

**CCP METROPOLITAN DISTRICT NO. 3**  
**ANNUAL BUDGET**  
**FOR YEAR ENDING DECEMBER 31, 2024**

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

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,330,446	\$ 1,533,789	\$ 1,744,417
REVENUES			
Property taxes	7,788	8,007	7,127
Specific ownership taxes	65,642	60,070	68,252
Property taxes DURA	880,485	909,981	953,370
Interest income	21,940	57,241	79,000
Intergovernmental revenues	294,027	292,174	259,624
Total revenues	<u>1,269,882</u>	<u>1,327,473</u>	<u>1,367,373</u>
Total funds available	<u>2,600,328</u>	<u>2,861,262</u>	<u>3,111,790</u>
EXPENDITURES			
General Fund	204,416	213,398	430,000
Debt Service Fund	862,123	903,447	930,000
Total expenditures	<u>1,066,539</u>	<u>1,116,845</u>	<u>1,360,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,066,539</u>	<u>1,116,845</u>	<u>1,360,000</u>
ENDING FUND BALANCES	<u>\$ 1,533,789</u>	<u>\$ 1,744,417</u>	<u>\$ 1,751,790</u>
EMERGENCY RESERVE	\$ 7,400	\$ 8,100	\$ 9,300
AVAILABLE FOR OPERATIONS	406,498	337,086	114,204
INSURANCE	100,000	100,000	100,000
MAINTENANCE RESERVE	178,000	300,000	400,000
DEBT SERVICE RESERVE FUND	450,000	450,000	450,000
TOTAL RESERVE	<u>\$ 1,141,898</u>	<u>\$ 1,195,186</u>	<u>\$ 1,073,504</u>

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

1/18/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

**ASSESSED VALUATION**

Commercial	18,268,570	18,268,570	27,799,440
State assessed	2,340	1,330	1,310
Vacant land	30	30	280
Personal property	2,681,010	3,372,370	3,651,090
	20,951,950	21,642,300	31,452,120
Adjustments	(20,798,810)	(21,484,110)	(31,222,218)
Certified Assessed Value	\$ 153,140	\$ 158,190	\$ 229,902

**MILL LEVY**

General	8.000	8.000	7.000
Debt Service	35.000	35.000	24.000
Total mill levy	43.000	43.000	31.000

**PROPERTY TAXES**

General	\$ 1,225	\$ 1,266	\$ 1,609
Debt Service	5,360	5,537	5,518
Levied property taxes	6,585	6,803	7,127
Adjustments to actual/rounding	1,203	1,204	-
Budgeted property taxes	\$ 7,788	\$ 8,007	\$ 7,127

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 1,449</b>	<b>\$ 1,490</b>	<b>\$ 1,609</b>
<b>Debt Service</b>	<b>6,339</b>	<b>6,517</b>	<b>5,518</b>
	<b>\$ 7,788</b>	<b>\$ 8,007</b>	<b>\$ 7,127</b>

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

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 651,799	\$ 691,898	\$ 745,186
<b>REVENUES</b>			
Property taxes	1,449	1,490	1,609
Specific ownership taxes	12,212	11,176	15,412
Property taxes DURA	163,796	169,316	215,277
Interest income	12,354	30,347	34,000
Intergovernmental revenues	54,704	54,357	42,020
Total revenues	<u>244,515</u>	<u>266,686</u>	<u>308,318</u>
Total funds available	<u>896,314</u>	<u>958,584</u>	<u>1,053,504</u>
<b>EXPENDITURES</b>			
General and administrative			
Accounting	35,002	43,325	45,000
Auditing	7,600	8,400	9,300
County Treasurer's fee	18	25	24
Dues and membership	6,844	848	1,000
Insurance	8,335	8,141	9,400
District management	22,893	19,576	33,000
Legal	22,546	18,699	22,000
Miscellaneous	184	1,842	2,500
Election	3,362	2,350	-
Operations and maintenance			
Landscaping	56,148	50,573	75,000
Detention Pond Maintenance	-	10,000	30,000
Detention Pond A Improvements	-	-	100,000
Plant Replacement	-	5,000	10,000
Environmental Compliance	-	5,000	10,000
Design review committee	3,000	1,500	3,000
Lighting Maintenance Inspection	-	9,588	10,000
Snow removal	9,970	6,370	15,000
Contingency	-	15,984	26,276
Water	21,041	2,849	25,000
Electricity	1,568	2,548	3,000
Storm drainage	5,905	781	500
Total expenditures	<u>204,416</u>	<u>213,398</u>	<u>430,000</u>
Total expenditures and transfers out requiring appropriation	<u>204,416</u>	<u>213,398</u>	<u>430,000</u>
ENDING FUND BALANCES	<u>\$ 691,898</u>	<u>\$ 745,186</u>	<u>\$ 623,504</u>
EMERGENCY RESERVE	\$ 7,400	\$ 8,100	\$ 9,300
AVAILABLE FOR OPERATIONS	406,498	337,086	114,204
INSURANCE	100,000	100,000	100,000
MAINTENANCE RESERVE	178,000	300,000	400,000
TOTAL RESERVE	<u>\$ 691,898</u>	<u>\$ 745,186</u>	<u>\$ 623,504</u>

No assurance provided. See summary of significant assumptions

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

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 678,647	\$ 841,891	\$ 999,231
<b>REVENUES</b>			
Property taxes	6,339	6,517	5,518
Specific ownership taxes	53,430	48,894	52,840
Property taxes DURA	716,689	740,665	738,093
Interest income	9,586	26,894	45,000
Intergovernmental revenues	239,323	237,817	217,604
Total revenues	1,025,367	1,060,787	1,059,055
Total funds available	1,704,014	1,902,678	2,058,286
<b>EXPENDITURES</b>			
County Treasurer's fee	82	77	83
Loan Interest	510,041	491,870	478,662
Loan Principal	352,000	411,500	441,500
Contingency	-	-	9,755
Total expenditures	862,123	903,447	930,000
Total expenditures and transfers out requiring appropriation	862,123	903,447	930,000
ENDING FUND BALANCES	\$ 841,891	\$ 999,231	\$ 1,128,286
DEBT SERVICE RESERVE FUND	\$ 450,000	\$ 450,000	\$ 450,000
TOTAL RESERVE	\$ 450,000	\$ 450,000	\$ 450,000

No assurance provided. See summary of significant assumptions

**CCP METROPOLITAN DISTRICT NO. 3  
2024 ADOPTED 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 Adams County, Colorado recorded on January 22, 2015, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Board of County Commissioners of Adams County on July 22, 2014. The District's service area is located within Adams County, Colorado.

The District was organized in conjunction with CCP Metropolitan District Nos. 1, 2 and 4 (collectively with District No. 3, "the Districts"). The Districts were established to manage, implement and coordinate the financing, acquisition, construction, completion, and operation and maintenance of all public improvements and services within the Districts' boundaries.

On November 4, 2014, the District's voters authorized total indebtedness of \$225,000,000 with \$25,000,000 for each of the following listed facilities; street improvements, water, storm or sanitary sewer, parks and recreation, traffic and safety control, mosquito control, public transportation, security services, and operations and maintenance. Voters also authorized indebtedness of \$25,000,000 for refunding of debt and \$25,000,000 for intergovernmental contracts. Pursuant to the Service Plan, the aggregate debt of the Districts for funding costs of improvements shall not exceed \$25,000,000. Additionally, the maximum debt mill levy is 50.000 mills as adjusted. The election also approved an annual increase in ad valorem property taxes of \$5,000,000 and an increase in fees of \$5,000,000 to pay the District's operation and maintenance costs. The electors further authorized an increase in ad valorem property taxes of \$5,000,000 to pay expenses pursuant to intergovernmental agreements.

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 Section 29-1-105 of the Colorado Revised Statutes 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.

**CCP METROPOLITAN DISTRICT NO. 3  
2024 ADOPTED BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes – (continued)**

Senate Bill 21B-001 among other things, adjusted the assessment rate and residential property actual value adjustment. For tax collection year 2024, the assessment rate for all residential property decreases to 6.70%. In addition the residential property actual value adjustment increases from \$15,000 to \$55,000.

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.

**Property Taxes – DURA**

On January 29, 2015, the Districts entered into a Cooperation Agreement with Denver Urban Renewal Authority (DURA). In consideration of the Districts providing Public Improvements and services to the property encompassed by the Inclusion Area and the Urban Redevelopment Plan, DURA agrees to remit, on a monthly basis, all District Property Tax Increment Revenues, to the extent DURA receives the same.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurers, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurers to all taxing entities within the Counties. The budget assumes that the District's share will be equal to approximately 7.00% of the property taxes collected by Adams County and DURA.

**Expenditures**

**Administrative and Operating Expenditures**

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, engineering, and insurance. Estimated expenditures related to landscaping, irrigation, snow removal, utilities, and other common area maintenance were also included the General Fund budget.

**County Treasurer's Fees**

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

**Debt Service**

Principal and interest payments in 2022 are provided based on the attached debt amortization schedules of the 2018 and 2020 Loan.

**CCP METROPOLITAN DISTRICT NO. 3  
2024 ADOPTED BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**2018 Loan**

The District executed a promissory note evidencing the indebtedness of the Loan Agreement between Compass Mortgage Corporation (the “Lender”) and the District dated March 28, 2018 (the “Original Loan”) in a maximum aggregate principal amount up to \$12,500,000. The Lender will advance funds to the District periodically, as requested by the District, from the date of closing on the Original Loan through and including March 28, 2021.

The Initial Funded Amount was \$9,600,000, the proceeds of which were used to: (i) reimburse the Developer for a portion of the funds advanced for the costs of capital infrastructure improvements; (ii) provide capitalized interest; (iii) provide a Reserve Fund; and (iv) pay costs of issuance of the Loan.

The Initial Funded Amount bears interest at a Fixed Rate of 3.55%. At the District’s option, to be exercised in each Advance Request Certificate, each Advance may bear interest at either a Fixed Rate or the Variable Rate. If elected by the District, the Fixed Rate applicable to any Advance Amount shall be determined by the Lender and agreed to by the District on the applicable Advance Date.

During 2019 subsequent Advances of \$902,871 and \$1,997,129 were made on March 7, 2019 and September 27, 2019, respectively. The March 7, 2019 subsequent Advance bears interest at a Fixed Rate of 3.72% and the September 27, 2019 subsequent Advance bears interest at a Fixed Rate of 2.98%. The total proceeds of the subsequent Advances total \$2,900,000 and were used in the same manner as the Initial Funded Amount.

On March 2, 2020, the District executed the First Amendment to the Loan Agreement with the Lender (the “First Amendment”, and together with the Original Loan, the “Loan”). The First Amendment increased the maximum principal of the Original Loan by making an additional advance of \$3,095,000. The Additional Advance Amount bears interest at a Fixed Rate of 3.03% and will be used in the same manner as the initial Funded Amount. A new Promissory Note was issued at the time of the incurrence of the Additional Advance in the aggregate principal amount of \$15,595,000.

Interest on the Loan is payable semi-annually on June 1 and December 1 of each year, beginning on June 1, 2018. All interest is calculated on the basis of a 360-day year and actual number of days elapsed in the applicable period. Interest not paid when due shall remain due and owing, but shall not compound or bear additional interest.

Annual principal payments are due on December 1 of each year, beginning on December 1, 2019 with final maturity on March 28, 2025. The Loan is subject to optional redemption on any June 1 or December 1 after the Closing Date upon payment of (i) principal, (ii) accrued interest on the amount being prepaid, (iii) if prior to the third anniversary of the Closing Date, a Prepayment Premium of 3.00% of the principal amount prepaid, and (iv) if all or a portion of the Fixed Rate Loan Balance is being prepaid, a Yield Maintenance Fee as described in the Loan Agreement.

The Loan is secured by and payable solely from and to the extent of the Pledged Revenue, which includes moneys derived from the following sources, net of costs of collection: (i) the Required Mill Levy; (ii) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; (iii) the Pledge Agreement Revenues; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to apply as Pledged Revenue.

**CCP METROPOLITAN DISTRICT NO. 3  
2024 ADOPTED BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

**2018 Loan (continued)**

Required Mill Levy means:

(a) prior to the time when the Debt to Assessed Ratio is 50% or less, a mill levy imposed each year in an amount which maintains the Debt Mill Levy Ratio and which, when combined with (i) moneys held in the Revenue Fund not required to be applied to the payment of the Loan in the then-current Fiscal Year, and (ii) Pledge Agreement Revenues to be received from District No. 1 pursuant to the Pledge Agreement, will generate tax revenues of not less than the Estimated Debt Requirements for the next Fiscal Year, but not in excess of 50.000 mills, and not less than 30.000 mills.

However, if the District fails to provide the Refinancing Certificate to the Lender prior to the District's certification of the Required Mill Levy for collection in Fiscal Year 2025, then the "Required Mill Levy" to be imposed in Fiscal Year 2024 and any Fiscal Year thereafter in which the Loan Balance remains unpaid, unsatisfied and undischarged, shall be no less than 50.000 mills without maintaining the Debt Mill Levy Ratio.

In the event the method of calculating assessed valuation is changed after January 1, 2014, the maximum and minimum mill levies will be increased or decreased to reflect such changes so that to the extent possible, the actual revenues generated by the minimum or maximum mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (a "Gallagher Adjustment"). For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) once the Debt to Assessed Ratio is 50% or less, a mill levy imposed each year in an amount which maintains the Debt Mill Levy Ratio and which, when combined with (i) moneys in the Revenue Fund not required to be applied to the payment of the Loan in the then-current Fiscal Year, including capitalized interest capitalized therein in connection with an advance, and (ii) Pledge Agreement Revenues to be received from District No. 1 pursuant to the Pledge Agreement, will generate tax revenues of not less than the Estimated Debt Requirements for the next Fiscal Year, without limitation of rate and in amounts sufficient to make such payments when due.

However, if the District fails to provide the Refinancing Certificate to the Lender prior to the District's certification of the Required Mill Levy for collection in Fiscal year 2025, then the "Required Mill Levy" to be imposed in 2024 and in any year thereafter in which the Loan remains unpaid, unsatisfied and undischarged, shall be an amount sufficient to pay the Estimated Debt Requirements, but not higher than 75.000 mills (exclusive of an operations and maintenance mill levy of the District of not higher than 15.000 mills) which mill levy shall not be subject to the Gallagher Adjustment.

For tax collection year 2024, the adjusted Required Mill Levy was 24.000. The District certified 24.000 mills for debt service taxes collected in 2024.

Debt to Assessed Ratio is defined in the Loan Agreement as the ratio derived by dividing the then-outstanding Debt of the District and District No. 1 (except for the debt created by the Pledge Agreement) by the most recent Final Assessed Valuation of all taxable property in the District and in District No. 1, as such Final Assessed Valuation is certified from time to time by the Assessors.

**CCP METROPOLITAN DISTRICT NO. 3  
2024 ADOPTED BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

**2018 Loan (continued)**

Debt Mill Levy Ratio means the relationship of the Capital Mill Levy, imposed by District No. 1, to the Required Mill Levy, imposed by the District, represented by the imposition of the Capital Levy in the amount which is five (5.000) mills greater than the amount of the Required Mill Levy. The Capital Levy may not be in excess of 50.000 mills and not less than 29.000 mills, as adjusted.

The District entered into a Pledge Agreement with District No. 1 on March 28, 2018 (as amended on March 2, 2020), pursuant to which the District agrees to finance public improvements by incurring the Loan and District No. 1 agrees to impose the Capital Mill Levy and remit all resulting Pledge Agreement Revenues to the Lender.

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending as defined under TABOR.

**Debt Service Reserve**

The District maintains a Debt Service Reserve of \$450,000 as required by the 2018 Loan.

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

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

Bonds and Interest Maturing in the Year Ending <u>December 31.</u>	\$9,600,000 Tax Exempt Loan Draw #1 Dated March 28, 2018 Series 2018 Interest Rate of 3.55% Payable June 1 and December 1 Principal Due December 1			\$902,871 Tax Exempt Loan Draw #2 Dated March 7, 2019 Series 2018 Interest Rate of 3.72% Payable June 1 and December 1 Principal Due December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 300,000	\$ 300,283	\$ 600,283	\$ 31,600	\$ 30,903	\$ 62,503
2025	8,145,000	92,531	8,237,531	785,498	9,497	794,995
Total	<u>\$ 8,445,000</u>	<u>\$ 392,814</u>	<u>\$ 8,837,814</u>	<u>\$ 817,098</u>	<u>\$ 40,400</u>	<u>\$ 857,498</u>

No assurance is provided. See summary of significant assumptions.

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

Bonds and Interest Maturing in the Year Ending <u>December 31,</u>	\$1,997,129 Tax Exempt Loan Draw #3 Dated September 27, 2019 Series 2018 Interest Rate of 2.98% Payable June 1 and December 1 Principal Due December 1			\$3,095,000 Tax Exempt Loan Dated March 2, 2020 Series 2020 Interest Rate of 3.03% Payable June 1 and December 1 Principal Due December 1			Total		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 69,900	\$ 54,758	\$ 124,658	\$ 40,000	\$ 92,718	\$ 132,718	\$ 441,500	\$ 478,662	\$ 920,162
2025	1,737,502	16,828	1,754,330	3,020,000	23,566	3,043,566	13,688,000	142,422	13,830,422
Total	<u>\$ 1,807,402</u>	<u>\$ 71,586</u>	<u>\$ 1,878,988</u>	<u>\$ 3,060,000</u>	<u>\$ 116,284</u>	<u>\$ 3,176,284</u>	<u>\$ 14,129,500</u>	<u>\$ 621,084</u>	<u>\$ 14,750,584</u>

No assurance is provided. See summary of significant assumptions.