

2023 ANNUAL REPORT
TIMNATH LAKES METROPOLITAN DISTRICT NO. 3

As required by Section 32-1-207(3)(c), C.R.S., and Section VII of the Consolidated Amended and Restated Service Plan approved by the Town of Timnath on September 10, 2019, the following report of the activities of Timnath Lakes Metropolitan District No. 3 (the “**District**”) from January 1, 2023 to December 31, 2023 is hereby submitted.

- A. Boundary changes made: No boundary changes were made or proposed during 2023.
- B. Intergovernmental Agreements entered into or terminated: The District did not enter into or terminate any Intergovernmental Agreements in 2023.
- C. Access information to obtain a copy of rules and regulations adopted: Copies of the rules and regulations of the District, if any, may be accessed on the District’s website: <https://timnathlakesmetrodistricts1-6.com/>
- D. Summary of litigation involving the District’s public improvements: There is no litigation of which we are aware, currently pending or anticipated, involving the District.
- E. Status of the District’s construction of public improvements: There was no construction of public improvements completed during 2023.
- F. Conveyances or dedications of facilities or improvements, constructed by the District, to the Town of Timnath: No facilities and improvements were dedicated and accepted by the Town of Timnath in 2023.
- G. Final assessed valuation of the District for the reporting year: \$1,488,048 (NET).
- H. Current year’s budget: A copy of the District’s 2024 budget is attached hereto as **Exhibit A**.
- I. Audited financial statements for the reporting year (or application for exemption from audit): The 2023 Audit is not yet completed, and will be provided when available.
- J. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument: To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.
- K. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period: To our knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A
2024 BUDGET

TIMNATH LAKES METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

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

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 17,000	\$ 8,130
REVENUES			
Property taxes	-	319	77,335
Specific ownership taxes	1	60	13,621
URA District property taxes	12	509	117,254
Interest income	-	134	3,300
Other revenue	-	-	10,453
Bond proceeds - Series 2022A	12,901,934	-	-
Bond proceeds - Series 2022B	5,543,000	-	-
Total revenues	<u>18,444,947</u>	<u>1,022</u>	<u>221,963</u>
TRANSFERS IN			
	<u>-</u>	<u>8,000</u>	<u>50,000</u>
Total funds available	<u>18,444,947</u>	<u>26,022</u>	<u>280,093</u>
EXPENDITURES			
General Fund	13	892	55,000
Debt Service Fund	-	-	16,000
Capital Projects Fund	18,427,934	9,000	-
Total expenditures	<u>18,427,947</u>	<u>9,892</u>	<u>71,000</u>
TRANSFERS OUT			
	<u>-</u>	<u>8,000</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>18,427,947</u>	<u>17,892</u>	<u>121,000</u>
ENDING FUND BALANCES	<u>\$ 17,000</u>	<u>\$ 8,130</u>	<u>\$ 159,093</u>

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

1/25/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Agricultural	\$ 238	\$ 15,071	\$ -
State assessed	-	-	10,300
Vacant land	-	-	3,733,898
	238	15,071	3,744,198
Adjustments	(234)	(9,270)	(2,256,150)
Certified Assessed Value	\$ 4	\$ 5,801	\$ 1,488,048

MILL LEVY

General	50.000	54.924	0.000
Debt Service	0.000	0.000	51.971
Total mill levy	50.000	54.924	51.971

PROPERTY TAXES

General	\$ -	\$ 319	\$ -
Debt Service	-	-	77,335
Levied property taxes	-	319	77,335
Budgeted property taxes	\$ -	\$ 319	\$ 77,335

BUDGETED PROPERTY TAXES

General	\$ -	\$ 319	\$ -
Debt Service	-	-	77,335
	\$ -	\$ 319	\$ 77,335

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

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	319	-
Specific ownership taxes	1	60	-
URA District property taxes	12	509	-
Interest income	-	4	-
Other revenue	-	-	5,000
Total revenues	<u>13</u>	<u>892</u>	<u>5,000</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>50,000</u>
Total funds available	<u>13</u>	<u>892</u>	<u>55,000</u>
EXPENDITURES			
County Treasurer's fee	-	6	-
Intergovernmental expenditures	13	886	50,000
Contingency	-	-	5,000
Total expenditures	<u>13</u>	<u>892</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>13</u>	<u>892</u>	<u>55,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 8,130
REVENUES			
Property taxes	-	-	77,335
Specific ownership taxes	-	-	13,621
URA District property taxes	-	-	117,254
Interest income	-	130	3,300
Other revenue	-	-	5,453
Total revenues	-	130	216,963
TRANSFERS IN			
Transfers from other funds	-	8,000	-
Total funds available	-	8,130	225,093
EXPENDITURES			
County Treasurer's fee	-	-	1,547
Paying agent fees	-	-	9,000
Contingency	-	-	5,453
Total expenditures	-	-	16,000
TRANSFERS OUT			
Transfers to other fund	-	-	50,000
Total expenditures and transfers out requiring appropriation	-	-	66,000
ENDING FUND BALANCES	\$ -	\$ 8,130	\$ 159,093

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

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 17,000	\$ -
REVENUES			
Bond proceeds - Series 2022A	12,901,934	-	-
Bond proceeds - Series 2022B	5,543,000	-	-
Total revenues	18,444,934	-	-
Total funds available	18,444,934	17,000	-
EXPENDITURES			
Paying agent fees	-	9,000	-
Bond issue costs	328,999	-	-
Intergovernmental expenditures	18,098,935	-	-
Total expenditures	18,427,934	9,000	-
TRANSFERS OUT			
Transfers to other fund	-	8,000	-
Total expenditures and transfers out requiring appropriation	18,427,934	17,000	-
ENDING FUND BALANCES	\$ 17,000	\$ -	\$ -

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was formed on June 23, 2006, to provide for the design, acquisition, construction, installation and financing of certain street, park and recreation, water, sanitation, mosquito control and safety protection improvements and services. The District was organized in conjunction with Timnath Lakes Metropolitan District Nos. 1 and 2. On September 10, 2019, the District amended and restated its service plan to include Timnath Lakes Metropolitan District Nos. 4 through 6.

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. 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.

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

Category	Rate	Category	Rate	Actual Value Reduction	Amount
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%		

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (Continued)

URA Property Taxes

The URA will receive property tax revenue (“Pledged Property Tax Increment Revenue”) from the Larimer County Treasurer in excess of the amount produced by the levy of those bodies that levy property taxes against the Property Tax Base Amount in the TIF 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 7.0% of the property taxes collected.

Interest Income

Interest earned on the District’s available funds has been estimated based on an average interest rate of approximately 4.0%.

Expenditures

Intergovernmental Expenditures

The District collected property and specific ownership taxes. The District will transfer \$50,000 of funds collected each year to District No. 6 to help fund administrative and operating expenditures. The amount transferred will increase 1.0% each year thereafter.

County Treasurer’s Fees

County Treasurer’s fees have been computed at 2.0% of property tax collections.

Debt and Leases

On December 29, 2022 the District issued Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A, in the initial principal amount of \$12,901,934.35 (\$14,485,000 in Accreted Value upon conversion to current interest bonds) (“Senior Bonds”) and Subordinate Limited Tax General Obligation Bonds, Series 2022B in the principal amount of \$5,543,000 (“ Subordinate Bonds”). Proceeds from the sale of the Bonds were used to: (i) finance or reimburse the costs of public improvements related to the Development; and (ii) pay the costs of issuance of the Bonds.

The District has no outstanding indebtedness, nor any operating or capital leases.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all TABOR funds received by the District are transferred to District No. 6, which pays for the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

\$12,901,934.35 Limited Tax General
Obligation Bonds
Series 2022A
Interest 4.000%
Dated December 29, 2022
Interest Payable June 1 and December 1
Principal Payable December 1

Bonds and Interest Maturing in the Year Ending December 31,	Account Bond Balance	Accreted	Principal	Interest	Total
2022	\$ 12,901,934	\$ -	\$ -	\$ -	\$ -
2023	13,381,822	479,888	-	-	-
2024	13,922,402	540,580	-	-	-
2025	14,485,000	562,598	-	-	-
2026	-	-	10,000	579,400	589,400
2027	-	-	165,000	579,000	744,000
2028	-	-	260,000	572,400	832,400
2029	-	-	270,000	562,000	832,000
2030	-	-	295,000	551,200	846,200
2031	-	-	310,000	539,400	849,400
2032	-	-	340,000	527,000	867,000
2033	-	-	350,000	513,400	863,400
2034	-	-	385,000	499,400	884,400
2035	-	-	395,000	484,000	879,000
2036	-	-	430,000	468,200	898,200
2037	-	-	450,000	451,000	901,000
2038	-	-	485,000	433,000	918,000
2039	-	-	505,000	413,600	918,600
2040	-	-	545,000	393,400	938,400
2041	-	-	565,000	371,600	936,600
2042	-	-	605,000	349,000	954,000
2043	-	-	630,000	324,800	954,800
2044	-	-	675,000	299,600	974,600
2045	-	-	700,000	272,600	972,600
2046	-	-	750,000	244,600	994,600
2047	-	-	780,000	214,600	994,600
2048	-	-	830,000	183,400	1,013,400
2049	-	-	865,000	150,200	1,015,200
2050	-	-	920,000	115,600	1,035,600
2051	-	-	955,000	78,800	1,033,800
2052	-	-	1,015,000	40,600	1,055,600
Total	<u>\$ 14,485,000</u>	<u>\$ 1,583,066</u>	<u>\$ 14,485,000</u>	<u>\$ 10,211,800</u>	<u>\$ 24,696,800</u>

The annual debt service requirements on the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.