

BRADBURN METROPOLITAN DISTRICT NO. 3

**2022 ANNUAL REPORT
TO
THE CITY OF WESTMINSTER**

Pursuant to §32-1-207(3)(c) and the Service Plan for Bradburn Metropolitan District No. 3 (the “**District**”), the District are required to provide an annual report with regard to the following matters:

For the year ending December 31, 2022, the District make the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

None.

2. Intergovernmental Agreements entered into or terminated.

None.

3. Access information to obtain a copy of rules and regulations adopted by the board.

The board has not adopted any rules or regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Adams County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts’ public improvements as of December 31, 2022.

5. Status of the construction of public improvements by the District.

All public improvements have been constructed.

6. A list of facilities or improvements constructed by the District there were conveyed or dedicated to the county or municipality.

All principal public infrastructure has been completed, dedicated and accepted.

7. The final assessed valuation of the District as of December 31st of the reporting year.

See **Exhibit A**.

8. A copy of the current year’s budget.

A copy of the 2023 Budget is attached hereto as **Exhibit B**.

9. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2022 Audit is attached hereto as **Exhibit C**.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

None.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

None.

Service Plan Requirements

Pursuant to the Consolidated Service Plan for Bradburn Metropolitan District Nos. 1, 2 and 3, as modified by the First Modification and Second Modification to the Original Consolidated Service Plan, Bradburn Metropolitan District No. 3 (the “District”) reports the following information to the City of Westminster for the year ending December 31, 2022.

To the best of our actual knowledge, for the year ending December 31, 2022, the District makes the following report:

1. Boundary changes made or proposed.

There were no boundary changes made or proposed in 2022.

2. Intergovernmental Agreements with other governmental bodies entered into or proposed.

The District did not enter into any Intergovernmental Agreements in 2022.

3. Changes or proposed changes in the District’s policies.

There were no changes or proposed changes in the Districts’ policies in 2022.

4. Changes or proposed changes in the District’s operations.

There were no changes or proposed changes in the Districts’ operations in 2022.

5. Changes in the financial status of the District including revenue projections or operating costs.

Please see the District’s adopted 2023 budget, attached as **Exhibit B**.

6. A summary of any litigation which involves the District.

To our actual knowledge, based on review of the court records in Adams County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District as of December 31, 2022.

7. Proposed plans for the year immediately following the year summarized in the Annual Report.

The District does not anticipate constructing any public improvements in 2023.

8. Status of Public Improvement Construction Schedule.

There were no public improvements constructed by the District in 2022.

9. The assessed valuation of the District in 2022 was:

\$19,441,060

10. Submission of the next year's budget and anticipated assessed mill levy to service the general obligation debt as well as the operations and maintenance costs.

A copy of the District's 2023 budget is attached as **Exhibit B**.

EXHIBIT A
2022 Assessed Valuation

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **193 - BRADBURN METRO DISTRICT 3**

IN ADAMS COUNTY ON 12/1/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$20,041,020
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$19,441,060
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$19,441,060
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$1,220.45
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$3,905.93

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$270,139,629
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

EXHIBIT B
2023 Budget

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

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

01/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,230,229	\$ 1,541,442	\$ 1,458,468
REVENUES			
Property taxes	758,442	798,521	795,742
Specific ownership tax	63,471	58,505	55,702
Interest income	1,186	30,000	59,000
Total revenues	<u>823,099</u>	<u>887,026</u>	<u>910,444</u>
Total funds available	<u>2,053,328</u>	<u>2,428,468</u>	<u>2,368,912</u>
EXPENDITURES			
General Fund	45,844	490,000	238,000
Debt Service Fund	466,042	480,000	480,000
Total expenditures	<u>511,886</u>	<u>970,000</u>	<u>718,000</u>
Total expenditures and transfers out requiring appropriation	<u>511,886</u>	<u>970,000</u>	<u>718,000</u>
ENDING FUND BALANCES	<u>\$ 1,541,442</u>	<u>\$ 1,458,468</u>	<u>\$ 1,650,912</u>
EMERGENCY RESERVE	\$ 4,400	\$ 4,700	\$ 7,300
RESERVED FUND	287,200	287,200	287,200
DEBT SERVICE FUND BALANCE	822,122	1,071,009	1,256,905
TOTAL RESERVE	<u>\$ 1,113,722</u>	<u>\$ 1,362,909</u>	<u>\$ 1,551,405</u>

No assurance provided. See summary of significant assumptions.

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

01/20/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION - ADAMS COUNTY

Residential - Single-Family	\$ 18,237,680	\$ 19,194,230	\$ 18,653,500
Commercial	333,530	334,250	334,250
State assessed	1,010	1,680	2,570
Vacant land	195,940	171,290	171,290
Personal property	347,740	339,570	279,450
Certified Assessed Value	\$ 19,115,900	\$ 20,041,020	\$ 19,441,060

MILL LEVY

General	7.108	7.108	9.508
Debt Service	32.724	32.724	31.423
Total mill levy	39.832	39.832	40.931

PROPERTY TAXES

General	\$ 135,876	\$ 142,452	\$ 184,846
Debt Service	625,548	655,822	610,896
Levied property taxes	761,424	798,274	795,742
Adjustments to actual/rounding	(2,982)	1,382	-
Budgeted property taxes	\$ 758,442	\$ 799,656	\$ 795,742

BUDGETED PROPERTY TAXES

General	\$ 135,344	\$ 142,699	\$ 184,846
Debt Service	623,098	656,957	610,896
	\$ 758,442	\$ 799,656	\$ 795,742
	\$	-	

No assurance provided. See summary of significant assumptions.

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

01/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 330,997	\$ 432,120	\$ 100,259
REVENUES			
Property taxes	135,344	142,699	184,846
Specific ownership tax	11,326	10,440	55,702
Interest income	297	5,000	4,000
Total revenues	146,967	158,139	244,548
Total funds available	477,964	590,259	344,807
EXPENDITURES			
General and administrative			
Accounting	17,639	24,000	25,000
Auditing	5,200	5,600	6,000
County Treasurer's fee	2,032	2,137	2,773
Dues and licenses	608	654	700
Insurance and bonds	3,247	2,990	3,200
Legal services	17,118	26,000	28,000
Election expense	-	2,498	3,000
Contingency	-	9,909	8,727
Website	-	1,710	600
Alley Maintenance	-	414,502	160,000
Total expenditures	45,844	490,000	238,000
Total expenditures and transfers out requiring appropriation	45,844	490,000	238,000
ENDING FUND BALANCE	\$ 432,120	\$ 100,259	\$ 106,807
EMERGENCY RESERVE	\$ 4,400	\$ 4,700	\$ 7,300
TOTAL RESERVE	\$ 4,400	\$ 4,700	\$ 7,300

No assurance provided. See summary of significant assumptions.

**BRADBURN METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

01/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 899,232	\$ 1,109,322	\$ 1,358,209
REVENUES			
Property taxes	623,098	655,822	610,896
Specific ownership tax	52,145	48,065	-
Interest income	889	25,000	55,000
Total revenues	676,132	728,887	665,896
Total funds available	1,575,364	1,838,209	2,024,105
EXPENDITURES			
General and administrative			
County Treasurer's fee	9,354	9,837	9,163
Paying agent fees	3,000	3,000	3,000
Contingency	-	3,276	4,349
Debt Service			
Bond interest - 2016 Bonds	333,688	328,887	323,488
Bond Principal - 2016 Bonds	120,000	135,000	140,000
Total expenditures	466,042	480,000	480,000
Total expenditures and transfers out requiring appropriation	466,042	480,000	480,000
ENDING FUND BALANCE	\$ 1,109,322	\$ 1,358,209	\$ 1,544,105
RESERVED FUND	\$ 287,200	\$ 287,200	\$ 287,200
DEBT SERVICE FUND BALANCE	822,122	1,071,009	1,256,905
TOTAL RESERVE	\$ 1,109,322	\$ 1,358,209	\$ 1,544,105

No assurance provided. See summary of significant assumptions.

**BRADBURN METROPOLITAN DISTRICT NO. 3
2023 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 2023 operations and maintenance mill levy is 9.508 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
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (Continued)

The District's maximum Required Mill Levy is 40.931 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, 2023, the adjusted maximum mill levy for debt service is 31.423 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 40.931 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%.

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 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 4%.

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 2023 are provided based on the debt amortization schedule from the Series 2016 Bonds (discussed under Debts and Leases).

**BRADBURN METROPOLITAN DISTRICT NO. 3
2023 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 2023, as defined under TABOR.

Debt Service Reserve

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

This information is an integral part of the accompanying budget.

**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
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
	\$	7,840,000	\$	4,972,500	\$ 12,812,500

No assurance provided. See summary of significant assumptions.

EXHIBIT C
2022 Audit

**BRADBURN METROPOLITAN
DISTRICT NO. 3
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**BRADBURN METROPOLITAN DISTRICT NO. 3
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bradburn Metropolitan District No. 3
Adams County, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of Bradburn Metropolitan District No. 3 (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2022, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners

Arvada, Colorado
May 2, 2023

BASIC FINANCIAL STATEMENTS

BRADBURN METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Cash and Investments	\$ 106,756
Cash and Investments - Restricted	1,364,453
Property Taxes Receivable	795,742
Receivable - County Treasurer	4,702
Prepaid Expense	2,547
Capital Assets, Net of Accumulated Depreciation	67,405
Total Assets	2,341,605
LIABILITIES	
Accounts Payable	10,616
Accrued Interest Payable	26,957
Noncurrent Liabilities:	
Due Within One Year	140,000
Due in More Than One Year	7,790,986
Total Liabilities	7,968,559
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	795,742
Total Deferred Inflows of Resources	795,742
NET POSITION	
Net Investment in Capital Assets	67,405
Restricted for:	
Emergency Reserves	4,800
Debt Service	1,336,058
Unrestricted	(7,830,959)
Total Net Position	\$ (6,422,696)

See accompanying Notes to Basic Financial Statements.

**BRADBURN METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 513,363	\$ -	\$ -	\$ -	\$ (513,363)
Interest and Related Costs on Long-Term Debt	335,290	-	-	-	(335,290)
Total Governmental Activities	\$ 848,653	\$ -	\$ -	\$ -	(848,653)
 GENERAL REVENUES					
Property Taxes					799,656
Specific Ownership Taxes					58,504
Net Investment Income					30,476
Total General Revenues					888,636
 CHANGE IN NET POSITION					
Net Position - Beginning of Year					(6,462,679)
 NET POSITION - END OF YEAR					
					\$ (6,422,696)

See accompanying Notes to Basic Financial Statements.

**BRADBURN METROPOLITAN DISTRICT NO. 3
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 106,756	\$ -	\$ 106,756
Cash and Investments - Restricted	4,800	1,359,653	1,364,453
Receivable - County Treasurer	839	3,863	4,702
Property Taxes Receivable	184,846	610,896	795,742
Prepaid Expense	2,547	-	2,547
Total Assets	<u>\$ 299,788</u>	<u>\$ 1,974,412</u>	<u>\$ 2,274,200</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 10,115	\$ 501	\$ 10,616
Total Liabilities	10,115	501	10,616
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	184,846	610,896	795,742
Total Deferred Inflows of Resources	184,846	610,896	795,742
FUND BALANCES			
Nonspendable for:			
Prepaid Expense	2,547	-	2,547
Restricted for:			
Emergency Reserves	4,800	-	4,800
Debt Service	-	1,363,015	1,363,015
Unassigned:			
General Government	97,480	-	97,480
Total Fund Balances	104,827	1,363,015	1,467,842
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 299,788</u>	<u>\$ 1,974,412</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds

Capital assets, net of accumulated depreciation 67,405

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the funds:

Bonds Payable (7,840,000)

Bonds Premium (90,986)

Accrued Interest Payable - Series 2016 Bonds (26,957)

Net Position of Governmental Activities

\$ (6,422,696)

See accompanying Notes to Basic Financial Statements.

BRADBURN METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 142,699	\$ 656,957	\$ 799,656
Specific Ownership Taxes	10,440	48,064	58,504
Net Investment Income	5,046	25,430	30,476
Total Revenues	<u>158,185</u>	<u>730,451</u>	<u>888,636</u>
EXPENDITURES			
Accounting	24,446	-	24,446
Auditing	5,600	-	5,600
County Treasurer's Fee	2,144	9,870	12,014
Dues and Licenses	654	-	654
Insurance and Bonds	2,990	-	2,990
Legal Services	28,899	-	28,899
Website	2,660	-	2,660
Election Expense	3,583	-	3,583
Alley Improvements	414,502	-	414,502
Paying Agent Fees	-	3,000	3,000
Bond Interest - 2016 Bonds	-	328,888	328,888
Bond Principal - 2016 Bonds	-	135,000	135,000
Total Expenditures	<u>485,478</u>	<u>476,758</u>	<u>962,236</u>
NET CHANGE IN FUND BALANCES	(327,293)	253,693	(73,600)
Fund Balances - Beginning of Year	<u>432,120</u>	<u>1,109,322</u>	<u>1,541,442</u>
FUND BALANCES - END OF YEAR	<u>\$ 104,827</u>	<u>\$ 1,363,015</u>	<u>\$ 1,467,842</u>

See accompanying Notes to Basic Financial Statements.

**BRADBURN METROPOLITAN DISTRICT NO. 3
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ (73,600)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. In the Statement of Activities, capital outlay is not reported as an expenditure. However, the Statement of Activities will report as depreciation expense the allocation of the cost of any depreciable assets over the estimated useful life of the asset. During the current period, this is the net amount of capital outlay.

Depreciation Expense (27,885)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Current Year Bond Principal Payment 135,000
 Amortization of Bond Premium 6,018

Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability 450

Change in Net Position of Governmental Activities \$ 39,983

**BRADBURN METROPOLITAN DISTRICT NO. 3
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 142,452	\$ 142,699	\$ 247
Specific Ownership Tax	9,972	10,440	468
Interest Income	180	5,046	4,866
Total Revenues	<u>152,604</u>	<u>158,185</u>	<u>5,581</u>
EXPENDITURES			
Accounting	22,000	24,446	(2,446)
Auditing	5,600	5,600	-
County Treasurer's Fee	2,137	2,144	(7)
Dues and Licenses	700	654	46
Election Expense	3,000	3,583	(583)
Insurance and Bonds	3,200	2,990	210
Legal Services	22,000	28,899	(6,899)
Website	-	2,660	(2,660)
Alley Improvements	450,000	414,502	35,498
Contingency	4,363	-	4,363
Total Expenditures	<u>513,000</u>	<u>485,478</u>	<u>27,522</u>
NET CHANGE IN FUND BALANCES	(360,396)	(327,293)	33,103
Fund Balance - Beginning of Year	<u>368,673</u>	<u>432,120</u>	<u>63,447</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,277</u>	<u>\$ 104,827</u>	<u>\$ 96,550</u>

See accompanying Notes to Basic Financial Statements.

BRADBURN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

Bradburn Metropolitan District No. 3 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for Adams County 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 was organized in conjunction with two other related districts, Bradburn Metropolitan District No. 1 and Bradburn Metropolitan District No. 2 (collectively, the Districts). Under the Consolidated Service Plan approved by the City Council of Westminster on September 11, 2000, as amended by a First Modification dated April 23, 2001, District No. 1 is the Operating District and District Nos. 2 and 3 are the Financing Districts. On August 22, 2016, the City Council approved the Second Modification to the original Consolidated Service Plan for Bradburn Metropolitan District Nos. 1-3. Consistent with the Second Modification, it is no longer necessary for District No. 3 to be part of the Master IGA in order to meet its ongoing administrative, operational or maintenance needs. The District's service area is located entirely within the City of Westminster, Adams County, Colorado.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other District organization, including District Nos. 1 and 2, nor is the District a component unit of any other primary governmental entity.

The District has no employees, and all operations and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

BRADBURN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

BRADBURN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Alleys	20 years
--------	----------

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
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Bond Premiums and Discounts

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bonds premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

**BRADBURN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 106,756
Cash and Investments - Restricted	1,364,453
Total Cash and Investments	\$ 1,471,209

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 5,854
Investments	1,465,355
Total Cash and Investments	\$ 1,471,209

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

**BRADBURN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$5,854.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 1,465,355
Total Investments		<u>\$ 1,465,355</u>

BRADBURN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

BRADBURN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

<u>By Classification</u>	<u>Balance at December 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2022</u>
Capital Assets, Being Depreciated				
Alleys	\$ 557,704	\$ -	\$ -	\$ 557,704
Total Capital Assets, Being Depreciated	557,704	-	-	557,704
Less Accumulated Depreciation for:				
Alleys	(462,414)	(27,885)	-	(490,299)
Total Accumulated Depreciation	(462,414)	(27,885)	-	(490,299)
Total Capital Assets, Being Depreciated, Net	95,290	(27,885)	-	67,405
Governmental Activities - Capital Assets, Net	<u>\$ 95,290</u>	<u>\$ (27,885)</u>	<u>\$ -</u>	<u>\$ 67,405</u>

Depreciation expense was charged to the governmental operations of the District for the year ended December 31, 2022.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

	<u>Balance - December 31, 2021</u>	<u>Net Issues</u>	<u>Retirements/ Refundings</u>	<u>Balance - December 31, 2022</u>	<u>Due Within One Year</u>
2016 - \$8,500,000 General Obligation Refunding and Improvement Bonds	\$ 7,975,000	\$ -	\$ 135,000	\$ 7,840,000	\$ 140,000
Bonds Premium, Series 2016	97,004	-	6,018	90,986	-
Total	<u>\$ 8,072,004</u>	<u>\$ -</u>	<u>\$ 141,018</u>	<u>\$ 7,930,986</u>	<u>\$ 140,000</u>

The detail of the District's general obligation bonds outstanding during 2022 is as follows:

\$8,500,000 General Obligation Refunding Bonds, Series 2016 dated November 23, 2016 (Series 2016 Bonds)

The Series 2016 Bonds include serial and term bonds maturing in 2018 through 2046 and bearing interest rates of 1.50% to 4.00%. Interest payments are payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2016. Principal payments are due or payments to a sinking fund are due on December 1 of each year.

**BRADBURN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$8,500,000 General Obligation Refunding Bonds, Series 2016 dated November 23, 2016 (Series 2016 Bonds) (Continued)

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 levy imposed upon all taxable property of the District each year in an amount which will be sufficient to pay the principal of and interest on the 2016 Bonds when due and owing.

Unused Lines of Credit

The Series 2016 Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the Series 2016 Bonds.

Events of Default

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures.

Termination Events

The Series 2016 Bonds do not have a termination provision.

Acceleration

The Series 2016 Bonds are not subject to acceleration.

The outstanding bond principal and interest of the Series 2016 General Obligation Refunding Bonds mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2028-2032	1,125,000	1,362,237	2,487,237
2033-2037	1,540,000	1,079,825	2,619,825
2038-2042	2,030,000	718,200	2,748,200
2043-2046	2,330,000	255,600	2,585,600
Total	<u>\$ 7,840,000</u>	<u>\$ 4,972,500</u>	<u>\$ 12,812,500</u>

**BRADBURN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$8,500,000 General Obligation Refunding Bonds, Series 2016 dated November 23, 2016 (Series 2016 Bonds) (Continued)

The Bonds maturing after December 1, 2026 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, starting on December 1, 2026, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investment in capital assets, calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 67,405
Net Investment in Capital Assets	<u>\$ 67,405</u>

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2022, as follows:

Restricted Net Position:	
Emergency Reserve	\$ 4,800
Debt Service	1,336,058
Total Restricted Net Position	<u>\$ 1,340,858</u>

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the restricted component of net position.

The District has a deficit in unrestricted net position. This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

BRADBURN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 7, 2000, the District's electors authorized the District to increase property taxes up to \$100,000 annually for District operations (for collection in 2001). The District was authorized to collect, retain and spend such revenue as a permanent revenue change under TABOR and an exception to the limitations set forth in Section 29-1-203, Colorado Revised Statutes.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits may require judicial interpretation.

SUPPLEMENTARY INFORMATION

**BRADBURN METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 655,822	\$ 656,957	\$ 1,135
Specific Ownership Taxes	45,908	48,064	2,156
Net Investment Income	1,200	25,430	24,230
Total Revenues	<u>702,930</u>	<u>730,451</u>	<u>27,521</u>
EXPENDITURES			
County Treasurer's Fee	9,837	9,870	(33)
Paying Agent Fees	3,000	3,000	-
Bond Interest - 2016 Bonds	328,887	328,888	(1)
Bond Principal - 2016 Bonds	135,000	135,000	-
Contingency	3,276	-	3,276
Total Expenditures	<u>480,000</u>	<u>476,758</u>	<u>3,242</u>
NET CHANGE IN FUND BALANCES	222,930	253,693	30,763
Fund Balance - Beginning of Year	<u>1,101,358</u>	<u>1,109,322</u>	<u>7,964</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,324,288</u></u>	<u><u>\$ 1,363,015</u></u>	<u><u>\$ 38,727</u></u>

**BRADBURN METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

\$8,500,000 General Obligation Refunding Series 2016 Dated November 23, 2016 Interest at 1.50- 4.00% Payable June 1 and December 1 Principal Due December 1			
Year Ending December 31,	Principal	Interest	Total
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
Total	\$ 7,840,000	\$ 4,972,500	\$ 12,812,500

BRADBURN METROPOLITAN DISTRICT NO. 3
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2018	\$ 16,683,770	7.108	32.724	\$ 664,548	\$ 664,548	100.00 %
2019	16,923,840	7.108	32.724	674,110	673,824	99.96
2020	19,111,300	7.108	32.724	761,241	759,067	99.71
2021	19,115,900	7.108	32.724	761,424	758,442	99.61
2022	20,041,020	7.108	32.724	798,274	799,656	100.17
Estimated for Year Ending December 31, 2023	\$ 19,441,060	9.508	31.423	795,742		

NOTE:

Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.