

**ILIFF COMMONS METROPOLITAN DISTRICT NO. 3**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

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

1/19/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 245,891	\$ 42,407	\$ 50,481
REVENUES			
Property Taxes	172,292	144,379	145,560
Property Taxes - ARI	2,870	3,011	2,972
Specific Ownership Taxes	12,072	9,400	8,734
Interest Income	332	500	500
Other Income	-	6,113	-
Loan Proceeds	1,950,000	-	-
Total revenues	<u>2,137,566</u>	<u>163,403</u>	<u>157,766</u>
TRANSFERS IN	<u>52,620</u>	-	-
Total funds available	<u>2,436,077</u>	<u>205,810</u>	<u>208,247</u>
EXPENDITURES			
General Fund	17,573	32,157	40,000
Debt Service Fund	2,323,477	123,172	128,000
Total expenditures	<u>2,341,050</u>	<u>155,329</u>	<u>168,000</u>
TRANSFERS OUT	<u>52,620</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>2,393,670</u>	<u>155,329</u>	<u>168,000</u>
ENDING FUND BALANCES	<u>\$ 42,407</u>	<u>\$ 50,481</u>	<u>\$ 40,247</u>
EMERGENCY RESERVE	\$ 976	\$ 1,000	\$ 1,000
TOTAL RESERVE	<u>\$ 976</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

No assurance provided. See summary of significant assumptions.

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

1/19/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential - Single Family	\$ 2,524,878	\$ 2,631,535	\$ 2,557,922
Vacant Land	727	727	727
State Assessed	59,920	61,090	43,970
Certified Assessed Value	<u>\$ 2,585,525</u>	<u>\$ 2,693,352</u>	<u>\$ 2,602,619</u>
<b>MILL LEVY</b>			
General	11.106	11.106	11.428
Debt Service	55.531	42.500	44.500
ARI	1.110	1.118	1.142
Total mill levy	<u>67.747</u>	<u>54.724</u>	<u>57.070</u>
<b>PROPERTY TAXES</b>			
General	\$ 28,715	\$ 29,912	\$ 29,743
Debt Service	143,577	114,467	115,817
ARI	2,870	3,011	2,972
Levied property taxes	<u>175,162</u>	<u>147,390</u>	<u>148,532</u>
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 175,162</u>	<u>\$ 147,390</u>	<u>\$ 148,532</u>
<b>BUDGETED PROPERTY TAXES</b>			
<b>General</b>	<b>\$ 28,715</b>	<b>\$ 29,912</b>	<b>\$ 29,743</b>
<b>Debt Service</b>	<b>143,577</b>	<b>114,467</b>	<b>115,817</b>
<b>ARI</b>	<b>2,870</b>	<b>3,011</b>	<b>2,972</b>
	<u><b>\$ 175,162</b></u>	<u><b>\$ 147,390</b></u>	<u><b>\$ 148,532</b></u>

No assurance provided. See summary of significant assumptions.

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

1/19/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 2,290	\$ 15,448	\$ 15,303
REVENUES			
Property Taxes	28,715	29,912	29,743
Specific Ownership Taxes	1,979	2,000	1,785
Interest Income	37	100	100
Total revenues	<u>30,731</u>	<u>32,012</u>	<u>31,628</u>
Total funds available	<u>33,021</u>	<u>47,460</u>	<u>46,931</u>
EXPENDITURES			
General and Administrative			
Accounting and Audit	8,378	14,000	15,000
Insurance	2,919	2,408	3,000
Election	-	3,000	5,000
Legal	5,845	12,000	12,000
County Treasurer's Fees	431	449	446
Directors' Fees	-	300	600
Contingency	-	-	3,954
Total expenditures	<u>17,573</u>	<u>32,157</u>	<u>40,000</u>
Total expenditures and transfers out requiring appropriation	<u>17,573</u>	<u>32,157</u>	<u>40,000</u>
ENDING FUND BALANCES	<u>\$ 15,448</u>	<u>\$ 15,303</u>	<u>\$ 6,931</u>
EMERGENCY RESERVE	<u>\$ 976</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
TOTAL RESERVE	<u>\$ 976</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

No assurance provided. See summary of significant assumptions.

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

1/19/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 191,000	\$ 26,959	\$ 35,178
<b>REVENUES</b>			
Property Taxes	143,577	114,467	115,817
Property Taxes - ARI	2,870	3,011	2,972
Specific Ownership Taxes	10,093	7,400	6,949
Interest Income	276	400	400
Other Income	-	6,113	-
Loan Proceeds	1,950,000	-	-
Total revenues	2,106,816	131,391	126,138
<b>TRANSFERS IN</b>			
Capital Projects Fund	52,620	-	-
Total funds available	2,350,436	158,350	161,316
<b>EXPENDITURES</b>			
Debt Service			
ARI Payment	3,028	2,966	2,927
County Treasurer's Fees	2,156	1,717	1,737
County Treasurer's Fees - ARI	43	45	45
Loan Interest	46,200	62,944	57,950
Loan Principal	-	50,000	55,000
Paying Agent Fees	5,500	5,500	5,500
Contingency	-	-	4,841
Loan Issuance Costs	177,766	-	-
Payment to Refunding Agent	2,088,784	-	-
Total expenditures	2,323,477	123,172	128,000
Total expenditures and transfers out requiring appropriation	2,323,477	123,172	128,000
ENDING FUND BALANCES	\$ 26,959	\$ 35,178	\$ 33,316

No assurance provided. See summary of significant assumptions.

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

1/19/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 52,601	\$ -	\$ -
REVENUES			
Interest Income	19	-	-
Total revenues	<u>19</u>	<u>-</u>	<u>-</u>
Total funds available	<u>52,620</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Debt Service Fund	<u>52,620</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>52,620</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**ILIFF COMMONS METRO DISTRICT NO. 3  
2023 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, sale 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 calculation of the taxes levies is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**ILIFF COMMONS METRO DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Property Taxes (continued)**

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%.

The change in assessment ratio allows the District to adjust its mill levy. Accordingly, the District adjusted its mill levy to 11.428 for operations, 44.500 for debt service and 1.142 for Aurora Regional Improvements (ARI).

**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.

**Debt Service**

Principal and interest payments in 2023 are provided based upon the debt amortization schedule from the Series 2021 Tax-Exempt Loan.



**ILIFF COMMONS METRO DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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 2023 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>
2023	\$ 55,000	\$ 57,950	\$ 112,950
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>\$ 1,900,000</u>	<u>\$ 824,934</u>	<u>\$ 2,724,934</u>

No assurance provided. See summary of significant assumptions.