

**Johnstown Plaza Metropolitan District
Weld County, Colorado**

**Financial Statements
December 31, 2023**



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Report of Independent Certified Public Accountants

To the Board of Directors
Johnstown Plaza Metropolitan District
Johnstown, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Johnstown Plaza Metropolitan District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Johnstown Plaza Metropolitan District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Johnstown Plaza Metropolitan District, as of December 31, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Johnstown Plaza Metropolitan District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Johnstown Plaza Metropolitan 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 opinion. 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Johnstown Plaza Metropolitan 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Johnstown Plaza Metropolitan 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.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that 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 on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnstown Plaza Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Haynie & Company

Littleton, Colorado
July 30, 2024

Basic Financial Statements

Johnstown Plaza Metropolitan District
Statement of Net Position
December 31, 2023

Assets	Governmental Activities
Cash and investments	\$ 13,002,387
Prepaid expense	2,108
Property taxes receivable	558,827
PIF revenue receivable	621,688
CPIF revenue receivable	496,709
Accounts receivable	2,803
Capital assets, net of depreciation	<u>67,768,762</u>
Total assets	<u><u>82,453,284</u></u>
Liabilities	
Accounts payable	10,315
Accrued interest payable	1,609,455
Non-current liabilities:	
Due within one year	1,523,271
Due in more than one year	<u>91,226,172</u>
Total liabilities	<u><u>94,369,213</u></u>
Deferred Inflows of Resources	
Property tax revenue	<u>558,827</u>
Total deferred inflows of resources	<u><u>558,827</u></u>
Net Position	
Net investment in capital assets	(13,571,904)
Restricted for:	
Emergency	7,359
Debt service	14,040,057
Unrestricted	<u>(12,950,268)</u>
Total Net Position (Deficit)	<u><u>(12,474,756)</u></u>
Total Liabilities, Net Position (Deficit) and Deferred Inflows of Resources	<u><u>\$ 82,453,284</u></u>

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

Johnstown Plaza Metropolitan District
Statement of Activities
For the Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services and other fees</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>
					<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 1,226,039	\$ -	\$ -	\$ -	\$ (1,226,039)
Interest and related costs on long term debt	<u>4,719,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,719,852)</u>
	<u>5,945,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,945,891)</u>
Property taxes					\$ 516,343
Specific ownership taxes					37,242
PIF revenue					4,736,727
CPIF revenue					3,788,837
Interest/ other income					<u>681,055</u>
Total general revenues					<u>9,760,204</u>
Change in net position					3,814,313
Net position (deficit) - beginning of year					<u>(16,289,069)</u>
Net position (deficit) - end of year					<u>\$ (12,474,756)</u>

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

Johnstown Plaza Metropolitan District
Governmental Funds Balance Sheet
and Reconciliation of Fund Balances to Net Position
December 31, 2023

Assets	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Cash and investments	\$ 79,255	\$ 12,923,132	\$ -	\$ 13,002,387
Property taxes receivable	255,434	303,393	-	558,827
Accounts receivable	1,195	1,608	-	2,803
PIF revenue receivable	-	621,688	-	621,688
CPIF revenue receivable	-	496,709	-	496,709
Prepaid expense	2,108	-	-	2,108
Total assets	<u>337,992</u>	<u>14,346,530</u>	<u>-</u>	<u>14,684,522</u>
Liabilities				
Accounts payable	<u>7,235</u>	<u>3,080</u>	<u>-</u>	<u>10,315</u>
Total liabilities	<u>7,235</u>	<u>3,080</u>	<u>-</u>	<u>10,315</u>
Deferred Inflows of Resources				
Deferred property tax revenue	<u>255,434</u>	<u>303,393</u>	<u>-</u>	<u>558,827</u>
Total deferred inflows of resources	<u>255,434</u>	<u>303,393</u>	<u>-</u>	<u>558,827</u>
Fund Balances				
Restricted:				
Emergency reserves	7,359	-	-	7,359
Debt service	-	14,040,057	-	14,040,057
Nonspendable	2,108	-	-	2,108
Unassigned	<u>65,856</u>	<u>-</u>	<u>-</u>	<u>65,856</u>
Total Fund Balances	<u>75,323</u>	<u>14,040,057</u>	<u>-</u>	<u>14,115,380</u>
Total Liabilities, Fund Balance and Deferred Inflows of Resources	<u>\$ 337,992</u>	<u>\$ 14,346,530</u>	<u>\$ -</u>	<u>\$ 14,684,522</u>

Total governmental fund balance per above \$ 14,115,380

Amounts reported for governmental activities in the statement of net position excluded from the governmental fund balance because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds 67,768,762

Long term liabilities not due and payable in the current period are excluded as liabilities in the governmental funds. Interest on long-term debt is recognized as an expenditure in governmental funds when due. These liabilities consist of:

Bonds payable	(92,682,023)
Developer advances	(67,420)
Accrued interest	<u>(1,609,455)</u>
Net position (deficit) of governmental activities	<u>\$ (12,474,756)</u>

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

Johnstown Plaza Metropolitan District
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 220,112	\$ 296,231	\$ -	\$ 516,343
Specific ownership taxes	15,876	21,366	-	37,242
PIF revenue	-	4,736,727	-	4,736,727
Add-on PIF revenue	-	3,788,837	-	3,788,837
Interest/ other income	9,304	671,751	-	681,055
Total General Revenues	<u>245,292</u>	<u>9,514,912</u>	<u>-</u>	<u>9,760,204</u>
Expenditures				
General and Administrative:				
Accounting	44,000	-	-	44,000
Legal	36,445	-	-	36,445
District management	35,149	-	-	35,149
Paying agent fees	-	7,608	-	7,608
Auditing	10,000	-	-	10,000
Office Dues and Other	3,432	-	-	3,432
Insurance and bonds	2,593	-	-	2,593
PIF/RSF collection costs	-	22,040	-	22,040
Treasurer's fees	4,403	5,926	-	10,329
Bond principal	-	3,613,000	-	3,613,000
Bond interest	-	4,340,212	-	4,340,212
Total Expenditures	<u>136,022</u>	<u>7,988,786</u>	<u>-</u>	<u>8,124,808</u>
Excess revenues over (under) expenditures	109,270	1,526,126	-	1,635,396
Other financing sources (uses)				
Developer advance repayments	(74,123)	-	-	(74,123)
Transfer to other funds	-	-	(15)	(15)
Transfer from other funds	15	-	-	15
Total other financing sources (uses)	<u>(74,108)</u>	<u>-</u>	<u>(15)</u>	<u>(74,123)</u>
Net change in fund balances	35,162	1,526,126	(15)	1,561,273
Fund balances:				
Beginning of year	<u>40,161</u>	<u>12,513,931</u>	<u>15</u>	<u>12,554,107</u>
End of year	<u>\$ 75,323</u>	<u>\$ 14,040,057</u>	<u>\$ -</u>	<u>\$ 14,115,380</u>

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

Johnstown Plaza Metropolitan District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2023

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

Net change in fund balance—total governmental funds	\$ 1,561,273
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Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, net of depreciation, in the current period.

Depreciation of capital assets	(1,054,443)
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The issuance of long-term debt (e.g., Developer advances, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal repayment	3,613,000
Amortization of bond discount - 2022 bond	(218,271)
Accrued interest - change in liability	(154,666)
Developer advance principal repayments	<u>67,420</u>
Change in net position of governmental activities	<u>\$ 3,814,313</u>

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

Johnstown Plaza Metropolitan District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
For the Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 225,433	\$ 220,112	\$ (5,321)
Specific ownership taxes	13,526	15,876	2,350
Investment income	25	9,304	9,279
Total Revenues	<u>238,984</u>	<u>245,292</u>	<u>6,308</u>
Expenditures			
Accounting	51,000	44,000	7,000
Audit	8,600	10,000	(1,400)
District management	39,000	35,149	3,851
Office Dues and Other	3,500	3,432	68
Treasurer's fees	4,509	4,403	106
Engineering	2,000	-	2,000
Insurance	3,632	2,593	1,039
Legal	30,000	36,445	(6,445)
Repay Developer Operating Advance	75,000	-	75,000
Contingency	5,000	-	5,000
Total Expenditures	<u>222,241</u>	<u>136,022</u>	<u>86,219</u>
Excess revenues over (under) expenditures	<u>16,743</u>	<u>109,270</u>	<u>92,527</u>
Other financing sources (uses)			
Transfer from other funds	-	15	15
Developer Advance Repayments	<u>(90,000)</u>	<u>(74,123)</u>	<u>15,877</u>
Total other financing sources (uses)	<u>(90,000)</u>	<u>(74,108)</u>	<u>15,892</u>
Net change in fund balances	<u>(73,257)</u>	<u>35,162</u>	<u>108,419</u>
Fund Balance—Beginning of year	<u>45,452</u>	<u>40,161</u>	<u>(5,291)</u>
Fund Balance—End of year	<u>\$ 62,195</u>	<u>\$ 75,323</u>	<u>\$ 13,128</u>

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

Johnstown Plaza Metropolitan District

Notes to Financial Statements

December 31, 2023

1. Definition of Reporting Entity

Johnstown Plaza Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court on February 18, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Johnstown on August 17, 2015. The District's service area is located entirely within the Town in Johnstown, Colorado. The District was organized to provide planning, design, acquisition, construction, installation, relocation, redevelopment, financing, repair, replacement and operations and maintenance of the public improvements, including streets, water, wastewater, traffic and safety, park and recreation, mosquito control, television relay and transportation facilities, primarily for the residential development known as Johnstown Plaza.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

2. Summary of Significant Accounting Policies

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

2. Summary of Significant Accounting Policies (continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, and PIF revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

2. Summary of Significant Accounting Policies (continued)

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental fund.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund presented on the modified accrual basis of accounting unless otherwise indicated.

Actual 2023 expenditures in the Debt Service and Capital Projects Funds exceeded budgeted appropriations, which may be in violation of State statutes.

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners, to put the tax lien on the individual properties as of January 1 for the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Johnstown Plaza Metropolitan District

Notes to Financial Statements (continued)

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

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

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure (e.g. roads, sidewalks and similar items), are reported in the applicable 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. Such assets are recorded in historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets, which are anticipated to be conveyed to other governmental entities, are recorded as construction in progress and are not included in the calculation of invested in capital assets, net of related debt component of the District's net position.

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components.

The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

2. Summary of Significant Accounting Policies (continued)

- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the criteria described above. If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Restricted Fund Balance

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 8).

The restricted fund balance in the Debt Service Fund is to be used exclusively for future payment of bond principal, interest and related costs.

3. Cash and Investments

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 13,002,387
	<u>\$ 13,002,387</u>

Cash and investments as of December 31, 2023 consist of the following:

Deposits with financial institutions	\$ 12,924,310
Investments	<u>78,077</u>
Total cash and investments	<u>\$ 13,002,387</u>

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

3. Cash and Investments (continued)

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2023, the District's cash deposits had a carrying balance of \$13,002,387 and bank balance of \$13,002,387, of which \$250,000 was FDIC insured and the remainder covered by the PDPA.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

3. Cash and Investments (continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- Local government investment pools

As of December 31, 2023, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$78,077

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

4. Capital Assets

An analysis of the changes in net capital assets for the year ended December 31, 2023 follows:

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 38,000,000	\$ -	\$ -	\$ 38,000,000
Non-Potable Water	244,350	-	-	244,350
Construction in Process	-	-	-	-
Total Capital Assets, Not Being Depreciated	38,244,350	-	-	38,244,350
Capital Assets, Being Depreciated				
Sewer and Streets	31,633,298	-	-	31,633,298
Total Capital Assets, Being Depreciated	31,633,298	-	-	31,633,298
Less: Accumulated Depreciation For:				
Sewer and Streets	1,054,443	1,054,443	-	2,108,886
Total Accumulated Depreciation	1,054,443	1,054,443	-	2,108,886
Total Capital Assets Being Depreciated, Net	\$ 68,823,205	\$ (1,054,443)	\$ -	\$ 67,768,762

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

5. Long-Term Liabilities

The following is an analysis of changes in the District's long-term debt for the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Payments	Balance December 31, 2023	Amounts Due Within One Year
<u>Governmental Activities</u>					
GO Series 2016 Bonds	\$ 3,723,237	\$ -	\$ -	\$ 3,723,237	\$ -
Series 2022 Bonds					
Special Revenue Bonds	97,714,000	-	(3,613,000)	94,101,000	1,305,000
Discount	(5,293,064)	-	(218,271)	(5,074,793)	218,271
Total Bonds	<u>\$ 96,144,173</u>	<u>\$ -</u>	<u>\$ (3,831,271)</u>	<u>\$ 92,749,444</u>	<u>\$ 1,523,271</u>
Developer Advances	67,420	-	(67,420)	-	67,240
Total Direct Borrowings	<u>\$ 67,420</u>	<u>\$ -</u>	<u>\$ (67,420)</u>	<u>\$ -</u>	<u>\$ 67,240</u>

\$3,723,237 Limited Tax General Obligation Bonds, Series 2016

On June 15, 2016, the District issued \$3,723,237 (original issue amount) Limited Tax General Obligation Bonds, Series 2016. The bonds, maturing December 1, 2047, bear an interest rate of 6.00% per annum, calculated on a basis of a 360 day year of twelve 30 day months, payable semi-annually on each June 1 and December 1, commencing June 1, 2017, until the principal amount is paid.

Any principal or interest remaining due, but not paid on December 1, 2047 shall be discharged and the Bond shall be deemed paid in full on such date in accordance with the Bond Resolution.

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

5. Long-Term Liabilities (continued)

Below is a summary of the future maturities of the Limited Tax General Obligation Bonds, Series 2016:

GO Series 2016 Bonds

	Principal	Interest	Total
2024	\$ -	\$ 338,785	\$ 338,785
2025	-	359,417	359,417
2026	-	381,305	381,305
2027	-	404,527	404,527
2028	-	429,162	429,162
2029-2033	-	2,571,176	2,571,176
2034-2038	-	3,455,445	3,455,445
2039-2043	-	4,643,830	4,643,830
2044-2047	3,723,237	4,840,974	8,564,211
	\$ 3,723,237	\$ 17,424,621	\$ 21,147,858

The 2016 bonds are subject to redemption, prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2021 and on any date thereafter, with a redemption premium as follows:

Redemption Date	Redemption Premium
December 1, 2021 to and including November 30, 2022	103.0%
December 1, 2022 to and including November 30, 2023	102.0%
December 1, 2023 to and including November 30, 2024	101.0%
December 1, 2024 and thereafter	100.0%

\$99,449,000 Taxable Special Revenue Bonds Series 2022

On December 1, 2022, the District issued \$99,449,000 (original issue amount) Taxable Special Revenue Bonds, Series 2022. The bonds, maturing December 1, 2046, bear an interest rate of 4.250% per annum, calculated on a basis of a 360 day year of twelve 30 day months, payable semi-annually on each June 1 and December 1, commencing December 1, 2022, until the principal amount is paid.

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

5. Long-Term Liabilities (continued)

The refunding of the Series 2016 Bonds from the issuances of the Series 2022 Bonds resulted in a net cash positive cash flow of \$7,748,091 and a present economic gain of \$3,544,178.

Below is a summary of the future maturities of the Special Revenue Bonds Series 2022:

Special Revenue Bonds Series 2022

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,305,000	\$ 4,103,545	\$ 5,408,545
2025	1,465,000	4,048,083	5,513,083
2026	1,630,000	3,985,820	5,615,820
2027	1,805,000	3,916,545	5,721,545
2028	1,990,000	3,839,833	5,829,833
2029-2033	13,065,000	17,760,325	30,825,325
2034-2038	19,380,000	14,473,800	33,853,800
2039-2043	27,465,000	9,702,325	37,167,325
2044-2046	25,996,000	2,760,460	28,756,460
	<u>\$ 94,101,000</u>	<u>\$ 64,590,736</u>	<u>\$ 158,691,736</u>

Events of Default for the bonded debt are as follows:

- The District refuses to impose the required mill levy or apply pledged revenue, as required
- The District fails to collect the pledged revenue or apply pledged revenue as required by the resolution
- The District defaults in the performance or observance or other applicable covenants, agreements or conditions, and fails to remedy after notice
- The District files a petition under federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the bond obligation

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

5. Long-Term Liabilities (continued)

Due to the limited nature of the pledged revenue, the failure to pay the principal of or interest on bonds when due, or the failure to maintain the reserve fund requirement shall not, of itself, constitute an Event of Default.

Remedies for default include the potential for receivership scenario, a suit for judgment or some other suit or action available under law.

In no event shall acceleration of the Bonds be a remedy available in an Event of Default hereunder.

Authorized Debt

On November 3, 2015, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$1,500,000,000.

At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized 3, 2015	Nov 2015	Authorization Used GO Bonds Series 2016	Authorization Used Series A Bonds and Series B Taxable Bonds	Remaining at December 31, 2023
Water	\$ 150,000,000		\$ 1,326,117	\$ 2,891,520	\$ 145,782,363
Sanitation System	150,000,000		2,397,120	1,084,320	146,518,560
Streets	150,000,000		-	82,092,059	67,907,941
Parks and Recreation	150,000,000		-	-	150,000,000
Traffic/Safety Protection	150,000,000		-	4,292,101	145,707,899
Transportation	150,000,000		-	-	150,000,000
Television/Relay/Translation	150,000,000		-	-	150,000,000
Fire Protection	150,000,000		-	-	150,000,000
Mosquito Control	150,000,000		-	-	150,000,000
Security	150,000,000		-	-	150,000,000
	<u>\$ 1,500,000,000</u>		<u>\$ 3,723,237</u>	<u>\$ 90,360,000</u>	<u>\$ 1,405,916,763</u>

Developer Advances

On February 18, 2016, the District entered into an Advance and Reimbursement Agreement (Agreement) for capital costs with the developer, Johnstown Plaza, LLC, whereby the District agreed to reimburse the Developer for capital advances which had been, or were to be, made on behalf of the District. The amounts advanced and reimbursed shall not exceed \$150,000,000, per the Subordinate Promissory Note dated February 18, 2016, which bears simple interest at a rate of 2% plus the current Federal Reserve Board Prime Rate per annum, and matures on February 18, 2017. The notes have been subsequently extended by the developer.

Johnstown Plaza Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

6. Net Position

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets calculated as follows:

Net investment in capital assets:	
Capital assets, net	\$ 67,768,762
Debt balances used to acquire capital assets	(92,749,444)
Unspent bond funds	<u>11,408,778</u>
Net investment in capital assets	<u>\$ (13,571,904)</u>

Restricted assets include the net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2023 as follows:

Restricted net position:	
Emergency Reserves (see Note 8)	\$ 7,359
Debt Service (see Note 5)	<u>14,040,057</u>
Total restricted net position	<u>\$ 14,047,416</u>

The District's unrestricted net position (deficit) as of December 31, 2023 is \$(12,950,268). The overall deficit in net position was a result of the District being responsible for the repayment of debt issued for public improvements which have not yet been completed.

Johnstown Plaza Metropolitan District

Notes to Financial Statements (continued)

December 31, 2023

7. Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2023. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

8. Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Supplementary Information

Johnstown Plaza Metropolitan District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Debt Service Fund
For the Year Ended December 31, 2023

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 303,393	\$ 296,231	\$ (7,162)
Specific ownership taxes	18,204	21,366	3,162
PIF revenue	3,997,292	4,736,727	739,435
Add-on PIF revenue	4,998,648	3,788,837	(1,209,811)
Net investment income	5,000	671,751	666,751
Total Revenues	9,322,537	9,514,912	192,375
Expenditures			
Debt service			
Bond Interest	4,351,366	4,340,212	11,154
PIF collection fees	28,640	22,040	6,600
Treasurer's fees	6,068	5,926	142
Contingency	20,000	-	20,000
Paying agent fees	8,000	7,608	392
Total Expenditures	4,414,074	4,375,786	38,288
Excess revenues over (under) expenditures	4,908,463	5,139,126	154,087
Other financing sources (uses)			
Bond Repayments	(1,160,000)	(3,613,000)	(2,453,000)
Total other financing sources (uses)	(1,160,000)	(3,613,000)	(2,453,000)
Net change in fund balances	3,748,463	1,526,126	(2,222,337)
Fund Balance—Beginning of year	12,526,054	12,513,931	(12,123)
Fund Balance—End of year	\$ 16,274,517	\$ 14,040,057	\$ (2,234,460)

Johnstown Plaza Metropolitan District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Capital Projects Fund
For the Year Ended December 31, 2023

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Net investment income	\$ -	\$ -	\$ -
Contingency	-	-	-
Total Revenues	-	-	-
Expenditures			
Developer Advance Interest	-	-	-
Total Expenditures	-	-	-
Excess revenues over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfer to Debt Svc Fund (Reserve)	-	(15)	(15)
Total other financing sources (uses)	-	(15)	(15)
Net change in fund balances	-	(15)	(15)
Fund Balance—Beginning of year	-	15	15
Fund Balance—End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Johnstown Plaza Metropolitan District
Summary of Assessed Valuation,
Mill Levy and Property Taxes Collected
December 31, 2023

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied (All Funds)	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2019	\$ 11,651,640	26.598	\$ 309,910	\$ 312,237	100.75%
2020	14,795,748	26.598	393,537	378,562	96.19%
2021	16,331,489	26.598	434,385	496,086	114.20%
2022	18,616,967	26.598	495,174	516,343	104.28%
2023	\$ 19,437,223	26.598	\$ 516,991	\$ 516,343	99.87%
Estimated for the year ending 12/31/2024	\$ 21,794,389	27.243	\$ 558,527		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the county treasurer does not permit identification of specific year or levy.