



ICENOGLÉ SEAVER POGUE

September 29, 2023

Town of Johnstown
450 S. Parish Ave.
Johnstown, Colorado 80534
(Via Email: council@johnstownco.gov)

Office of the State Auditor
1525 Sherman Street, 7th Floor
Denver, Colorado 80203
(Via E-Portal)

Division of Local Government
1313 Sherman Street
Room 521
Denver, Colorado 80203
(Via E-Portal)

Larimer County Clerk and Recorder
Larimer County Colorado
P.O. Box 1280
Fort Collins, Colorado 80522
(Via Email: recording@larimer.org)

Re: Annual Report for Johnstown North Metropolitan Districts Nos. 1 – 3

To Whom It May Concern:

Pursuant to Section 32-1-207(3) C.R.S., enclosed please find the 2022 Annual Report for Johnstown North Metropolitan Districts Nos. 1 – 3.

Please contact our office with any questions regarding the Annual Report.

Sincerely,

Alexandra L. Mejia
Alexandra L. Mejia, Esq.

Alexandra L. Mejia | AMEjia@isp-law.com | Direct 303.867.3016

4725 S. Monaco St., Suite 360 | Denver, CO 80237 | 303.292.9100 | fax 303.292.9101 | www.isp-law.com

JOHNSTOWN NORTH METROPOLITAN DISTRICT NOS. 1-3
ANNUAL REPORT PURSUANT TO SECTION 32-1-207(3)(c), C.R.S.

Pursuant to Section 32-1-207(3)(c), C.R.S., the Johnstown North Metropolitan District Nos. 1-3 (the “Districts”) are required to submit an annual report for the preceding calendar year commencing in 2023 for the 2022 calendar year to the Town of Johnstown (the “Town”), the Division of Local Government, the state auditor, and the Larimer County Clerk and Recorder. The Districts hereby submit this annual report pursuant to Section 32-1-207(3)(c), C.R.S. to satisfy the reporting requirement for the year 2022.

For the year ending December 31, 2022, the Districts make the following report:

(A) Boundary changes made.

The Districts had no boundary changes in 2022.

(B) Intergovernmental agreements entered into or terminated with other governmental entities.

On November 2, 2022, the Districts entered into that certain Amended and Restated Intergovernmental Agreement Concerning District Operations (“Amended and Restated Master IGA”). The Amended and Restated Master IGA terminated the prior Master IGA among the Districts dated May 1, 2019.

(C) Access information to obtain a copy of rules and regulations adopted by the board.

For information concerning rules and regulations adopted by the District, please contact the District’s Manager:

Bryan Newby/ Sarah Bromley
Pinnacle Consulting Group, Inc.
550 W. Eisenhower Blvd
Loveland CO, 80537
Phone: (970) 669-3611
Email: bryann@pcgi.com and/or sarahbromley@pcgi.com

(D) A summary of litigation involving public improvements owned by the special district.

As of December 31, 2022, the Districts’ were not involved in any litigation concerning public improvements owned by the Districts.

(E) The status of the construction of public improvements by the special district.

- A. Iron horse Filing 3 – Preliminary infrastructure, including streetlights and storm water were completed.
- B. Iron Horse Filing 2 lot 1 amended – grading and utility infrastructure were installed.
- C. Monument Sign – Landscaping was completed.

(F) A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.

As of December 31, 2022, no facilities or improvements constructed by the Districts were conveyed or dedicated to the Town.

(G) The final assessed valuation of the special district as of December 31 of the reporting year.

District No. 1:	\$27
District No. 2:	\$17,758,483
District No. 3:	\$17,460

(H) A copy of the current year's budget.

Copies of the Districts 2023 Budgets are attached hereto as Exhibit A.

(I) A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

A copy of the 2022 audits for District No. 1 and District No. 2 and the Application for Exemption from Audit for District No. 3 are attached hereto as Exhibit B.

(J) Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.

As of December 31, 2022, the Districts did not receive any notice of uncured defaults existing for more than ninety (90) days under any debt instrument.

(K) Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

As of December 31, 2022, the Districts did not have any inability to pay its obligations as they come due under any obligation which continued beyond a ninety (90) day period.

EXHIBIT A
2023 BUDGETS

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2023

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
JOHNSTOWN NORTH)
METROPOLITAN)
DISTRICT NO. 1)

The Board of Directors of the Johnstown North Metropolitan District No. 1, Larimer County, Colorado, held a meeting via Microsoft Teams Friday, November 11, 2022 at 8:00 A.M.

The following members of the Board of Directors were present: (Via Teleconference)

Kim Perry, President & Chairperson
Abby Kirkbride, Vice President/Assistant Secretary
Josh Kane, Treasurer/Secretary
Sam Salazar, Asst. Secretary/Asst. Treasurer
Tim DePeder, Asst. Secretary/Asst. Treasurer

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C. (Via Teleconference)
Jim Niemczyk, Mike McBride, and Samantha Romero; McWhinney
(Via Teleconference)
Andrew Kunkel, Kevin Mitts, Kieyesia Conaway, Irene Buenavista, Randall Provencio,
Doug Campbell, and Dillon Gamber; Pinnacle Consulting Group, Inc.
(Via Teleconference)

Mr. Kunkel stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Perry opened the public hearing on the District's proposed 2023 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Kane moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the Johnstown North Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on October 20, 2022 in The Johnstown Breeze, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 11, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1 OF LARIMER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Johnstown North Metropolitan District No. 1 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$0. That the 2022 valuation for assessment, as certified by the Larimer County Assessor, is \$27.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 0.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the Johnstown North Metropolitan District No. 1,
(taxing entity)^A

the Board of Directors,
(governing body)^B


of the Johnstown North Metropolitan District No. 1,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 27 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 27 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2022 for budget/fiscal year 2023.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ <u>0.00</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0.00
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	0.000 mills	\$ 0.00

Contact person: Brendan Campbell Daytime phone: (970) 669-3611
 (print)
 Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Kane, Treasurer and Secretary of the District, and made a part of the public records of Johnstown North Metropolitan District No. 1.

The foregoing Resolution was seconded by Director Kirkbride.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 11th day of November 2022.

DocuSigned by:
Kim Perry
B786C9D42F3647F...

President

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
JOHNSTOWN NORTH)
METROPOLITAN)
DISTRICT NO. 1)

I, Josh Kane, Treasurer and Secretary to the Board of Directors of the Johnstown North Metropolitan District No. 1, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Friday, November 11, 2022, at 8:00 a.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 11th day of November, 2022.

DocuSigned by:
Josh Kane
FCDC7E37AAA642A...



Management Budget Report

BOARD OF DIRECTORS
JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023 including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to read "Jim Butcher", is positioned above the typed name and date.

Pinnacle Consulting Group, Inc.
January 11, 2023

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Unaudited	Amended	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Service Fees District #2	\$ 183,474	\$ 178,205	\$ 178,205	\$ 149,172
Service Fees District #3	79	89	89	147
Reimbursements	6,195	-	18,392	-
Pump Maintenance Fees	-	-	-	9,600
Interest and Other	-	1,433	1,433	1,250
Utility Income	2,163	1,158	1,158	1,230
Total Revenues	\$ 191,911	\$ 180,885	\$ 199,277	\$ 161,399
Expenditures				
Operations & Maintenance:				
Landscape Maintenance	\$ 4,995	\$ 6,669	\$ 6,669	\$ 9,652
Hardscape Maintenance	683	2,050	2,050	2,500
Public Land Maintenance	4,245	7,000	7,000	7,500
Storm Water Facility Maintenance	1,260	6,665	6,665	3,750
Sewer Facility Maintenance	7,747	19,000	19,000	8,600
Misc Services	-	200	200	200
Repairs and Replacements	1,754	2,200	2,200	3,200
Non-pot System	1,681	900	900	954
Utilities	978	1,200	1,200	1,250
Facilities Management	9,600	10,400	10,400	11,500
Administration:				
Accounting	22,320	28,210	28,210	35,500
Audit	5,500	-	-	12,000
District Management	18,240	22,360	22,360	28,000
District Engineer	-	1,650	1,650	1,650
Director's Fees	2,099	2,000	2,000	2,500
Elections	-	1,501	1,501	1,500
Insurance	9,795	9,557	9,557	10,700
Legal	27,069	20,000	20,000	22,000
Office, Dues and Other	2,783	4,000	4,000	5,093
Contingency	-	-	-	10,000
Total Expenditures	\$ 120,749	\$ 145,562	\$ 145,562	\$ 178,049
Revenues over/(under) Expenditures	\$ 71,162	\$ 35,323	\$ 53,715	\$ (16,650)
Beginning Fund Balance	\$ 212,330	\$ 286,501	\$ 283,492	\$ 337,207
Ending Fund Balance	\$ 283,492	\$ 321,824	\$ 337,207	\$ 320,557
COMPONENTS OF ENDING FUND BALANCE:				
Emergency Reserve (3% of Revenues)	\$ 5,757	\$ 5,757	\$ 4,850	\$ 4,850
Operating Reserve (25% of Expenses)	30,187	36,391	43,382	44,512
Repairs & Replacement Reserve	40,145	40,403	40,403	40,421
Pump Repairs and Maintenance Reserve	-	-	-	1,000
Unrestricted	207,403	239,274	248,572	229,774
TOTAL ENDING FUND BALANCE	\$ 283,492	\$ 321,824	\$ 337,207	\$ 320,557
Mill Levy				
Operating	0.000	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000	0.000
Total Mill Levy	0.000	0.000	0.000	0.000
Assessed Value	\$ 29	\$ 29	\$ 29	\$ 27
Property Tax Revenue				
Operating	-	-	-	-
Debt Service	-	-	-	-
Total Property Tax Revenue	\$ -	\$ -	\$ -	\$ -

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
CAPITAL PROJECTS FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Capital Advances	\$ -	\$ -	\$ -	\$ 1,250,000
Reimbursements	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ 1,250,000
Expenditures				
District Engineering	\$ 1,436	\$ 5,000	\$ 1,700	\$ 5,000
District Management	7,150	20,000	10,920	20,000
Planning/Engineering Management	-	25,000	1,500	25,000
Iron Horse Filing 2 Lot 1 Amend	5,345	50,000	240,000	7,336
Iron Horse Filing 3	89,715	2,118,451	211,845	1,250,000
Monumentation	5,073	75,000	120,923	12,000
Iron Horse Filing 2, Lot 1	-	75,000	215,728	-
Iron Horse Filing 2, Lot 2	-	20,000	-	-
Capital Advances Repayment	-	-	3,000,000	-
Total Capital Expenditures	\$ 108,719	\$ 2,388,451	\$ 3,802,616	\$ 1,319,336
Revenues over/(under) Expend	\$ (108,719)	\$ (2,388,451)	\$ (3,802,616)	\$ (69,336)
Other Sources/(Uses) of Funds:				
Loan Proceeds	\$ -	\$ 1,542,178	\$ -	\$ -
Bond Proceeds	-	10,345,000	-	-
Cost of Issuance	-	(672,600)	-	-
Transfer to Debt Service Fund	-	(6,434,105)	-	-
Transfer from District 2	-	-	3,892,354	4,584
Net Other Sources/(Uses) of Funds	\$ -	\$ 4,780,473	\$ 3,892,354	\$ 4,584
Rev Over/(Under) Exp after Other	\$ (108,719)	\$ 2,392,022	\$ 89,738	\$ (64,752)
Beginning Fund Balance	\$ 351,364	\$ 78,447	\$ 242,645	\$ 337,207
Ending Fund Balance	\$ 242,645	\$ 2,470,469	\$ 332,383	\$ 272,455

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Service Fees, District No. 2	\$ 242,496	\$ 233,305	\$ 249,969	\$ -
Service Fees, District No. 3	105	107	107	-
Interest & Other Income	-	5,000	-	-
Total Revenues	\$ 242,601	\$ 238,412	\$ 250,076	\$ -
Expenditures				
Loan Interest	\$ 103,411	\$ 99,511	\$ 50,214	\$ -
Loan Principal	75,000	-	-	-
Bond Interest	-	219,375	-	-
Non-Use Fee	8,872	1,181	3,670	-
Loan Refunding	-	4,335,000	2,832,489	-
Paying Agent Fees	2,000	11,000	2,200	-
Contingency	-	5,000	-	-
Total Expenditures	\$ 189,282	\$ 4,671,067	\$ 2,888,573	\$ -
Other Sources/(Uses) of Funds:				
Transfer from Capital Fund	\$ -	\$ 6,434,105	\$ -	\$ -
Transfer from District 2	-	-	2,416,713	-
Cost of Issuance	-	-	(4,330)	-
Net Other Sources/(Uses) of Funds	\$ -	\$ 6,434,105	\$ 2,412,383	\$ -
Revenues over/(under) Expenditures	\$ 53,319	\$ 2,001,450	\$ (226,114)	\$ -
Beginning Fund Balance	\$ 172,795	\$ 227,069	\$ 226,114	\$ -
Ending Fund Balance	\$ 226,114	\$ 2,228,519	\$ -	\$ -

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1
2023 BUDGET MESSAGE

Johnstown North Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act and was formed in November 2006. The District was established as part of a “Multiple District Structure” for the “Iron Horse” commercial community located in the Town of Johnstown, Colorado. Along with its companion Districts No. 2 and No. 3, (“Finance District”), this “Service District” was organized to provide financing for the acquisition, construction and installation of public improvements including but not limited to wastewater systems, storm drainage, streets and roadway landscaping, signage and signals; park and recreation improvements and public transit and to provide the operation and maintenance of these improvements.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2023 budget, the following goals are foremost for the District:

- Provide the level of street, safety, drainage, and park and recreational services as desired by the property owners and constituents of the Multiple Districts in the most economic manner possible.
- Provide an unwavering commitment to honoring the District’s debt obligations and contractual agreements.

General Fund

Revenues

Anticipated 2023 service fee revenues from District Nos. 2 and 3 for general operations total \$149,321. With interest and other income and utility income, revenues total \$161,401.

Expenses

General operations expenses are estimated to be \$178,049 for 2023. Costs include routine services associated with landscaping, undeveloped public land, and storm water facilities. They also provide allowances for anticipated needs such as winter watering, pest control, general site cleanup, snow removal, and irrigation repair, and GIS implementation

Fund Balance/Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2023, as defined under TABOR and holds the TABOR reserve for District Nos. 1-3.

Capital Projects Fund

Capital Project expenses in the amount of \$1,319,336 are budgeted for 2023. Expenses will be funded through reserve balances and capital advances.

Debt Service Fund

On May 1, 2019 the District entered into a Loan Agreement which authorized a principal loan amount of \$3,000,000. The note carries an interest rate of 3.56%. Proceeds were used to refund prior Loan agreements and capital project construction. In 2022, the principal balance of \$3,000,000 on the note was refunded by the Series 2022A and Series 2022B bonds.

On November 1, 2022 Johnstown North Metropolitan District No. 2 issued the Series 2022A and 2022B bonds in an amount totaling \$8,025,000. Bond proceeds were used to refund \$3,000,000 of Developer notes. The remaining funds are available for capital project construction.

No activity is anticipated in the Debt Service fund for 2023.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 169 - JOHNSTOWN NORTH METRO DISTRICT NO. 1
 IN LARIMER COUNTY ON 11/17/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$29
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *		\$27
3. LESS TIF DISTRICT INCREMENT, IF ANY:		\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$27
5. NEW CONSTRUCTION: **		\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #		\$0
7. ANNEXATIONS/INCLUSIONS:		\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #		\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##		\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):		\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):		\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @		\$100
ADDITIONS TO TAXABLE REAL PROPERTY:		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !		\$0
3. ANNEXATIONS/INCLUSIONS:		\$0
4. INCREASED MINING PRODUCTION: %		\$0
5. PREVIOUSLY EXEMPT PROPERTY:		\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:		\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:		\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)		
DELETIONS FROM TAXABLE REAL PROPERTY:		
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:		\$0
9. DISCONNECTIONS/EXCLUSION:		\$0
10. PREVIOUSLY TAXABLE PROPERTY:		\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2023

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
JOHNSTOWN NORTH)
METROPOLITAN)
DISTRICT NO. 2)

The Board of Directors of the Johnstown North Metropolitan District No. 2, Larimer County, Colorado, held a meeting via Microsoft Teams Friday, November 11, 2022 at 8:00 A.M.

The following members of the Board of Directors were present: (Via Teleconference)

Kim Perry, President & Chairperson
Abby Kirkbride, Vice President/Assistant Secretary
Josh Kane, Treasurer/Secretary
Sam Salazar, Asst. Secretary & Asst. Treasurer
Tim DePeder, Asst. Secretary & Asst. Treasurer

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C. (Via Teleconference)
Jim Niemczyk, Mike McBride, and Samantha Romero; McWhinney
(Via Teleconference)
Andrew Kunkel, Kevin Mitts, Kieyesia Conaway, Irene Buenavista, Randall Provencio,
Doug Campbell, and Dillon Gamber; Pinnacle Consulting Group, Inc.
(Via Teleconference)

Mr. Kunkel stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Perry opened the public hearing on the District's proposed 2023 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Kane moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the Johnstown North Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on October 20, 2022 in The Johnstown Breeze, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 11, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2 OF LARIMER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Johnstown North Metropolitan District No. 2 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$443,962.07. That the 2022 valuation for assessment, as certified by the Larimer County Assessor, is \$17,758,483.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

B. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all general obligation bonds and interest expense of the District during the 2023 budget year, there is hereby levied a tax of 17.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

C. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2023 budget year, there is hereby levied a tax of 8.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 25.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the Johnstown North Metropolitan District No. 2,
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Johnstown North Metropolitan District No. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 17,758,483 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 17,758,483 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/10/2022 for budget/fiscal year 2023.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< _____ > mills	\$ < _____ >
SUBTOTAL FOR GENERAL OPERATING:	<input type="text"/> mills	\$ <input type="text"/>
3. General Obligation Bonds and Interest ^J	<u>17.000</u> mills	\$ <u>301,894.21</u>
4. Contractual Obligations ^K	<u>8.000</u> mills	\$ <u>142,067.86</u>
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<input type="text"/> <u>25.000</u> mills	\$ <input type="text"/> <u>443,962.07</u>

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611
Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|--|
| 1. | Purpose of Issue: | Repay Johnstown North Metropolitan District No. 1. Series 2022A Senior Bonds |
| | Series: | 2022 |
| | Date of Issue: | 10/16/22 |
| | Coupon Rate: | 7% |
| | Maturity Date: | 08/15/2052 |
| | Levy: | 17.000 |
| | Revenue: | \$301,894.21 |
| | | |
| 2. | Purpose of Issue: | Repay Johnstown North Metropolitan District No. 1 Series 2022B Subordinate Bonds |
| | Series: | 2022 |
| | Date of Issue: | 10/19/22 |
| | Coupon Rate: | 9.125% |
| | Maturity Date: | 09/01/2052 |
| | Levy: | 17.00 |
| | Revenue: | \$301,894.21 |

CONTRACTS^K:

- | | | |
|----|----------------------|---|
| 3. | Purpose of Contract: | To fund the operations and maintenance of Johnstown North Metropolitan District No. 2's infrastructure improvements |
| | Title: | District Facilities Construction and Service Agreement |
| | Date: | 1/17/2007 |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | 8.000 |
| | Revenue: | \$142,067.86 |
| | | |
| 4. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Kane, Treasurer and Secretary of the District, and made a part of the public records of Johnstown North Metropolitan District No. 2.

The foregoing Resolution was seconded by Director Kirkbride.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 11th day of November 2022.

DocuSigned by:
Kim Perry
B786C9D42F3647F...

President

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
JOHNSTOWN NORTH)
METROPOLITAN)
DISTRICT NO. 2)

I, Josh Kane, Treasurer and Secretary to the Board of Directors of the Johnstown North Metropolitan District No. 2, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Friday, November 11, 2022, at 8:00 a.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 11th day of November, 2022.

DocuSigned by:

Josh Kane

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Management Budget Report

BOARD OF DIRECTORS
JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023 including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink that reads "Jen Buck".

Pinnacle Consulting Group, Inc.
January 11, 2023

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Taxes	\$ 173,740	\$ 169,721	\$ 169,721	\$ 142,068
Specific Ownership Taxes	13,208	11,880	11,880	9,945
Interest & Other	1	10,000	-	1,000
Total Revenues	\$ 186,949	\$ 191,602	\$ 181,602	\$ 153,013
Expenditures				
Payment for Services to No. 1 - O&M	\$ 183,474	\$ 178,207	\$ 178,205	\$ 149,172
Treasurer's Fees	3,475	3,394	3,397	2,841
Contingency	-	10,000	-	1,000
Total Operating Expenditures	\$ 186,949	\$ 191,601	\$ 181,602	\$ 153,013
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -
Mill Levy				
Operating	10.768	10.405	10.405	8.000
Debt Service	14.232	14.595	14.595	17.000
Total Mill Levy	25.000	25.000	25.000	25.000
Assessed Value	\$ 16,134,830	\$ 16,311,497	\$ 16,311,497	\$ 17,758,483
Property Tax Revenue				
Operating	173,740	169,721	169,721	142,068
Debt Service	229,631	238,066	238,066	301,894
Total Property Tax Revenue	\$ 403,371	\$ 407,787	\$ 407,787	443,962

Modified Accrual Budgetary Basis

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Transfer from Capital Fund	\$ -	\$ -	\$ 1,102,706	\$ -
Property Tax	229,632	238,066	238,066	301,894
Specific Ownership Taxes	17,457	16,665	16,665	21,133
Service Fees, District No. 3	-	-	-	312
Total Revenues	\$ 247,089	\$ 254,731	\$ 1,357,437	\$ 323,339
Expenditures				
Bond Interest	\$ -	\$ -	\$ 33,974	\$ 421,750
Payment for Services to No. 1 - Debt	242,496	249,969	249,969	-
Transfer to District 1 - Capital	-	-	-	4,584
Treasurer's Fees	4,593	4,761	4,765	6,038
Trustee Fees	-	-	-	7,000
Total Expenditures	\$ 247,089	\$ 254,730	\$ 288,708	\$ 439,372
Revenues Over/(Under) Expenditures	\$ -	\$ 0	\$ 1,068,729	\$ (116,033)
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ 1,068,729
Ending Fund Balance	\$ -	\$ 0	\$ 1,068,729	\$ 952,695
COMPONENTS OF ENDING FUND BALANCE:				
Capitalized Interest Fund	\$ -	\$ -	\$ 482,436	\$ 365,754
Debt Service Reserve	61,772	63,683	586,293	586,293
Bond Fund	-	-	0	649
TOTAL ENDING FUND BALANCE	\$ 61,772	\$ 0	\$ 1,068,729	\$ 952,695

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
CAPITAL PROJECTS FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Bond Proceeds	\$ -	\$ -	\$ 8,025,000	\$ -
Total Revenues	\$ -	\$ -	\$ 8,025,000	\$ -
Expenditures				
Transfer to District #1 - Capital	\$ -	\$ -	\$ 3,892,354	\$ -
Transfer to District #1 - DS	-	-	2,416,713	-
Transfer to Debt Service Fund	-	-	1,102,706	-
Cost of Issuance	-	-	613,227	-
Total Expenditures	\$ -	\$ -	\$ 8,025,000	\$ -
Revenues over/(under) Expend	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2 2023 BUDGET MESSAGE

Johnstown North Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in November 2006. The District was established as part of a “Multiple District Structure” for the “Iron Horse” commercial community located in the Town of Johnstown, Colorado. Along with its companion District No. 1, (“Service District”) and District No. 3, (“Finance District”), this Finance District was organized to provide financing for the acquisition, construction and installation of public improvements including but not limited to wastewater systems, storm drainage, streets and roadway landscaping, signage and signals; park and recreation improvements and public transit and to provide the operation and maintenance of these improvements.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2023 budget, the following goals are foremost for the District:

- To collect property taxes for distribution to the Service District in order to provide the level of services desired by the property owners of the District in the most economic manner possible.

General Fund

Revenues

The District has an assessed value of \$17,758,483 and will levy 8.000 mills for the General Fund, yielding an anticipated \$142,068 in property taxes and \$9,945 of specific ownership taxes. Combined with other revenues, total revenues are budgeted at \$153,013.

Expenses

Budgeted District expenses total \$153,013. Service Fee payments in the amount of \$149,172 are budgeted for operations and maintenance services and debt service.

Reserves

The District transfers all of its revenue to Johnstown North Metropolitan District No. 1 as provided for in an intergovernmental agreement between Johnstown North Metropolitan District Nos. 1-3. Therefore, no emergency reserve has been provided for in Johnstown North Metropolitan District No. 2. The emergency reserve related to this District is held in Johnstown North Metropolitan District No. 1.

Debt Service Fund

Revenues

The District budgeted total Debt Service revenues of \$323,339 primarily from property taxes of \$301,894.

Expenses

The District budgeted total Debt Service expenditures of \$439,372. \$421,750 is budgeted for bond interest.

Fund Balances/Reserves

The District anticipates an ending fund balance of \$952,700 in 2023.

Capital Projects Fund

No activity is anticipated in the Capital Projects Fund for 2023.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 170 - JOHNSTOWN NORTH METRO DISTRICT NO. 2
 IN LARIMER COUNTY ON 11/17/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$16,311,497
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *		\$17,758,483
3. LESS TIF DISTRICT INCREMENT, IF ANY:		\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$17,758,483
5. NEW CONSTRUCTION: **		\$1,129,842
6. INCREASED PRODUCTION OF PRODUCING MINES: #		\$0
7. ANNEXATIONS/INCLUSIONS:		\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #		\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##		\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a) C.R.S.):		\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):		\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @		\$38,037,750
ADDITIONS TO TAXABLE REAL PROPERTY:		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !		\$3,896,000
3. ANNEXATIONS/INCLUSIONS:		\$0
4. INCREASED MINING PRODUCTION: %		\$0
5. PREVIOUSLY EXEMPT PROPERTY:		\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:		\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:		\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)		
DELETIONS FROM TAXABLE REAL PROPERTY:		
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:		\$0
9. DISCONNECTIONS/EXCLUSION:		\$0
10. PREVIOUSLY TAXABLE PROPERTY:		\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$11,918
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 3
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2023

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
JOHNSTOWN NORTH)
METROPOLITAN)
DISTRICT NO. 3)

The Board of Directors of the Johnstown North Metropolitan District No. 3, Larimer County, Colorado, held a meeting via Microsoft Teams Friday, November 11, 2022 at 8:00 A.M.

The following members of the Board of Directors were present: (Via Teleconference)

Kim Perry, President & Chairperson
Abby Kirkbride, Vice President/Assistant Secretary
Josh Kane, Treasurer/Secretary
Sam Salazar, Asst. Secretary & Asst. Treasurer
Tim DePeder, Asst. Secretary & Asst. Treasurer

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C. (Via Teleconference)
Jim Niemczyk, Mike McBride, and Samantha Romero; McWhinney
(Via Teleconference)
Andrew Kunkel, Kevin Mitts, Kieyesia Conaway, Irene Buenavista, Randall Provencio,
Doug Campbell, and Dillon Gamber; Pinnacle Consulting Group, Inc.
(Via Teleconference)

Mr. Kunkel stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Perry opened the public hearing on the District's proposed 2023 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Kane moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 3, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the Johnstown North Metropolitan District No. 3 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on October 20, 2022 in The Johnstown Breeze, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 11, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 3 OF LARIMER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Johnstown North Metropolitan District No. 3 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$436.50. That the 2022 valuation for assessment, as certified by the Larimer County Assessor, is \$17,460.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

B. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all general obligation bonds and interest expense of the District during the 2023 budget year, there is hereby levied a tax of 17.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

C. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2023 budget year, there is hereby levied a tax of 8.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 25.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the Johnstown North Metropolitan District No. 3,
(taxing entity)^A

the Board of Directors,
(governing body)^B

of the Johnstown North Metropolitan District No. 3
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 17,460 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 17,460 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/10/2022 for budget/fiscal year 2023
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< _____ > mills	\$ < _____ >
SUBTOTAL FOR GENERAL OPERATING:	<input type="text"/> mills	\$ <input type="text"/>
3. General Obligation Bonds and Interest ^J	17.000 mills	\$ 296.82
4. Contractual Obligations ^K	8.000 mills	\$ 139.68
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<input type="text"/> 25.000 mills	\$ <input type="text"/> 436.50

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611
Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^j:

- | | | |
|----|-------------------|--|
| 1. | Purpose of Issue: | Repay Johnstown North Metropolitan District No. 1. Series 2022A Senior Bonds |
| | Series: | 2022 |
| | Date of Issue: | 10/19/22 |
| | Coupon Rate: | 7 % |
| | Maturity Date: | 08/15/2052 |
| | Levy: | 17.000 |
| | Revenue: | \$296.82 |
| | | |
| 2. | Purpose of Issue: | Repay Johnstown North Metropolitan District No. 1 Series 2022B Subordinate Bonds |
| | Series: | 2022 |
| | Date of Issue: | 10/19/22 |
| | Coupon Rate: | 9.125% |
| | Maturity Date: | 09/01/2052 |
| | Levy: | 17.000 |
| | Revenue: | \$296.82 |

CONTRACTS^k:

- | | | |
|----|----------------------|---|
| 3. | Purpose of Contract: | To fund the operations and maintenance of Johnstown North Metropolitan District No. 3's infrastructure improvements |
| | Title: | District Facilities Construction and Service Agreement |
| | Date: | 1/17/2007 |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | 8.000 |
| | Revenue: | \$139.68 |
| | | |
| 4. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Kane, Treasurer and Secretary of the District, and made a part of the public records of Johnstown North Metropolitan District No. 3.

The foregoing Resolution was seconded by Director Kirkbride.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 11th day of November 2022.

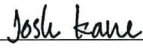
President

DocuSigned by:
Kim Perry
B786C9D42F3647F...

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
JOHNSTOWN NORTH)
METROPOLITAN)
DISTRICT NO. 3)

I, Josh Kane, Treasurer and Secretary to the Board of Directors of the Johnstown North Metropolitan District No. 3, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Friday, November 11, 2022, at 8:00 a.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 11th day of November, 2022.

DocuSigned by:

FCDC7E37AAA642A...



Management Budget Report

BOARD OF DIRECTORS
JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 3

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023 including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to read "John B. B...", is positioned above the typed name and date.

Pinnacle Consulting Group, Inc.
January 11, 2023

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 3				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Taxes	\$ 175	\$ 187	\$ 78	\$ 140
Property Taxes DS	-	-	109	297
Specific Ownership Taxes	13	13	5	10
Specific Ownership Taxes DS			8	21
Interest & Other	-	100	-	100
Total Revenues	\$ 188	\$ 300	\$ 200	\$ 568
Expenditures				
Payment for Services to No. 1 - O&M	\$ 79	\$ 89	\$ 89	\$ 147
Payment for Services to No. 1 - Debt	105	107	107	-
Payment for Services to No. 2 - Debt	-	-	-	312
Treasurer's Fees	3	4	4	9
Contingency	-	100	-	100
Total Operating Expenditures	\$ 188	\$ 300	\$ 200	\$ 568
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -
Mill Levy				
Operating	10.768	10.405	10.405	8.000
Debt Service	14.232	14.595	14.595	17.000
Total Mill Levy	25.000	25.000	25.000	25.000
Assessed Value	\$ 6,981	\$ 7,481	\$ 7,481	\$ 17,460
Property Tax Revenue				
Operating	75	78	78	140
Debt Service	99	109	109	297
Total Property Tax Revenue	\$ 175	\$ 187	\$ 187	437

Modified Accrual Budgetary Basis

**JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 3
2023 BUDGET MESSAGE**

Johnstown North Metropolitan District No. 3 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act and was formed in November 2006. The District was established as the “Service District” as part of a “Multiple District Structure” for the “Iron Horse” commercial community located in the Town of Johnstown, Colorado. Along with its companion District No. 1, (“Service District”) and District No. 2, (“Finance District”), this Finance District was organized to provide financing for the acquisition, construction and installation of public improvements including but not limited to wastewater systems, storm drainage, streets and roadway landscaping, signage and signals; park and recreation improvements and public transit and to provide the operation and maintenance of these improvements.

The District has no employees at this time and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2023 budget, the following goals are foremost for the District:

- To collect property taxes for distribution to the Service District in order to provide the level of services desired by the property owners of the District in the most economic manner possible.

General Fund

Revenues

The District has an assessed value of \$17,460 and will levy 25.000 mills, yielding an anticipated \$437 in property taxes and \$31 of specific ownership taxes. Combined with other revenues, total revenues are budgeted for \$568.

Expenses

Total expenses are budgeted for \$568. Service Fee payments to District No. 1 in the amount of \$147 are budgeted for operations and maintenance services. Service Fee payments for District No. 2 in the amount of \$312 are budgeted for debt service.

Reserve

The District transfers all of its revenue to Johnstown North Metropolitan District No. 1 as provided for in an intergovernmental agreement between Johnstown North Metropolitan District Nos. 1-3. Therefore, no emergency reserve has been provided for in Johnstown North Metropolitan District No. 3. The emergency reserve related to this District is held in Johnstown North Metropolitan District No. 1.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 171 - JOHNSTOWN NORTH METRO DISTRICT NO. 3

IN LARIMER COUNTY ON 11/17/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
--

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$7,481
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *		\$17,460
3. LESS TIF DISTRICT INCREMENT, IF ANY:		\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$17,460
5. NEW CONSTRUCTION: **		\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #		\$0
7. ANNEXATIONS/INCLUSIONS:		\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #		\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):		\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):		\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):		\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @		\$24,390
ADDITIONS TO TAXABLE REAL PROPERTY:		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !		\$0
3. ANNEXATIONS/INCLUSIONS:		\$0
4. INCREASED MINING PRODUCTION: %		\$0
5. PREVIOUSLY EXEMPT PROPERTY:		\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:		\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:		\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:		\$0
9. DISCONNECTIONS/EXCLUSION:		\$0
10. PREVIOUSLY TAXABLE PROPERTY:		\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
--	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

EXHIBIT B

2022 AUDITS AND APPLICATION FOR EXEMPTION FROM AUDIT

**JOHNSTOWN NORTH METROPOLITAN
DISTRICT NO. 1**

BASIC FINANCIAL STATEMENTS

December 31, 2022

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Directors
Johnstown North Metropolitan District No. 1
Johnstown, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of the Johnstown North Metropolitan District No. 1 (the "District") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Johnstown North Metropolitan District No. 1 as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 the Johnstown North Metropolitan District No. 1 and to meet our 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 the District'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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of the effectiveness of the District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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

Accounting principles generally accepted in the United States of America require that the required budgetary information on page 19 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic 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 is not affected by this missing information.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luthr & Associates, LLC

September 13, 2023

BASIC FINANCIAL STATEMENTS

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

STATEMENT OF NET POSITION

As of December 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 291,401
Service Fees Receivable	125,886
Prepaid Expenses	9,966
Capital Assets, not depreciated	1,148,186
Capital Assets, depreciated, net of accumulated depreciation	<u>284,212</u>
 TOTAL ASSETS	 <u>1,859,651</u>
LIABILITIES	
Accounts Payable	110,776
Accrued Interest on Bonds	2,988,547
Noncurrent Liabilities	
Due within One Year	641,138
Due in More Than One Year	<u>-</u>
 TOTAL LIABILITIES	 <u>3,740,461</u>
NET POSITION	
Net Investment in Capital Assets	284,212
Restricted for Emergencies	13,700
Unrestricted	<u>(2,178,722)</u>
 TOTAL NET POSITION	 <u>\$ (1,880,810)</u>

The accompanying notes are an integral part of the financial statements.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Change in Net Position Governmental Activities</u>
PRIMARY GOVERNMENT			
Governmental Activities			
General Government	\$ 208,481	\$ -	\$ (208,481)
Interest and Other Fiscal Charges	302,388	2,682	(299,706)
Total Governmental Activities	<u>\$ 510,869</u>	<u>\$ 2,682</u>	(508,187)
GENERAL REVENUES			
Service Fees, Districts 2,3, and 5			429,297
Net Investment and Other Income			20,586
LURA Revenues			3,198
Transfers from District 2			<u>5,523,170</u>
TOTAL GENERAL REVENUES			<u>5,976,251</u>
CHANGE IN NET POSITION			5,468,064
NET POSITION, Beginning			<u>(7,348,874)</u>
NET POSITION, Ending			<u>\$ (1,880,810)</u>

The accompanying notes are an integral part of the financial statements.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2022

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
ASSETS				
Cash and Investments	\$ 291,401	\$ -	\$ -	\$ 291,401
Accounts Receivable	26,284	1,227	98,375	125,886
Prepaid Expenses	9,966	-	-	9,966
TOTAL ASSETS	\$ 327,651	\$ 1,227	\$ 98,375	\$ 427,253
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 11,174	\$ 1,227	\$ 98,375	\$ 110,776
TOTAL LIABILITIES	11,174	1,227	98,375	110,776
FUND EQUITY				
Fund Balance				
Nonspendable	9,966	-	-	9,966
Restricted for Emergencies	13,700	-	-	13,700
Unassigned	292,811	-	-	292,811
TOTAL FUND EQUITY	316,477	-	-	316,477
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND EQUITY	\$ 327,651	\$ 1,227	\$ 98,375	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

1,432,398

Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include developer advances of \$641,138 and accrued interest \$2,988,547.

(3,629,685)

Net position of governmental activities

\$ (1,880,810)

The accompanying notes are an integral part of the financial statements.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
REVENUES				
Serevice Fees	\$ 178,592	\$ 250,705	\$ -	\$ 429,297
Net Investment and Other Income	20,586	-	-	20,586
LURA Revenues	3,198	-	-	3,198
Intrest and Other Income	-	2,683	-	2,683
TOTAL REVENUES	202,376	253,388	-	455,764
EXPENDITURES				
Current				
General Government	169,392	5,870	15,917	191,179
Capital Outlay	-	-	339,600	339,600
Debt Service				
Principal	-	2,790,000	3,000,000	5,790,000
Interest and Other Fiscal Charges	-	93,930	-	93,930
TOTAL EXPENDITURES	169,392	2,889,800	3,355,517	6,414,709
EXCESS OF REVENUES OVER (UNDER) EXPENSES	32,984	(2,636,412)	(3,355,517)	(5,958,945)
OTHER FINANCING SOURCES (USES)				
Trasfers from Other Districts	-	-	5,523,170	5,523,170
Transfers In	-	2,410,298	-	2,410,298
Transfers Out	-	-	(2,410,298)	(2,410,298)
TOTAL OTHER FINANCING SOURCES (USES)	-	2,410,298	3,112,872	5,523,170
NET CHANGE IN FUND BALANCES	32,984	(226,114)	(242,645)	(435,775)
FUND BALANCES, Beginning	283,493	226,114	242,645	752,252
FUND BALANCES, Ending	<u>\$ 316,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,477</u>

The accompanying notes are an integral part of the financial statements.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ (435,775)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is amount by which capital outlay \$339,600 exceeded depreciation expense \$17,303.	322,297
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the change in accrued interest of (\$208,458), and payment of loan principal \$5,790,000.	<u>5,581,542</u>
Change in Net Position of Governmental Activities	<u><u>\$ 5,468,064</u></u>

The accompanying notes are an integral part of the financial statements.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Johnstown North Metropolitan District No. 1 (“District”) was formed to provide public services and improvements for the District and surrounding area within its boundaries. The District is governed by a five-member Board of Directors (the “Board”) elected by the constituents. The District was formed together with Johnstown North Metropolitan District No. 2 and Johnstown North Metropolitan District No. 3., collectively, the “Districts.” The District was established as the Operating District, and Johnstown North Metropolitan District Nos. 2 and 3 were established as the Financing Districts.

The accounting policies of the District conform to generally accepted accounting principles (“GAAP”) as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The Government-Wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the 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 instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 collected 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.

Service fees, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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.

In the fund financial statements, the District reports the following major governmental funds:

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the acquisition and construction of capital assets.

The *Debt Service Fund* accounts for the payment of principal and interest due on the District's debt.

Assets, Liabilities, and Net Position/Fund Balance

Receivables

Receivables are reported net of an allowance for uncollectible accounts, where applicable.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future years and are recorded as prepaid expenses in both the government-wide and fund financial statements using the consumption method.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the District is depreciated using the straight-line method over the estimated useful lives between fifteen and thirty years.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net position.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position/Fund Balance (Continued)

Long-Term Obligations (Continued)

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

The government-wide financial statements, utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted Net Position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The District reports prepaid expenses as nonspendable for the year ended December 31, 2022.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position/Fund Balance (Continued)

Fund Balance Classification (Continued)

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2022.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 15th, District Management submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board.
- Budgets are legally adopted for all funds of the District on a basis consistent with GAAP.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board. All appropriations lapse at year end.

Legal Compliance

The actual expenditures of the General and Debt Service and Funds exceeded the budgeted amounts by \$27,487 and \$1,094,748, respectively. This may be a violation of State statute.

NOTE 3: CASH AND INVESTMENTS

A summary of deposits and investments as of December 31, 2022 follows:

Cash Deposits	\$ 29,479
Investments	<u>261,922</u>
Total	<u>\$ 291,401</u>

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2022, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories.

Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At December 31, 2022, the District had deposits with financial institutions with a carrying amount of \$29,479. The bank balances with the financial institutions were \$29,479. All of these balances were covered by federal depository insurance.

Investments

Interest Rate Risk

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pools

The District had invested \$261,922 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2022, is summarized below:

	<u>Balances</u> <u>12/31/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/22</u>
Governmental Activities				
Capital Assets, not depreciated				
Construction in Process	\$ 808,586	\$ 339,600	\$ -	\$ 1,148,186
Capital Assets, depreciated				
Improvements	494,952	-	-	494,952
Accumulated Depreciation	193,437	17,303	-	210,740
Capital Assets, depreciated, net	301,515	(17,303)	-	284,212
Governmental Activities, Capital Assets, Net	<u>\$ 1,110,101</u>	<u>\$ 322,297</u>	<u>\$ -</u>	<u>\$ 1,432,398</u>

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

	Balance <u>12/31/21</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/22</u>	Due In <u>One Year</u>
Developer Debt, Capital	\$ 3,641,138	\$ -	\$ 3,000,000	\$ 641,138	\$ 641,138
Loan Payable Series 2019	2,790,000	-	2,790,000	-	-
Accrued Interest	<u>2,780,089</u>	<u>208,458</u>	<u>-</u>	<u>2,988,547</u>	<u>-</u>
Total	<u>\$ 9,211,227</u>	<u>\$ 208,458</u>	<u>\$ 5,790,000</u>	<u>\$ 3,629,685</u>	<u>\$ 641,138</u>

Developer Debt, Capital

On July 9, 2012, the District entered into a Second Amended and Restated Improvement Acquisition and Reimbursement Agreement with Iron Horse, LLC, which refunded and consolidated prior agreements, pursuant to which Iron Horse agreed to fund the District's organizational costs and to construct certain public improvements to be acquired by the District. To evidence the District's repayment obligation to Iron Horse for funding the District's organizational costs and constructing improvements acquired by the District, the District authorized the issuance of a subordinate promissory note on July 9, 2012, to Iron Horse, in a principal amount not to exceed \$18,000,000. On October 26, 2020, Iron Horse assigned all its rights, title and interest in the subordinate promissory note to Centerra Commercial, LLC. The note refunds a prior subordinate promissory note issued to Iron Horse on February 19, 2009, and bears interest at a rate of 2% plus the Federal Reserve Bank Prime Rate, simple interest. The promissory note matures on February 19, 2049.

On January 1, 2019, the District authorized the issuance of a subordinate promissory note to Iron Horse, LLC in the amount of \$1,327,535 to evidence the District's repayment obligation to Iron Horse for funds advanced to the District to pay for costs associated with the construction of public improvements. On October 26, 2020, Iron Horse assigned all its rights, title and interest in the subordinate promissory note to Centerra Commercial, LLC. This note was issued pursuant to a 2015 Advance and Reimbursement Agreement entered into between the District and Iron Horse on January 1, 2015 pursuant to which the funding obligation term thereunder has expired. This note refunds a prior subordinate promissory note issued to Iron Horse that remained unpaid at maturity on December 31, 2019. The note bears interest at a rate 2% plus the Federal Reserve Bank Prime Rate, or 6%, whichever is greater, compound annually, and matures on December 31, 2022. The note is refunded annually for any amounts that remain unpaid at maturity. During 2022, \$3,000,000 of this note was paid from the proceeds of the bonds issued in District No. 2.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 5: LONG-TERM DEBT (Continued)

Developer Debt, Capital (Continued)

On November 1, 2022, the District entered into a 2022 Improvement Acquisition and Reimbursement Agreement with Centerra Commercial LLC to provide for the acquisition and payment by the District of public improvements constructed by Centerra Commercial LLC and the reimbursement of costs to Centerra Commercial for public improvements constructed by Centerra Commercial and dedicated to other governmental entities. If the District lacks sufficient funds to pay for the public improvements acquired by Centerra Commercial or costs associated with public improvements constructed by Centerra Commercial and dedicated to other governmental entities, the District will issue a subordinate note to Centerra Commercial to evidence the District's reimbursement obligation. As of December 31, 2022, no public improvements had been acquired by the District from Centerra Commercial and no costs approved by the District for public improvements dedicated to other governmental entities, and no subordinate promissory note has been issued.

2019 Notes Payable

In May 2019, the District entered into a loan agreement with US Bank National Association (the "Bank"). The agreement calls for the Bank to initially loan the District \$3,000,000 and additional future loans in the amount \$3,500,000. Principal payments are due annually on December 1 through May 1, 2024. Interest payments are due June 1 and December 1 and accrues at 3.56% per annum. As of December 31, 2022, this loan was paid in full with the proceeds of the bonds issued in District No. 2.

NOTE 6: RELATED PARTIES

The Developer of the property within the Districts is Iron Horse, LLC. All of the members of the Board are employees of McWhinney Real Estate Services Inc., manager of Iron Horse, and may be owners or are otherwise associated with the Developer, and have disclosed any potential conflicts of interest in taking action on matters brought before the Board. The District currently is indebted to the Developer for public improvements costs certified as constructed and acquired by the District or constructed by the District, as of December 31, 2022 in the amount of \$641,138 and accrued interest on the outstanding debt in the amount of \$2,988,547.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, injuries to employees, and natural disasters. The District participates in the Colorado Special Districts Property and Liability Pool (“Pool”). The Pool insures property and liability exposures through contributions made by member districts. The District does not maintain an equity interest in the self-insurance pool.

The District funds pool contributions, outside insurance purchases, deductible, and uninsured losses through the General Fund. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 8: DEBT AUTHORIZATION

On November 7, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness consisting of general or special obligation bonds, revenue bonds or other multiple fiscal year financial obligations as follows:

- An amount not to exceed \$22,000,000 at an interest rate not to exceed 18% per annum, for providing street improvements; and
- An amount not to exceed \$22,000,000 at an interest rate not to exceed 18% per annum, for traffic and safety controls and devices; and
- An amount not to exceed \$22,000,000 at an interest rate not to exceed 18% per annum, for sanitary sewage collection and transmission systems; and
- An amount not to exceed \$22,000,000 at an interest rate not to exceed 18% per annum, for parks and recreational facilities, improvements and programs; and
- An amount not to exceed \$22,000,000 at an interest rate not to exceed 18% per annum, for transportation system improvements; and
- An amount not to exceed \$22,000,000 at an interest rate not to exceed 18% per annum, for television relay and translation system improvements; and
- An amount not to exceed \$22,000,000 at an interest rate not to exceed 18% per annum, for mosquito control; and
- An amount not to exceed \$22,000,000 at an interest rate not to exceed 18% per annum, for security services and improvements; and
- An amount not to exceed \$1,000,000 at an interest rate not to exceed 18% per annum, for operations and maintenance debt; and
- An amount not to exceed \$44,000,000 at an interest rate not to exceed 18% per annum, for refunding bonds; and

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 8: DEBT AUTHORIZATION (Continued)

- An amount not to exceed \$23,000,000, at an interest rate not to exceed 18% per annum, for intergovernmental agreements for capital and operations and maintenance; and
- An amount not to exceed \$22,000,000 at an interest rate not to exceed 18% per annum, for mortgage debt; and
- An amount not to exceed \$22,000,000 at an interest rate not to exceed 18% per annum, for construction management agreements; and
- An amount not to exceed \$23,000,000 at an interest rate not to exceed 18% per annum, for reimbursement agreements.

On May 8, 2012, a majority of the qualified electors of the District authorized the issuance of indebtedness consisting of general obligation bonds, revenue bonds, notes, certificates, debentures, or other multiple fiscal year financial obligations, for potable and non-potable water systems, improvements and facilities.

As of December 31, 2022, the amount of debt authorized but unissued was \$22,000,000 by Johnstown North Metropolitan District No.1. The total debt issuance limit for all Districts combined is \$22,000,000. The District intends to issue over time a part or all 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.

NOTE 9: COMMITMENTS AND CONTINGENCIES

TABOR Amendment ("Amendment") - Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, an emergency reserve of \$13,700 was recorded as a restriction of fund balance in the General Fund.

NOTE 10: DEFICIT NET POSITION

As of December 31, 2022, the District had a government-wide net position deficit of \$1,880,810. This deficit was created as the District used funding from the Developer to construct capital assets. The District can expect to eliminate the deficit net position as the District pays down its debt.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 11: *SUBSEQUENT EVENTS*

Potential subsequent events were considered through September 13, 2023. It was determined that the following event is required to be disclosed through this date.

REQUIRED SUPPLEMENTAL INFORMATION

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Service Fees	\$ 194,960	\$ 178,592	\$ 178,592	\$ -
Other Income	1,433	20,586	20,586	-
Utility Income	1,158	3,198	3,198	-
TOTAL REVENUES	<u>197,551</u>	<u>202,376</u>	<u>202,376</u>	<u>-</u>
EXPENDITURES				
Current				
General Government				
Accounting and Financial Management	28,210	28,210	28,210	-
District Management and Administration	32,760	34,308	34,308	-
Directors' Fees	2,000	2,900	2,900	-
Insurance	10,775	9,557	9,557	-
Landscape Maintenance and Repairs	7,919	42,036	42,036	-
Legal	20,000	38,058	38,058	-
Repairs and Replacement	11,700	2,557	2,557	-
Office, Dues and Other	4,000	6,302	6,302	-
Utilities	6,000	5,231	5,231	-
Other Expenses	4,250	233	233	-
Contingency	10,000	-	-	-
TOTAL EXPENDITURES	<u>137,614</u>	<u>169,392</u>	<u>169,392</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	59,937	32,984	32,984	-
FUND BALANCE, Beginning	<u>288,501</u>	<u>283,493</u>	<u>283,493</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 348,438</u>	<u>\$ 316,477</u>	<u>\$ 316,477</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

INDIVIDUAL FUND SCHEDULES

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Service Fees	\$ 233,412	\$ 250,705	\$ 17,293
Interest Income	5,000	2,683	(2,317)
	<u>238,412</u>	<u>253,388</u>	<u>14,976</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
General Government			
District Management	12,181	5,870	6,311
Debt Service			
Principal	-	2,790,000	(2,790,000)
Interest	318,886	93,930	224,956
Contingency	5,000	-	5,000
	<u>336,067</u>	<u>2,889,800</u>	<u>(2,560,044)</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(97,655)</u>	<u>(2,636,412)</u>	<u>(2,538,757)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	6,434,105	2,410,298	(4,023,807)
Payment to Escrow Agent	(4,335,000)	-	4,335,000
	<u>2,099,105</u>	<u>2,410,298</u>	<u>311,193</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCE	2,001,450	(226,114)	(2,227,564)
FUND BALANCE, Beginning	<u>227,069</u>	<u>226,114</u>	<u>(955)</u>
FUND BALANCE, Ending	<u>\$ 2,228,519</u>	<u>\$ -</u>	<u>\$ (2,228,519)</u>

See the accompanying independent auditors' report.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Service Fees	\$ -	\$ -	\$ -
Interest and Other	-	-	-
TOTAL REVENUES	-	-	-
Utility Income			
Current			
General Government			
District Management	20,000	12,005	7,995
Engineering	30,000	3,912	26,088
Cost of Issuance	672,600	-	672,600
Debt Service			
Principal	-	3,000,000	(3,000,000)
Interest	-	-	-
Capital Outlay	2,338,451	339,600	1,998,851
TOTAL EXPENDITURES	3,061,051	3,355,517	(294,466)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,061,051)	(3,355,517)	(294,466)
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Debt	11,887,178	-	(11,887,178)
Transfers Out	(6,434,105)	(2,410,298)	4,023,807
Transfers form Other Districts	-	5,523,170	5,523,170
TOTAL OTHER FINANCING SOURCES (USES)	5,453,073	3,112,872	9,546,977
NET CHANGE IN FUND BALANCE	2,392,022	(242,645)	(2,634,667)
FUND BALANCE, Beginning	78,447	242,645	164,198
FUND BALANCE, Ending	\$ 2,470,469	\$ -	\$ (2,470,469)

See the accompanying independent auditors' report.

**JOHNSTOWN NORTH METROPOLITAN
DISTRICT NO. 2**

BASIC FINANCIAL STATEMENTS

December 31, 2022

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Directors
Johnstown North Metropolitan District No. 2
Johnstown, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of the Johnstown North Metropolitan District No. 2 (the "District") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Johnstown North Metropolitan District No. 2 as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 the Johnstown North Metropolitan District No. 2 and to meet our 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 the District'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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of the effectiveness of the District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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

Accounting principles generally accepted in the United States of America require that the required budgetary information on page 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic 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 is not affected by this missing information.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luthr & Associates, LLC

September 13, 2023

BASIC FINANCIAL STATEMENTS

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

STATEMENT OF NET POSITION
As of December 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ -
Restricted Cash and Investments	1,989,757
Service Fees Receivable	<u>2,102</u>
 TOTAL ASSETS	 <u>1,991,859</u>
LIABILITIES	
Accounts Payable	2,102
Due to Other Districts	102,705
Noncurrent Liabilities	
Due within One Year	-
Due in More Than One Year	<u>7,931,492</u>
 TOTAL LIABILITIES	 <u>8,036,299</u>
NET POSITION	
Net Investment in Capital Assets	(7,931,492)
Restricted for Emergencies	-
Restricted for Debt Service	1,075,584
Restricted for Capital Projects	811,468
Unrestricted	<u>-</u>
 TOTAL NET POSITION	 <u>\$ (6,044,440)</u>

The accompanying notes are an integral part of the financial statements.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Change in Net Position Governmental Activities</u>
PRIMARY GOVERNMENT			
Governmental Activities			
General Government	\$ 437,263	\$ -	\$ (437,263)
Interest and Other Fiscal Charges	533,858	12,588	(521,270)
Total Governmental Activities	<u>\$ 971,121</u>	<u>\$ 12,588</u>	(958,533)
GENERAL REVENUES			
Property Tax Revenue			410,502
Specific Ownership Tax			26,761
Transfers to District 1			<u>(5,523,170)</u>
TOTAL GENERAL REVENUES			<u>(5,085,907)</u>
CHANGE IN NET POSITION			(6,044,440)
NET POSITION, Beginning			<u>-</u>
NET POSITION, Ending			<u>\$ (6,044,440)</u>

The accompanying notes are an integral part of the financial statements.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2022

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
ASSETS				
Restricted Cash and Investments	\$ -	\$ 1,075,584	\$ 914,173	\$ 1,989,757
Accounts Receivable	875	1,227	-	2,102
TOTAL ASSETS	<u>\$ 875</u>	<u>\$ 1,076,811</u>	<u>\$ 914,173</u>	<u>\$ 1,991,859</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 875	\$ 1,227	\$ -	\$ 2,102
Due to Other Districts	-	-	102,705	102,705
TOTAL LIABILITIES	<u>875</u>	<u>1,227</u>	<u>102,705</u>	<u>104,807</u>
FUND EQUITY				
Fund Balance				
Restricted for Debt Service	-	1,075,584	-	1,075,584
Restricted for Capital Projects	-	-	811,468	811,468
Unassigned	-	-	-	-
TOTAL FUND EQUITY	<u>-</u>	<u>1,075,584</u>	<u>811,468</u>	<u>1,887,052</u>
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND EQUITY	<u>\$ 875</u>	<u>\$ 1,076,811</u>	<u>\$ 914,173</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include bonds payable (\$8,025,000)and bond premium of \$93,508 .				<u>(7,931,492)</u>
Net position of governmental activities				<u>\$ (6,044,440)</u>

The accompanying notes are an integral part of the financial statements.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
REVENUES				
Property Taxes	\$ 170,851	\$ 239,651	\$ -	\$ 410,502
Specific Ownership	11,138	15,623	-	26,761
Intrest and Other Income	-	6,853	5,735	12,588
TOTAL REVENUES	<u>181,989</u>	<u>262,127</u>	<u>5,735</u>	<u>449,851</u>
EXPENDITURES				
Current				
General Government	181,989	255,274	-	437,263
Costs of Issuance	-	-	593,392	593,392
Debt Service				
Principal	-	-	-	-
Interest and Other Fiscal Charges	-	33,974	-	33,974
TOTAL EXPENDITURES	<u>181,989</u>	<u>289,248</u>	<u>593,392</u>	<u>1,064,629</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	<u>-</u>	<u>(27,121)</u>	<u>(587,657)</u>	<u>(614,778)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the Issuance of Debt	-	-	8,025,000	8,025,000
Transfers In(Out)	-	1,102,705	(1,102,705)	-
Transfers to Other Districts	-	-	(5,523,170)	(5,523,170)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,102,705</u>	<u>1,399,125</u>	<u>2,501,830</u>
NET CHANGE IN FUND BALANCES	-	1,075,584	811,468	1,887,052
FUND BALANCES, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ -</u>	<u>\$ 1,075,584</u>	<u>\$ 811,468</u>	<u>\$ 1,887,052</u>

The accompanying notes are an integral part of the financial statements.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds \$ 1,887,052

Debt proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not effect the statement of activities. This amount is the loan proceeds. (7,931,492)

Change in Net Position of Governmental Activities \$ (6,044,440)

The accompanying notes are an integral part of the financial statements.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Johnstown North Metropolitan District No. 2 (“District”) was formed to provide public services and improvements for the District and surrounding area within its boundaries. The District is governed by a five-member Board of Directors (the “Board”) elected by the constituents. The District was formed together with Johnstown North Metropolitan District No. 1 and Johnstown North Metropolitan District No. 3., collectively, the “Districts.” The District was established as the Operating District, and Johnstown North Metropolitan District Nos. 1 and 3 were established as the Financing Districts.

The accounting policies of the District conform to generally accepted accounting principles (“GAAP”) as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The Government-Wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the 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 instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 collected 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.

Service fees, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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.

In the fund financial statements, the District reports the following major governmental funds:

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the acquisition and construction of capital assets.

The *Debt Service Fund* accounts for the payment of principal and interest due on the District's debt.

Assets, Liabilities, and Net Position/Fund Balance

Receivables

Receivables are reported net of an allowance for uncollectible accounts, where applicable.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future years and are recorded as prepaid expenses in both the government-wide and fund financial statements using the consumption method.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the District is depreciated using the straight-line method over the estimated useful lives between fifteen and thirty years.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net position.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position/Fund Balance (Continued)

Long-Term Obligations (Continued)

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

The government-wide financial statements, utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted Net Position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The District does not report any nonspendable fund balance for the year ended December 31, 2022.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position/Fund Balance (Continued)

Fund Balance Classification (Continued)

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified the fund balance in the Debt Service Fund as restricted for debt service and the fund balance in the Capital Projects Fund to be restricted for capital outlay.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2022.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 15th, District Management submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board.
- Budgets are legally adopted for all funds of the District on a basis consistent with GAAP.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board. All appropriations lapse at year end.

NOTE 3: CASH AND INVESTMENTS

A summary of deposits and investments as of December 31, 2022 follows:

Total Investments **\$ 1,989,757**

Cash and investments are reported in the financial statements as follows:

Investments

Interest Rate Risk

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pools

The District had invested \$1,989,757 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by 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 quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. The District had no investments requiring fair value measurement as of December 31, 2022.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

	Balance <u>12/31/21</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/22</u>	Due In <u>One Year</u>
GO Bonds, Series	\$ -	\$ 8,025,000	\$ -	\$ 8,025,000	\$ -
Bond Premium	<u>-</u>	<u>(93,508)</u>	<u>-</u>	<u>(93,508)</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ 7,931,492</u>	<u>\$ -</u>	<u>\$ 7,931,492</u>	<u>\$ -</u>

Bonds Payable

On November 2, 2022, the District issued Limited Tax General Obligation Refunding and Improvement Bonds Series 2022A in the amount of \$6,025,000 and Subordinate Limited Tax General Obligation Bonds, Series 2022B in the amount of \$2,000,000. The proceeds of the Series 2022A Senior Bonds will be used for the purposes of: (a) repaying a portion of the Subordinate Developer Notes (as defined herein), (b) financing or reimbursing a portion of the costs of acquiring, constructing, and/or installing certain Public Improvements to serve the Development, (c) paying a portion of the interest to accrue on the Series 2022A Senior Bonds, (d) funding a deposit to the Reserve Fund in the amount of the Reserve Requirement, and (e) paying the costs of issuing the Bonds. The proceeds of the Series 2022B Subordinate Bonds will be used for the purposes of: (a) refunding the 2019 Loan (as defined herein) and (b) repaying a portion of the Subordinate Developer Notes.

The bonds carry interest rates ranging from 4.625% to 7.625%. Interest payments on the bonds are due semi-annually on June 1 and December 1 beginning in December 2022. Principal payments are due annually on December 1 beginning in December 2032 through 2052.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 4: LONG-TERM DEBT (Continued)

Estimated future debt service requirements are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 421,750	\$ 421,750
2024	-	421,750	421,750
2025	-	672,482	672,482
2026	-	463,453	463,453
2027	-	538,519	538,519
2028 – 2032	292,000	3,849,536	4,141,536
2033 – 2037	2,373,000	2,755,255	5,128,255
2038 – 2042	970,000	1,765,728	2,735,728
2043 – 2047	1,505,000	1,343,300	2,848,300
2048 – 2052	<u>\$ 2,885,000</u>	<u>693,550</u>	<u>3,578,550</u>
Total	<u>\$ 8,025,000</u>	<u>\$ 12,925,323</u>	<u>\$ 20,950,323</u>

NOTE 5: RELATED PARTIES

The Developer of the property within the Districts is Iron Horse, LLC. All of the members of the Board are employees of McWhinney Real Estate Services Inc., manager of Iron Horse, and may be owners or are otherwise associated with the Developer, and have disclosed any potential conflicts of interest in taking action on matters brought before the Board.

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, injuries to employees, and natural disasters. The District participates in the Colorado Special Districts Property and Liability Pool (“Pool”). The Pool insures property and liability exposures through contributions made by member districts. The District does not maintain an equity interest in the self-insurance pool.

The District funds pool contributions, outside insurance purchases, deductible, and uninsured losses through the General Fund. Settled claims have not exceeded this coverage in any of the past three fiscal years.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 7: COMMITMENTS AND CONTINGENCIES

TABOR Amendment (“Amendment”) - Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, no amounts were reserved as there is no unrestricted fund balance.

NOTE 8: DEFICIT NET POSITION

As of December 31, 2022, the District had a government-wide net position deficit of \$6,044,440. This deficit was created as the District used funding from the Developer to construct capital assets. The District can expect to eliminate the deficit net position as the District pays down its debt.

NOTE 9: SUBSEQUENT EVENTS

Potential subsequent events were considered through September 13, 2023. It was determined that no events were required to be disclosed through this date.

REQUIRED SUPPLEMENTAL INFORMATION

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Property Tax	\$ 407,787	\$ 170,851	\$ (236,936)
Specific Ownership	28,545	11,138	(17,407)
Other Income	10,000	-	(10,000)
TOTAL REVENUES	446,332	181,989	(264,343)
EXPENDITURES			
Current			
General Government			
Treasurer Fees	8,156	3,397	4,759
Service Fees to District No. 1	428,176	178,592	249,584
Contingency	10,000	-	10,000
TOTAL EXPENDITURES	446,332	181,989	264,343
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, Beginning	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

INDIVIDUAL FUND SCHEDULES

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Property Tax	\$ 238,066	\$ 239,651	\$ 1,585
Specific Ownership	16,665	15,623	(1,042)
Interest Income	-	6,853	6,853
TOTAL REVENUES	254,731	262,127	7,396
EXPENDITURES			
Current			
General Government	270,757	255,274	15,483
Debt Service			
Principal	-	-	-
Interest	33,974	33,974	-
Contingency	-	-	-
TOTAL EXPENDITURES	304,731	289,248	15,483
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(50,000)	(27,121)	22,879
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	1,118,731	1,102,705	(16,026)
TOTAL OTHER FINANCING SOURCES (USES)	1,118,731	1,102,705	(16,026)
NET CHANGE IN FUND BALANCE	1,068,731	1,075,584	6,853
FUND BALANCE, Beginning	-	-	-
FUND BALANCE, Ending	\$ 1,068,731	\$ 1,075,584	\$ 6,853

See the accompanying independent auditors' report.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Interest and Other	\$ -	\$ 5,735	\$ 5,735
TOTAL REVENUES	<u>-</u>	<u>5,735</u>	<u>5,735</u>
Utility Income			
Current			
Cost of Issuance	<u>613,228</u>	<u>593,392</u>	<u>19,836</u>
TOTAL EXPENDITURES	<u>613,228</u>	<u>593,392</u>	<u>19,836</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(613,228)</u>	<u>(587,657)</u>	<u>(14,101)</u>
OTHER FINANCING SOURCES (USES)			
Bond Proceeds	8,025,000	8,025,000	-
Transfers In(Out)	(1,102,705)	(1,102,705)	-
Transfers to Other Districts	<u>(6,309,067)</u>	<u>(5,523,170)</u>	<u>785,897</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>613,228</u>	<u>1,399,125</u>	<u>785,897</u>
NET CHANGE IN FUND BALANCE	-	811,468	-
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 811,468</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

**NAME OF GOVERNMENT
ADDRESS**

Johnstown North Metropolitan District No. 3
C/O Pinnacle Consulting Group, Inc.
550 W Eisenhower Blvd
Loveland, CO 80537
Irene Buenavista
(970) 669-3611
ireneb@pcgi.com

**For the Year Ended
12/31/22
or fiscal year ended:**

**CONTACT PERSON
PHONE
EMAIL**

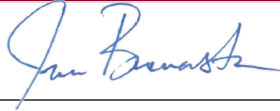
PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

**NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED**

Irene Buenavista
District Accountant
Pinnacle Consulting Group, Inc.
550 W Eisenhower Blvd
(970) 669-3611
3/1/2023

PREPARER (SIGNATURE REQUIRED)



Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 187	
2-2	Specific ownership	\$ 13	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22	Interest	\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 200	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ 196	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):		
3-24	Treasurer Fees	\$ 2	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 198	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No		
4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease Liabilities	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? \$ 13,415,000.00 Date the debt was authorized: 11/2/2022	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments? \$ -	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: Yes No

6-3 Complete the following capital & right-to-use assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1? \$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 300

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

10-1 Is this application for a newly formed governmental entity?

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

To provide for the planning, design, acquisition, construction, installation financing of the Public Improvements

10-4 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

All services are provided by Vista Commons Metropolitan District No. 1.

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills	14.595
General/Other mills	10.405
Total mills	25.000

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

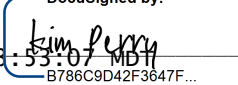
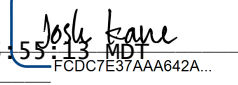
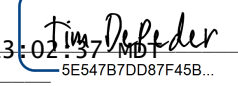
Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A <u>MAJORITY</u> of the members of the governing body must complete and sign in the column below.
Board Member 1	Kim Perry	I <u>Kim Perry</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>3/14/2023 13:07</u>  Date: <u>3/14/2023 13:07</u> MDT My term Expires: <u>May 2025</u>
Board Member 2	Abby Kirkbride	I <u>Abby Kirkbride</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2023</u>
Board Member 3	Josh Kane	I <u>Josh Kane</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>3/14/2023 15:53</u>  Date: <u>3/14/2023 15:53</u> MDT My term Expires: <u>May 2023</u>
Board Member 4	Sam Salazar	I <u>Sam Salazar</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>3/14/2023 12:59</u>  Date: <u>3/14/2023 12:59</u> MDT My term Expires: <u>May 2025</u>
Board Member 5	Tim DePeder	I <u>Tim DePeder</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>3/14/2023 13:02</u>  Date: <u>3/14/2023 13:02</u> MDT My term Expires: <u>May 2023</u>
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____