

BNC METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

BNC METROPOLITAN DISTRICT NO. 3
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/26/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 4,306,867	\$ 775,471	\$ 3,355
REVENUES			
Property taxes	37,517	233,687	308,340
Specific ownership taxes	1,717	10,169	16,959
Bond issuance	-	2,689,000	-
Operations and maintenance fee	-	-	154,000
Interest income	163,568	17,518	2,600
Developer advance	66,000	332,700	30,000
Other revenue	957	-	-
Total revenues	269,759	3,283,074	511,899
TRANSFERS IN	6	635,976	-
Total funds available	4,576,632	4,694,521	515,254
EXPENDITURES			
General Fund	99,998	965,000	250,000
Debt Service Fund	7,428	228,846	256,000
Capital Projects Fund	3,693,729	2,861,344	-
Total expenditures	3,801,155	4,055,190	506,000
TRANSFERS OUT	6	635,976	-
Total expenditures and transfers out requiring appropriation	3,801,161	4,691,166	506,000
ENDING FUND BALANCES	\$ 775,471	\$ 3,355	\$ 9,254
EMERGENCY RESERVE	\$ 1,246	\$ 1,400	\$ 6,800

See summary of significant assumptions.

BNC METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/26/26

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

ASSESSED VALUATION

Residential	\$ -	\$ 1,341,880	\$ 2,913,770
Agricultural	2,850	2,850	2,730
State assessed	4,770	5,670	7,130
Vacant land	403,460	917,120	37,800
Personal property	123,840	163,560	207,860
Certified Assessed Value	<u>\$ 534,920</u>	<u>\$ 2,431,080</u>	<u>\$ 3,169,290</u>

MILL LEVY

General	18.148	18.148	21.323
Debt Service	51.987	78.282	75.967
Total mill levy	<u>70.135</u>	<u>96.430</u>	<u>97.290</u>

PROPERTY TAXES

General	\$ 9,708	\$ 44,119	\$ 67,579
Debt Service	27,809	190,310	240,761
Levied property taxes	<u>37,517</u>	<u>234,429</u>	<u>308,340</u>
Refunds and abatements	-	(742)	-
Budgeted property taxes	<u>\$ 37,517</u>	<u>\$ 233,687</u>	<u>\$ 308,340</u>

BUDGETED PROPERTY TAXES

General	\$ 9,708	\$ 43,980	\$ 67,579
Debt Service	27,809	189,707	240,761
	<u>\$ 37,517</u>	<u>\$ 233,687</u>	<u>\$ 308,340</u>

**BNC METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (15,743)	\$ (38,624)	\$ 1,463
REVENUES			
Property taxes	9,708	43,980	67,579
Specific ownership taxes	444	1,913	3,717
Interest income	8	18	100
Developer advance	66,000	332,700	30,000
Operations and maintenance fee	-	-	154,000
Other revenue	957	-	-
Total revenues	77,117	378,611	255,396
TRANSFERS IN			
Transfers from other funds	-	626,476	-
Total funds available	61,374	966,463	256,859
EXPENDITURES			
General and administrative			
Accounting	13,839	25,000	25,000
Billing	-	-	15,000
Auditing	6,700	7,300	8,000
County Treasurer's fees	149	660	1,014
Directors' fees	300	1,000	3,000
Dues and membership	406	531	1,000
Insurance	3,792	2,908	10,000
District management	15,320	50,000	30,000
Legal	40,865	88,000	50,000
Legal - Special Counsel	17,737	136,000	30,000
Miscellaneous	890	500	1,000
Election	-	4,434	-
Repay developer advance	-	592,210	-
Contingency	-	2,457	4,486
Operations and maintenance			
Landscaping	-	33,000	35,000
Repairs and maintenance	-	1,000	2,000
Pest control	-	-	1,000
Pet waste service	-	-	1,500
Snow removal	-	3,000	6,000
Water/ irrigation	-	16,000	20,000
Electricity	-	1,000	3,000
Storm drainage maintenance	-	-	3,000
Total expenditures	99,998	965,000	250,000
Total expenditures and transfers out requiring appropriation	99,998	965,000	250,000
ENDING FUND BALANCES	\$ (38,624)	\$ 1,463	\$ 6,859
EMERGENCY RESERVE	\$ 400	\$ 1,400	\$ 6,700

See summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ 21,775	\$ 1,892
REVENUES			
Property taxes	27,809	189,707	240,761
Specific ownership taxes	1,273	8,256	13,242
Interest income	115	1,500	2,500
Total revenues	29,197	199,463	256,503
TRANSFERS IN			
Transfers from other funds	6	9,500	-
Total funds available	29,203	230,738	258,395
EXPENDITURES			
General and administrative			
County Treasurer's fees	428	2,846	3,611
Paying agent fees	7,000	7,000	7,000
Contingency	-	-	389
Debt Service			
Bond interest - Series 2022A	-	219,000	245,000
Total expenditures	7,428	228,846	256,000
Total expenditures and transfers out requiring appropriation	7,428	228,846	256,000
ENDING FUND BALANCES	\$ 21,775	\$ 1,892	\$ 2,395

See summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 4,322,610	\$ 792,320	\$ -
REVENUES			
Bond issuance	-	2,689,000	-
Interest income	163,445	16,000	-
Total revenues	163,445	2,705,000	-
Total funds available	4,486,055	3,497,320	-
EXPENDITURES			
General and Administrative			
Bond issue costs	-	113,900	-
Bank fees	500	-	-
Engineering	165	-	-
IGA expenditure - District Nos. 1 and 2	-	764,554	-
Capital Projects			
Repay Developer advance	261,309	1,982,890	-
Capital outlay	3,431,755	-	-
Total expenditures	3,693,729	2,861,344	-
TRANSFERS OUT			
Transfers to other fund	6	635,976	-
Total expenditures and transfers out requiring appropriation	3,693,735	3,497,320	-
ENDING FUND BALANCES	\$ 792,320	\$ -	\$ -

See summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3
2026 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.

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.

The District is required to impose a maximum Required Mill Levy of 75.970 mills for collection in 2026. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up and deficiencies in the Reserve Fund].

The calculation of the taxes levied is displayed on Property Tax Summary page of the budget..

**BNC METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate		Category	Rate
Single-Family Residential	6.25%		Agricultural Land	27.00%
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%
Commercial	27.00%		Vacant Land	27.00%
Industrial	27.00%		Personal Property	27.00%
Lodging	27.00%		State Assessed	27.00%
			Oil & Gas Production	87.50%

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 5.50% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

Expenditures

Administrative and Operating 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. Operations and maintenance expenditures related to streetscape, landscaping, snow removal, and utilities are also included.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

**BNC METROPOLITAN DISTRICT NO. 3
2026 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.

On May 6, 2025, the District issued Taxable Second Subordinate General Obligation Limited Tax Refunding Bonds, Series 2025C in the total aggregate principal amount of up to \$2,750,000 (first draw \$2,689,000).

Reserves

Emergency Reserve Funds

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2026, as defined under TABOR.

This information is an integral part of the accompanying budget.

BNC METROPOLITAN DISTRICT NO. 3

\$11,815,297.50 (Value at Issuance)
 \$12,750,000 (Value at Conversion Date)
 General Obligation Limited Tax
 Convertible Capital Appreciation Bonds
 Series 2022A
 Dated December 29, 2022
 Interest Rate 4.00%
 Principal Due December 1
 Interest Payable June 1 and December 1

<u>Year Ending December 31.</u>	<u>Value at Issuance</u>	<u>Accretion</u>	<u>Accreted Value</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$11,815,297.50			\$ 180,000	\$ 510,000	\$ 690,000
2026				200,000	502,800	702,800
2027				225,000	494,800	719,800
2028				230,000	485,800	715,800
2029				255,000	476,600	731,600
2030				265,000	466,400	731,400
2031				290,000	455,800	745,800
2032				305,000	444,200	749,200
2033				330,000	432,000	762,000
2034				345,000	418,800	763,800
2035				375,000	405,000	780,000
2036				390,000	390,000	780,000
2037				420,000	374,400	794,400
2038				435,000	357,600	792,600
2039				470,000	340,200	810,200
2040				490,000	321,400	811,400
2041				525,000	301,800	826,800
2042				545,000	280,800	825,800
2043				585,000	259,000	844,000
2044				605,000	235,600	840,600
2045				650,000	211,400	861,400
2046				675,000	185,400	860,400
2047				720,000	158,400	878,400
2048				745,000	129,600	874,600
2049				795,000	99,800	894,800
2050				825,000	68,000	893,000
2051				875,000	35,000	910,000
2052						
Total				<u>\$ 12,750,000</u>	<u>\$ 9,350,600</u>	<u>\$ 22,100,600</u>

See summary of significant assumptions.