



## ICENOGLE SEAVER POGUE

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September 19, 2024

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

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

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

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

**Re: Annual Report for Johnstown North Metropolitan District Nos. 1-3**

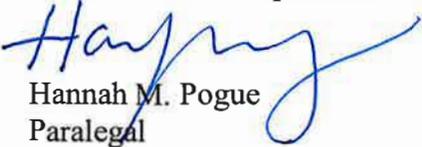
To Whom It May Concern:

Pursuant to Section 32-1-207(3)(c) C.R.S., enclosed please find the 2023 Annual Report for Johnstown North Metropolitan District Nos. 1-3.

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

Sincerely,

ICENOGLE SEAVER POGUE  
A Professional Corporation

  
Hannah M. Pogue  
Paralegal

**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 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 2023.

For the year ending December 31, 2023, the Districts make the following report:

**(A) Boundary changes made.**

The Districts had no boundary changes in 2023.

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

The Districts did not enter into or terminate any intergovernmental agreements in 2023.

**(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  
Pinnacle Consulting Group, Inc.  
550 W. Eisenhower Blvd  
Loveland CO, 80537  
Phone: (970) 669-3611  
Email: [bryann@pcgi.com](mailto:bryann@pcgi.com)

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

As of December 31, 2023, 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 2 lot 1 amended – grading and utility infrastructure were installed.
- B. 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, 2023, 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:	\$21,353,695
District No. 3:	\$18,641

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

Copies of the Districts 2024 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 2023 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, 2023, 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, 2023, 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**  
**2024 BUDGETS**

CERTIFIED RECORD  
OF  
PROCEEDINGS RELATING TO  
**JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1**  
LARIMER COUNTY, COLORADO  
AND THE BUDGET HEARING  
FOR FISCAL YEAR  
2024

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 Thursday, October 26, 2023 at 11:30 A.M.

The following members of the Board of Directors were present:

Kim Perry, President & Chairperson  
 Sam Salazar, Asst. Secretary/Asst. Treasurer  
 Tim DePeder, Asst. Secretary/Asst. Treasurer

Directors Absent, but Excused:  
 Josh Kane, Treasurer & Secretary

Also in Attendance: Deborah Early; Icenogle Seaver Pogue, P.C.  
 Samantha Cran; McWhinney  
 Bryan Newby, Kieyesia Conaway, Irene Buenavista, Stanley Holder, Jennifer Ondracek  
 and Dillon Gamber; Pinnacle Consulting Group, Inc.

Mr. Newby stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2024 budget. Director Perry opened the public hearing on the District's proposed 2024 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director DePeder 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 2024, AND ENDING ON THE LAST DAY OF DECEMBER 2024,

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 12, 2023 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 October 26, 2023, 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. 2024 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. 2024 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 2024. 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 2024.

Section 4. 2024 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2024 Budget year is \$0. That the 2023 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 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2023 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 Commissioners<sup>1</sup> of Larimer County, Colorado.

**On behalf of the** Johnstown North Metropolitan District No. 1,  
(taxing entity)<sup>A</sup>  
the Board of Directors,  
(governing body)<sup>B</sup>  
of the Johnstown North Metropolitan District No. 1,  
(local government)<sup>C</sup>

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

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 1/10/2024 for budget/fiscal year 2024.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

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

Contact person: Brendan Campbell Phone: (970) 669-3611  
Signed:  Title: District Accountant

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates?  Yes  No

*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) 864-7720.*

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>J</sup>:**

1. Purpose of Issue: \_\_\_\_\_  
 Series: \_\_\_\_\_  
 Date of Issue: \_\_\_\_\_  
 Coupon Rate: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_

2. Purpose of Issue: \_\_\_\_\_  
 Series: \_\_\_\_\_  
 Date of Issue: \_\_\_\_\_  
 Coupon Rate: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_

**CONTRACTS<sup>K</sup>:**

3. Purpose of Contract: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Principal Amount: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_

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.

## Notes:

<sup>A</sup> **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity*'s boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government<sup>C</sup>.

<sup>B</sup> **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity*'s mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

<sup>C</sup> **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

<sup>D</sup> **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity*'s total mills upon the *taxing entity*'s *Gross Assessed Value* found on Line 2 of Form DLG 57.

<sup>E</sup> **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25<sup>th</sup> each year and may amend it, one time, prior to December 10<sup>th</sup>. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

<sup>F</sup> **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity*'s mill levy applied against the *taxing entity*'s gross assessed value after subtracting the *taxing entity*'s revenues derived from its mill levy applied against the net assessed value.

<sup>G</sup> **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

**<sup>H</sup> General Operating Expenses (DLG 70 Page 1 Line 1)**—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

**<sup>I</sup> Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)**—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

**<sup>J</sup> General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)**—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

**<sup>K</sup> Contractual Obligation (DLG 70 Page 1 Line 4)**—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

**<sup>L</sup> Capital Expenditures (DLG 70 Page 1 Line 5)**—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

**<sup>M</sup> Refunds/Abatements (DLG 70 Page 1 Line 6)**—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

**<sup>N</sup> Other (DLG 70 Page 1 Line 7)**—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

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 Salazar, Assistant Treasurer and Assistant 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 Salazar.

**[Remainder of Page Left Blank Intentionally.]**

ADOPTED AND APPROVED this 26th day of October 2023.

DocuSigned by:  
*Kim Perry*  
B786C9D42F3647F...  
\_\_\_\_\_  
President

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

I, Sam Salazar, Assistant Treasurer and Assistant 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 Thursday, October 26, 2023, at 11:30 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 2024; 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 2024 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 26th day of October, 2023.

DocuSigned by:  
*Sam Salazar*  
5597E4C10DF544D... \_\_\_\_\_



## 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, 2024, including the comparative information of the forecasted estimate for the year ending December 31, 2023 and the actual historic information for the year 2022.

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 "Joe Benavise". The signature is fluid and cursive, with a prominent initial "J".

Pinnacle Consulting Group, Inc.  
January 25, 2024

### Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537  
(970)669-3611 (303)333-4380  
[www.PCGI.com](http://www.PCGI.com)

*Serving our clients and community through excellent dependable service.*

<b>JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1</b>				
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>				
<b>GENERAL FUND</b>				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
<b>Revenues</b>				
Service Fees District #2	\$ 178,593	\$ 149,172	\$ 149,172	\$ 188,115
Service Fees District #3	82	147	147	166
Pump Maintenance Fees	-	9,600	9,600	11,400
Pump Reimbursements	-	-	-	6,750
Interest and Other	20,504	1,250	25,000	20,000
Utility Income	3,198	1,230	1,230	3,545
<b>Total Revenues</b>	<b>\$ 202,377</b>	<b>\$ 161,399</b>	<b>\$ 185,149</b>	<b>\$ 229,976</b>
<b>Expenditures</b>				
<b>Operations &amp; Maintenance:</b>				
Landscape Maintenance	\$ 5,543	\$ 9,652	\$ 9,652	\$ 10,500
Hardscape Maintenance	1,980	2,500	2,100	3,250
Public Land Maintenance	8,747	7,500	7,000	7,500
Storm Water Facility Maintenance	6,530	3,750	2,200	3,750
Sewer Facility Maintenance	19,236	8,600	8,600	9,000
Misc Services	61	200	100	200
Repairs and Replacements	2,557	3,200	-	8,750
Grinder Pump Contingency	-	-	-	6,750
Non-pot System	-	954	954	2,755
Utilities	5,170	1,250	1,250	5,000
Facilities Management	12,067	11,500	11,500	12,750
<b>Administration:</b>				
Accounting	28,210	35,500	35,500	42,900
Audit	-	12,000	12,000	12,600
District Management	20,693	28,000	28,000	27,900
Engineering and Other Professional Services	-	1,650	1,650	5,000
Director's Fees	3,134	2,500	2,500	3,000
Elections	1,548	1,500	1,353	1,500
Insurance	9,557	10,700	9,966	11,000
Legal	38,058	22,000	25,000	22,000
Office, Dues and Other	6,302	5,093	4,000	4,000
Website Hosting	-	-	-	1,200
Contingency	-	10,000	-	-
<b>Total Expenditures</b>	<b>\$ 169,392</b>	<b>\$ 178,049</b>	<b>\$ 163,325</b>	<b>\$ 201,305</b>
<b>Revenues over/(under) Expenditures</b>	<b>\$ 32,985</b>	<b>\$ (16,650)</b>	<b>\$ 21,824</b>	<b>\$ 28,671</b>
<b>Beginning Fund Balance</b>	<b>\$ 283,493</b>	<b>\$ 337,207</b>	<b>\$ 316,478</b>	<b>\$ 338,302</b>
<b>Ending Fund Balance</b>	<b>\$ 316,478</b>	<b>\$ 320,557</b>	<b>\$ 338,302</b>	<b>\$ 366,973</b>
<b>COMPONENTS OF ENDING FUND BALANCE:</b>				
Emergency Reserve (3% of Revenues)	\$ 6,071	\$ 6,074	\$ 6,074	\$ 6,899
Operating Reserve (25% of Expenses)	45,000	45,000	45,000	50,326
Repairs & Replacement Reserve	43,343	43,619	43,619	43,619
Pump Repairs and Maintenance Reserve	-	9,600	9,600	9,600
Unrestricted	222,063	216,264	234,009	256,528
<b>TOTAL ENDING FUND BALANCE</b>	<b>\$ 316,478</b>	<b>\$ 320,557</b>	<b>\$ 338,302</b>	<b>\$ 366,973</b>
<b>Mill Levy</b>				
Operating	0.000	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000	0.000
<b>Total Mill Levy</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Assessed Value</b>	<b>\$ 29</b>	<b>\$ 27</b>	<b>\$ 27</b>	<b>\$ 27</b>
<b>Property Tax Revenue</b>				
Operating	-	-	-	-
Debt Service	-	-	-	-
<b>Total Property Tax Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1</b>				
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>				
<b>CAPITAL PROJECTS FUND</b>				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
<b>Revenues</b>				
Capital Advances	\$ -	\$ 1,250,000	\$ -	\$ 2,473,858
Transfer from District 2	3,112,872	4,584	347,138	531,330
<b>Total Revenues</b>	<b>\$ 3,112,872</b>	<b>\$ 1,254,584</b>	<b>\$ 347,138</b>	<b>\$ 3,005,188</b>
<b>Expenditures</b>				
District Engineering	\$ 720	\$ 5,000	\$ 5,000	\$ 25,000
District Management	12,005	20,000	12,500	20,000
Planning/Engineering Management	3,193	25,000	-	5,000
Iron Horse Filing 2 Lot 1 Amend	159,483	7,336	229,639	17,336
Iron Horse Filing 3	114,875	1,250,000	51,583	2,926,132
Monumentation	65,242	12,000	48,416	11,720
<b>Total Capital Expenditures</b>	<b>\$ 3,355,517</b>	<b>\$ 1,319,336</b>	<b>\$ 347,138</b>	<b>\$ 3,005,188</b>
<b>Revenues over/(under) Expend</b>	<b>\$ (242,645)</b>	<b>\$ (64,752)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Rev Over/(Under) Exp after Other</b>	<b>\$ (242,645)</b>	<b>\$ (64,752)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ 242,645</b>	<b>\$ 337,207</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ 272,455</b>	<b>\$ -</b>	<b>\$ -</b>

<b>JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1</b>				
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>				
<b>DEBT SERVICE FUND</b>				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Proposed
	Actual	Budget	Actual	Budget
<b>Revenues</b>				
Service Fees, District No. 2	\$ 250,509	\$ -	\$ -	\$ -
Service Fees, District No. 3	114	-	-	-
Interest & Other Income	2,764	-	-	-
<b>Total Revenues</b>	<b>\$ 253,388</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>				
Loan Interest	\$ 93,930	\$ -	\$ -	\$ -
Loan Principal	2,790,000	-	-	-
Bond Interest	-	-	-	-
Non-Use Fee	3,670	-	-	-
Loan Refunding	-	-	-	-
Paying Agent Fees	2,200	-	-	-
Contingency	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,889,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Sources/(Uses) of Funds:</b>				
Transfer from District 2	\$ 2,410,298	\$ -	\$ -	\$ -
<b>Net Other Sources/(Uses) of Funds</b>	<b>\$ 2,410,298</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenues over/(under) Expenditures</b>	<b>\$ (226,114)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ 226,114</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## **JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1 2024 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 2024 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 2024 service fee revenues from District Nos. 2 and 3 for general operations total \$188,281. With interest and other income and utility income, revenues total \$229,976.

#### *Expenses*

General operations expenses are estimated to be \$201,305 for 2024. 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 2024, as defined under TABOR and holds the TABOR reserve for District Nos. 1-3.

## **Capital Projects Fund**

Capital Project expenses in the amount of \$3,005,188 are budgeted for 2024. 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 2024.

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: **169 - JOHNSTOWN NORTH METRO DISTRICT NO. 1**

IN LARIMER COUNTY ON 12/20/2023

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 2023 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$27
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 2023 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2023

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

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

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  
2024

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 Thursday, October 26, 2023 at 11:30 A.M.

The following members of the Board of Directors were present:

Kim Perry, President & Chairperson  
 Sam Salazar, Asst. Secretary & Asst. Treasurer  
 Tim DePeder, Asst. Secretary & Asst. Treasurer

Directors Absent, but Excused:  
 Josh Kane, Treasurer & Secretary

Also in Attendance: Deborah Early; Icenogle Seaver Pogue, P.C.  
 Samantha Cran; McWhinney  
 Bryan Newby, Kieyesia Conaway, Irene Buenavista, Stanley Holder, Jennifer Ondracek  
 and Dillon Gamber; Pinnacle Consulting Group, Inc.

Mr. Newby stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2024 budget. Director Perry opened the public hearing on the District's proposed 2024 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director DePeder 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 2024, AND ENDING ON THE LAST DAY OF DECEMBER 2024,

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 12, 2023 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 October 26, 2023, 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. 2024 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. 2024 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 2024. 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 2024.

Section 4. 2024 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2024 Budget year is \$559,894. That the 2023 valuation for assessment, as certified by the Larimer County Assessor, is \$21,353,695.

A. 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 2024 budget year, there is hereby levied a tax of 17.830 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

B. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2024 budget year, there is hereby levied a tax of 8.390 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

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 26.220 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 Commissioners<sup>1</sup> of Larimer County, Colorado.

**On behalf of the** Johnstown North Metropolitan District No. 2,  
 (taxing entity)<sup>A</sup>  
 the Board of Directors,  
 (governing body)<sup>B</sup>  
 of the Johnstown North Metropolitan District No. 2,  
 (local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 21,353,695 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ 21,353,695 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 1/10/2024 for budget/fiscal year 2024.  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

<b>PURPOSE</b> (see end notes for definitions and examples)	<b>LEVY<sup>2</sup></b>	<b>REVENUE<sup>2</sup></b>
1. General Operating Expenses <sup>H</sup>	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< _____ > mills	\$ < _____ >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<span style="border: 1px solid black; padding: 2px;">_____</span> mills	<span style="border: 1px solid black; padding: 2px;">\$ _____</span>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>17.830</u> mills	<u>\$ 380,736.38</u>
4. Contractual Obligations <sup>K</sup>	<u>8.390</u> mills	<u>\$ 179,157.50</u>
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<span style="border: 2px solid black; padding: 5px;"><u>26.220</u></span> mills	<span style="border: 2px solid black; padding: 5px;"><u>\$ 559,893.88</u></span>

Contact person: Brendan Campbell Phone: (970) 669-3611  
 Signed:  Title: District Accountant

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates?  Yes  No

*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) 864-7720.*

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>J</sup>:**

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:	17.830
	Revenue:	\$380,736.38
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:	17.830
	Revenue:	\$380,736.38

**CONTRACTS<sup>K</sup>:**

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:	8.390
	Revenue:	\$179,157.50
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.

## Notes:

<sup>A</sup> **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity*'s boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government<sup>C</sup>.

<sup>B</sup> **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity*'s mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

<sup>C</sup> **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

<sup>D</sup> **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity*'s total mills upon the *taxing entity*'s *Gross Assessed Value* found on Line 2 of Form DLG 57.

<sup>E</sup> **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25<sup>th</sup> each year and may amend it, one time, prior to December 10<sup>th</sup>. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

<sup>F</sup> **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity*'s mill levy applied against the *taxing entity*'s gross assessed value after subtracting the *taxing entity*'s revenues derived from its mill levy applied against the net assessed value.

<sup>G</sup> **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

**<sup>H</sup> General Operating Expenses (DLG 70 Page 1 Line 1)**—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

**<sup>I</sup> Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)**—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

**<sup>J</sup> General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)**—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

**<sup>K</sup> Contractual Obligation (DLG 70 Page 1 Line 4)**—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

**<sup>L</sup> Capital Expenditures (DLG 70 Page 1 Line 5)**—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

**<sup>M</sup> Refunds/Abatements (DLG 70 Page 1 Line 6)**—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

**<sup>N</sup> Other (DLG 70 Page 1 Line 7)**—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

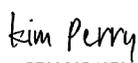
Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Salazar, Assistant Treasurer and Assistant 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 Salazar.

**[Remainder of Page Left Blank Intentionally.]**

ADOPTED AND APPROVED this 26th day of October 2023.

DocuSigned by:  
  
B786C9D42F3647F...  
\_\_\_\_\_  
President

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

I, Sam Salazar, Assistant Treasurer and Assistant 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 Thursday, October 26, 2023, at 11:30 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 2024; 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 2024 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 26th day of October, 2023.

DocuSigned by:  
  
 5597E4C10DF544D... \_\_\_\_\_



## 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, 2024, including the comparative information of the forecasted estimate for the year ending December 31, 2023 and the actual historic information for the year 2022.

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 "Jan Bernath". The signature is fluid and cursive, with a prominent initial "J" and a long, sweeping underline.

Pinnacle Consulting Group, Inc.  
January 25, 2024

### Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537  
(970)669-3611 (303)333-4380  
[www.PCGI.com](http://www.PCGI.com)

*Serving our clients and community through excellent dependable service.*

<b>JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2</b>				
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>				
<b>GENERAL FUND</b>				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
<b>Revenues</b>				
Property Taxes	\$ 170,851	\$ 142,068	\$ 142,899	\$ 179,158
Specific Ownership Taxes	11,138	9,945	9,121	12,541
Interest & Other	-	1,000	10	1,000
<b>Total Revenues</b>	<b>\$ 181,989</b>	<b>\$ 153,013</b>	<b>\$ 152,030</b>	<b>\$ 192,699</b>
<b>Expenditures</b>				
Payment for Services to No. 1 - O&M	\$ 178,592	\$ 149,172	\$ 149,172	\$ 188,115
Treasurer's Fees	3,397	2,841	2,858	3,583
Contingency	-	1,000	-	1,000
<b>Total Operating Expenditures</b>	<b>\$ 181,989</b>	<b>\$ 153,013</b>	<b>\$ 152,030</b>	<b>\$ 192,699</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Mill Levy</b>				
Operating	10.405	8.000	8.000	8.390
Debt Service	14.595	17.000	17.000	17.830
<b>Total Mill Levy</b>	<b>25.000</b>	<b>25.000</b>	<b>25.000</b>	<b>26.220</b>
<b>Assessed Value</b>	<b>\$ 16,311,497</b>	<b>\$ 17,758,483</b>	<b>\$ 17,758,483</b>	<b>\$ 21,353,695</b>
<b>Property Tax Revenue</b>				18.015
Operating	169,721	142,068	142,068	179,158
Debt Service	238,066	301,894	301,894	380,736
<b>Total Property Tax Revenue</b>	<b>\$ 407,787</b>	<b>\$ 443,962</b>	<b>\$ 443,962</b>	<b>559,894</b>

<b>JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2</b>				
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>				
<b>DEBT SERVICE FUND</b>				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
<b>Revenues</b>				
Transfer from Capital Fund	\$ 1,102,705	\$ -	\$ -	
Property Tax	239,651	301,894	303,661	380,736
Specific Ownership Taxes	15,623	21,133	21,542	26,652
Service Fees from District 3	-	312	312	353
Interest & Other	6,853	-	27,000	20,000
<b>Total Revenues</b>	<b>\$ 1,364,832</b>	<b>\$ 323,338</b>	<b>\$ 352,515</b>	<b>\$ 427,741</b>
<b>Expenditures</b>				
Bond Interest	\$ 33,974	\$ 421,750	\$ 421,750	\$ 421,750
Payment for Services to No. 1	250,513	4,584	-	-
Treasurer's Fees	4,761	6,038	6,073	7,615
Trustee Fees	-	7,000	7,000	7,000
<b>Total Expenditures</b>	<b>\$ 289,248</b>	<b>\$ 439,372</b>	<b>\$ 434,823</b>	<b>\$ 436,365</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ 1,075,584</b>	<b>\$ (116,034)</b>	<b>\$ (82,308)</b>	<b>\$ (8,624)</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ 1,068,729</b>	<b>\$ 1,075,584</b>	<b>\$ 993,276</b>
<b>Ending Fund Balance</b>	<b>\$ 1,075,584</b>	<b>\$ 952,695</b>	<b>\$ 993,276</b>	<b>\$ 984,652</b>
<b>COMPONENTS OF ENDING FUND BALANCE:</b>				
Capitalized Interest Fund	\$ 482,435	\$ 365,754	\$ 365,754	\$ 260,179
Debt Service Reserve (\$586,293)	586,293	586,293	586,293	586,293
Bond Fund	6,856	648	41,229	138,180
<b>TOTAL ENDING FUND BALANCE</b>	<b>\$ 1,075,584</b>	<b>\$ 952,695</b>	<b>\$ 993,276</b>	<b>\$ 984,652</b>

<b>JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2</b>				
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>				
<b>CAPITAL PROJECTS FUND</b>				
	(a)	(b)	(c)	(d)
	<b>2022</b>	<b>2023</b>	<b>2023</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Projected</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
<b>Revenues</b>				
Bond Proceeds	\$ 8,025,000	\$ -	\$ -	\$ -
Interest & Other	5,735	-	47,000	-
<b>Total Revenues</b>	<b>\$ 8,030,735</b>	<b>\$ -</b>	<b>\$ 47,000</b>	<b>\$ -</b>
<b>Expenditures</b>				
Engineering and Other Professional Services	\$ 3,112,872	\$ -	\$ 327,138	\$ -
Transfer to District #1	2,410,298	-	-	531,330
Transfer to Debt Service Fund	1,102,705	-	-	-
Cost of Issuance	593,392	-	-	-
<b>Total Expenditures</b>	<b>\$ 7,219,267</b>	<b>\$ -</b>	<b>\$ 327,138</b>	<b>\$ 531,330</b>
<b>Revenues over/(under) Expend</b>	<b>\$ 811,468</b>	<b>\$ -</b>	<b>\$ (280,138)</b>	<b>\$ (531,330)</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 811,468</b>	<b>\$ 531,330</b>
<b>Ending Fund Balance</b>	<b>\$ 811,468</b>	<b>\$ -</b>	<b>\$ 531,330</b>	<b>\$ -</b>

## **JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2 2024 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 2024 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.
- Provide an unwavering commitment to honoring the District’s debt obligations and contractual agreements.

### **General Fund**

#### *Revenues*

The District has an assessed value of \$21,353,695 and 8.390 mills for the General Fund, yielding an anticipated \$179,158 in property taxes and \$12,541 of specific ownership taxes. Combined with other revenues, total revenues are budgeted at \$192,699.

#### *Expenses*

Budgeted District expenses total \$192,699. Service Fee payments in the amount of \$188,115 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 \$427,741 primarily from property taxes of \$380,736.

### *Expenses*

The District budgeted total Debt Service expenditures of \$436,365. \$421,750 is budgeted for bond interest.

### *Fund Balances/Reserves*

The District anticipates an ending fund balance of \$984,652 in 2024.

## **Capital Projects Fund**

A \$531,330 transfer to District #1 has been budgeted for planning and construction of public infrastructure to be performed by District No. 1.

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: **170 - JOHNSTOWN NORTH METRO DISTRICT NO. 2**

IN LARIMER COUNTY ON 12/20/2023

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 2023 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$17,758,483
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$21,353,695
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$21,353,695
5. NEW CONSTRUCTION: **	\$1,229,728
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.):	\$4,961.32
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 2023 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$48,196,520
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$4,406,100
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, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$12,139
---	----------

\*\* 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  
2024

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 Thursday, October 26, 2023 at 11:30 A.M.

The following members of the Board of Directors were present:

Kim Perry, President & Chairperson  
Sam Salazar, Asst. Secretary & Asst. Treasurer  
Tim DePeder, Asst. Secretary & Asst. Treasurer

Directors Absent, but Excused:  
Josh Kane, Treasurer & Secretary

Also in Attendance: Deborah Early; Icenogle Seaver Pogue, P.C.  
Samantha Cran; McWhinney  
Bryan Newby, Kieyesia Conaway, Irene Buenavista, Jennifer Ondracek, Stanley Holder,  
and Dillon Gamber; Pinnacle Consulting Group, Inc.

Mr. Newby stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2024 budget. Director Perry opened the public hearing on the District's proposed 2024 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director DePeder 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 2024, AND ENDING ON THE LAST DAY OF DECEMBER 2024,

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 12, 2023 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 October 26, 2023, 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. 2024 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. 2024 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 2024. 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 2024.

Section 4. 2024 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2024 Budget year is \$494. That the 2023 valuation for assessment, as certified by the Larimer County Assessor, is \$18,641.

A. 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 2024 budget year, there is hereby levied a tax of 18.015 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

B. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2024 budget year, there is hereby levied a tax of 8.478 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

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 26.493 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 Commissioners<sup>1</sup> of Larimer County, Colorado.

**On behalf of the** Johnstown North Metropolitan District No. 3,  
 (taxing entity)<sup>A</sup>  
 the Board of Directors,  
 (governing body)<sup>B</sup>  
 of the Johnstown North Metropolitan District No. 3,  
 (local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 18,641 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ 18,641 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 1/10/2024 for budget/fiscal year 2024.  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

<b>PURPOSE</b> (see end notes for definitions and examples)	<b>LEVY<sup>2</sup></b>	<b>REVENUE<sup>2</sup></b>
1. General Operating Expenses <sup>H</sup>	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< _____ > mills	\$ < _____ >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<span style="border: 1px solid black; padding: 2px;">_____</span> mills	<span style="border: 1px solid black; padding: 2px;">\$ _____</span>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>18.015</u> mills	<u>\$ 335.82</u>
4. Contractual Obligations <sup>K</sup>	<u>8.478</u> mills	<u>\$ 158.04</u>
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<span style="border: 2px solid black; padding: 5px;"><u>26.493</u></span> mills	<span style="border: 2px solid black; padding: 5px;"><u>\$ 493.86</u></span>

Contact person: Brendan Campbell Phone: (970) 669-3611  
 Signed:  Title: District Accountant

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates?  Yes  No

*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) 864-7720.*

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>J</sup>:**

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:	18.015
	Revenue:	\$335.82
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:	18.015
	Revenue:	\$335.82

**CONTRACTS<sup>K</sup>:**

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:	8.478
	Revenue:	\$158.04
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.

## Notes:

<sup>A</sup> **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity*'s boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government<sup>C</sup>.

<sup>B</sup> **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity*'s mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

<sup>C</sup> **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

<sup>D</sup> **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity*'s total mills upon the *taxing entity*'s *Gross Assessed Value* found on Line 2 of Form DLG 57.

<sup>E</sup> **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25<sup>th</sup> each year and may amend it, one time, prior to December 10<sup>th</sup>. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

<sup>F</sup> **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity*'s mill levy applied against the *taxing entity*'s gross assessed value after subtracting the *taxing entity*'s revenues derived from its mill levy applied against the net assessed value.

<sup>G</sup> **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

**<sup>H</sup> General Operating Expenses (DLG 70 Page 1 Line 1)**—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

**<sup>I</sup> Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)**—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

**<sup>J</sup> General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)**—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

**<sup>K</sup> Contractual Obligation (DLG 70 Page 1 Line 4)**—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

**<sup>L</sup> Capital Expenditures (DLG 70 Page 1 Line 5)**—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

**<sup>M</sup> Refunds/Abatements (DLG 70 Page 1 Line 6)**—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

**<sup>N</sup> Other (DLG 70 Page 1 Line 7)**—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

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 Salazar, Assistant Treasurer and Assistant 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 Salazar.

**[Remainder of Page Left Blank Intentionally.]**

ADOPTED AND APPROVED this 26th day of October 2023.

DocuSigned by:  
*Kim Perry*  
B786C9D42F3647F...  
\_\_\_\_\_  
President

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

I, Sam Salazar, Assistant Treasurer and Assistant 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 Thursday, October 26, 2023, at 11:30 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 2024; 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 2024 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 26th day of October, 2023.

DocuSigned by:  
*Sam Salazar*  
5597E4C10DF544D... \_\_\_\_\_



## 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, 2024, including the comparative information of the forecasted estimate for the year ending December 31, 2023 and the actual historic information for the year 2022.

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 "Jan Benavise". The signature is fluid and cursive, with a prominent initial "J" and "B".

Pinnacle Consulting Group, Inc.  
January 25, 2024

### Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537  
(970)669-3611 (303)333-4380  
[www.PCGI.com](http://www.PCGI.com)

*Serving our clients and community through excellent dependable service.*

<b>JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 3</b>				
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>				
<b>GENERAL FUND</b>				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
<b>Revenues</b>				
Property Taxes	\$ 78	\$ 140	\$ 140	\$ 158
Property Taxes DS	109	297	297	336
Specific Ownership Taxes	5	10	10	11
Specific Ownership Taxes DS	8	21	21	24
Interest & Other	-	100	-	100
<b>Total Revenues</b>	<b>\$ 200</b>	<b>\$ 568</b>	<b>\$ 468</b>	<b>\$ 629</b>
<b>Expenditures</b>				
Payment for Services to No. 1 - O&M	\$ 82	\$ 147	\$ 147	\$ 166
Payment for Services to No. 1 - Debt	115	-	-	-
Payment for Services to No. 2 - Debt	-	312	312	353
Treasurer's Fees	4	9	9	10
Contingency	-	100	-	100
<b>Total Operating Expenditures</b>	<b>\$ 200</b>	<b>\$ 568</b>	<b>\$ 468</b>	<b>\$ 629</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Mill Levy</b>				
Operating	10.405	8.000	8.000	8.478
Debt Service	14.595	17.000	17.000	18.015
<b>Total Mill Levy</b>	<b>25.000</b>	<b>25.000</b>	<b>25.000</b>	<b>26.493</b>
<b>Assessed Value</b>	<b>\$ 7,481</b>	<b>\$ 17,460</b>	<b>\$ 17,460</b>	<b>\$ 18,641</b>
<b>Property Tax Revenue</b>				
Operating	78	140	140	158
Debt Service	109	297	297	336
<b>Total Property Tax Revenue</b>	<b>\$ 187</b>	<b>\$ 437</b>	<b>\$ 437</b>	<b>\$ 494</b>

## **JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 3 2024 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 2024 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 \$18,641 and 26.493 mills, yielding an anticipated \$494 in property taxes and \$35 of specific ownership taxes. Combined with other revenues, total revenues are budgeted for \$628.

#### *Expenses*

Total expenses are budgeted for \$629. Service Fee payments to District No. 1 in the amount of \$166 are budgeted for operations and maintenance services. Service Fee payments for District No. 2 in the amount of \$353 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 12/20/2023

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 2023 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$17,460
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$18,641
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$18,641
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 2023 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$24,420
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, 2023

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**

**2023 AUDITS AND APPLICATION FOR EXEMPTION FROM AUDIT**

**JOHNSTOWN NORTH METROPOLITAN  
DISTRICT NO. 1**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2023**

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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, 2023, 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, 2023, 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 Luttrell & Associates, LLC*

July 29, 2024

## **BASIC FINANCIAL STATEMENTS**

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

STATEMENT OF NET POSITION

As of December 31, 2023

	Governmental Activities	
	2023	2022
ASSETS		
Cash and Investments	\$ 350,511	\$ 291,401
Service Fees Receivable	5,426	125,886
Prepaid Expenses	9,764	9,966
Capital Assets, not depreciated	1,460,477	1,148,186
Capital Assets, depreciated, net of accumulated depreciation	266,909	284,212
	<u>2,093,087</u>	<u>1,859,651</u>
TOTAL ASSETS		
LIABILITIES		
Accounts Payable	16,899	110,776
Accrued Interest on Bonds	3,053,908	2,988,547
Noncurrent Liabilities		
Due within One Year	641,138	641,138
Due in More Than One Year	-	-
	<u>3,711,945</u>	<u>3,740,461</u>
TOTAL LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	266,909	284,212
Restricted for Emergencies	5,800	13,700
Restricted for Capital Projects	5,327	-
Unrestricted	(1,896,894)	(2,178,722)
	<u>(1,896,894)</u>	<u>(2,178,722)</u>
TOTAL NET POSITION	<u>\$ (1,618,858)</u>	<u>\$ (1,880,810)</u>

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

JOHNSTOWN NORTH METROLITAN DISTRICT NO. 1

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Change in net Position	
			Governmental Activities	
			2023	2022
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 181,236	\$ -	\$ (181,236)	\$ (208,481)
Interest and Other Fiscal Charges	65,361	-	(65,361)	(299,706)
Total Governmental Activities	<u>\$ 246,597</u>	<u>\$ -</u>	(246,597)	(508,187)
<b>GENERAL REVENUES</b>				
Service Fees, Districts 2,3, and 5			151,001	429,297
Net Investment and Other Income			37,624	20,586
LURA Revenues			5,607	3,198
Transfers from District 2			314,317	5,523,170
TOTAL GENERAL REVENUES			<u>508,549</u>	<u>5,976,251</u>
CHANGE IN NET POSITION			261,952	5,468,064
NET POSITION, Beginning			<u>(1,880,810)</u>	<u>(7,348,874)</u>
NET POSITION, Ending			<u>\$ (1,618,858)</u>	<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, 2023

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL	
			2023	2022
<b>ASSETS</b>				
Cash and Investments	\$ 338,228	\$ 12,283	\$ 350,511	\$ 291,401
Accounts Receivable	5,426	-	5,426	125,886
Prepaid Expenses	9,764	-	9,764	9,966
<b>TOTAL ASSETS</b>	<b>\$ 353,418</b>	<b>\$ 12,283</b>	<b>\$ 365,701</b>	<b>\$ 427,253</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 9,943	\$ 6,956	\$ 16,899	\$ 110,776
<b>TOTAL LIABILITIES</b>	<b>9,943</b>	<b>6,956</b>	<b>16,899</b>	<b>110,776</b>
<b>FUND EQUITY</b>				
Fund Balance				
Nonspendable	9,764	-	9,764	9,966
Restricted for Emergencies	5,800	-	5,800	13,700
Restricted for Capital Projects	-	5,327	5,327	-
Unassigned	327,911	-	327,911	292,811
<b>TOTAL FUND EQUITY</b>	<b>343,475</b>	<b>5,327</b>	<b>348,802</b>	<b>316,477</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; FUND EQUITY</b>	<b>\$ 353,418</b>	<b>\$ 12,283</b>		

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.	1,727,386	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 \$3,053,908.	(3,695,046)	(3,629,685)
Net position of governmental activities	<u>\$ (1,618,858)</u>	<u>\$ (1,880,810)</u>

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, 2023

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL	
			2023	2022
REVENUES				
Service Fees	\$ 151,001	\$ -	\$ 151,001	\$ 429,297
Net Investment and Other Income	37,624	-	37,624	20,586
LURA Revenues	5,607	-	5,607	3,198
Interest and Other Income	-	-	-	2,683
TOTAL REVENUES	<u>194,232</u>	<u>-</u>	<u>194,232</u>	<u>455,764</u>
EXPENDITURES				
Current				
General Government	153,459	10,474	163,933	191,179
Costs of Issuance	-	-	-	339,600
Capital Outlay	-	312,291	312,291	-
Debt Service				
Principal	-	-	-	5,790,000
Interest and Other Fiscal Charges	-	-	-	93,930
TOTAL EXPENDITURES	<u>153,459</u>	<u>322,765</u>	<u>476,224</u>	<u>6,414,709</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	<u>40,773</u>	<u>(322,765)</u>	<u>(281,992)</u>	<u>(5,958,945)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Districts	-	328,092	328,092	5,523,170
Transfers In	-	-	-	2,410,298
Transfers Out	<u>(13,775)</u>	<u>-</u>	<u>(13,775)</u>	<u>(2,410,298)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(13,775)</u>	<u>328,092</u>	<u>314,317</u>	<u>5,523,170</u>
NET CHANGE IN FUND BALANCES	26,998	5,327	32,325	(435,775)
FUND BALANCES, Beginning	<u>316,477</u>	<u>-</u>	<u>316,477</u>	<u>752,252</u>
FUND BALANCES, Ending	<u>\$ 343,475</u>	<u>\$ 5,327</u>	<u>\$ 348,802</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, 2023

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 32,325
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 \$312,291 exceeded depreciation expense \$17,303.	294,988
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.	<u>(65,361)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 261,952</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, 2023

### 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. 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, to provide services and improvements for the Districts, and Johnstown North Metropolitan District Nos. 2 and 3 were established as the Financing Districts to finance services and improvements provided by the District.

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, 2023

**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, 2023

**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.

**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, 2023

**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, 2023.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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, 2023.
- **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, 2023

**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 public 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, 2023 follows:

Cash Deposits	\$ 29,761
Investments	<u>320,750</u>
Total	<u><b>\$ 350,511</b></u>

**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, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 3: CASH AND INVESTMENTS** (Continued)

**Deposits** (Continued)

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, 2023, the District had deposits with financial institutions with a carrying amount of \$29,761. The bank balances with the financial institutions were \$29,761. 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

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

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 3: CASH AND INVESTMENTS** (Continued)

**Investments** (Continued)

Local Government Investment Pools

The District had invested \$320,750 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, 2023, is summarized below:

	Balances <u>12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/23</u>
<b>Governmental Activities</b>				
Capital Assets, not depreciated				
Construction in Process	\$ 1,148,186	\$ 312,291	\$ -	\$ 1,460,477
Capital Assets, depreciated				
Improvements	494,952	-	-	494,952
Accumulated Depreciation	210,740	17,303	-	228,043
Capital Assets, depreciated, net	284,212	(17,303)	-	266,909
Governmental Activities, Capital Assets, Net	<u>\$ 1,432,398</u>	<u>\$ 294,988</u>	<u>\$ -</u>	<u>\$ 1,727,386</u>

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 5: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2023.

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/23</u>	Due In <u>One Year</u>
Developer Debt, Capital	\$ 641,138	\$ -	\$ -	\$ 641,138	\$ 641,138
Accrued Interest	<u>2,988,547</u>	<u>65,361</u>	<u>-</u>	<u>3,053,908</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 3,629,685</u></b>	<b><u>\$ 65,361</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,695,046</u></b>	<b><u>\$ 641,138</u></b>

**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. On November 15, 2021, the Agreement and note were amended. The note was refunded and a new note was issued. 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, 2023. The note is refunded annually for any amounts that remain unpaid at maturity.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 5: LONG-TERM DEBT** (Continued)

**Developer Debt, Capital** (Continued)

On November 1, 2020, the District entered into an 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. On August 16, 2022, the District accepted public improvement and related costs for \$144,942. The District paid Centerra Commercial, LLC with cash on hand.

**Advance and Reimbursement Agreement**

On January 1, 2023, the District and Centerra Commercial, LLC entered into an Advance and Reimbursement Agreement, which provides for Centerra Commercial to advance funds to the District in an amount not to exceed \$1,250,000 for the District to pay the costs associated with the design, construction, and installation of public improvements to serve the Districts (the "2023 Agreement"). Such advances would be made through December 31, 2023. To evidence the District's reimbursement obligation to Centerra Commercial, the District issued a subordinate promissory note to Centerra Commercial in an amount not to exceed \$1,250,000, with an interest rate of two percent (2%) plus the current Federal Reserve Board prime rate or at the rate of six percent (6%), whichever rate is greater, simple interest, from the date of each advance received by the District, with a maturity date of December 31, 2062 (the "2023 Note"). On October 26, 2023, the District and Centerra Commercial entered into a First Amendment to the 2023 Agreement, which provided for an increase in advances to be received by the District from Centerra Commercial in an amount not to exceed \$2.5 million through December 31, 2024. In connection with the First Amendment, the District refunded the 2023 Note and issued a new subordinate promissory note to Centerra Commercial in an amount not to exceed \$2.5 million at the same interest rate and with the same maturity date as the 2023 Note. Any amounts that remain outstanding on the note at maturity shall be discharged with no further obligation owed by the District.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 6: RELATED PARTIES**

The Developer of the property within the Districts is Centerra Commercial, LLC. All of the members of the Board are employees of McWhinney Real Estate Services Inc., manager of Centerra Commercial, LLC 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, 2023, in the amount of \$641,138 and accrued interest on the outstanding debt in the amount of \$3,053,908.

**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

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 8: DEBT AUTHORIZATION** (Continued)

- 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
- 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, 2023, 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.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 9: COMMITMENTS AND CONTINGENCIES** (Continued)

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, an emergency reserve of \$5,800 was recorded as a restriction of fund balance in the General Fund.

**NOTE 10: DEFICIT NET POSITION**

As of December 31, 2023, the District had a government-wide net position deficit of \$1,618,858. 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 11: SUBSEQUENT EVENTS**

Potential subsequent events were considered through July 29, 2024. 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, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Service Fees	\$ 149,319	\$ 151,001	\$ 1,682	\$ 178,592
Other Income	10,850	37,624	26,774	20,586
Utility Income	1,230	5,607	4,377	3,198
TOTAL REVENUES	161,399	194,232	32,833	202,376
EXPENDITURES				
Current				
General Government				
Accounting and Financial Management	47,500	48,780	(1,280)	28,210
District Management and Administration	39,500	40,370	(870)	34,308
Directors' Fees	2,500	600	1,900	2,900
Insurance	10,700	9,966	734	9,557
Landscape Maintenance and Repairs	19,652	8,333	11,319	42,036
Legal	22,000	22,264	(264)	38,058
Repairs and Replacement	16,504	15,704	800	2,557
Office, Dues and Other	8,443	6,747	1,696	6,302
Utilities	1,250	638	612	5,231
Other Expenses		57	(57)	233
Contingency	10,000		10,000	-
TOTAL EXPENDITURES	178,049	153,459	24,590	169,392
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,650)	40,773	57,423	32,984
OTHER FINANCING USES				
Transfers Out	-	(13,775)	(13,775)	-
NET CHANGE IN FUND BALANCE	(16,650)	26,998	43,648	32,984
FUND BALANCE, Beginning	337,207	316,477	(20,730)	283,493
FUND BALANCE, Ending	\$ 320,557	\$ 343,475	\$ 22,918	\$ 316,477

See the accompanying independent auditors' report.

**INDIVIDUAL FUND SCHEDULES**

## JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 1

CAPITAL PROJECTS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Service Fees	\$ -	\$ -	\$ -	\$ -
Interest and Other	-	-	-	-
TOTAL REVENUES	-	-	-	-
Utility Income				
Current				
General Government				
District Management	45,000	8,325	36,675	12,005
Engineering	5,000	2,149	2,851	3,912
Debt Service				
Principal	-	-	-	3,000,000
Interest	-	-	-	-
Capital Outlay	1,269,336	312,291	957,045	339,600
TOTAL EXPENDITURES	1,319,336	322,765	996,571	3,355,517
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,319,336)	(322,765)	996,571	(3,355,517)
OTHER FINANCING SOURCES (USES)				
Transfers from District 2	-	328,092	328,092	-
Transfers In ((Out)	4,584	-	(4,584)	(2,410,298)
Capital Advances	1,250,000	-	(1,250,000)	5,523,170
TOTAL OTHER FINANCING SOURCES (USES)	1,254,584	328,092	(926,492)	3,112,872
NET CHANGE IN FUND BALANCE	(64,752)	5,327	70,079	(242,645)
FUND BALANCE, Beginning	337,207	-	(337,207)	242,645
FUND BALANCE, Ending	\$ 272,455	\$ 5,327	\$ (267,128)	\$ -

See the accompanying independent auditors' report.

**JOHNSTOWN NORTH METROPOLITAN  
DISTRICT NO. 2**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2023**

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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, 2023 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, 2023, and the respective changes in financial position, 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 Luttrell & Associates, LLC*

July 29, 2024

## **BASIC FINANCIAL STATEMENTS**

## JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

## STATEMENT OF NET POSITION

As of December 31, 2023

	Governmental Activities	
	2023	2022
ASSETS		
Cash and Investments	\$ -	\$ -
Restricted Cash and Investments	1,413,584	1,989,757
Service Fees Receivable	4,178	2,102
	<u>1,417,762</u>	<u>1,991,859</u>
TOTAL ASSETS		
LIABILITIES		
Accounts Payable	-	2,102
Due to Other Districts	2,765	102,705
Accrued Interest on Bonds	70,292	-
Noncurrent Liabilities		
Due within One Year	-	-
Due in More Than One Year	7,934,414	7,931,492
	<u>8,007,471</u>	<u>8,036,299</u>
TOTAL LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	(7,934,414)	(7,931,492)
Restricted for Debt Service	896,049	1,075,584
Restricted for Capital Projects	811,468	811,468
Unrestricted	(362,812)	-
	<u>(6,589,709)</u>	<u>(6,044,440)</u>
TOTAL NET POSITION		

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

FUNCTIONS/PROGRAMS	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Change in Net Position	
			Governmental Activities	
			2023	2023
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 162,744	\$ -	\$ (162,744)	\$ (437,263)
Interest and Other Fiscal Charges	627,601	79,081	(548,520)	(521,270)
Total Governmental Activities	<u>\$ 790,345</u>	<u>\$ 79,081</u>	(711,264)	(958,533)
<b>GENERAL REVENUES</b>				
Property Tax Revenue			448,331	410,502
Specific Ownership Tax			31,981	26,761
Transfers to District 2			(314,317)	(5,523,170)
TOTAL GENERAL REVENUES			<u>165,995</u>	<u>(5,085,907)</u>
CHANGE IN NET POSITION			(545,269)	(6,044,440)
NET POSITION, Beginning			<u>(6,044,440)</u>	<u>-</u>
NET POSITION, Ending			<u>\$ (6,589,709)</u>	<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, 2023

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL	
				2023	2022
<b>ASSETS</b>					
Restricted Cash and Investments	\$ -	\$ 894,636	\$ 518,948	\$ 1,413,584	\$ 1,989,757
Accounts Receivable	664	3,514	-	4,178	2,102
<b>TOTAL ASSETS</b>	<b>\$ 664</b>	<b>\$ 898,150</b>	<b>\$ 518,948</b>	<b>\$ 1,417,762</b>	<b>\$ 1,991,859</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,102
Due to Other Districts	664	2,101	-	2,765	102,705
<b>TOTAL LIABILITIES</b>	<b>664</b>	<b>2,101</b>	<b>-</b>	<b>2,765</b>	<b>104,807</b>
<b>FUND EQUITY</b>					
Fund Balance					
Restricted for Debt Service	-	896,049	-	896,049	1,075,584
Restricted for Capital Projects	-	-	518,948	518,948	811,468
Unassigned	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<b>-</b>	<b>896,049</b>	<b>518,948</b>	<b>1,414,997</b>	<b>1,887,052</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; FUND EQUITY</b>	<b>\$ 664</b>	<b>\$ 898,150</b>	<b>\$ 518,948</b>		
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), bond premium of \$90,586, and accrued interest of (\$70,292).				(8,004,706)	(7,931,492)
Net position of governmental activities				<u>\$ (6,589,709)</u>	<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, 2023

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL	
				2023	2022
<b>REVENUES</b>					
Property Taxes	\$ 143,466	\$ 304,865	\$ -	\$ 448,331	\$ 410,502
Specific Ownership	10,234	21,747	-	31,981	26,761
Intrest and Other Income	24	43,485	35,572	79,081	12,588
<b>TOTAL REVENUES</b>	<b>153,724</b>	<b>370,097</b>	<b>35,572</b>	<b>559,393</b>	<b>449,851</b>
<b>EXPENDITURES</b>					
Current					
General Government	153,724	6,098	-	159,822	437,263
Costs of Issuance	-	-	-	-	593,392
Debt Service					
Principal	-	-	-	-	-
Interest and Other Fiscal Charges	-	557,309	-	557,309	33,974
<b>TOTAL EXPENDITURES</b>	<b>153,724</b>	<b>563,407</b>	<b>-</b>	<b>717,131</b>	<b>1,064,629</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENSES</b>					
	-	(193,310)	35,572	(157,738)	(614,778)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from the Issuance of Debt	-	-	-	-	8,025,000
Transfers from Other Districts	-	13,775	-	13,775	-
Transfers to Other Districts	-	-	(328,092)	(328,092)	(5,523,170)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>13,775</b>	<b>(328,092)</b>	<b>(314,317)</b>	<b>2,501,830</b>
<b>NET CHANGE IN FUND BALANCES</b>					
	-	(179,535)	(292,520)	(472,055)	1,887,052
FUND BALANCES, Beginning	-	1,075,584	811,468	1,887,052	-
FUND BALANCES, Ending	\$ -	\$ 896,049	\$ 518,948	\$ 1,414,997	\$ 1,887,052

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, 2023

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (472,055)
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 (\$70,292) and amortization of bond premium of (\$2,922).	<u>(73,214)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (545,269)</u></u>

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

## JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

#### 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 Johnstown North Metropolitan District No. 3 was established as the Financing District to finance services and improvements provided by District No. 1, and Johnstown North Metropolitan District Nos. 1 and 3 were established as the Operating Districts to provide services and improvements for the 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, 2023

**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, 2023

**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, 2023

**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, 2023.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**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, 2023.
- 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.

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**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 public 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, 2023 follows:

Total Investments **\$ 1,413,584**

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, 2023

**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 \$1,413,584 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, 2023.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 4: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2023.

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/23</u>	Due In <u>One Year</u>
GO Bonds, Series	\$ 8,025,000	\$ 8,025,000	\$ -	\$ 8,025,000	\$ -
Bond Premium	<u>(93,508)</u>	<u>                    </u>	<u>2,922</u>	<u>(90,586)</u>	<u>                    </u>
<b>Total</b>	<b><u>\$ 7,931,492</u></b>	<b><u>\$ 7,931,492</u></b>	<b><u>\$ 2,922</u></b>	<b><u>\$ 7,934,414</u></b>	<b><u>\$ -</u></b>

**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, (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 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, 2023

**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>
2024	\$ -	\$ 421,750	\$ 421,750
2025	-	672,482	672,482
2026	-	463,453	463,453
2027	-	538,519	538,519
2028	-	630,589	630,589
2029 – 2033	740,000	3,937,695	4,677,695
2034 – 2038	2,085,000	2,423,935	4,508,935
2039 – 2043	1,060,000	1,685,600	2,745,600
2044 – 2048	1,640,000	1,237,950	2,877,950
2049 – 2052	<u>\$ 2,500,000</u>	<u>491,600</u>	<u>2,991,600</u>
Total	<u>\$ 8,025,000</u>	<u>\$ 12,503,573</u>	<u>\$ 20,528,573</u>

**NOTE 5: RELATED PARTIES**

The Developer of the property within the Districts is Centerra Commercial, LLC. All of the members of the Board are employees of McWhinney Real Estate Services Inc., manager of Centerra Commercial, LLC, 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, 2023

**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, 2023, 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 \$6,589,709. 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 July 26, 2024. 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, 2023

	2023			VARIANCE	2022
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Property Tax	\$ 142,068	\$ 142,068	\$ 143,466	\$ 1,398	\$ 170,851
Specific Ownership	9,945	9,945	10,234	289	11,138
Other Income	1,000	1,000	24	(976)	-
TOTAL REVENUES	153,013	153,013	153,724	711	181,989
EXPENDITURES					
Current					
General Government					
Treasurer Fees	2,841	2,870	2,870	-	3,397
Service Fees to District No. 1	149,172	150,854	150,854	-	178,592
Contingency	1,000	-	-	-	-
TOTAL EXPENDITURES	153,013	153,724	153,724	-	181,989
NET CHANGE IN FUND BALANCE	-	(711)	-	711	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ (711)	\$ -	\$ 711	\$ -

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, 2023

	2023			VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Property Tax	\$ 301,894	\$ 301,894	\$ 304,865	\$ 2,971	\$ 239,651
Specific Ownership	21,133	21,133	21,747	614	15,623
Interest Income	312	312	43,485	43,173	6,853
TOTAL REVENUES	<u>323,339</u>	<u>323,339</u>	<u>370,097</u>	<u>46,758</u>	<u>262,127</u>
EXPENDITURES					
Current					
General Government	13,039	6,098	6,098	-	255,274
Debt Service					
Principal	-	-	-	-	-
Interest	421,750	557,309	557,309	-	33,974
Contingency	-	-	-	-	-
TOTAL EXPENDITURES	<u>434,789</u>	<u>563,407</u>	<u>563,407</u>	<u>-</u>	<u>289,248</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(111,450)</u>	<u>(240,068)</u>	<u>(193,310)</u>	<u>46,758</u>	<u>(27,121)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In(Out)	(4,584)	(4,584)	-	4,584	1,102,705
Transfers from Other Districts	-	-	13,775	13,775	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,584)</u>	<u>(4,584)</u>	<u>13,775</u>	<u>18,359</u>	<u>1,102,705</u>
NET CHANGE IN FUND BALANCE	(116,034)	(244,652)	(179,535)	65,117	1,075,584
FUND BALANCE, Beginning	<u>1,068,729</u>	<u>1,068,729</u>	<u>1,075,584</u>	<u>6,855</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 952,695</u>	<u>\$ 824,077</u>	<u>\$ 896,049</u>	<u>\$ 71,972</u>	<u>\$ 1,075,584</u>

See the accompanying independent auditors' report.

JOHNSTOWN NORTH METROPOLITAN DISTRICT NO. 2

CAPITAL PROJECTS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2023

	2023			VARIANCE	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Interest and Other	\$ -	\$ -	\$ 35,572	\$ 35,572	\$ 5,735
TOTAL REVENUES	-	-	35,572	35,572	5,735
Utility Income					
Current					
Cost of Issuance	-	-	-	-	593,392
TOTAL EXPENDITURES	-	-	-	-	593,392
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	35,572	35,572	(587,657)
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	-	-	-	8,025,000
Transfers In(Out)	327,138	327,138	-	(327,138)	(1,102,705)
Transfers to Other Districts	(327,138)	(328,092)	(328,092)	-	(5,523,170)
TOTAL OTHER FINANCING SOURCES (USES)	-	(954)	(328,092)	(327,138)	1,399,125
NET CHANGE IN FUND BALANCE	-	(954)	(292,520)	-	811,468
FUND BALANCE, Beginning	-	-	811,468	811,468	-
FUND BALANCE, Ending	\$ -	\$ (954)	\$ 518,948	\$ 811,468	\$ 811,468

See the accompanying independent auditors' report.

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

IF EITHER REVENUES OR EXPENDITURES EXCEED \$100,000, USE THE LONG FORM.

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 in the year.

### EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA).

Any preparer of an Application for Exemption from Audit-SHORT FORM must be a person skilled in governmental accounting.

Approval for an exemption from audit is granted only upon the review by the OSA.

### READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END.

FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END. APPLICATIONS FOR EXEMPTION FROM AUDIT ARE NOT ELIGIBLE FOR AN EXTENSION OF TIME

GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS  
PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED.  
APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT:

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

## CHECKLIST

- Has the preparer signed the application?
- Has the entity corrected all Prior Year Deficiencies as communicated by the OSA?
- Has the application been PERSONALLY reviewed and approved by the governing body?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted electronically?
  - If yes, have you read and understand the new Electronic Signature Policy? See [Click Here](#) new policy ->
  - or--
  - If yes, have you included a resolution?
  - Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
  - Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution.)
- Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
- If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

Checkout our web portal. Register your account and submit electronic Applications for Exemption From Audit, Extension of Time to File requests, Audited Financial Statements, and more! See the link below.

[Click here to go to the portal](#)

## FILING METHODS

Register and submit your Applications at our web portal! For faster processing the web portal is the preferred method for submission

**WEB PORTAL:** <https://apps.leg.co.gov/osa/lg>

**MAIL:** Office of the State Auditor  
Local Government Audit Division  
1525 Sherman St., 7th Floor  
Denver, CO 80203

*Please Note: The OSA's email addresses have changed as of December 1, 2023. Please ensure you are using the email address noted below.*

**QUESTIONS?** Email: [osa.lg@coleg.gov](mailto:osa.lg@coleg.gov) OR Phone: 303-869-3000

## IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, AN AUDIT SHALL BE REQUIRED.

# 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
<a href="mailto:ireneb@pcgi.com">ireneb@pcgi.com</a>

For the Year Ended  
12/31/23  
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**

Irene Buenavista
District Accountant
Pinnacle Consulting Group, Inc.
550 W Eisenhower Blvd
970-669-3611

PREPARER <small>(SIGNATURE REQUIRED)</small>	DATE PREPARED				
	2/23/2024				
Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; padding: 2px;"> <b>GOVERNMENTAL</b> <small>(MODIFIED ACCRUAL BASIS)</small> </td> <td style="width: 50%; text-align: center; padding: 2px;"> <b>PROPRIETARY</b> <small>(CASH OR BUDGETARY BASIS)</small> </td> </tr> <tr> <td style="text-align: center; padding: 2px;"><input checked="" type="checkbox"/></td> <td style="text-align: center; padding: 2px;"><input type="checkbox"/></td> </tr> </table>	<b>GOVERNMENTAL</b> <small>(MODIFIED ACCRUAL BASIS)</small>	<b>PROPRIETARY</b> <small>(CASH OR BUDGETARY BASIS)</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>GOVERNMENTAL</b> <small>(MODIFIED ACCRUAL BASIS)</small>	<b>PROPRIETARY</b> <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)	\$ 437	
2-2	Specific ownership	\$ 31	
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		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 468	

## 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	\$ 459	
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	\$ 9	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 468	

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, <b>MUST</b> explain below: <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, <b>MUST</b> explain below: <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)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*\*Subscription Based Information Technology Arrangements

\*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? <span style="float: right;">\$ 13,415,000.00</span>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized: <span style="float: right;">11/7/2026 &amp; 5/8/2012</span>		
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? <span style="float: right;">\$ -</span>	<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? <span style="float: right;">\$ -</span>	<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? <span style="float: right;">\$ -</span>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Part 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed**

## 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	\$ -	
<b>Total Cash Deposits</b>		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
<b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ -

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 & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*must tie to prior year ending balance

**Part 6 - Please use this space to provide any explanations/comments or attach documentation, if needed:**

## 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.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>

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

\$ -
------

**Part 7 - 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.? If no, **MUST** explain:  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	\$ 568

## 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, 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 Johnstown North 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	17.000
General/Other mills	8.000
Total mills	25.000

Yes

No

N/A

**10-7** NEW 2023! If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain.





Please use this space to provide any additional explanations or comments not previously included:



## 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.		A MAJORITY of the members of the governing body must sign below.
Board Member 1	Print Board Member's Name  Kim Perry	I _____ Kim Perry _____, 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: 3/18/2024   09:25:45 MDT My term Expires: _____ May 2025 <small>DocuSigned by: Kim Perry B786C9D42F3647F...</small>
Board Member 2	Print Board Member's Name  Sam Salazar	I _____ Sam Salazar _____, 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: 3/18/2024   15:45:35 MDT My term Expires: _____ May 2025 <small>DocuSigned by: Sam Salazar 5597E4C10DF544D...</small>
Board Member 3	Print Board Member's Name  Tim Depeder	I _____ Tim Depeder _____, 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: _____ May 2027
Board Member 4	Print Board Member's Name  Josh Kane	I _____ Josh Kane _____, 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: 3/18/2024   10:08:03 MDT My term Expires: _____ May 2027 <small>DocuSigned by: Josh Kane FCDC7E37AA642A...</small>
Board Member 5	Print Board Member's Name	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 6	Print Board Member's Name	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	Print Board Member's Name	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: _____

## EXAMPLE - DO NOT FILL OUT THIS PAGE

This sample resolution/ordinance for exemption from audit is provided as an example of the documentation that is required. The wording may be used as a basis for your own local government document, if needed; however you **MUST** draft your own ordinance or resolution making any changes where applicable. Legal counsel should be consulted regarding any questions.

### RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 20XX FOR THE **(name of government)**, STATE OF COLORADO.

WHEREAS, the **(governing body)** of **(name of government)** wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

**[Choose 1 or 2 below, whichever is applicable]**

(1) WHEREAS, neither revenue nor expenditures for **(name of government)** exceeded \$100,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual)**, a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for **(name of government)** exceeded \$750,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual or firm)**, an independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the **(governing body)** of the **(name of government)** that the application for exemption from audit for **(name of government)** for the Fiscal Year ended \_\_\_\_\_, 20XX, has been personally reviewed and is hereby approved by a majority of the **(governing body)** of the **(name of government)**; that those members of the **(governing body)** have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the **(name of government)** for the fiscal year ended \_\_\_\_\_, 20XX.

ADOPTED THIS \_\_\_ day of \_\_\_\_\_, A.D. 20XX.

**EXAMPLE - DO NOT FILL OUT THIS PAGE**

\_\_\_\_\_  
Mayor/President/Chairman, etc.

ATTEST:

\_\_\_\_\_  
Town Clerk, Secretary, etc.

Type or Print Names of  
Members of Governing Body \_\_\_\_\_

Date  
Term  
Expires

Signature

Type or Print Names of Members of Governing Body	Date Term Expires	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

