

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2022

with

Independent Auditor's Report

8.18.2023 Version

C O N T E N T S

	<u>Page</u>
<u>Independent Auditor's Report</u>	I
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<u>Supplemental Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	21
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	22
Combining Balance Sheet - General Fund	23
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund	24
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	25

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 3,096,091	\$ -	\$ -	\$ 3,096,091	\$ -	\$ 3,096,091
Cash and investments - restricted	571,970	-	2,923,503	3,495,473	-	3,495,473
Receivable County Treasurer	36,401	-	-	36,401	-	36,401
Property taxes receivable	5,799,603	-	-	5,799,603	-	5,799,603
Accounts receivable	46,603	182,990	189,057	418,650	-	418,650
Prepaid expenses	3,152	-	-	3,152	-	3,152
Capital assets, net of depreciation	-	-	-	-	4,672,569	4,672,569
Total Assets	<u>\$ 9,553,820</u>	<u>\$ 182,990</u>	<u>\$ 3,112,560</u>	<u>\$ 12,849,370</u>	<u>4,672,569</u>	<u>17,521,939</u>
LIABILITIES						
Accounts payable	\$ 334,551	\$ -	\$ -	\$ 334,551	-	334,551
Long-term liabilities						
Due in more than one year	-	-	-	-	162,451,156	162,451,156
Total Liabilities	<u>334,551</u>	<u>-</u>	<u>-</u>	<u>334,551</u>	<u>162,451,156</u>	<u>162,785,707</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	<u>5,799,603</u>	-	-	<u>5,799,603</u>	-	<u>5,799,603</u>
Total Deferred Inflows of Resources	<u>5,799,603</u>	<u>-</u>	<u>-</u>	<u>5,799,603</u>	<u>-</u>	<u>5,799,603</u>
FUND BALANCE						
Nonspendable:						
Prepays	3,152	-	-	3,152	(3,152)	-
Restricted:						
Emergencies	147,977	-	-	147,977	(147,977)	-
Conservation trust	423,993	-	-	423,993	(423,993)	-
Debt service	-	182,990	-	182,990	(182,990)	-
Committed:						
Capital projects	-	-	3,112,560	3,112,560	(3,112,560)	-
Assigned:						
Designated for future expenditures	2,598,430	-	-	2,598,430	(2,598,430)	-
Unassigned:	<u>246,115</u>	-	-	<u>246,115</u>	<u>(246,115)</u>	-
Total Fund Balances	<u>3,419,666</u>	<u>182,990</u>	<u>3,112,560</u>	<u>6,715,216</u>	<u>(6,715,216)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,553,820</u>	<u>\$ 182,990</u>	<u>\$ 3,112,560</u>	<u>\$ 12,849,370</u>		
NET POSITION						
Restricted for:						
Emergencies					147,977	147,977
Conservation trust					423,993	423,993
Debt service					182,990	182,990
Capital projects					3,112,560	3,112,560
Unrestricted					<u>(154,930,891)</u>	<u>(154,930,891)</u>
Total Net Position (Deficit)					<u>\$ (151,063,371)</u>	<u>\$ (151,063,371)</u>

The notes to the financial statements are an integral part of these statements.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Accounting and audit	\$ 42,119	\$ -	\$ -	\$ 42,119	\$ -	\$ 42,119
Directors' fees	6,097	-	-	6,097	-	6,097
District management	36,545	-	-	36,545	-	36,545
Insurance	23,462	-	-	23,462	-	23,462
Legal and election expenses	137,146	-	-	137,146	-	137,146
Miscellaneous expenses	1,148	-	-	1,148	-	1,148
Administrative	92,347	-	-	92,347	-	92,347
Facilities management	117,000	-	-	117,000	-	117,000
SDA dues and conference	1,742	-	-	1,742	-	1,742
Development/referrals	15,104	-	-	15,104	-	15,104
GF Rehab and improvements	162,617	-	-	162,617	-	162,617
Project / engineering GF projects	23,210	-	-	23,210	-	23,210
District #9 - legal / engineering	28,335	-	-	28,335	-	28,335
Operations and maintenance	1,104,144	-	-	1,104,144	-	1,104,144
Utilities	214,451	-	-	214,451	-	214,451
Treasurer's fees	86,128	-	-	86,128	-	86,128
Bond interest expense	-	3,950,000	-	3,950,000	9,263,692	13,213,692
Capital improvements	-	-	213,503	213,503	(213,503)	-
Construction management	-	-	5,311	5,311	(5,311)	-
Project management/planning/engineering	-	-	20,307	20,307	(20,307)	-
Depreciation	-	-	-	-	155,839	155,839
Total Expenditures	2,091,595	3,950,000	239,121	6,280,716	9,180,410	15,461,126
PROGRAM REVENUES						
Intergovernmental agreement - Castle Rock Conservation trust	-	-	204,327	204,327	-	204,327
	44,706	-	-	44,706	-	44,706
Total Program Revenues	44,706	-	204,327	249,033	-	249,033
Net Program Revenue (Expense)	(2,046,889)	(3,950,000)	(34,794)	(6,031,683)	(9,180,410)	(15,212,093)
GENERAL REVENUES						
Property taxes	5,739,603	-	-	5,739,603	-	5,739,603
Specific ownership taxes	507,419	-	-	507,419	-	507,419
Other income	373	-	-	373	-	373
Interest income	4,323	-	127,314	131,637	-	131,637
Total General Revenues	6,251,718	-	127,314	6,379,032	-	6,379,032
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,204,829	(3,950,000)	92,520	347,349	(9,180,410)	(8,833,061)
OTHER FINANCING SOURCES (USES)						
Transfer from/(to) other funds	(3,750,289)	3,750,289	-	-	-	-
Total Other Financing Sources (Uses)	(3,750,289)	3,750,289	-	-	-	-
NET CHANGE IN FUND BALANCES	454,540	(199,711)	92,520	347,349	(347,349)	
CHANGES IN NET POSITION					(8,833,061)	(8,833,061)
FUND BALANCES/NET POSITION						
BEGINNING OF YEAR	2,965,126	382,701	3,020,040	6,367,867	(148,598,177)	(142,230,310)
END OF YEAR	<u>\$ 3,419,666</u>	<u>\$ 182,990</u>	<u>\$ 3,112,560</u>	<u>\$ 6,715,216</u>	<u>\$ (157,778,587)</u>	<u>\$ (151,063,371)</u>

The notes to the financial statements are an integral part of these statements.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 5,738,040	\$ 5,739,603	\$ 1,563
Specific ownership taxes	518,014	507,419	(10,595)
Other income	13,500	373	(13,127)
Interest income	6,300	4,323	(1,977)
System development fees	160,000	-	(160,000)
Conservation trust	50,000	44,706	(5,294)
	<u>6,485,854</u>	<u>6,296,424</u>	<u>(189,430)</u>
Total Revenues			
EXPENDITURES			
Legal and election expenses	131,000	137,146	(6,146)
Accounting and audit	34,000	42,119	(8,119)
Insurance	24,000	23,462	538
Administrative / Asst. Manager	92,000	92,347	(347)
District management	55,000	36,545	18,455
Facilities management	101,400	117,000	(15,600)
Directors fees & expenses	7,536	6,097	1,439
Development assistance & referrals	9,500	15,104	(5,604)
Community outreach and website	5,000	-	5,000
SDA dues & conference	5,000	1,742	3,258
Miscellaneous/reprographic	500	1,148	(648)
Utilities	232,800	214,451	18,349
Operations and maintenance programs	1,400,000	1,104,144	295,856
GF Rehab and Improvements	2,185,000	162,617	2,022,383
Project Management - GF projects	45,100	23,210	21,890
District #9 - Legal/Engineering/Inclusion	85,000	28,335	56,665
Snowplow damage-repairs	6,000	-	6,000
Weather damage - other repairs	6,500	-	6,500
Treasurer's fees	86,112	86,128	(17)
CTF expenditures	150,000	-	150,000
Contingency	246,115	-	246,115
Emergency reserve	132,763	-	132,763
	<u>5,040,325</u>	<u>2,091,595</u>	<u>2,948,730</u>
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,445,529	4,204,829	2,759,300
OTHER FINANCING SOURCES (USES)			
Transfer to other funds	<u>(4,060,000)</u>	<u>(3,750,289)</u>	<u>309,711</u>
Total Other Financing Sources (Uses)	<u>(4,060,000)</u>	<u>(3,750,289)</u>	<u>309,711</u>
NET CHANGE IN FUND BALANCE	(2,614,471)	454,540	3,069,011
FUND BALANCE - BEGINNING OF YEAR	<u>3,014,471</u>	<u>2,965,126</u>	<u>(49,345)</u>
FUND BALANCE - END OF YEAR	<u>\$ 400,000</u>	<u>\$ 3,419,666</u>	<u>\$ 3,019,666</u>

The notes to the financial statements are an integral part of these statements.

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Founders Village Metropolitan District (the “District”), located in Douglas County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on August 15, 1984, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was formerly known as Villages at Castle Rock Metropolitan District No. 1 and changed its name on February 23, 2006. The District’s service area is located entirely within the Town of Castle Rock (“Town”). The District was established to finance the construction and acquisition of arterial roadways, major storm drainage facilities, traffic safety protection, potable water systems, sewer systems, irrigation systems and recreation facilities that benefit the citizens of the District. Upon completion, the District will dedicate and transfer the improvements to the Town for maintenance and operation. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

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

As required by GAAP, these financial statements present the activities of the District, and its component unit for which the District is considered to be financially accountable. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The blended component unit, although a legally separate entity, is in substance part of the District’s operations; therefore, data from this government entity is combined with data of the primary government. The blended component unit has a December 31 year end.

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

Blended Component Unit

The Villages at Castle Rock Metropolitan District No. 4 (“District No. 4”) is governed by a board comprised of the District’s board. By Order of Dissolution entered by the Douglas County District Court on December 20, 1993, the then Board of Directors of District No. 4 were discontinued from office and the Board of Directors of the District (and each of their successors in office) are to act as the Board of Directors of District No. 4, carrying out the statutory responsibilities of District No. 4 and those responsibilities imposed under an Intergovernmental Agreement dated February 16, 1993, until District No. 4 ceases to exist on the earlier of June 30, 2031 or upon the date all outstanding bonds have been paid in full. District No. 4 will be dissolved upon satisfaction of the terms of its outstanding indebtedness and contractual obligations or June 30, 2031, whichever is sooner. District No. 4’s primary revenue source is from intergovernmental revenue from the District. District No. 4’s operations are included in the General Fund, Debt Service Fund and Capital Projects Fund.

The current primary purpose of the District is to satisfy its contractual obligations to District No. 4.

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect 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*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs accounted for in District No. 4.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets accounted for in District No. 4.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. 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 on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Streetscaping and landscape	30-40 years
Boulevard and open space fencing	30 years

Depreciation expense for the year ended December 31, 2022, was \$155,839.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$3,152 represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance of \$147,977 in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. \$423,993 of the fund balance has been restricted for unspent Conservation Trust Fund, ("CTF") proceeds. The CTF Funds are not pledged revenues for the Series 1991 Bonds (see Note 4).

The restricted fund balance in the Debt Service Fund in the amount of \$182,990 is restricted for the payment of the debt service costs associated with the District No. 4 Revenue Refunding Bonds (see Note 4).

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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.

The fund balance in the Capital Projects Fund in the amount of \$3,112,560 is committed for the payment of the costs for capital improvements within District No. 4.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The assigned fund balance in the General Fund in the amount of \$2,598,430 represents the amount appropriated for use in the budget for the year ending December 31, 2023.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets. At December 31, 2022, the District had no amount to report in this category.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

The District has a deficit net position as of December 31, 2022. This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which the costs were removed from the District's financial records.

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the District will use the most restrictive net position first.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Note 2: Cash and Investments

As of December 31, 2022, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 3,096,091
Cash and investments – restricted	<u>3,495,473</u>
	<u>\$ 6,591,564</u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with financial institutions	\$ 979,488
Investments – COLOTRUST	<u>5,612,076</u>
	<u>\$ 6,591,564</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 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 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.

The District does not have a formal policy for deposits. None of the District’s deposits were exposed to custodial credit risk.

At December 31, 2022, the District’s cash deposits in the banks and the carrying balances were \$979,488.

Investments

Investment Valuation

Certain investments are measured at fair value 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 unobservable inputs. The District’s investment is not required to be categorized within the fair value hierarchy. This investment’s value is calculated using the net asset value method (“NAV”) per share.

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2022, the District had \$5,612,076 invested in COLOTRUST.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ending December 31, 2022, follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2022</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ 1,104,232	\$ 239,121	\$ -	\$ 1,343,353
Total capital assets not being depreciated:	<u>1,104,232</u>	<u>239,121</u>	<u>-</u>	<u>1,343,353</u>
<u>Capital assets being depreciated:</u>				
Streetscaping and irrigation systems	3,646,877	-	-	3,646,877
Boulevard and open spacefencing	1,640,000	-	-	1,640,000
Entry monuments	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
Total capital assets being depreciated:	5,686,877	-	-	5,686,877
Accumulated Depreciation	<u>(2,201,822)</u>	<u>(155,839)</u>	<u>-</u>	<u>(2,357,661)</u>
Net capital assets being depreciated:	<u>3,485,055</u>	<u>(155,839)</u>	<u>-</u>	<u>3,329,216</u>
Government type assets, net	<u>\$ 4,589,287</u>	<u>\$ 83,282</u>	<u>\$ -</u>	<u>\$ 4,672,569</u>

Pursuant to an Agreement dated February 1, 2007, the District agreed to accept a Bill of Sale from Founders Village Master Association, Inc. which conveyed specified fences within Founders Village to the District. The District and District No. 4 agreed to be responsible for all maintenance obligations concerning these fences. At the time this conveyance was made, the specified fences had a value of \$1,640,000. Over the past 12 years District No. 4 has repaired and or re-stained the fences, and these costs were recorded as operating and maintenance expenses.

The District remains responsible for maintenance of certain streetscape and irrigation facilities within the arterial and collector street right-of-ways. Upon completion and final acceptance by the Town, all other public infrastructure and public utility improvements will be conveyed to the Town. Improvements that are to be conveyed are not depreciated.

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Note 4: Long-Term Debt

A description of the long-term obligations as of December 31, 2022, is as follows:

Revenue Refunding Bonds – Series 1991

The Revenue Refunding Bonds were issued by District No. 4, a blended component unit of the District (see Note 1). The Revenue Refunding Bonds, Series 1991, bear interest payable semiannually on June 1 and December 1 of each year at the rate of 8.5% per annum, compounded semiannually.

Payments are to be made to current interest first, then unpaid interest, then to principal. The bonds mature on June 1, 2031. Any principal and accrued interest remaining unpaid after June 1, 2031, will be deemed to be discharged, satisfied and no longer due and payable.

Interest on the bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenue and cannot be predicted with certainty.

The bonds are secured by a pledge of revenues consisting of certain payments under the Intergovernmental Agreement with the District, District No. 4 and the Villages at Castle Rock Metropolitan District No. 9 (“District No. 9”). The District and District No. 9 are obligated to make payments to District No. 4 in an amount sufficient to pay the principal and interest on the bonds. The bonds do not constitute general obligation debt of District No. 4 and may only be paid from the revenues received from the District and District No. 9. Currently, the District is the sole source of revenue to District No. 4 under this agreement since District No. 9 has been inactive. The Town reconstituted District No. 9’s Board of Directors in the fall of 2018. District No. 9 then was brought into statutory compliance, filed a Fiscal Year 2018 Budget, and adopted a mill levy equal to the District’s mill levy as required by the 1991 Bond Resolution. As referenced in Note 5, District No. 9 owes the District for certain facilities and capacity developed by the District for the benefit of District No. 9 prior to the District No. 4 bankruptcy (see Note 5).

District No. 4 shall not develop additional roads, water or sewer facilities for the benefit of District No. 9 until District No. 9 adopts a Second Amended Intergovernmental Funding Agreement (“IGFA”) which incorporates a facility development fee resolution. As of December 31, 2022, District No. 4 and District No. 9 are negotiating the IGFA.

Due to the uncertainty of the timing of the principal and interest payments on the Bonds, a schedule of the timing of these payments is not available.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

The following is an analysis of changes in long-term debt for the year ending December 31, 2022:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022	Current Portion
<u>General Obligation Debt</u>					
Revenue Refunding Bonds -					
Series 1991	\$ 25,911,000	\$ -	\$ -	\$ 25,911,000	\$ -
Accrued interest	127,276,464	13,213,692	3,950,000	136,540,156	-
	<u>\$ 153,187,464</u>	<u>\$ 13,213,692</u>	<u>\$ 3,950,000</u>	<u>\$ 162,451,156</u>	<u>\$ -</u>

Debt Authorization

The District has no remaining General Obligation Debt authorization.

Note 5: Agreements

Intergovernmental Agreement - Town

The District entered into an intergovernmental agreement with the Town on September 7, 1984. This agreement was merged into the Master Intergovernmental Agreement dated May 1, 1995, between the District, District No. 4 and the Town, and subsequently amended on August 22, 1996 and June 13, 2006. The agreement required the District to construct or acquire various in-District and regional facilities and improvements which shall be conveyed to the Town. Upon final acceptance, the Town will maintain and operate certain public facilities and improvements. Construction is performed by District No. 4 under the terms of the 1991 Intergovernmental Financial Agreement. As stated in Note 3, the District has certain operations and maintenance responsibilities under this agreement.

Intergovernmental Financing Agreement

The District (not inclusive of its blended component unit of District No. 4) entered into an Amended Intergovernmental Financing Agreement with District No. 4 on September 12, 1991, which was approved by the U. S. Bankruptcy Court on December 17, 1991 as part of the court's approval of District No. 4's Plan for Adjustment of Debts. According to the amended agreement, the District is required to reimburse District No. 4 for providing certain improvements and facilities and also obligates the District to repay the outstanding revenue bonds of District No. 4. The agreement also requires District No. 4, on behalf of the District, to pay all of the administrative, legal, insurance, utilities, management and operating and maintenance expenditures of District No. 4.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

The agreement delineates specific mill levy requirements that will enable the District to sufficiently fund the debt service requirements of District No. 4. The District is required to impose a minimum mill levy for each year that District No. 4's bonds are outstanding. The minimum mill levies are as follows:

<u>Year</u>	<u>Mill Levy</u>
1991-1999	32 mills
2000-2004	37 mills
2005-2031	42 mills

If the methods of assessment are changed during the term of District No. 4's Series 1991 bonds, the mill levy required in the District automatically will be changed to yield the same revenue which would be produced from the mill levies stated above, based upon the 1991 methods of assessment. Based upon these criteria, the mill levy certified for property taxes to be collected in 2022 was 88.683 mills.

In addition, beginning in January 2000, the District must select five special districts in Douglas County which are comparable to the District ("Comparison Districts"). The mill levy must be adjusted so that the total overlapping property tax levies for property owners in the District is not less than the mean average of the five total overlapping property tax levied for the preceding year for the Comparison Districts. The analysis of Comparison Districts is completed and adopted annually (with the annual budget) and submitted to the Trustee.

The agreement is valid until the earlier of June 31, 2031, or the date District No. 4's revenue bonds are paid in full. At that time, District No. 4 shall be dissolved by previous Court Order.

Facilities Development Fee Resolution

The District (not inclusive of its blended component unit of District No. 4) approved a Facilities Development Fee Resolution as part of the Intergovernmental Financing Agreement with District No. 4. This resolution states that the District will impose facilities development fees on developable property within the District if the District fails to collect a minimum amount of property taxes. The minimum annual amounts are as follows:

<u>Property Tax Revenue</u>	<u>Year</u>
\$ 804,183	2000-2004
\$ 1,291,224	2005-2009
\$ 1,913,010	2010-2014
\$ 2,322,225	2015-2019
\$ 2,692,095	2020-2024
\$ 3,120,876	2025 and thereafter

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 202

To date, each of the above property tax revenue requirements have been satisfied. If the District does not collect the minimum amount of property taxes, the amount of the deficiency will be payable by the owners of the developable property based on acreage. The fees are payable beginning in the year 2001 (based on the year 2000 property tax revenue) and will continue as long as District No. 4's revenue bonds are outstanding. The status of a property as "developable" will be determined as of January 1 of the prior year in which the fees are payable.

Restated Intergovernmental Agreement – District No. 7

District No. 4 and the Villages at Castle Rock Metropolitan District No. 7 ("District No. 7") entered into an intergovernmental agreement on November 16, 2000, which replaced the 1991 and 1992 agreements between the parties. District No. 7's previous obligation to the District of approximately \$2,800,000 has been terminated. District No. 7 has agreed that upon the receipt of any development fee, District No. 7 will pay to the District the amount of \$5,587 per development fee until the District has been paid \$2,000,000 or November 16, 2030, whichever comes first. As of December 31, 2022, the District has been paid \$1,284,710 under this agreement. District No. 4 estimates that there are 11 lots still existing in District 7 which will generate additional development fee payment. In 2018, District No. 4 and District No. 7 executed a First Amendment to the 2000 intergovernmental agreement and an assignment of development fee rebates, pursuant to which District No. 7 assigned to District No. 4 the right to collect and receive any District No. 7 development fees following the dissolution of District No. 7. District No. 7 obtained an Order for Dissolution from the District Court on January 2, 2019, but remains active for purposes of satisfying its bond obligation.

Development Fee Rebates from Castle Rock

The 1995 Master Intergovernmental Agreement ("MIGA") states that District No. 4 has constructed certain Water and Wastewater Facilities, with capacities in excess of District 4's build-out requirements. The Wastewater Facilities include oversized sewer interceptors through the Woodlands PUD and the East Plum Creek Interceptor. The MIGA provides that the Town will rebate to District No. 4, 30% of the prevailing Sewer Development Fees collected in the MIGA Rebate Area for not-to-exceed 1,220 single-family equivalents ("SFE"). The MIGA Rebate area no longer includes Castlewood Ranch. The Water Facilities include wells, treatment, pumping, storage and transmission systems. The MIGA provides that the Town will rebate 25% of the prevailing Water Development Fees collected in the MIGA Rebate Area, not-to-exceed 350 SFEs. Depending upon the rate of residential growth, it is estimated that District No. 4 could receive \$815,000 in Water Fee Rebates and \$1,140,000 in Sewer Fee Rebates. As depicted in this Audit, District No. 4 received \$204,327 in Development Fee Rebates from the Town in 2022.

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

District 4 Facilities and Capacities Constructed for District 9

Consistent with the 1995 Service Plan, the MIGA and the 1986 Amended Regional Facilities Agreement (Amended 1987) District 4 has previously constructed water and wastewater facilities (and capacities) to serve the buildout in District (Founders), District 7 (Woodlands) and District 9 (Homestead). The Water Facilities include water supply (wells), treatment, pumping, storage tanks and transmission mains. The Wastewater Facilities include gravity interceptors, lift stations, force mains, treatment and reuse systems. In 2013, the District Manager evaluated all water and wastewater facilities constructed-to-date and confirmed the following facilities and construction costs constructed for the benefit of District 9:

Water Supply / Treatment / Storage and Transmission Facilities	\$ 2,795,244
Wastewater Treatment / Interceptors and Regional Diversions	<u>1,324,770</u>
Total Facilities Constructed for District 9	<u>\$ 4,120,014</u>

As referenced in Note 5, District No. 9's Board was reconstituted and approved by the Town in 2018. District No. 9 and District No. 4 initiated discussions and outlines for the Second Amended and Restated Intergovernmental Financing Agreement ("IGFA") to address development fee collections, mill levies, and debt service provisions essentially consistent with the 1991 District No. 9 and District No. 4 agreement.

District No. 4 and District No. 9 initiated discussions for an Intergovernmental Reimbursement Agreement ("IGRA") to address reimbursement obligations for the above referenced facilities.

Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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, 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.

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials’ liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

Note 8: Interfund and Operating Transfers

The transfer of \$3,750,289 from the General Fund to the Debt Service Fund was for the purpose of providing funds to pay the debt service obligations.

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Government Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore, are not reported in the funds; and,
- 2) long-term liabilities such as bonds payable and accrued bond interest payable, are not due and payable in the current period and, therefore, are not in the funds.

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

The Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their estimated useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and,
- 3) transfers between funds have been eliminated in the government-wide financial statements.

8.18.2023 Version

SUPPLEMENTAL INFORMATION

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND

For the Year Ended December 31, 2022

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
EXPENDITURES			
Bond interest expense	<u>\$ 3,950,000</u>	<u>\$ 3,950,000</u>	<u>\$ -</u>
Total Expenditures	<u>3,950,000</u>	<u>3,950,000</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfer from other funds	<u>3,900,000</u>	<u>3,750,289</u>	<u>(149,711)</u>
Total Other Financing Sources (Uses)	<u>3,900,000</u>	<u>3,750,289</u>	<u>(149,711)</u>
NET CHANGE IN FUND BALANCE	<u>(50,000)</u>	<u>(199,711)</u>	<u>(149,711)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>57,475</u>	<u>382,701</u>	<u>325,226</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,475</u>	<u>\$ 182,990</u>	<u>\$ 175,515</u>

The notes to the financial statements are an integral part of these statements.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CAPITAL PROJECTS FUND

For the Year Ended December 31, 2022

	Original and <u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Tap agreement with District #7	\$ 5,587	\$ -	\$ (5,587)
System development fees	30,000	-	(30,000)
Intergovernmental agreement - Castle Rock	325,000	204,327	(120,673)
Development fees (Memmen)	130,000	-	(130,000)
Other income	-	-	-
Interest income	<u>5,000</u>	<u>127,314</u>	<u>122,314</u>
 Total Revenues	 <u>495,587</u>	 <u>331,641</u>	 <u>(163,946)</u>
EXPENDITURES			
Capital construction	200,000	213,503	(13,503)
Construction management	-	5,311	(5,311)
Project management - CTF Projects	12,500	-	12,500
Planning/engineering - Founders	24,500	20,307	4,193
Miscellaneous projects	10,000	-	10,000
Developer reimbursements (Memmen)	<u>83,300</u>	<u>-</u>	<u>83,300</u>
 Total Expenditures	 <u>330,300</u>	 <u>239,121</u>	 <u>91,179</u>
 NET CHANGE IN FUND BALANCE	 165,287	 92,520	 (72,767)
 FUND BALANCE - BEGINNING OF YEAR	 <u>3,190,430</u>	 <u>3,020,040</u>	 <u>(170,390)</u>
 FUND BALANCE - END OF YEAR	 <u>\$ 3,355,717</u>	 <u>\$ 3,112,560</u>	 <u>\$ (243,157)</u>

The notes to the financial statements are an integral part of these statements.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

COMBINING BALANCE SHEET GENERAL FUND December 31, 2022

	Villages at Castle Rock #4	General Fund	Total
ASSETS			
Cash and investments	\$ 3,050,842	\$ 617,219	\$ 3,668,061
Receivable County Treasurer	34	36,367	36,401
Property taxes receivable	5,308	5,794,295	5,799,603
Accounts receivable	46,603	-	46,603
Prepaid expenses	3,152	-	3,152
Total Assets	<u>\$ 3,105,939</u>	<u>\$ 6,447,881</u>	<u>\$ 9,553,820</u>
LIABILITIES			
Accounts payable	<u>\$ 104,958</u>	<u>\$ 229,593</u>	<u>\$ 334,551</u>
Total Liabilities	<u>104,958</u>	<u>229,593</u>	<u>334,551</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	<u>5,308</u>	<u>5,794,295</u>	<u>5,799,603</u>
Total Deferred Inflows of Resources	<u>5,308</u>	<u>5,794,295</u>	<u>5,799,603</u>
FUND BALANCE			
Nonspendable:			
Prepays	3,152	-	3,152
Restricted:			
Emergencies	147,977	-	147,977
Conservation trust	-	423,993	423,993
Assigned:			
Designated for future expenditures	2,598,430	-	2,598,430
Unassigned:	<u>246,115</u>	<u>-</u>	<u>246,115</u>
Total Fund Balances	<u>2,995,673</u>	<u>423,993</u>	<u>3,419,666</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,105,939</u>	<u>\$ 6,447,881</u>	<u>\$ 9,553,820</u>

The notes to the financial statements are an integral part of these statements.

8.18.2023 Version

FOUNDERS VILLAGE METROPOLITAN DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GENERAL FUND

For the Year Ended December 31, 2022

	Villages at Castle Rock #4	General Fund	Total
EXPENDITURES			
Accounting and audit	\$ 42,119	\$ -	\$ 42,119
Directors' fees	6,097	-	6,097
District management	36,545	-	36,545
Insurance	23,462	-	23,462
Legal and election expenses	137,146	-	137,146
Miscellaneous expenses	1,133	15	1,148
Administrative	92,347	-	92,347
Facilities management	117,000	-	117,000
SDA dues and conference	1,742	-	1,742
Development/referrals	15,104	-	15,104
GF Rehab and improvements	162,617	-	162,617
Project / engineering GF projects	23,210	-	23,210
District #9 - legal / engineering	28,335	-	28,335
Operations and maintenance	1,104,144	-	1,104,144
Utilities	214,451	-	214,451
Treasurer's fees	81	86,047	86,128
	<u>2,005,533</u>	<u>86,062</u>	<u>2,091,595</u>
PROGRAM REVENUES			
Conservation trust	-	44,706	44,706
	<u>-</u>	<u>44,706</u>	<u>44,706</u>
Total Program Revenues	-	44,706	44,706
	<u>-</u>	<u>44,706</u>	<u>44,706</u>
Net Program (Expense)	(2,005,533)	(41,356)	(2,046,889)
GENERAL REVENUES			
Property taxes	5,365	5,734,238	5,739,603
Specific ownership taxes	475	506,944	507,419
Other income	373	-	373
Interest income	-	4,323	4,323
	<u>6,213</u>	<u>6,245,505</u>	<u>6,251,718</u>
Total General Revenues	6,213	6,245,505	6,251,718
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(1,999,320)	6,204,149	4,204,829
OTHER FINANCING SOURCES (USES)			
Transfer to other funds	-	(6,159,459)	(6,159,459)
Transfer from other funds	2,409,170	-	2,409,170
	<u>2,409,170</u>	<u>(6,159,459)</u>	<u>(3,750,289)</u>
Total Other Financing Sources (Uses)	2,409,170	(6,159,459)	(3,750,289)
NET CHANGE IN FUND BALANCE			
	409,850	44,690	454,540
FUND BALANCE			
BEGINNING OF YEAR	<u>2,585,823</u>	<u>379,303</u>	<u>2,965,126</u>
END OF YEAR	<u>\$ 2,995,673</u>	<u>\$ 423,993</u>	<u>\$ 3,419,666</u>

The notes to the financial statements are an integral part of these statements.

FOUNDERS VILLAGE METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED December 31, 2022

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied General Fund</u>	<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>	
1998	\$ 16,744,410	49.281	\$ 825,181	\$ 814,214	98.67%
1999	\$ 17,357,090	49.281	\$ 855,375	\$ 854,942	99.95%
2000	\$ 19,661,040	56.982	\$ 1,120,325	\$ 1,120,325	100.00%
2001	\$ 22,764,348	56.982	\$ 1,297,158	\$ 1,297,038	99.99%
2002	\$ 30,071,560	60.656	\$ 1,824,000	\$ 1,823,266	99.96%
2003	\$ 32,357,546	60.656	\$ 1,962,679	\$ 1,964,997	100.12%
2004	\$ 34,600,894	69.724	\$ 2,412,513	\$ 2,411,826	99.97%
2005	\$ 35,831,860	79.146	\$ 2,835,948	\$ 2,835,923	100.00%
2006	\$ 38,939,000	79.146	\$ 3,081,866	\$ 3,082,827	100.03%
2007	\$ 39,198,400	79.146	\$ 3,102,397	\$ 3,101,898	99.98%
2008	\$ 41,492,190	79.146	\$ 3,283,941	\$ 3,292,739	100.27%
2009	\$ 41,662,370	79.146	\$ 3,297,410	\$ 3,270,938	99.20%
2010	\$ 40,691,070	79.146	\$ 3,220,535	\$ 3,244,892	100.76%
2011	\$ 40,700,390	79.146	\$ 3,221,273	\$ 3,220,539	99.98%
2012	\$ 35,962,750	79.146	\$ 2,846,308	\$ 2,847,925	100.06%
2013	\$ 35,840,730	79.146	\$ 2,836,650	\$ 5,734,238	202.15%
2014	\$ 35,499,091	79.146	\$ 2,809,611	\$ 2,815,513	100.21%
2015	\$ 35,800,810	79.146	\$ 2,833,491	\$ 2,814,380	99.33%
2016	\$ 44,053,090	79.146	\$ 3,486,626	\$ 3,485,455	99.97%
2017	\$ 44,229,140	79.146	\$ 3,500,560	\$ 3,500,041	99.99%
2018	\$ 50,449,550	87.314	\$ 4,404,952	\$ 4,404,891	100.00%
2019	\$ 50,829,650	87.253	\$ 4,435,039	\$ 4,434,366	99.98%
2020	\$ 60,026,520	87.842	\$ 5,272,850	\$ 5,272,547	99.99%
2021	\$ 60,479,620	88.083	\$ 5,327,226	\$ 5,327,233	100.00%
2022	\$ 64,642,320	88.683	\$ 5,732,675	\$ 5,734,238	100.03%
Estimated for year ending December 31, 2023	\$ 63,535,330	91.198	\$ 5,794,295		

NOTES

1. Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

2. This information does not include Village's at Castle Rock Metropolitan District # 4 which is a blended component unit