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## Accountant's Compilation Report

Board of Directors  
Villages at Johnstown Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Villages at Johnstown Metropolitan District No. 1 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Villages at Johnstown Metropolitan District No. 1.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 8, 2020



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**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/8/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	190,000	28,100,000
Intergovernmental revenues - District No. 2	-	-	4,750,103
Intergovernmental revenues - District No. 3	-	-	4
Total revenues	<u>-</u>	<u>190,000</u>	<u>32,850,107</u>
Total funds available	<u>-</u>	<u>190,000</u>	<u>32,850,107</u>
EXPENDITURES			
General Fund	-	190,000	100,000
Capital Projects Fund	-	-	32,750,000
Total expenditures	<u>-</u>	<u>190,000</u>	<u>32,850,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>190,000</u>	<u>32,850,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107</u>
EMERGENCY RESERVE	\$ -	\$ -	\$ 100
AVAILABLE FOR OPERATIONS	-	-	7
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/8/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>			
Agricultural	\$ -	\$ 189	\$ 168
Certified Assessed Value	\$ -	\$ 189	\$ 168
<b>MILL LEVY</b>			
General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000
<b>PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
Budgeted property taxes	\$ -	\$ -	\$ -
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/8/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	190,000	100,000
Intergovernmental revenues - District No. 2	-	-	103
Intergovernmental revenues - District No. 3	-	-	4
Total revenues	<u>-</u>	<u>190,000</u>	<u>100,107</u>
Total funds available	<u>-</u>	<u>190,000</u>	<u>100,107</u>
EXPENDITURES			
General and administrative			
Accounting	-	10,000	30,000
Dues and membership	-	1,600	1,800
Insurance and bonds	-	20,066	22,000
Legal services	-	75,000	30,000
Miscellaneous	-	5,000	5,000
Organizational costs	-	65,712	-
Election expense	-	-	200
Contingency	-	12,622	11,000
Total expenditures	<u>-</u>	<u>190,000</u>	<u>100,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>190,000</u>	<u>100,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/8/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	-	28,000,000
Intergovernmental revenues - District No. 2	-	-	4,750,000
Total revenues	<u>-</u>	<u>-</u>	<u>32,750,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>32,750,000</u>
EXPENDITURES			
Capital Projects			
Repayment of developer advances	-	-	4,750,000
Capital outlay	-	-	28,000,000
Total expenditures	<u>-</u>	<u>-</u>	<u>32,750,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>32,750,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 1  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Villages at Johnstown Metropolitan District No. 1 (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized concurrently with Villages of Johnstown District Nos. 2-8 (collectively the Districts) by order and decree of the District Court for Larimer County on May 30, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Fort Collins, Larimer County, Colorado.

Pursuant to the Consolidated Service Plan, District No. 1 will serve as the service district and will be responsible for managing the construction and operation of the facilities and improvements for the Districts. Districts Nos. 2-8 will serve as the financing districts and are responsible for providing the funding and tax base needed to support the capital improvements.

During the election held on May 8, 2018, a majority of the District's electors authorized general obligation indebtedness of \$1,190,000,000, for the above listed facilities, intergovernmental agreements and debt refunding. Additionally, on May 8, 2018, the Districts' voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

The Consolidated Service Plan limits the aggregate amount of debt that may be issued by the Districts to \$72,500,000.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Developer Advances**

The District is in the development stage. As such, the operating and administrative costs as well as capital improvements costs for 2020 are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**Transfers from Villages at Johnstown Metropolitan District Nos. 2-8**

Pursuant to the District Coordinating Services Agreement anticipated to be entered into in 2020, the District will provide certain operation, maintenance and administrative services benefitting the Villages at Johnstown Metropolitan District Nos. 2-8. The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to the District.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 1  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General and Administrative Expenditures**

The District, as the service district, will provide for all general and administrative expenditures for the Districts. General and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance and other administrative expenses.

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

**Debt and Leases**

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

**Reserves**

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

**This information is an integral part of the accompanying budget.**