

**VILLAGES AT JOHNSTOWN  
METROPOLITAN DISTRICT NO. 3  
Larimer County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2022**

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
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YEAR ENDED DECEMBER 31, 2022**

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*INDEPENDENT AUDITOR'S REPORT*

Board of Directors  
Villages at Johnstown Metropolitan District No. 3  
Larimer County, Colorado

*Opinion*

We have audited the accompanying financial statements of the governmental activities and each major fund of the Villages at Johnstown Metropolitan District No. 3, Larimer County, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Villages at Johnstown Metropolitan District No. 3's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Villages at Johnstown Metropolitan District No. 3, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

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 Villages at Johnstown Metropolitan District No. 3 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 opinion.

*Responsibilities of Management for the Financial Statements*

Villages at Johnstown Metropolitan District No. 3's 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 Villages at Johnstown Metropolitan District No. 3'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 Responsibilities 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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 Villages at Johnstown Metropolitan District No. 3'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Villages at Johnstown Metropolitan District No. 3's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with 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 not presented Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basis 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 opinion on the basis financial statements is not affected by the missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Villages at Johnstown Metropolitan District No. 3's basic financial statements. The supplemental information listed in the table of contents are presented for the purpose of additional analysis and was not a required part of the financial statements.

The supplemental schedule of Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual and Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual and Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual are fairly stated in all material respects in relation to the financial statements as a whole.

The Schedule of Debt Service Requirements to Maturity and Schedule of Assessed Valuation, Mill Levy, and Property Taxes Collected have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express any opinion or provide any assurance on them.

*Watson Coon Ryan, LLC*

Watson Coon Ryan, LLC  
June 21, 2023  
Centennial, Colorado

## **BASIC FINANCIAL STATEMENTS**

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

|                                      | Governmental<br>Activities |
|--------------------------------------|----------------------------|
| <b>ASSETS</b>                        |                            |
| Cash and Investments - Restricted    | \$ 590,298                 |
| Receivable - County Treasurer        | 66                         |
| Due from District No. 1              | 377                        |
| Property Taxes Receivable            | 12,839                     |
| Total Assets                         | 603,580                    |
| <b>LIABILITIES</b>                   |                            |
| Due to District No. 1                | 13                         |
| Accrued Interest Payable             | 153,155                    |
| Noncurrent Liabilities:              |                            |
| Due in More Than One Year            | 5,751,335                  |
| Total Liabilities                    | 5,904,503                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                            |
| Property Tax Revenues                | 12,839                     |
| Total Deferred Inflows of Resources  | 12,839                     |
| <b>NET POSITION</b>                  |                            |
| Restricted for:                      |                            |
| Debt Service                         | 59,297                     |
| Capital Projects                     | 26                         |
| Unrestricted                         | (5,373,085)                |
| Total Net Position                   | \$ (5,313,762)             |

See accompanying Notes to Basic Financial Statements.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

|   |                            | Program Revenues                         |  |                            | Net Revenues<br>(Expenses) and<br>Change in<br>Net Position |
|---|----------------------------|--|--|----------------------------|---|
| Expenses  | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities |   |
| <b>FUNCTIONS/PROGRAMS</b>                       |                            |  |  |                            |   |
| Primary Government:                             |                            |  |  |                            |   |
| Governmental Activities:                        |                            |  |  |                            |   |
| General Government                              | \$ 620,984                 | \$ -                                     | \$ -                                   | \$ (620,984)               |   |
| Interest and Related Costs<br>on Long-Term Debt | 310,913                    | -  | 325,000                                | 14,087                     |   |
| Total Governmental Activities                   | \$ 931,897                 | \$ -                                     | \$ 325,000                             | (606,897)                  |   |
| <b>GENERAL REVENUES</b>                         |                            |  |  |                            |   |
| Property Taxes                                  |                            |  |  | 12,839                     |   |
| Specific Ownership Taxes                        |                            |  |  | 918                        |   |
| Net Investment Income                           |                            |  |  | 3,548                      |   |
| Total General Revenues                          |                            |  |  | 17,305                     |   |
| <b>CHANGE IN NET POSITION</b>                   |                            |  |  | (589,592)                  |   |
| Net Position - Beginning of Year                |                            |  |  | (4,724,170)                |   |
| <b>NET POSITION - END OF YEAR</b>               |                            |  |  | \$ (5,313,762)             |   |

See accompanying Notes to Basic Financial Statements.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

|  | General  | Debt<br>Service | Capital<br>Projects | Total<br>Governmental<br>Fund |
|--|----------|-----------------|---------------------|-------------------------------|
| <b>ASSETS</b>  |          |                 |                     |                               |
| Cash and Investments - Restricted  | \$ -     | \$ 590,272      | \$ 26               | \$ 590,298                    |
| Due from District No. 1  | -        | 377             | -                   | 377                           |
| Receivable - County Treasurer  | 13       | 53              | -                   | 66                            |
| Due from Other Funds   | -        | -               | -                   | -                             |
| Property Taxes Receivable  | 2,568    | 10,271          | -                   | 12,839                        |
| <br>Total Assets   | \$ 2,581 | \$ 600,973      | \$ 26               | \$ 603,580                    |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>   |          |                 |                     |                               |
| <b>LIABILITIES</b>   |          |                 |                     |                               |
| Due to District No. 1  | \$ 13    | \$ -            | \$ -                | \$ 13                         |
| Total Liabilities  | 13       | -               | -                   | 13                            |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>   |          |                 |                     |                               |
| Deferred Property Taxes  | 2,568    | 10,271          | -                   | 12,839                        |
| Total Deferred Inflows of Resources  | 2,568    | 10,271          | -                   | 12,839                        |
| <br><b>FUND BALANCES</b>   |          |                 |                     |                               |
| Restricted for:  |          |                 |                     |                               |
| Debt Service   | -        | 590,702         | -                   | 590,702                       |
| Capital Projects   | -        | -               | 26                  | 26                            |
| Total Fund Balances  | -        | 590,702         | 26                  | 590,728                       |
| <br>Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balances   | \$ 2,581 | \$ 600,973      | \$ 26               |                               |
| <br>Amounts reported for governmental activities in the<br>statement of net position are different because:  |          |                 |                     |                               |
| <br>Long-term liabilities, including bonds payable, are not<br>due and payable in the current period and, therefore,<br>are not reported in the funds. |          |                 |                     |                               |
| Bonds Payable  |          |                 |                     | (5,751,335)                   |
| Accrued Interest on Bonds Payable  |          |                 |                     | (153,155)                     |
| Net Position of Governmental Activities  |          |                 |                     | \$ (5,313,762)                |

See accompanying Notes to Basic Financial Statements.

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

|                                    | General      | Debt<br>Service   | Capital<br>Projects | Total<br>Governmental<br>Fund |
|------------------------------------|--------------|-------------------|---------------------|-------------------------------|
| <b>REVENUES</b>                    |              |                   |                     |                               |
| Property Taxes                     | \$ 2,568     | \$ 10,271         | \$ -                | \$ 12,839                     |
| Specific Ownership Taxes           | 183          | 735               | -                   | 918                           |
| Facilities Fees                    | -            | 325,000           | -                   | 325,000                       |
| Net Investment Income              | -            | 3,483             | 65                  | 3,548                         |
| Total Revenues                     | <u>2,751</u> | <u>339,489</u>    | <u>65</u>           | <u>342,305</u>                |
| <b>EXPENDITURES</b>                |              |                   |                     |                               |
| General:                           |              |                   |                     |                               |
| County Treasurer's Fees            | 51           | 206               | -                   | 257                           |
| Transfer to District No. 1         | 2,700        | -                 | 618,233             | 620,933                       |
| Debt Service:                      |              |                   |                     |                               |
| Bond Interest - Series 2020A       | -            | 240,500           | -                   | 240,500                       |
| Paying Agent Fees                  | -            | 7,000             | -                   | 7,000                         |
| Total Expenditures                 | <u>2,751</u> | <u>247,706</u>    | <u>618,233</u>      | <u>868,690</u>                |
| <b>NET CHANGE IN FUND BALANCES</b> | -            | 91,783            | (618,168)           | (526,385)                     |
| Fund Balances - Beginning of Year  | -            | 498,919           | 618,194             | 1,117,113                     |
| <b>FUND BALANCES - END OF YEAR</b> | <u>\$ -</u>  | <u>\$ 590,702</u> | <u>\$ 26</u>        | <u>\$ 590,728</u>             |

See accompanying Notes to Basic Financial Statements.

**VILLAGES AT JOHNSTOWN 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 - Total Governmental Funds  | \$ (526,385)               |
| Amounts reported for governmental activities in the statement of activities are different because:  |                            |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. |                            |
| Amortization of Bond Premium  | 4,894                      |
| Accrued Interest on Bonds - Change in Liability   | <u>(68,101)</u>            |
| Change in Net Position of Governmental Activities   | <u><u>\$ (589,592)</u></u> |

See accompanying Notes to Basic Financial Statements.

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

|                                   | Original<br>and Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|---------------------------------|-------------------|---|
| <b>REVENUES</b>                   |                                 |                   |   |
| Property Taxes                    | \$ 2,568                        | \$ 2,568          | \$ -  |
| Specific Ownership Taxes          | 180                             | 183               | 3   |
| Other Income                      | <u>2,252</u>                    | <u>-</u>          | <u>(2,252)</u>  |
| Total Revenues                    | <u>5,000</u>                    | <u>2,751</u>      | <u>(2,249)</u>  |
| <b>EXPENDITURES</b>               |                                 |                   |   |
| County Treasurer's Fees           | 51                              | 51                | -   |
| Contingency                       | 2,252                           | -                 | 2,252   |
| Transfer to District No. 1        | <u>2,697</u>                    | <u>2,700</u>      | <u>(3)</u>  |
| Total Expenditures                | <u>5,000</u>                    | <u>2,751</u>      | <u>2,249</u>  |
| <b>NET CHANGE IN FUND BALANCE</b> | -                               | -                 | -   |
| Fund Balance - Beginning of Year  | <u>-</u>                        | <u>-</u>          | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b> | <u>\$ -</u>                     | <u>\$ -</u>       | <u>\$ -</u>   |

See accompanying Notes to Basic Financial Statements.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Villages at Johnstown Metropolitan District No. 3 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized concurrently with Villages of Johnstown District Nos. 1-2 and 4-8 (collectively, the Districts) by order and decree of the District Court for Larimer County on May 30, 2018 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

At a special election of the eligible electors of the District on May 8, 2018, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the acquisition, construction, installation, and completion of certain public improvements.

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 organization, 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 taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**VILLAGES AT JOHNSTOWN 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 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 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.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**VILLAGES AT JOHNSTOWN 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.

**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.

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

**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 assets 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.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

*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.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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 - Restricted | \$ 590,298 |
| Total Cash and Investments        | \$ 590,298 |

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

|                            |            |
|----------------------------|------------|
| Investments                | \$ 590,298 |
| Total Cash and Investments | \$ 590,298 |

**Cash Deposits**

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.

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.

As of December 31, 2022, the District had no cash deposits.

**Investments**

The District has adopted an investment policy by which it 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.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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 of the World Bank
- . Certain international agency securities
- . 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 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:

| Investment                                   | Maturity                   | Amount     |
|--|----------------------------|------------|
| Morgan Stanley Institutional Liquidity Funds | Weighted-Average<br>6 Days | \$ 590,298 |

**Fair Value Measurement**

The District Categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are the quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of December 31, 2022:

**Level 1 Inputs:**

**Morgan Stanley Institutional Liquidity Funds**

At December 31, 2022, all of District's funds held in trust accounts at United Missouri Bank were invested in the Morgan Stanley Institutional Liquidity Funds Treasury Portfolio that are valued using quoted market prices in active markets for identical assets. This portfolio is managed by Morgan Stanley and each share is equal in value to \$1.00. The fund is AAAM rated and invests in a process that seeks to select maturities based on the shape of the money market yield curve and on expectations as to future shifts in the level and shape of the curve, taking into consideration such factors as current short-term interest rates, Federal Reserve policy regarding interest rates, and U.S. economic activity. The average maturity of the underlying securities is six days.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS**

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

|                          | Balance -<br>December 31,<br>2021 | Additions   | Reductions      | Balance -<br>December 31,<br>2022 | Due Within<br>One Year |
|--------------------------|-----------------------------------|-------------|-----------------|-----------------------------------|------------------------|
| Governmental Activities: |                                   |             |                 |                                   |                        |
| Bonds Payable:           |                                   |             |                 |                                   |                        |
| Limited Tax General      |                                   |             |                 |                                   |                        |
| Obligation Bonds:        |                                   |             |                 |                                   |                        |
| Series 2020A             | \$ 4,810,000                      | \$ -        | \$ -            | \$ 4,810,000                      | \$ -                   |
| Series 2020A - Premium   | 103,229                           | -           | 4,894           | 98,335                            | -                      |
| Series 2020B             | 843,000                           | -           | -               | 843,000                           | -                      |
| Total                    | <u>\$ 5,756,229</u>               | <u>\$ -</u> | <u>\$ 4,894</u> | <u>\$ 5,751,335</u>               | <u>\$ -</u>            |

The details of the District’s general obligation bonds outstanding are as follows:

**Limited Tax General Obligation Bonds, Series 2020A (Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2020B (Subordinate Bonds)**

**Bond Issuance**

The District issued the Senior Bonds and Subordinate Bonds on December 22, 2020, in the par amounts of \$4,810,000 and \$843,000, respectively. Proceeds from the sale of the Senior Bonds were used to: (i) finance or reimburse the costs of public improvements related to a residential development in the Town; (ii) pay capitalized interest on the Senior Bonds; (iii) fund the Reserve Fund to the Reserve Requirement; and (iv) pay other costs in connection with the issuance of the Bonds. Proceeds of the Subordinate Bonds were used to finance or reimburse the costs of public improvements related to the development.

**Senior Bonds Details**

The Senior Bonds were issued as two-terms that bear interest at 5.000% (4.658% yield) and are payable semi-annually on June 1 and December 1 (each an Interest Payment Date), beginning on June 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2025. The term bonds mature on December 1, 2040 and December 1, 2050. To the extent principal of the Senior Bonds is not paid when due, such principal shall remain outstanding until paid, subject to discharge on December 1, 2059. To the extent interest on the Senior Bonds is not paid when due, such unpaid interest shall compound on each interest payment date, at the rate then borne by the Senior Bonds. The Senior Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on December 1, 2059. The Senior Bonds are not subject to early termination. The Senior Bonds are not subject to acceleration. The Senior Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Senior Bonds.

**Events of Default of the Senior Bonds**

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

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Limited Tax General Obligation Bonds, Series 2020A (Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2020B (Subordinate Bonds)**  
**(Continued)**

Senior Pledged Revenue

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue which means: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; (c) all Capital Fees; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

“Senior Property Tax Revenues” means all moneys derived from imposition by the District of the Senior Required Mill Levy and excludes Senior Specific Ownership Tax Revenues. Senior Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County. “Senior Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the District as a result of its imposition of the Senior Required Mill Levy. “Capital Fees” mean all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges and recurring fees) now or hereafter imposed by the District pledged to the payment of the Senior Bonds. Capital Fees do not include any fee imposed solely for the purpose of funding operation and maintenance expenses. Capital Fees include the Capital Facilities Fee which is a one-time fee in the amount of \$2,500 per lot which is due to the District on or before the issuance of a building permit.

Senior Required Mill Levy

The District has covenanted to impose a Senior Required Mill Levy upon all taxable property of the District each year in an amount necessary to generate Senior Property Tax Revenues sufficient to pay the Senior Bonds when due and to replenish the Reserve Fund to the Reserve Requirement, but not in excess of 40 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2018). For so long as the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy is to be equal to 40 mills (subject to adjustment), or such lesser amount that will generate Senior Property Tax Revenues: (a) sufficient to pay the Senior Bonds when due, to replenish the Reserve Fund to the Reserve Requirement, and to fully fund the Surplus Fund to the Maximum Surplus Amount, or (b) which, when combined with moneys then on deposit in the Senior Bond Fund, the Surplus Fund and the Reserve Fund, will pay the Senior Bonds in full in the year such levy is collected.

Additional Security for Senior Bonds

The Senior Bonds are additionally secured by capitalized interest which were funded from proceeds of the Senior Bonds in the amount of \$346,721, by the Reserve Fund which were funded from proceeds of the Senior Bonds in the amount of the Reserve Requirement of \$378,250, and by amounts, if any, in the Surplus Fund.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Limited Tax General Obligation Bonds, Series 2020A (Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2020B (Subordinate Bonds)**  
**(Continued)**

Additional Security for Senior Bonds (Continued)

Amounts on deposit in the Reserve Fund on the final maturity date of the Senior Bonds are to be applied to the payment of the Senior Bonds on such date. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy to be imposed in the levy year prior to the year of final maturity of the Senior Bonds. The balance in the Reserve Fund as of December 31, 2022, is \$378,250.

Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$481,000. Amounts on deposit in the Surplus Fund (if any) on the final maturity date of the Senior Bonds shall be applied to the payment of the Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in the levy year prior to the year of the final maturity of the Senior Bonds. The balance in the Surplus Fund as of December 31, 2022, is \$209,710.

Subordinate Bonds Details

The Subordinate Bonds bear interest at the rate of 7.500% per annum and are payable annually on December 15, beginning December 15, 2021, from and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2050. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. Principal on the Subordinate Bonds is to be paid on the Mandatory Redemption Date (each December 15) only to the extent of available Subordinate Pledged Revenue. To the extent principal of the Subordinate Bonds is not paid when due, such principal shall remain outstanding until paid, subject to discharge on December 15, 2059. To the extent interest on the Subordinate Bonds is not paid when due, such unpaid interest shall compound on each interest payment date, at the rate then borne by the Subordinate Bonds. The Subordinate Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on December 15, 2059. The Subordinate Bonds are not subject to acceleration. The Subordinate Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Subordinate Bonds.

Events of Default of the Subordinate Bonds

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

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Limited Tax General Obligation Bonds, Series 2020A (Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2020B (Subordinate Bonds) (Continued)**

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue which means: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) all Subordinate Capital Fee Revenue; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

“Subordinate Property Tax Revenues” means all moneys derived from imposition by the District of the Subordinate Required Mill Levy and excludes Subordinate Specific Ownership Tax Revenues. Subordinate Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. “Subordinate Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy. “Subordinate Capital Fee Revenue” means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Obligations.

Subordinate Required Mill Levy

The District has covenanted to impose a Subordinate Required Mill Levy upon all taxable property in the District each year in an amount equal to: (i) 40 mills (subject to adjustment) less the Senior Obligation Mill levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which will pay the Subordinate Bonds in full in the year such levy is collected. Senior Obligation Mill Levy means the sum of the Senior Required Mill Levy and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations.

Optional Redemption

The Senior Bonds and Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

| <u>Date of Redemption</u>             | <u>Redemption Premium</u> |
|---------------------------------------|---------------------------|
| December 1, 2025 to November 30, 2026 | 3.00%                     |
| December 1, 2026 to November 30, 2027 | 2.00                      |
| December 1, 2027 to November 30, 2028 | 1.00                      |
| December 1, 2028 and Thereafter       | 0.00                      |

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Limited Tax General Obligation Bonds, Series 2020A (Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2020B (Subordinate Bonds)**  
**(Continued)**

Principal and interest of the Senior Bonds are due as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|---------------------------------|---------------------|---------------------|---------------------|
| 2023                            | \$ -                | \$ 240,500          | \$ 240,500          |
| 2024                            | -                   | 240,500             | 240,500             |
| 2025                            | 5,000               | 240,500             | 245,500             |
| 2026                            | 65,000              | 240,250             | 305,250             |
| 2027                            | 65,000              | 237,000             | 302,000             |
| 2028 - 2032                     | 445,000             | 1,128,000           | 1,573,000           |
| 2033 - 2037                     | 650,000             | 997,500             | 1,647,500           |
| 2038 - 2042                     | 930,000             | 808,250             | 1,738,250           |
| 2043 - 2047                     | 1,285,000           | 542,250             | 1,827,250           |
| 2048 - 2050                     | 1,365,000           | 157,500             | 1,522,500           |
| Total                           | <u>\$ 4,810,000</u> | <u>\$ 4,832,250</u> | <u>\$ 9,642,250</u> |

The annual debt service requirements on the Subordinate Bonds are not included in the schedule above since they are payable only from available Subordinate Pledged Revenue.

**Authorized Debt**

At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

|                     | <u>Authorized<br/>May 8, 2018<br/>Election</u> | <u>Authorization<br/>Used<br/>Series 2020 A&amp;B</u> | <u>Remaining at<br/>December 31,<br/>2022</u> |
|---------------------|--|---|---|
| Public Improvements | \$ 700,000,000                                 | \$ 5,653,000  | \$ 694,347,000                                |
| Refunding           | 70,000,000                                     | -   | 70,000,000                                    |
| Total               | <u>\$ 770,000,000</u>                          | <u>\$ 5,653,000</u>                                   | <u>\$ 764,347,000</u>                         |

The Service Plan currently limits the aggregate Debt (as defined in the Service Plan) that may be issued by the Districts to \$72,500,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

The restricted net position includes 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:

|                               | Governmental<br>Activities |
|-------------------------------|----------------------------|
| Restricted Net Position:      |                            |
| Debt Service                  | \$ 59,297                  |
| Capital Projects              | 26                         |
| Total Restricted Net Position | \$ 59,323                  |

The District has a deficit in unrestricted net position. This deficit is due to bond proceeds that were transferred to District No. 1.

**NOTE 6 AGREEMENTS**

**District Coordinating Services Agreement (District Nos. 1-8)**

Effective as of October 20, 2020, the Districts entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain public improvements within such Districts. Pursuant to the Coordinating Services Agreement, District No. 1 was designated as the “coordinating district” (the Coordinating District). The District, District No. 2, and District Nos. 4-8 were each designated as “financing districts” (the Financing Districts).

**NOTE 7 RELATED PARTIES**

The property within the District is being developed by J-25 Land Holding, LLC (Developer). During 2022, all of the members of the Board of Directors were officers or employees of, or otherwise associated with the Developer, and may have conflicts of interest in matters involving the District.

**Amended and Restated Infrastructure Acquisition and Reimbursement Agreement**

The District, District No. 1, and the Developer entered into an Infrastructure Acquisition and Reimbursement Agreement, and Addendum, effective October 20, 2020. The District, District No. 1, and the Developer then entered into an Amended and Restated Infrastructure Acquisition and Reimbursement Agreement on December 21, 2021. Pursuant to the agreement, the District and the Developer acknowledge that District No. 1 is authorized to construct, acquire and install public improvements, and other facilities and services that benefit the Property, subject to the limitations set forth in the Service Plan.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 RELATED PARTIES (CONTINUED)**

**Amended and Restated Infrastructure Acquisition and Reimbursement Agreement  
(Continued)**

The parties agreed that only completed phases of work shall be eligible for reimbursement by the District. The District agrees to reimburse the Developer for certified construction costs related to improvements together within simple interest that shall accrue on amounts reimbursable to the Developer under this agreement, until paid, at the rate of six and a half percent (6.5%) per annum.

Pursuant to the Coordinating Agreement, District No. 1, as the “Coordinating District,” will own, operate, and maintain all public infrastructure within the boundaries of Villages at Johnstown Metropolitan District Nos. 1-8 and the District, as a “Financing District” and along with the other Financing Districts, is responsible for its respective share of any and all costs, fees, charges, and expenses incurred by District No. 1 in providing administrative, operations, and maintenance services to and for the benefit of the Districts. Therefore, any advances under this agreement are recognized by District No. 1.

**NOTE 8 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). 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.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATION**

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. During the May 8, 2018 election, the District's voters allowed the District to collect and spend revenues without regard to any spending, revenue raising, or other limitations contained within TABOR.

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, will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**

**VILLAGES AT JOHNSTOWN 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<br>and Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|---------------------------------|-------------------|---|
| <b>REVENUES</b>                   |                                 |                   |   |
| Property Taxes                    | \$ 10,271                       | \$ 10,271         | \$ -  |
| Specific Ownership Taxes          | 719                             | 735               | 16  |
| Facilities Fees                   | 270,000                         | 325,000           | 55,000  |
| Net Investment Income             | 500                             | 3,483             | 2,983   |
| Total Revenues                    | <u>281,490</u>                  | <u>339,489</u>    | <u>57,999</u>   |
| <b>EXPENDITURES</b>               |                                 |                   |   |
| County Treasurer's Fees           | 205                             | 206               | (1)   |
| Contingency                       | 2,295                           | -                 | 2,295   |
| Bond Interest - Series 2020A      | 240,500                         | 240,500           | -   |
| Paying Agent Fees                 | 7,000                           | 7,000             | -   |
| Total Expenditures                | <u>250,000</u>                  | <u>247,706</u>    | <u>2,294</u>  |
| <b>NET CHANGE IN FUND BALANCE</b> | 31,490                          | 91,783            | 60,293  |
| Fund Balance - Beginning of Year  | <u>539,420</u>                  | <u>498,919</u>    | <u>(40,501)</u>   |
| <b>FUND BALANCE - END OF YEAR</b> | <u>\$ 570,910</u>               | <u>\$ 590,702</u> | <u>\$ 19,792</u>  |

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

|                                   | Original<br>and Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|---------------------------------|-------------------|---|
| <b>REVENUES</b>                   |                                 |                   |   |
| Net Investment Income             | \$ 1,500                        | \$ 65             | \$ (1,435)  |
| Total Revenues                    | 1,500                           | 65                | (1,435)   |
| <b>EXPENDITURES</b>               |                                 |                   |   |
| Transfers to District No. 1       | 3,870,032                       | 618,233           | 3,251,799   |
| Total Expenditures                | 3,870,032                       | 618,233           | 3,251,799   |
| <b>NET CHANGE IN FUND BALANCE</b> | (3,868,532)                     | (618,168)         | 3,250,364   |
| Fund Balance - Beginning of Year  | 3,868,532                       | 618,194           | (3,250,338)   |
| <b>FUND BALANCE - END OF YEAR</b> | \$ -                            | \$ 26             | \$ 26   |

## **OTHER INFORMATION**

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

\$4,810,000 General Obligation Limited Tax Bonds  
Series 2020A, Dated December 22, 2020  
Interest Rate 5.000%  
Principal Due December 1  
Interest Payable June 1 and December 1

| <u>Year Ending December 31,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|---------------------------------|---------------------|---------------------|---------------------|
| 2023                            | \$ -                | \$ 240,500          | \$ 240,500          |
| 2024                            | -                   | 240,500             | 240,500             |
| 2025                            | 5,000               | 240,500             | 245,500             |
| 2026                            | 65,000              | 240,250             | 305,250             |
| 2027                            | 65,000              | 237,000             | 302,000             |
| 2028                            | 75,000              | 233,750             | 308,750             |
| 2029                            | 80,000              | 230,000             | 310,000             |
| 2030                            | 90,000              | 226,000             | 316,000             |
| 2031                            | 95,000              | 221,500             | 316,500             |
| 2032                            | 105,000             | 216,750             | 321,750             |
| 2033                            | 110,000             | 211,500             | 321,500             |
| 2034                            | 120,000             | 206,000             | 326,000             |
| 2035                            | 130,000             | 200,000             | 330,000             |
| 2036                            | 140,000             | 193,500             | 333,500             |
| 2037                            | 150,000             | 186,500             | 336,500             |
| 2038                            | 165,000             | 179,000             | 344,000             |
| 2039                            | 170,000             | 170,750             | 340,750             |
| 2040                            | 185,000             | 162,250             | 347,250             |
| 2041                            | 195,000             | 153,000             | 348,000             |
| 2042                            | 215,000             | 143,250             | 358,250             |
| 2043                            | 225,000             | 132,500             | 357,500             |
| 2044                            | 240,000             | 121,250             | 361,250             |
| 2045                            | 255,000             | 109,250             | 364,250             |
| 2046                            | 275,000             | 96,500              | 371,500             |
| 2047                            | 290,000             | 82,750              | 372,750             |
| 2048                            | 310,000             | 68,250              | 378,250             |
| 2049                            | 325,000             | 52,750              | 377,750             |
| 2050                            | 730,000             | 36,500              | 766,500             |
| Total                           | <u>\$ 4,810,000</u> | <u>\$ 4,832,250</u> | <u>\$ 9,642,250</u> |

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 DECEMBER 31, 2022**

| Year Ended<br>December 31,                               | Prior Year<br>Assessed<br>Valuation for<br>Current Year<br>Property<br>Tax Levy | Mills Levied for |              | Total<br>Property Taxes |           | Percent<br>Collected<br>to Levied |
|--|---|------------------|--------------|-------------------------|-----------|-----------------------------------|
|  |   | General          | Debt Service | Levied                  | Collected |                                   |
| 2019   | \$ 59   | 0.000            | 0.000        | \$ -                    | \$ -      | N/A                               |
| 2020   | 415   | 10.000           | 40.000       | 21                      | 21        | 100.00 %                          |
| 2021   | 7,944   | 10.000           | 40.000       | 400                     | 400       | 100.00                            |
| 2022   | 256,777   | 10.000           | 40.000       | 12,839                  | 12,839    | 100.00                            |
| Estimated for the<br>Year Ending<br>December 31,<br>2023 | \$ 256,777  | 10.000           | 40.000       | \$ 12,839               |           |                                   |