98.73% |

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