

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2026**

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
SUMMARY  
2026 BUDGET  
WITH 2024 ACTUAL AND 2025 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 621,993	\$ 875,893	\$ 864,364
REVENUES			
Property Taxes	390,900	522,116	527,043
Specific Ownership Taxes	24,475	32,110	31,623
Interest Income	25,419	20,068	34,000
Facilities Fees	150,000	-	-
Other Revenue	2,401	-	4,266
Total revenues	<u>593,195</u>	<u>574,294</u>	<u>596,932</u>
Total funds available	<u>1,215,188</u>	<u>1,450,187</u>	<u>1,461,296</u>
EXPENDITURES			
General Fund	85,535	110,823	116,000
Debt Service Fund	253,760	475,000	486,000
Total expenditures	<u>339,295</u>	<u>585,823</u>	<u>602,000</u>
Total expenditures and transfers out requiring appropriation	<u>339,295</u>	<u>585,823</u>	<u>602,000</u>
ENDING FUND BALANCES	<u>\$ 875,893</u>	<u>\$ 864,364</u>	<u>\$ 859,296</u>
DEBT SERVICE RESERVE	\$ 378,250	\$ 378,250	\$ 378,250
DEBT SERVICE SURPLUS	481,000	481,000	481,000
RESERVE FOR FUTURE DEBT SERVICE	16,643	5,114	46
TOTAL RESERVE	<u>\$ 875,893</u>	<u>\$ 864,364</u>	<u>\$ 859,296</u>

See summary of significant assumptions.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2026 BUDGET**  
**WITH 2024 ACTUAL AND 2025 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/30/26

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

**ASSESSED VALUATION**

Residential	\$ 1,157,665	\$ 6,051,701	\$ 8,002,731
Commercial	-	11,087	10,085
State assessed	1,310	1,358	82,400
Vacant land	5,946,227	3,053,389	1,138,185
Certified Assessed Value	\$ 7,105,202	\$ 9,117,535	\$ 9,233,401

**MILL LEVY**

General	11.003	11.453	11.416
Debt Service	44.013	45.812	45.664
Total mill levy	55.016	57.265	57.080

**PROPERTY TAXES**

General	\$ 78,179	\$ 104,423	\$ 105,409
Debt Service	312,721	417,693	421,634
Budgeted property taxes	\$ 390,900	\$ 522,116	\$ 527,043

**BUDGETED PROPERTY TAXES**

General	\$ 78,179	\$ 104,423	\$ 105,409
Debt Service	312,721	417,693	421,634
	\$ 390,900	\$ 522,116	\$ 527,043

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
2026 BUDGET  
WITH 2024 ACTUAL AND 2025 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
<b>REVENUES</b>			
Property Taxes	78,179	104,423	105,409
Specific Ownership Taxes	4,895	6,400	6,325
Interest Income	60	-	-
Other Revenue	2,401	-	4,266
Total revenues	<u>85,535</u>	<u>110,823</u>	<u>116,000</u>
Total funds available	<u>85,535</u>	<u>110,823</u>	<u>116,000</u>
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's Fee	1,565	2,088	2,108
Contingency	-	-	4,266
Transfer to District No. 1	83,970	108,735	109,626
Total expenditures	<u>85,535</u>	<u>110,823</u>	<u>116,000</u>
Total expenditures and transfers out requiring appropriation	<u>85,535</u>	<u>110,823</u>	<u>116,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See summary of significant assumptions.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3**  
**DEBT SERVICE FUND**  
**2026 BUDGET**  
**WITH 2024 ACTUAL AND 2025 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/30/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 621,993	\$ 875,893	\$ 864,364
<b>REVENUES</b>			
Property Taxes	312,721	417,693	421,634
Specific Ownership Taxes	19,580	25,710	25,298
Interest Income	25,359	20,068	34,000
Facilities Fees	150,000	-	-
Total revenues	<u>507,660</u>	<u>463,471</u>	<u>480,932</u>
Total funds available	<u>1,129,653</u>	<u>1,339,364</u>	<u>1,345,296</u>
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's Fee	6,260	8,354	8,433
Paying Agent Fees	7,000	7,000	7,000
Contingency	-	-	5,317
Debt Service			
Series 2020A Interest	240,500	240,500	240,250
Series 2020A Principal	-	5,000	65,000
Series 2020B Interest	-	214,146	160,000
Total expenditures	<u>253,760</u>	<u>475,000</u>	<u>486,000</u>
Total expenditures and transfers out requiring appropriation	<u>253,760</u>	<u>475,000</u>	<u>486,000</u>
ENDING FUND BALANCES	<u>\$ 875,893</u>	<u>\$ 864,364</u>	<u>\$ 859,296</u>
DEBT SERVICE RESERVE	\$ 378,250	\$ 378,250	\$ 378,250
DEBT SERVICE SURPLUS	481,000	481,000	481,000
RESERVE FOR FUTURE DEBT SERVICE	16,643	5,114	46
TOTAL RESERVE	<u>\$ 875,893</u>	<u>\$ 864,364</u>	<u>\$ 859,296</u>

See summary of significant assumptions.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

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

**Property Taxes**

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

The calculation of the taxes levied is displayed on the property tax summary information page of the budget.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Property Taxes (continued)**

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

<b>Category</b>	<b>Rate</b>	<b>Category</b>	<b>Rate</b>
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's fees have been computed at 2% of property tax collections.

**Debt Service**

Principal and interest payments in 2026 are provided based on the debt amortization schedule from the Series 2020A Bonds (discussed under Debts and Leases). There is no debt amortization schedule provided for the Series 2020B Subordinate Bonds as the Bond is a cash flow bond and the timing of the payments are unknown.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (continued)**

**Transfers to Ridge at Johnstown Metropolitan District No. 1**

Pursuant to the District Coordinating Services Agreement, Ridge at Johnstown Metropolitan District No. 1 will provide certain operation, maintenance and administrative services benefitting the Districts. The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to Ridge at Johnstown Metropolitan District No. 1.

Pursuant to the Infrastructure Acquisition and Reimbursement Agreement, and the Addendum to that agreement, between the District, Ridge at Johnstown Metropolitan District No. 1, and the Developers, Ridge at Johnstown Metropolitan District No. 1 will acquire public infrastructure constructed or caused to be constructed by the Developers, and the District will be responsible for reimbursing the Developers.

**Debt and Leases**

**Series 2020 Bonds**

The District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A on December 22, 2020, in the par amount of \$4,810,000 (the Senior Bonds). The District also issued Subordinate Limited Tax General Obligation Bonds, Series 2020B on December 22, 2020, in the par amount of \$843,000 (the Subordinate Bonds). Proceeds from the sale of the Senior Bonds were/will be used to (i) finance or reimburse the costs of public improvements related to a residential development in the Town; (ii) pay capitalized interest on the Senior Bonds; (iii) fund the Reserve Fund to the Reserve Requirement; and (iv) pay other costs in connection with the issuance of the Bonds. Proceeds of the Subordinate Bonds will be used to finance or reimburse the costs of public improvements related to the development.

**Senior Bonds Details**

The Senior Bonds bear interest at the rate of 5.000%, payable semi-annually on June 1 and December 1 (each an "Interest Payment Date"), beginning on June 1, 2021. The Senior Bonds were issued as a term bond that has annual mandatory sinking fund principal payments due annually on December 1, beginning on December 1, 2025. The Senior Bonds mature on December 1, 2050. To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge of the Senior Bonds on December 1, 2059 (the "Senior Bonds Discharge Date"). To the extent interest on any Senior Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Senior Bond. In the event any amounts due on the Senior Bonds remain unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Discharge Date, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

Senior Pledged Revenue

The Senior Bonds are secured by and payable from the Senior Pledged Revenue, which means the moneys derived by the District from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (a) the Senior Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Subordinate Bonds Details

The Subordinate Bonds bear interest at the rate of 7.500% per annum and are payable annually on December 15, beginning December 15, 2021 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2050. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. Principal on the Subordinate Bonds is to be paid on the Mandatory Redemption Date (each December 15) only to the extent Subordinate Pledged Revenue is available therefor. All of the Subordinate Bonds and interest thereon are to be deemed to be discharged after the application of all available Subordinate Pledged Revenue on December 15, 2059 (the "Subordinate Bonds Discharge Date"), regardless of the amount of principal and interest paid prior to the Subordinate Bonds Discharge Date.

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County, which includes: (a) the Subordinate Required Mill Levy; (b) the portion of the Specific Ownership Tax resulting from the Subordinate Required Mill Levy; (c) the Subordinate Capital Fee Revenue; (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue

Senior Required Mill Levy

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

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

Subordinate Required Mill Levy

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy upon all taxable property in the District each year in an amount equal to (i) 40 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2018) less the Senior Obligation Mill levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the Subordinate Bonds in full in the year such levy is collected. Senior Obligation Mill Levy means the sum of the Senior Required Mill Levy and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has not provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2026, as defined under TABOR, because net tax revenue is transferred to District No. 1, the service district, which provides for the required reserve amount.

**Debt Service Reserve**

The District is required to maintain a debt service reserve of \$378,250 under the terms of the Bonds. This reserve was initially established from the proceeds of the Senior Bonds.

**Debt Service Reserve (Surplus Fund)**

The District is required to maintain a Surplus Fund from funds that exceed the current year debt service requirements as outlined in the terms of the Bonds. The Surplus Fund is not to exceed \$481,000 and shall be drawn in the event Pledged Revenues are insufficient to cover current year debt service requirements.

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

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2026**

<u>Year Ended December 31,</u>	<b>Series 2020A Senior Bonds \$4,810,000 Interest Rate 5.00% Dated December 22, 2020</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 65,000	\$ 240,250	\$ 305,250
2027	65,000	237,000	302,000
2028	75,000	233,750	308,750
2029	80,000	230,000	310,000
2030	90,000	226,000	316,000
2031	95,000	221,500	316,500
2032	105,000	216,750	321,750
2033	110,000	211,500	321,500
2034	120,000	206,000	326,000
2035	130,000	200,000	330,000
2036	140,000	193,500	333,500
2037	150,000	186,500	336,500
2038	165,000	179,000	344,000
2039	170,000	170,750	340,750
2040	185,000	162,250	347,250
2041	195,000	153,000	348,000
2042	215,000	143,250	358,250
2043	225,000	132,500	357,500
2044	240,000	121,250	361,250
2045	255,000	109,250	364,250
2046	275,000	96,500	371,500
2047	290,000	82,750	372,750
2048	310,000	68,250	378,250
2049	325,000	52,750	377,750
2050	730,000	36,500	766,500
Total	\$ 4,805,000	\$ 4,110,750	\$ 8,915,750

See summary of significant assumptions.