

**RESOLUTION**  
**ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES**  
**FOR THE CALENDAR YEAR 2024**

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The Board of Directors of Iliff Commons Metropolitan District No. 3 (the “**Board**”), City of Aurora, Arapahoe County, Colorado (the “**District**”), held a regular meeting, via teleconference on October 12, 2023, at 6:00 PM.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2024 BUDGET

**NOTICE OF PUBLIC HEARING ON THE PROPOSED 2024 BUDGET**

**AND**

**NOTICE OF PUBLIC HEARING ON THE AMENDED 2023 BUDGET**

The Board of Directors (the “**Board**”) of the ILIFF COMMONS METROPOLITAN DISTRICT NO. 3 (the “**District**”), will hold a public hearing via teleconference on October 12, 2023, at 6:00 PM, to consider adoption of the District’s proposed 2024 budget (the “**Proposed Budget**”), and, if necessary, adoption of an amendment to the 2023 budget (the “**Amended Budget**”). The public hearing may be joined using the following teleconference information:

Zoom Meeting Link:

<https://us06web.zoom.us/j/83346721873?pwd=XkFhdvaceyWDu6sdwzuB3zikZpt54i.1>

Meeting ID: 833 4672 1873

Passcode: 387025

Call In Numbers: 1(720) 707-2699 or 1(719) 359-4580

The Proposed Budget and Amended Budget are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.

The agenda for any meeting may be obtained at [iliffcommonsmd3.colorado.gov](http://iliffcommonsmd3.colorado.gov) or by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:

**ILIFF COMMONS METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON

Attorneys at Law

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 14.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 budget year, there is hereby levied a tax of 42.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 budget year, there is hereby levied a tax of

1.326 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Arapahoe County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED OCTOBER 12, 2023.

**DISTRICT:**

**ILIFF COMMONS METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Cathy Bona*  
Cathy Bona (Dec 1, 2023 19:32 MST)  
Officer of the District

Attest:

By: *D. D. Dietrich*  
D. D. Dietrich (Dec 6, 2023 08:41 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law



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General Counsel to the District

STATE OF COLORADO  
COUNTY OF ARAPAHOE  
ILIFF COMMONS METROPOLITAN DISTRICT NO. 3

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held at via teleconference on October 12, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 12<sup>th</sup> day of October, 2023.

*D. D. Dietrich*  
D. D. Dietrich (Dec 6, 2023 08:41 MST)

**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**

**ILIFF COMMONS METROPOLITAN DISTRICT NO. 3**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2024**



**ILIFF COMMONS METRO DISTRICT NO. 3  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 42,407	\$ 52,690	\$ 56,159
REVENUES			
Property taxes	144,341	145,560	168,377
Property taxes - ARI	3,010	2,972	3,952
Specific ownership taxes	9,305	9,800	10,103
Interest income	2,238	4,300	4,350
Other revenue	6,113	2,496	400
Total revenues	<u>165,007</u>	<u>165,128</u>	<u>187,182</u>
Total funds available	<u>207,414</u>	<u>217,818</u>	<u>243,341</u>
EXPENDITURES			
General Fund	37,052	44,000	46,000
Debt Service Fund	117,672	117,659	123,000
Total expenditures	<u>154,724</u>	<u>161,659</u>	<u>169,000</u>
Total expenditures and transfers out requiring appropriation	<u>154,724</u>	<u>161,659</u>	<u>169,000</u>
ENDING FUND BALANCES	<u>\$ 52,690</u>	<u>\$ 56,159</u>	<u>\$ 74,341</u>
EMERGENCY RESERVE	\$ 1,000	\$ 1,100	\$ 1,400
AVAILABLE FOR OPERATIONS	9,561	-	255
TOTAL RESERVE	<u>\$ 10,561</u>	<u>\$ 1,100</u>	<u>\$ 1,655</u>

No assurance provided. See summary of significant assumptions.

**ILIFF COMMONS METRO DISTRICT NO. 3  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

**ASSESSED VALUATION**

Residential - Single Family	\$ 2,631,535	\$ 2,557,922	\$ 2,931,314
State assessed	61,090	43,970	48,810
Vacant land	727	727	-
Certified Assessed Value	\$ 2,693,352	\$ 2,602,619	\$ 2,980,124

**MILL LEVY**

General	11.106	11.428	14.500
Debt Service	42.500	44.500	42.000
ARI	1.118	1.142	1.326
Total mill levy	54.724	57.070	57.826

**PROPERTY TAXES**

General	\$ 29,912	\$ 29,743	\$ 43,212
Debt Service	114,467	115,817	125,165
ARI	3,011	2,972	3,952
Levied property taxes	147,390	148,532	172,329
Adjustments to actual/rounding	(38)	-	-
Budgeted property taxes	\$ 147,351	\$ 148,532	\$ 172,329

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 29,904</b>	<b>\$ 29,743</b>	<b>\$ 43,212</b>
<b>Debt Service</b>	<b>114,437</b>	<b>115,817</b>	<b>125,165</b>
<b>ARI</b>	<b>3,010</b>	<b>2,972</b>	<b>3,952</b>
	<b>\$ 147,351</b>	<b>\$ 148,532</b>	<b>\$ 172,329</b>

**ILIFF COMMONS METRO DISTRICT NO. 3  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2 2024
BEGINNING FUND BALANCES	\$ 15,448	\$ 10,561	\$ 1,100
REVENUES			
Property taxes	29,904	29,743	43,212
Specific ownership taxes	1,928	2,000	2,593
Interest income	333	300	350
Other revenue	-	2,496	400
Total revenues	<u>32,165</u>	<u>34,539</u>	<u>46,555</u>
TRANSFERS IN			
Total funds available	<u>47,613</u>	<u>45,100</u>	<u>47,655</u>
EXPENDITURES			
General and administrative			
Accounting and audit	17,642	-	-
Accounting	-	17,000	18,000
Auditing	-	4,500	5,000
County Treasurer's fee	449	446	648
Directors' fees	300	600	600
Dues and membership	-	380	400
Insurance	100	2,671	3,000
Legal	15,916	15,000	16,000
Miscellaneous	23	50	50
Election	2,622	2,500	-
Contingency	-	853	2,302
Total expenditures	<u>37,052</u>	<u>44,000</u>	<u>46,000</u>
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	<u>37,052</u>	<u>44,000</u>	<u>46,000</u>
ENDING FUND BALANCES	<u>\$ 10,561</u>	<u>\$ 1,100</u>	<u>\$ 1,655</u>
EMERGENCY RESERVE	\$ 1,000	\$ 1,100	\$ 1,400
AVAILABLE FOR OPERATIONS	9,561	-	255
TOTAL RESERVE	<u>\$ 10,561</u>	<u>\$ 1,100</u>	<u>\$ 1,655</u>

No assurance provided. See summary of significant assumptions.

**ILIFF COMMONS METRO DISTRICT NO. 3  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 26,959	\$ 42,129	\$ 55,059
REVENUES			
Property taxes	114,437	115,817	125,165
Property taxes - ARI	3,010	2,972	3,952
Specific ownership taxes	7,377	7,800	7,510
Interest income	1,905	4,000	4,000
Other revenue	6,113	-	-
Total revenues	<u>132,842</u>	<u>130,589</u>	<u>140,627</u>
Total funds available	<u>159,801</u>	<u>172,718</u>	<u>195,686</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,718	1,737	1,877
County Treasurer's fee - ARI	45	45	59
Contingency	-	-	5,898
Debt Service			
ARI payment	2,965	2,927	3,893
Loan interest	62,944	57,950	56,273
Loan principal	50,000	55,000	55,000
Total expenditures	<u>117,672</u>	<u>117,659</u>	<u>123,000</u>
Total expenditures and transfers out requiring appropriation	<u>117,672</u>	<u>117,659</u>	<u>123,000</u>
ENDING FUND BALANCES	<u>\$ 42,129</u>	<u>\$ 55,059</u>	<u>\$ 72,686</u>

No assurance provided. See summary of significant assumptions.

**ILIFF COMMONS METRO DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Aurora (City), on August 1, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The creation of the District was approved by the eligible electors of the District voting at an election held on May 2, 2006. The District was established to provide public improvements within and without the boundaries of the District to serve the future taxpayers and inhabitants of the District. The District was organized concurrently with Iliff Commons Metropolitan District No. 4 (District No. 4). Initially the District was proposed to serve as the operating district, management the construction and day-to-day operational needs of each district, while District No. 4 was proposed to serve as the financing district, responsible for providing the necessary tax base to pay for capital costs and the service costs of operation and maintenance needs. District No. 4 was never utilized and was dissolved in 2015.

The District was established to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of streets, traffic and safety control, water, sanitary sewer, parks and recreation, public transportation, limited television relay and translation, mosquito control, limited fire protection, and security improvements and facilities. The District is conveyed the completed public improvements to the City or other appropriate jurisdiction or owners association for ongoing operation and maintenance. With the exception of park and recreation improvements, the District is not authorized to operate and maintain public improvements unless set forth in a separate agreement with the City.

The 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.

**ILIFF COMMONS METRO DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes – (continued)**

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>		<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District’s share will be equal to approximately 6% of the property taxes collected.

**Interest Income**

Interest earned on the District’s available funds has been estimated based on historical interest earnings.

**Expenditures**

**General and Administrative Expenditures**

General and 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.

**County Treasurer’s Fees**

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

**ILIFF COMMONS METRO DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Debt Service**

Principal and interest payments in 2024 are provided based upon the debt amortization schedule from the Series 2021 Tax-Exempt Loan.

**Debt and Leases**

On November 10, 2021, the District entered into a Loan Agreement with NBH Bank (Lender) for a \$1,950,000 Tax-Exempt Loan (2021 Loan) for the purpose of refunding the Series 2016A and Series 2016B Bonds at a lower interest rate. The 2021 Loan bears interest of 3.05% fixed-rate to December 1, 2041 and 4.50% thereafter. Interest payments are due on June 1 and December 1 each year beginning June 1, 2022 while principal payments are due on December 1 each year beginning December 1, 2022 through the maturity date of December 1, 2041. The 2021 Loan is secured by the Required Mill Levy, the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy, any PILOT revenue, and any other legally available moneys which the District determines in its sole discretion to apply as Pledged Revenue. The District may, at its option, prepay the 2021 Loan in whole on any date, on and after November 10, 2031, upon payment to the Lender of the principal amount together with accrued interest at the rate then borne by the Loan to the date the Lender receives such prepayment, with no additional prepayment fee. The District may prepay the Loan prior to November 10, 2031 upon two days' prior written direction from the District, on any interest payment date, in whole or in part (in minimum increments of \$250,000) at a redemption price equal to 100% of the principal amount of the redeemed Loan, plus accrued interest thereon to the redemption date, plus make-whole fee as further described in the loan agreement. The District is subject to various covenants with regards to the 2021 Loan.

The District has no operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2024 as defined under the Tabor Amendment. Such emergency reserve is an integral part of Ending Fund Balance.

**This information is an integral part of the accompanying budget.**

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

**\$1,950,000**

**Tax-Exempt Loan**

**Series 2021, Dated November 10, 2021**

**Interest Rate of 3.05% to 12/1/2041 - 4.50% thereafter**

**Payable June 1 and December 1,**

**Principal Due December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 55,000	\$ 56,273	\$ 111,273
2025	60,000	54,595	114,595
2026	60,000	52,765	112,765
2027	65,000	50,935	115,935
2028	65,000	48,953	113,953
2029	65,000	46,970	111,970
2030	70,000	44,988	114,988
2031	70,000	42,853	112,853
2032	75,000	40,718	115,718
2033	75,000	38,430	113,430
2034	75,000	36,143	111,143
2035	80,000	33,855	113,855
2036	80,000	31,415	111,415
2037	85,000	28,975	113,975
2038	85,000	26,383	111,383
2039	90,000	23,790	113,790
2040	95,000	21,045	116,045
2041	95,000	18,148	113,148
2042	90,000	22,500	112,500
2043	95,000	18,450	113,450
2044	100,000	14,175	114,175
2045	105,000	9,675	114,675
2046	110,000	4,950	114,950
	<u>\$ 1,845,000</u>	<u>\$ 766,984</u>	<u>\$ 2,611,984</u>

No assurance provided. See summary of significant assumptions.