

VILLAGE EAST METROPOLITAN DISTRICT NO. 3

2021 ANNUAL REPORT TO THE TOWN OF WINDSOR

Pursuant to the Consolidated Service Plan for the Village East Metropolitan District Nos. 1-3 , in accordance with §32-1-207(3)(c), C.R.S., and in accordance with the requirements set forth in the Windsor Municipal Code, the Village East Metropolitan District No. 3 (the “District”) is required to submit an annual report with the Town Clerk of the Town of Windsor not later than September 1st of each year following the year in which the Order and Decree creating the District has been issued by the District Court in and for the County of Weld, Colorado. This report contains information relating to the following matters of the District that occurred in 2021:

(1) A narrative summary of the progress of the Districts in implementing the Service Plan for the report year;

The District continues to make progress in the implementation of its service plan through the operation and maintenance of public improvements and payment of debt issued to finance the construction of public improvements.

(2) Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year;

The 2021 Audit for District No. 3 is attached hereto as **Exhibit A**.

(3) Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year;

See attached copies of the Districts’ 2022 Budgets as **Exhibit B**.

(4) Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year and the current mill levy of the Districts pledged to debt retirement in the report year; and

See attached copies of the District's 2022 Budget as **Exhibit B**.

Assessed Valuation of all taxable property within the District for the report year, as certified by the Weld County Assessor:

Village East MD No. 3	\$4,887,690
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EXHIBIT A

2021 AUDIT

VILLAGE EAST METROPOLITAN DISTRICT NO.3

WELD COUNTY, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2021



Crady, Puca & Associates

Certified Public Accountants & Consultants

**VILLAGE EAST METROPOLITAN DISTRICT NO.3
WELD COUNTY, COLORADO**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Village East Metropolitan District No.3

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Village East Metropolitan District No.3 as of and for the year ended December 31, 2021, and related notes to the financial statements, which collectively comprise Village East Metropolitan District No.3'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 Village East Metropolitan District No.3 as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Village East Metropolitan District No.3, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Village East Metropolitan District No.3's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 Village East Metropolitan District No.3'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 Village East Metropolitan District No.3's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Management has omitted 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 opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Village East Metropolitan District No. 3's basic financial statements. The individual fund budgetary comparison schedule on page 21 is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The individual budgetary comparison schedule 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Crady, Puca & Associates

Aurora, Colorado
June, 24 2022

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Statement of Net Position
December 31, 2021

	Total Governmental Activities
Assets:	
Cash and investments - unrestricted	\$ 13,812
Accounts receivable - residents	17,377
Due from county treasurer	735
Property tax receivable	190,180
Cash and investments - restricted	277,234
Capital assets:	
Depreciable, net	<u>1,130,156</u>
Total assets	<u>1,629,494</u>
Liabilities:	
Accounts payable	5,456
Accrued interest	103,248
Bonds payable:	
Due within one year	25,000
Due in more than one year	1,875,000
Developer payable:	
Due in more than one year	<u>6,237,280</u>
Total liabilities	<u>8,245,984</u>
Deferred inflows of resources:	
Unavailable revenue - prepaid assessments	15,191
Unavailable revenue - property taxes	<u>190,180</u>
Total deferred inflows of resources	<u>205,371</u>
Net position:	
Net investment in capital assets	-
Restricted for emergencies	4,820
Restricted for operations and capital reserves	102,293
Restricted for debt service	173,736
Unrestricted	<u>(7,102,710)</u>
Total net position	<u><u>\$ (6,821,861)</u></u>

The accompanying notes are an integral part of this financial statement.

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Statement of Activities
For the Year Ended December 31, 2021

	Total Governmental Activities
Expenditures:	
Governmental activities:	
Accounting and audit	\$ 22,088
Legal	7,836
Insurance and bonds	3,062
Dues	541
Treasurer fees	2,660
Bank fees	13
Trustee fees	5,500
District management services	17,239
Utilities	9,410
Landscape and maintenance	56,722
Miscellaneous	687
Depreciation	54,686
Interest on long-term debt	109,042
Total expenditures	289,486
Program Revenues:	
Homeowner assessments	130,680
Total program revenues	130,680
Net program income (expense)	(158,806)
General Revenues:	
Property and specific ownership taxes	186,092
Interest income	243
Other income	3,345
Total general revenues	189,680
Change in net position	30,874
Net position, beginning of year	(6,852,735)
Net position, end of year	\$ (6,821,861)

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Operations Fund	Debt Service Fund	Total Governmental Funds
Assets:				
Cash and investments - unrestricted	\$ 13,812	\$ -	\$ -	\$ 13,812
Accounts receivable - residents	-	17,377	-	17,377
Due from county treasurer	105	-	630	735
Property tax receivable	27,171	-	163,009	190,180
Cash and investments - restricted	-	104,128	173,106	277,234
Total assets	\$ 41,088	\$ 121,505	\$ 336,745	\$ 499,338
Liabilities:				
Accounts payable	\$ 5,456	\$ -	\$ -	\$ 5,456
Total liabilities	5,456	-	-	5,456
Deferred inflows of resources:				
Unavailable revenue - prepaid assessments	-	15,191	-	15,191
Unavailable revenue - property taxes	27,171	-	163,009	190,180
Total deferred inflows of resources	27,171	15,191	163,009	205,371
Fund balance:				
Restricted for emergencies	799	4,021	-	4,820
Restricted for debt service	-	-	173,736	173,736
Restricted for operations and capital replacements	-	102,293	-	102,293
Unassigned	7,662	-	-	7,662
Total fund balance	8,461	106,314	173,736	288,511
Total liabilities, deferred inflows of resources, and fund balances	\$ 41,088	\$ 121,505	\$ 336,745	\$ 499,338

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

Total fund balance - governmental funds	288,511
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,130,156
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.	(8,240,528)
Net position of governmental activities	\$ (6,821,861)

The accompanying notes are an integral part of this financial statement.

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
December 31, 2021

	General Fund	Operations Fund	Debt Service Fund	Total Governmental Funds
Revenues:				
Property tax	\$ 25,313	\$ -	\$ 151,887	\$ 177,200
Specific ownership tax	1,270	-	7,622	8,892
Homeowner assessments	-	130,680	-	130,680
Interest income	50	-	193	243
Other income	-	3,345	-	3,345
Total revenues	26,633	134,025	159,702	320,360
Expenditures:				
Current:				
General government:				
Accounting and audit	14,009	8,079	-	22,088
Legal	4,126	3,710	-	7,836
Insurance and bonds	3,062	-	-	3,062
Dues	541	-	-	541
Treasurer fees	380	-	2,280	2,660
Bank fees	-	-	13	13
Trustee fees	-	-	5,500	5,500
District management services	-	17,239	-	17,239
Utilities	-	9,410	-	9,410
Landscape and maintenance	-	56,722	-	56,722
Miscellaneous	12	675	-	687
Debt service:				
Principal	-	-	20,000	20,000
Interest	-	-	85,805	85,805
Total expenditures	22,130	95,835	113,598	231,563
Net change in fund balance	4,503	38,190	46,104	88,797
Fund balance, beginning of year	3,958	68,124	127,632	199,714
Fund balance, end of year	\$ 8,461	\$ 106,314	\$ 173,736	\$ 288,511

The accompanying notes are an integral part of this financial statement.

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance of the Governmental Funds to the Statement of Activities
December 31, 2021

	Total Governmental Funds
Net change in fund balance of the governmental funds	\$ 88,797
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current year.	(54,686)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt.	20,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	<u>(23,237)</u>
Change in net position of governmental activities	<u><u>\$ 30,874</u></u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The accounting policies of the Village East Metropolitan District No. 3 (the District) conform to accounting principles generally accepted in the United States of America as applicable to governments (US GAAP). 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 such significant policies consistently applied in the preparation of the financial statements.

Reporting Entity

The District is a quasi-municipal corporation organized by a court order dated March 6, 2009 and operated pursuant to provisions set forth in the Colorado Special District Act. The District was organized concurrently with Village East Metropolitan District No. 1 ("District No.1") and Village East Metropolitan District No. 2 ("District No. 2"). The District was established for the primary purpose of funding, constructing, owning and operating certain public infrastructure and assisting in the coordination of metropolitan district services and facilities to support the needs of a planned residential development in Weld County, Colorado.

The District is to convey the completed public improvements, other than parks and recreation and non-potable water, to the Town of Windsor or other appropriate jurisdictions.

The District complies with GASB accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. It defines component units as legally separate entities for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. 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 is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity as defined by GASB.

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

Basis of Presentation

While separate government-wide and fund financial statements are presented, they are interrelated. The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the governmental activities of the District which are financed primarily by property taxes and homeowner assessments.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by general and program revenues. Direct expenses are those that are clearly identifiable within a specific function or program. Program revenues include 1) fees or charges to citizens and other governmental entities that receive or directly benefit from services provided by a given function or program, and 2) grants, contributions and other revenues that are restricted to use in the operational or capital requirements of a specific function or program. Other revenues not directly related to a particular function or program, if any, are reported separately as general revenues. The District does not have proprietary or fiduciary funds.

1. **Summary of Significant Accounting Policies (continued)**

Basis of Presentation (continued)

The fund financial statements provide information about the government's funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current *financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when 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 levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 *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 available if they are collected within 60 days of the end of the current fiscal period except for homeowner assessments. Homeowner assessments are recognized as revenues when the assessment is incurred. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The exceptions to this general rule are that principal and interest on general long-term debt are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds.

The District reports the following major governmental funds:

General Fund – is the District's primary operating fund. It accounts for all financial resources of the District not accounted for in another fund.

Operations Fund – the operations fund is a special revenue fund which accounts for fees collected and related expenditures for services provided to homeowners.

Debt Service Fund - accounts for payments on general obligation bond debt and developer debt.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

The District records certain investments at fair value. Investments held in the local government investment pool are reported at net asset value as allowed under US GAAP.

The District may at times follow the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by regulations or other agreements, all cash is deposited and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements may be pooled for deposit and flexibility. As applicable, investment earnings are allocated periodically.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its 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 market prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs. At December 31, 2021, the District did not hold any investments required to be reported under fair value.

Accounts Receivable

Accounts receivable consist of homeowners assessments earned as of December 31, 2021. The District considers all receivables collectible as of December 31, 2021.

Property Taxes

Property taxes are levied annually and attach as an enforceable lien on property as of January 1. At the option of the taxpayer, property taxes may be paid in full or in two equal installments. The first of such installment is to be paid as of February 28 and the second installment is to be paid no later than June 15. If elected to be paid in full, the amount is to be paid no later than April 30. If payments are not made timely, delinquent interest accrues. If the taxes are not paid within subsequent statutory periods, the property tax lien will be sold at public auction. The County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible.

Property 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. These amounts are recorded as revenue in the subsequent year when they are available or collected.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Capital Assets

Capital assets, which include parks and recreation and infrastructure assets, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair value at the date of donation. Capital expenditures for projects are capitalized as constructed.

Normal maintenance and repairs that do not add value to assets or materially extend the life of assets are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the capital assets. Depreciation is reported as a current charge in the statement of activities.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Parks and recreation	25
Non-potable water Infrastructure	25

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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. In the current year, the District did not have any items in this reporting category.

In addition to liabilities, the statement of net 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 frame. The District has two items that qualify for reporting in this category, *unavailable revenue – prepaid assessments and unavailable revenue-property taxes*. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activity.

1. **Summary of Significant Accounting Policies (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classes of fund balances on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not spendable in form which include items such as prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the District's Board of Directors, the District's highest level of decision-making authority.

Assigned fund balance. This classification reflects the amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. As of December 31, 2021, the District had not adopted a policy designating District personnel to determine amounts that may be assigned.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. Although not included in a formal policy, the District considers decreases in fund balance to first reduce committed, then assigned, and then unassigned balances, in that order.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

1. **Summary of Significant Accounting Policies (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. **Stewardship, Compliance, and Accountability**

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with US GAAP. State law requires the District to adopt annual appropriated budgets for all funds.

The District conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary data reflected in the financial statements:

On or before October 15 of each year, the District's accountant submits to the Board of Directors a recommended budget which details the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopts the proposed budget and an appropriating resolution, which legally appropriates expenditures for the upcoming year.

Prior to December 15, the District computes and certifies to the County Commissioners a rate of levy that derives the necessary property taxes as computed in the proposed budget.

The budget and the appropriating resolution are adopted prior to December 31.

After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes which allows the District to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.

The level of control in the budget at which expenditures exceeded appropriations is at the fund level. All appropriations lapse at year end.

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Notes to Financial Statements
December 31, 2021

2. Stewardship, Compliance, and Accountability (continued)

TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20 commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. Spending and revenue limits are determined 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 also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service, federal grants and sales of assets). The District has reserved a portion of its December 31, 2021 year-end fund balance in the General Fund and Operations Fund for emergencies as required under TABOR totaling \$4,820 which is the approximate required reserve at December 31, 2021.

On November 4, 2008, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all current levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

The District's management believes it is in compliance with the provisions of TABOR, as it is currently understood. However, TABOR is complex and subject to interpretation. Many of the provisions may not become fully understood without judicial review.

3. Detailed Notes on the Funds

Deposits and Investments

At December 31, 2021, cash and investments are classified in the accompanying financial statements as follows:

Cash and investments - unrestricted	\$ 13,812
Cash and investments - restricted	<u>277,234</u>
	<u>\$ 291,046</u>

The following is a summary of deposits and investments held by the District at December 31, 2021:

<u>Type</u>	<u>Ratings per Standards & Poor's</u>	<u>Carrying Value</u>
Deposits with financial institutions		\$ 68,540
COLOTRUST PLUS+	AAAm	<u>222,506</u>
Total		<u>\$ 291,046</u>

3. **Detailed Notes on the Funds (continued)**

Cash Deposits

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 a minimum of 102% of the aggregate uninsured deposits.

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

Investments

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

As of December 31, 2021, the District invested in the Colorado Local Governmental Liquid Asset Trust (COLOTRUST), a local government investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments.

COLOTRUST PLUS+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using the net asset value. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less.

Custodial Credit Risk: At December 31, 2021, all of the District's deposits and investments were insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

Interest Rate Risk: Colorado Revised Statutes (CRS) limit investment maturities to five years or less unless formally approved by the Board. In accordance with CRS, the District manages its exposure to declines in fair value by limiting the weighted average maturity of its investments.

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Notes to Financial Statements
December 31, 2021

3. Detailed Notes on the Funds (continued)

Investments (continued)

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District follows the general provisions of the CRS which limits the District's exposure to credit risk. CRS specify investment instruments meeting defined rating and risk criteria in which local governmental entities may invest. The allowed investments may include but are not limited to the following:

- Certain money market funds
- Local government investment pools

Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Parks and recreation	\$ 756,864	\$ -	\$ -	\$ 756,864
Non-potable water Infrastructure	610,261	-	-	610,261
Total capital assets being depreciated	<u>1,367,125</u>	<u>-</u>	<u>-</u>	<u>1,367,125</u>
Less accumulated depreciation for:				
Parks and recreation	(100,915)	(30,275)	-	(131,190)
Non-potable water Infrastructure	(81,368)	(24,411)	-	(105,779)
Total accumulated depreciation	<u>(182,283)</u>	<u>(54,686)</u>	<u>-</u>	<u>(236,969)</u>
Total capital assets being depreciated, net	<u>1,184,842</u>	<u>(54,686)</u>	<u>-</u>	<u>1,130,156</u>
Capital assets, net	<u>\$ 1,184,842</u>	<u>\$ (54,686)</u>	<u>\$ -</u>	<u>\$ 1,130,156</u>

Depreciation expense of \$54,686 was charged to general government.

Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2021 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds:					
Series 2017A Senior Bonds	\$ 1,675,000	\$ -	\$ (20,000)	\$ 1,655,000	\$ 25,000
Series 2017B Subordinate Bonds	245,000	-	-	245,000	-
Direct borrowings and direct placements:					
Developer debt – operations	14,000	-	-	14,000	-
Developer debt – capital	<u>6,223,280</u>	<u>-</u>	<u>-</u>	<u>6,223,280</u>	<u>-</u>
Governmental activities					
long-term debt	<u>\$ 8,157,280</u>	<u>\$ -</u>	<u>\$ (20,000)</u>	<u>\$ 8,137,280</u>	<u>\$ 25,000</u>

3. Detailed Notes on the Funds (continued)

General Obligation Bonds

On September 7, 2017, the District issued \$1,725,000 of General Obligation Limited Tax Bonds Series 2017A ("2017A Senior Bonds") and \$245,000 of Subordinate General Obligation Limited Tax Bonds Series 2017B ("2017B Subordinate Bonds") to finance public improvements, pay cost of issuance of the 2017A Senior Bonds and the 2017B Subordinate Bonds, and fund capitalized interest. The 2017A Senior Bonds bear interest at a rate of 5%, payable semiannually on each June 1 and December 1, commencing on December 1, 2017, and maturing on December 1, 2046. The 2017B Subordinate Bonds bear interest at a rate of 7.75%, payable annually on December 15, commencing on December 15, 2017, to the extent that pledged revenue is available, maturing on December 15, 2046.

The 2017A Senior Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2019 and 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, commencing on December 1, 2022, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%. The Series 2017B Subordinate 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, commencing on December 15, 2022, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%. The 2017B Subordinate Bonds are cash flow bonds and are subject to mandatory redemption from subordinate pledged revenue, if any, on deposit in the subordinate bond fund.

The 2017A Senior Bonds are secured by the Senior Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mill Levy, capital fees (if any), and any other legally available funds as determined by the District. In connection with the 2017A Senior Bonds, the District is required to fund a Senior Surplus Fund to a maximum amount of \$172,500. As of December 31, 2021, \$172,509 was in the Surplus Fund.

The 2017B Subordinate Bonds are secured by the Subordinate Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Subordinate Required Mill Levy, capital fees (if any), any other legally available funds as determined by the District, and any amounts remaining in the Senior Surplus Fund after termination of the fund.

Events of default as defined in the Series 2017A and 2017B Bond Indentures are 1) the failure of the District to impose the required mill levy, or apply the pledged revenue as required by the Indentures, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indentures or bond resolutions, other than as described in the Indentures, and failure to remedy the same after notice thereof pursuant to the indentures, 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds.

Failure to pay the principal of or interest on the Series 2017A and 2017B Bonds when due shall not, of itself, constitute an event of default under the indentures. In addition, the District shall not be required to impose the subordinate required mill levy for the payment of the 2017B Bonds after December 2055. Remedies available in the event of default include 1) receivership, 2) suit for judgment, and 3) mandamus or other suits. Acceleration of the Series 2017A or 2017B Bonds is not an available remedy for an event of default.

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Notes to Financial Statements
December 31, 2021

3. Detailed Notes on the Funds (continued)

General Obligation Bonds (continued)

The following is a summary of the annual long-term debt principal and interest requirements for the 2017A Senior Bonds. Because of the uncertainty of the timing of the principal and interest payments on the 2017B Subordinate Bonds, no schedule of principal and interest payments is presented.

Year Ending December 31,	Principal		Interest		Total
2022	\$	25,000	\$	82,750	\$ 107,750
2023		25,000		81,500	106,500
2024		30,000		80,250	110,250
2025		30,000		78,750	108,750
2026		35,000		77,250	112,250
2027-2031		210,000		358,250	568,250
2032-2036		305,000		296,500	601,500
2037-2041		425,000		208,750	633,750
2042-2046		570,000		89,250	659,250
Total	\$	1,655,000	\$	1,353,250	\$ 3,008,250

At December 31, 2021, the District had total authorized debt of \$126,500,000 of which \$1,970,000 has been issued, leaving an authorized but unissued balance of \$124,530,000. Per the District's Service Plan, the District cannot issue debt in excess of \$13,390,000 without the approval of the Town.

Developer Obligations

On December 9, 2016, the District entered into an agreement with the Developer to fund the operations costs shortfall of the District through December 31, 2017. Interest is to be accrued on this obligation at 8% per annum from the date of the advance. As of December 31, 2021, the District owes the Developer \$14,000 in principal plus \$5,404 of accrued interest under this agreement.

In August 2017, the District approved a resolution regarding the acceptance of district eligible costs for public improvements funded by the Developer. The resolution approved eligible costs for developer reimbursement in the amount of \$7,972,305. During 2017, the District issued 2017A Senior Bonds and the 2017A Subordinate Bonds and paid \$1,749,025 to the Developer under this resolution. As of December 31, 2021, the District is obligated to the Developer for \$6,223,280 under this resolution. The resolution provides for payments subject to annual appropriations and does not guarantee future payments. No interest is to be accrued.

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Notes to Financial Statements
December 31, 2021

4. Related party

One member of the Board of Directors, who resigned from the board in November 2021, was associated with the Developer and may have had conflicts of interest in dealing with the District during the year. Management believes that all potential conflicts, if any, have been disclosed to the Board. The District has entered into various funding agreements with the Developer, see Note 3.

5. Risk Management

The District is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("the Pool"). The Pool 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 official's liability, 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. During the year ended December 31, 2021, the Pool has made no distributions nor required additional contributions from the District.

6. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. Explanation of the reconciling items is as follows:

Capital assets of \$1,367,125, less accumulated depreciation of \$236,969 or a net book value of \$1,130,156 are not financial resources and therefore are not reported in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this difference are as follows:

Bonds payable	\$ (1,900,000)
Developer debt	(6,237,280)
Accrued interest on bonds and developer debt	(103,248)
Net adjustment	\$ <u>(8,240,528)</u>

6. **Reconciliation of Government-Wide and Fund Financial Statements (continued)**

Explanation of Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. Explanation of the reconciling items is as follows:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or ultimately conveyed to the Town. The details of this difference are as follows:

Depreciation expense – district services	\$ <u>(54,686)</u>
--	--------------------

The issuance of long-term debt (e.g. bonds payable) 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. The details of this difference are as follows:

Principal payment on general obligation bonds	\$ <u>20,000</u>
---	------------------

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The difference is due to additional accrued interest on the general obligation bonds and developer debt of (\$23,237).

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final
Revenues:			
Property tax	\$ 25,314	\$ 25,313	\$ (1)
Specific ownership tax	1,266	1,270	4
Interest and other income	-	50	50
Total revenues	<u>26,580</u>	<u>26,633</u>	<u>53</u>
Expenditures:			
General government:			
Accounting and audit	17,100	14,009	3,091
Legal	4,400	4,126	274
Insurance and bonds	3,101	3,062	39
Dues	425	541	(116)
Treasurer fees	380	380	-
Miscellaneous	200	12	188
Contingency	1,000	-	1,000
Total expenditures	<u>26,606</u>	<u>22,130</u>	<u>4,476</u>
Net change in fund balance	(26)	4,503	4,529
Fund balance, beginning of year	<u>2,515</u>	<u>3,958</u>	<u>1,443</u>
Fund balance, end of year	<u>\$ 2,489</u>	<u>\$ 8,461</u>	<u>\$ 5,972</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Operations Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final
Revenues:			
Homeowner assessments	\$ 130,680	\$ 130,680	\$ -
Other income	5,850	3,345	(2,505)
Total revenues	<u>136,530</u>	<u>134,025</u>	<u>(2,505)</u>
Expenditures:			
General government:			
Accounting and audit	11,500	8,079	3,421
Legal	5,600	3,710	1,890
Insurance	7,770	-	7,770
District management services	20,732	17,239	3,493
Utilities	10,300	9,410	890
Landscape and maintenance	68,020	56,722	11,298
Miscellaneous	-	675	(675)
Contingency	5,000	-	5,000
Total expenditures	<u>128,922</u>	<u>95,835</u>	<u>33,087</u>
Net change in fund balance	7,608	38,190	30,582
Fund balance, beginning of year	<u>46,278</u>	<u>68,124</u>	<u>21,846</u>
Fund balance, end of year	<u>\$ 53,886</u>	<u>\$ 106,314</u>	<u>\$ 52,428</u>

The accompanying notes are an integral part of this financial statement.

SUPPLEMENTARY INFORMATION

VILLAGE EAST METROPOLITAN DISTRICT NO. 3
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final
Revenues:			
Property tax	\$ 151,894	\$ 151,887	\$ (7)
Specific ownership tax	7,595	7,622	27
Other income	2,000	-	(2,000)
Interest income	860	193	(667)
Total revenues	<u>162,349</u>	<u>159,702</u>	<u>(2,647)</u>
Expenditures:			
General government:			
Treasurer fees	2,278	2,280	(2)
Bank fees	150	13	137
Trustee fees	5,500	5,500	-
Contingency	2,000	-	2,000
Debt service:			
Principal	20,000	20,000	-
Interest	88,013	85,805	2,208
Total expenditures	<u>117,941</u>	<u>113,598</u>	<u>4,343</u>
Net change in fund balance	44,408	46,104	1,696
Fund balance, beginning of year	<u>128,092</u>	<u>127,632</u>	<u>(460)</u>
Fund balance, end of year	<u>\$ 172,500</u>	<u>\$ 173,736</u>	<u>\$ 1,236</u>

The accompanying notes are an integral part of this financial statement.

EXHIBIT B
2022 BUDGET

VILLAGE EAST METROPOLITAN DISTRICT NO. 3

January 28, 2022

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: Village East Metropolitan District No. 3
LG ID #66125

Attached is the 2022 Budget for Village East Metropolitan District No. 3 in Weld County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 11, 2021. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number 970-926-6060 Ext. 6.

The mill levy certified to the County Commissioners of Weld County is 5.559 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 33.351 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$4,887,690 the total property tax revenue is \$190,180.02. A copy of the certification of mill levies sent to the County Commissioners for Weld County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Weld County, Colorado.

Sincerely,



Eric Weaver
District Accountant

Enclosure(s)

Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
(720) 210-9136

RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS

(2022)

The Board of Directors of Village East Metropolitan District No. 3 (the “**Board**”), Town of Windsor, Weld County, Colorado (the “**District**”) held a special meeting held via teleconference, on November 11, 2021, at the hour of 5:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2022 BUDGET

**NOTICE OF PUBLIC HEARING ON THE AMENDED 2021 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE PROPOSED 2022 BUDGET**

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the VILLAGE EAST METROPOLITAN DISTRICT NO. 3 (the "District"), will hold a meeting via teleconference on Thursday, November 11, 2021 at 10:00 A.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2021 amended budget (the "Amended Budget") and the 2022 proposed budget (the "Proposed Budget"). This meeting can be joined using the following teleconference information:

Meeting ID
By telephone: 720-707-2699

NOTICE IS FURTHER GIVEN that the Amended Budget and the Proposed Budget have been submitted to the District. A copy of the Amended Budget and the Proposed Budget are on file in the office of Marchetti & Weaver, 245 Century Circle, Suite 103, Louisville, Colorado, where the same is open for public inspection.

Any interested elector of the District may file any objections to the Amended Budget and the Proposed Budget at any time prior to final adoption of the Amended Budget and the Proposed Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:
VILLAGE EAST METROPOLITAN DISTRICT NO. 3

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Published: Colorado Hometown Weekly November 10, 2021-1846538

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

**County of Boulder
State of Colorado**

The undersigned, Melissa Najera, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Colorado Hometown*.
2. The *Colorado Hometown* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Colorado Hometown* in Boulder County on the following date(s):

Nov 10, 2021


Signature

Subscribed and sworn to me before me this
10th day of November, 2021.


Notary Public

(SEAL)

SHAYLA NAJERA NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20174031965 MY COMMISSION EXPIRES July 31, 2025
--

Account: 1051175
Ad Number: 1846538
Fee: \$38.28

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 11, 2021, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2022. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 5.559 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2022 budget year, there is hereby levied a tax of

33.351 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Weld County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of page intentionally left blank.]

ADOPTED THIS 11TH DAY OF NOVEMBER, 2021.

VILLAGE EAST METROPOLITAN DISTRICT NO. 3



Jeffrey Place (Jan 27, 2022 14:27 MST)
Officer of the District

ATTEST:



Jaclyn Adkins (Jan 28, 2022 08:27 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF WELD
VILLAGE EAST METROPOLITAN DISTRICT NO. 3

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on Thursday, November 11, 2021, via teleconference, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 11th day of November, 2021.



Jaclyn Adkins (Jan 28, 2022 08:27 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

VILLAGE EAST METROPOLITAN DISTRICT NO. 3

2022 BUDGET MESSAGE

The adopted 2022 budget for Village East Metropolitan District No. 3 (“District”) is attached.

The District is part of a multiple district structure, with Village East Metropolitan Districts Nos. 1 and 2, with the primary function to act as a financing district and provide the funding and tax base for the financial plan for capital improvements. The District has adopted three separate funds: (i) a General Fund, to provide for administrative operating expenditures; (ii) an Operations Fund to account for fees collected and related expenditures for services provided; and (iii) a Debt Service Fund to provide for the payments on general obligation bond debt.

The District has utilized the modified accrual basis of accounting for preparation of this budget.

The District has levied a debt service mill levy to provide funding for debt service payments on the Series 2017 Bonds. There is no change to the debt service mill levy for budget year 2022 except for the adjustment required for the Gallagher Amendment.

In addition to the debt service mill levy, the District has levied a general fund mill levy to fund general and administrative expenditures. There is no change to the general fund mill levy for budget year 2022 except for the adjustment for the Gallagher Amendment.

The District also assesses a monthly operations fee to fund expenditures for services provided. The Operations Fee is \$170 per quarter, which is a \$5 increase from the prior year.

Village East Metropolitan District No. 3
Statement of Net Position
September 30, 2021

	GENERAL FUND	OPERATIONS FUND	DEBT SERVICE FUND	FIXED ASSETS & LONG TERM LIABILITIES	TOTAL ALL FUNDS
ASSETS					
CASH					
Chase Checking	17,513				17,513
CIT - Lock Box	29,879				29,879
COLOTRUST	113,885				113,885
UMB - Series 2017A Bond Fund			42,921		42,921
UMB - Series 2017A Surplus Fund (\$172,500 Max)			126,501		126,501
Pooled Cash Allocation	(140,749)	70,314	70,435		(0)
TOTAL CASH	20,529	70,314	239,857	-	330,699
OTHER CURRENT ASSETS					
Due From County Treasurer	-		-		-
Accounts Receivable-Taxes	118		709		827
Prepays	-				-
Accounts Receivable-Residents		16,165			16,165
TOTAL OTHER CURRENT ASSETS	118	16,165	709	-	16,992
CAPITAL ASSETS					
Capital Assets				1,367,125	1,367,125
Accumulated Depreciation				(182,283)	(182,283)
TOTAL FIXED ASSETS	-	-	-	1,184,842	1,184,842
TOTAL ASSETS	20,647	86,479	240,566	1,184,842	1,532,533
LIABILITIES & DEFERRED INFLOWS					
CURRENT LIABILITIES					
Accounts Payable	9,677				9,677
Accrued Liabilities					-
TOTAL CURRENT LIABILITIES	9,677	-	-	-	9,677
DEFERRED INFLOWS					
Deferred Property Taxes	118		709		827
Prepaid Fees		3,950			3,950
TOTAL DEFERRED INFLOWS	118	3,950	709	-	4,777
LONG-TERM LIABILITIES					
Accrued Interest				80,011	80,011
Bonds Payable- Series 2017 A				1,675,000	1,675,000
Bonds Payable- Series 2017 B				245,000	245,000
Developer Advance Payable				6,237,280	6,237,280
TOTAL LONG-TERM LIABILITIES	-	-	-	8,237,291	8,237,291
TOTAL LIAB & DEF INFLOWS	9,795	3,950	709	8,237,291	8,251,745
NET POSITION					
Net Investment in Capital Assets				1,184,842	1,184,842
Amount To Be Provided For Debt				(8,237,291)	(8,237,291)
Non-Spendable	-	-			-
Restricted For Emergencies	770	3,981			4,751
Restricted For Debt			239,857		239,857
Assigned for Capital Replacements		69,000			69,000
Assigned For Operations		9,548			9,548
Unassigned	10,081				10,081
TOTAL NET POSITION	10,852	82,529	239,857	(7,052,450)	(6,719,213)
	=	=	=	=	=

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Village East Metropolitan District No. 3
Statement of Revenues, Expenditures, & Changes In Fund Balance
For the Period Indicated
Modified Accrual Basis

Print Date: 12/14/2021

	2020 Audited Actual	2021 Adopted Budget	Variance Positive (Negative)	2021 Forecast	YTD Thru 09/30/21 Actual	YTD Thru 09/30/21 Budget	Variance Positive (Negative)	2022 Adopted Budget	2022 Budget Notes / Assumptions
PROPERTY TAXES									
Assessed Valuation	4,543,930	4,554,550		4,554,550				4,887,690	Final December AV
Mill Levy - Operations	5.558	5.558		5.558			5.559	5 Mills Gallagherized	
Mill Levy - Debt	33.350	33.350		33.350			33.351	30 Mills Gallagherized	
Total	38.908	38.908		38.908			38.910	Max of 35 Gallagherized Combined	
Property Tax Revenue - Operations	25,255	25,314		25,314			27,171		
Property Tax Revenue - Debt	151,540	151,894		151,894			163,009		
Total	176,795	177,208		177,208			190,180		
Less Uncollectible - Operations	-	-		-			-		
Less Uncollectible - Debt	-	-		-			-		
Total	-	-		-			-		
Net Property Tax Collections - Debt	151,540	151,894		151,894			163,009		
Net Property Tax Collections - Operations	25,255	25,314		25,314			27,171		
Total	176,795	177,208		177,208			190,180		
FEES									
Residential Units	198	198		198			198		
Operations Fee per Quarter per Unit	\$ 150.00	\$ 165.00		\$ 165.00			\$ 170.00	Increase 3% to keep building reserve	
Total Annual Operations Fee	118,800	130,680		130,680			134,640		

Village East Metropolitan District No. 3
Statement of Revenues, Expenditures, & Changes In Fund Balance
For the Period Indicated
Modified Accrual Basis

Print Date: 12/14/2021

	2020 Audited Actual	2021 Adopted Budget	Variance Positive (Negative)	2021 Forecast	YTD Thru 09/30/21 Actual	YTD Thru 09/30/21 Budget	Variance Positive (Negative)	2022 Adopted Budget	2022 Budget Notes / Assumptions
COMBINED FUNDS									
REVENUE									
Property taxes	176,795	177,208	-	177,208	176,382	177,208	(827)	190,180	AV * Mill Levy / 1,000
Specific ownership taxes	8,392	8,860	-	8,860	5,907	5,907	(0)	9,509	5% of property tax collections
Service fees	118,500	130,680	-	130,680	98,010	98,010	-	134,640	Increase 3% to keep building reserve
Late and collection fees	7,120	5,850	(3,850)	2,000	1,854	4,163	(2,309)	2,450	Based on 2021 Forecast
Interest	784	860	(660)	200	176	645	(469)	200	Based on 2021 Forecast
Other	8,516	2,000	(2,000)	-	-	-	-	2,000	Equal to Debt Service Contingency Expense
TOTAL REVENUE	320,107	325,459	(6,510)	318,949	282,329	285,933	(3,604)	338,979	
EXPENDITURES									
Accounting & Audit	29,368	28,600	-	28,600	18,778	23,428	4,650	19,100	Based on 2021 Forecast
Legal	5,074	10,000	1,800	8,200	5,595	7,500	1,905	9,500	Based on 2021 Forecast
Management & Covenant Enforcement	20,291	20,732	2,700	18,032	13,191	15,549	2,358	18,675	Based on 2021 Forecast
Other Professional Services	-	-	-	-	-	-	-	-	
Insurance	3,077	10,871	7,809	3,062	3,062	10,871	7,809	11,900	Includes Property Coverage
Other Administration	873	425	(116)	541	541	425	(116)	3,100	Based on 2021 Forecast
Treasurers Fees	2,653	2,658	-	2,658	2,647	2,658	12	2,853	1.5% of Property Taxes
Engineering	-	-	-	-	-	-	-	-	
Utilities	8,525	10,300	1,800	8,500	5,859	8,088	2,229	9,250	Electrical for wells
Landscaping & Grounds Maintenance	47,549	51,105	600	50,505	49,723	51,105	1,382	53,590	Based on 2021 Forecast
Snow Removal	893	5,000	2,000	3,000	1,115	3,750	2,636	5,000	Based on 2021 Budget
Repair & Maintenance	4,587	11,915	4,800	7,115	5,884	11,561	5,677	13,415	Irrigation system, pumps, trees, etc
Interest	84,750	88,013	3,069	84,944	41,875	41,875	-	138,076	Series A Bonds + Partial B Bonds
Principal	20,000	20,000	-	20,000	-	-	-	25,000	Per Amortization Schedule- Series A Bonds Only
Paying agent / trustee fees	5,564	5,650	-	5,650	13	75	62	5,650	Based on 2021 Forecast
Capital outlay - general	-	-	-	-	-	-	-	-	
Miscellaneous	90	200	(510)	710	523	150	(373)	200	Based on 2021 Forecast
Contingency	-	8,000	3,000	5,000	-	-	-	18,000	Unforeseen needs
TOTAL EXPENDITURES	233,293	273,469	26,952	246,517	148,805	177,035	28,231	333,309	
REVENUE OVER / (UNDER) EXPENDITURES	86,815	51,990	20,442	72,432	133,523	108,898	24,626	5,670	
OTHER SOURCES / (USES)									
Developer advances receipts / (pmts)	-	-	-	-	-	-	-	-	
Debt issuance costs	-	-	-	-	-	-	-	-	
Bond proceeds	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	86,815	51,990	20,442	72,432	133,523	108,898	24,626	5,670	
BEGINNING FUND BALANCE	112,899	176,885	22,829	199,714	199,714	176,885	22,829	272,146	
ENDING FUND BALANCE	199,714	228,875	43,271	272,146	333,237	285,783	47,455	277,817	See breakdown below
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
Non-Spendable	2,117	-	-	-	-	-	-	-	
TABOR emergency reserve	4,820	4,894	(143)	4,751	4,751	4,894	(143)	5,041	3% Emergency Reserve
Restricted For debt service	127,632	172,500	1,899	174,399	239,857	241,466	(1,609)	174,538	Per Debt Service fund
Assigned For Capital Replacements	55,000	40,000	29,000	69,000	69,000	40,000	29,000	77,000	Begin Building Reserve For Replacements
Assigned For Operations	9,100	9,790	10,082	19,872	9,548	(6,582)	16,131	19,649	Keep At roughly \$10K
Unassigned	1,045	1,691	2,434	4,125	10,081	6,005	4,076	1,588	Minimal Available
TOTAL ENDING FUND BALANCE	199,714	228,875	43,271	272,146	333,237	285,783	47,455	277,817	
=	=	=	=	=	=	=	=	=	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Village East Metropolitan District No. 3
Statement of Revenues, Expenditures, & Changes In Fund Balance
For the Period Indicated
Modified Accrual Basis

Print Date: 12/14/2021

	2020 Audited Actual	2021 Adopted Budget	Variance Positive (Negative)	2021 Forecast	YTD Thru 09/30/21 Actual	YTD Thru 09/30/21 Budget	Variance Positive (Negative)	2022 Adopted Budget	2022 Budget Notes / Assumptions
GENERAL FUND									
REVENUE									
Property taxes	25,255	25,314	-	25,314	25,196	25,314	(118)	27,171	General fund portion of mill levy 5% of property tax collections
Specific ownership taxes	1,199	1,266	-	1,266	844	844	(0)	1,359	
Interest income	87	-	40	40	37	-	37	50	
Sale of Mineral Rights	-	-	-	-	-	-	-	-	
TOTAL REVENUE	26,541	26,580	40	26,620	26,077	26,158	(81)	28,579	
EXPENDITURES									
Accounting	11,984	11,500	-	11,500	6,589	8,914	2,325	12,000	50% General Fund, 50% Operations Fund
Audit	5,400	5,600	-	5,600	5,600	5,600	-	5,900	Per engagement letter
Legal - general	2,074	4,400	-	4,400	3,001	3,300	299	4,950	55% General Fund, 45% Operations Fund
Financial Advisor	-	-	-	-	-	-	-	-	
Elections	480	-	-	-	-	-	-	2,500	Assume Canceled
Bank fees	-	-	-	-	-	-	-	-	
Treasurer's fees	379	380	-	380	378	380	2	408	1.5 % of property taxes
Insurance, bonds	3,077	3,101	39	3,062	3,062	3,101	39	3,400	D&O and liability insurance; Directors bonds 1-3
SDA dues	393	425	(116)	541	541	425	(116)	600	Based on 2021 Forecast
Director's fees	-	-	-	-	-	-	-	-	
Organizational costs	-	-	-	-	-	-	-	-	
Bad debt / Uncollected fees	-	-	-	-	-	-	-	-	
Miscellaneous	90	200	-	200	12	150	138	200	Based on 2021 Forecast
Contingency	-	1,000	1,000	-	-	-	-	1,000	
TOTAL EXPENDITURES	23,878	26,606	923	25,683	19,184	21,870	2,686	30,958	
REVENUE OVER / (UNDER) EXPENDITURES	2,663	(26)	963	937	6,893	4,288	2,605	(2,378)	
Other Sources / (Uses) of Funds									
Transfer (to) / from other funds	-	-	-	-	-	-	-	-	
Developer advances received	-	-	-	-	-	-	-	-	
Developer advances (paid)	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
Total Other Sources / (Uses)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	2,663	(26)	963	937	6,893	4,288	2,605	(2,378)	
BEGINNING FUND BALANCE	1,295	2,515	1,443	3,958	3,958	2,515	1,443	4,895	
ENDING FUND BALANCE	3,958	2,489	2,406	4,895	10,852	6,803	4,049	2,517	
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
Non-Spendable	2,117	-	-	-	-	-	-	-	
TABOR emergency reserve	796	798	(28)	770	770	798	(28)	929	3% of Revenues / Expenditures
Unassigned	1,045	1,691	2,434	4,125	10,081	6,005	4,076	1,588	
TOTAL ENDING FUND BALANCE	3,958	2,489	2,406	4,895	10,852	6,803	4,049	2,517	
	=	=	=	=	=	=	=	=	

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substantially all disclosures required by GAAP omitted.

Village East Metropolitan District No. 3
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 For the Period Indicated
 Modified Accrual Basis

Print Date: 12/14/2021

	2020 Audited Actual	2021 Adopted Budget	Variance Positive (Negative)	2021 Forecast	YTD Thru 09/30/21 Actual	YTD Thru 09/30/21 Budget	Variance Positive (Negative)	2022 Adopted Budget	2022 Budget Notes / Assumptions
OPERATIONS FUND									
REVENUE									
Operations fees	118,500	130,680	-	130,680	98,010	98,010	-	134,640	Added \$5 increase above for 2022
Late Fees & Interest	1,490	-	-	-	-	-	-	-	
Service Charges	980	900	1,100	2,000	1,739	450	1,289	2,000	Interest on late payments
Interest income	4	-	10	10	6	-	6	-	
Other income	8,516	-	-	-	-	-	-	-	
Property Management Suspense	(242)	-	-	-	115	-	115	-	
Reimbursed Expenses - Other	683	-	-	-	-	-	-	-	
Reimbursed Expenses - Collections	4,209	4,950	(4,950)	-	-	3,713	(3,713)	450	90% of Collection expenses
TOTAL REVENUE	134,140	136,530	(3,840)	132,690	99,870	102,173	(2,302)	137,090	
EXPENDITURES									
Accounting	11,984	11,500	-	11,500	6,589	8,914	2,325	1,200	50% General Fund, 50% Operations Fund
Legal	2,535	3,600	-	3,600	2,495	2,700	205	4,050	55% General Fund, 45% Operations Fund
Legal - Collections	465	2,000	1,800	200	99	1,500	1,401	500	Fewer delinquencies
Management - Contract	14,400	14,832	-	14,832	11,124	11,124	-	15,425	2021 Contract + 4% per AHOA
Prop Mgt - Collections	3,535	3,500	1,500	2,000	1,255	2,625	1,370	2,000	Based on 2021 Forecast
Prop Mgt - Copy, Mail, Office	2,356	2,400	1,200	1,200	813	1,800	988	1,250	Based on 2021 Forecast
Bank fees	-	-	-	-	-	-	-	-	
Insurance	-	7,770	7,770	-	-	7,770	7,770	8,500	Property Coverage
Utilities - Electricity & Gas	8,525	10,300	1,800	8,500	5,859	8,088	2,229	9,250	Based on 2021 Forecast
Landscaping Services Contract	45,987	47,655	-	47,655	47,479	47,655	176	49,990	2021 Forecast + 3% (confirmed with CLC)
R&M - fencing	-	600	600	-	-	600	600	600	Based on 2021 Forecast
R&M - irrigation	4,587	4,500	(1,500)	6,000	5,884	4,500	(1,384)	6,000	Based on 2021 Forecast
R&M - drainage system	-	-	-	-	-	-	-	-	Based on 2021 Forecast
Snow Removal	893	5,000	2,000	3,000	1,115	3,750	2,636	5,000	Based on 2021 Budget
Grounds Maintenance - Pest Control	1,562	2,850	-	2,850	2,244	2,850	606	3,000	Based on 2021 Forecast
R&M - mailbox stations	-	300	300	-	-	225	225	300	Based on 2021 Forecast
R&M - non-potable water pumps	-	515	-	515	-	386	386	515	Based on 2021 Forecast
R&M - pump station housing	-	600	-	600	-	450	450	600	Based on 2021 Forecast
Tree Maintenance & Replacement	-	6,000	6,000	-	-	6,000	6,000	6,000	Remove and replace dead trees.
Miscellaneous	-	-	(510)	510	510	-	(510)	-	
Contingency	-	5,000	-	5,000	-	-	-	15,000	Unforeseen Needs
TOTAL EXPENDITURES	96,828	128,922	20,960	107,962	85,465	110,937	25,472	129,180	
REVENUE OVER / (UNDER) EXPENDITURES	37,312	7,608	17,120	24,728	14,405	(8,765)	23,170	7,910	
OTHER SOURCES / (USES)									
Transfers to Other Funds In/(Out)	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	37,312	7,608	17,120	24,728	14,405	(8,765)	23,170	7,910	
BEGINNING FUND BALANCE	30,812	46,278	21,846	68,124	68,124	46,278	21,846	92,852	
ENDING FUND BALANCE	68,124	53,886	38,966	92,852	82,529	37,513	45,015	100,762	
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
Non-Spendable	-	-	-	-	-	-	-	-	
TABOR emergency reserve	4,024	4,096	(115)	3,981	3,981	4,096	(115)	4,113	3% of Revenues / Expenditures
Assigned For Capital Replacements	55,000	40,000	29,000	69,000	69,000	40,000	29,000	77,000	Build slowly
Assigned For Operations	9,100	9,790	10,082	19,872	9,548	(6,582)	16,131	19,649	
TOTAL ENDING FUND BALANCE	68,124	53,886	38,966	92,852	82,529	37,513	45,015	100,762	

No assurance is provided on these financial statements;
 substantially all disclosures required by GAAP omitted.

Village East Metropolitan District No. 3
Statement of Revenues, Expenditures, & Changes In Fund Balance
For the Period Indicated
Modified Accrual Basis

Print Date: 12/14/2021

	2020 Audited Actual	2021 Adopted Budget	Variance Positive (Negative)	2021 Forecast	YTD Thru 09/30/21 Actual	YTD Thru 09/30/21 Budget	Variance Positive (Negative)	2022 Adopted Budget	2022 Budget Notes / Assumptions
DEBT SERVICE FUND									
REVENUE									
Property taxes	151,540	151,894	-	151,894	151,186	151,894	(709)	163,009	Debt Service portion of mill levy
Specific ownership taxes	7,193	7,595	-	7,595	5,063	5,063	(0)	8,150	5% of property tax collections
Interest income	694	860	(710)	150	133	645	(512)	150	Based on 2021 Forecast
Other income		2,000	(2,000)	-		-		2,000	Equal to Expense Contingency
TOTAL REVENUE	159,427	162,349	(2,710)	159,639	156,381	157,602	(1,221)	173,310	
EXPENDITURES									
Treasurer's fees	2,274	2,278	-	2,278	2,269	2,278	10	2,445	1.5% of property taxes
Bond interest- Series A	84,750	83,750	-	83,750	41,875	41,875	-	82,750	Per amortization schedule
Bond principal- Series A	20,000	20,000	-	20,000	-	-	-	25,000	Per amortization schedule
Bond interest- Series B	-	4,263	3,069	1,194	-	-	-	55,326	Cash flow bonds - remaining available funds
Bond principal- Series B	-	-	-	-	-	-	-	-	Cash flow bonds - no funds available
Paying agent / trustee fees	5,564	5,650	-	5,650	13	75	62	5,650	Series A \$3500; Series B \$2000; Service Fee \$150
Contingency	-	2,000	2,000	-	-	-	-	2,000	To Avoid Budget Amendment- Equal to Other Inc
TOTAL EXPENDITURES	112,587	117,941	5,069	112,872	44,157	44,228	72	173,171	
REVENUE OVER / (UNDER) EXPENDITURES	46,840	44,408	2,359	46,767	112,225	113,374	(1,149)	139	
OTHER SOURCES / (USES)									
Developer advances received	-	-	-	-	-	-	-	-	
Developer advances (paid)	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	46,840	44,408	2,359	46,767	112,225	113,374	(1,149)	139	
BEGINNING FUND BALANCE	80,792	128,092	(460)	127,632	127,632	128,092	(460)	174,399	
ENDING FUND BALANCE	127,632	172,500	1,899	174,399	239,857	241,466	(1,609)	174,538	Maximum Surplus required is \$172,500
COMPONENTS OF FUND BALANCE									
Surplus Fund	126,461	172,500	-	172,500	126,501			172,500	Maximum Surplus required is \$172,500
Senior Bond Payment Fund	3	-	-	-	42,921			-	
Other/Internal Balances	1,168	-	1,899	1,899	70,435			2,038	
TOTAL ENDING FUND BALANCE	127,632	172,500	1,899	174,399	239,857			174,538	

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substantially all disclosures required by GAAP omitted.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of WELD COUNTY, Colorado.

On behalf of the VILLAGE EAST METRO 3,
 (taxing entity)^A
 the BOARD OF DIRECTORS
 (governing body)^B
 of the VILLAGE EAST METRO 3
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 4,887,690.00 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 4,887,690.00 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/14/2021 for budget/fiscal year 2022.
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	5.559 mills	\$ 27170.67
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< 0.000 > mills	\$ < 0 >
SUBTOTAL FOR GENERAL OPERATING:	5.559 mills	\$ 27170.67
3. General Obligation Bonds and Interest ^J	33.351 mills	\$ 163009.35
4. Contractual Obligations ^K	0.000 mills	\$ 0
5. Capital Expenditures ^L	0.000 mills	\$ 0
6. Refunds/Abatements ^M	0.000 mills	\$ 0
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	38.910 mills	\$ 190180.02

Contact person: Eric Weaver Daytime phone: 9709266060
 (print)
 Signed: _____ Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	<u>finance acquisition and construction of public infrastructure per the service plan</u>
	Series:	<u>General Obligation Limited Tax Bonds Series 2017A</u>
	Date of Issue:	<u>9/9/2017</u>
	Coupon Rate:	<u>5.000%</u>
	Maturity Date:	<u>12/1/2046</u>
	Levy:	<u>22.036</u>
	Revenue:	<u>\$107.705</u>
2.	Purpose of Issue:	<u>finance acquisition and construction of public infrastructure per the service plan</u>
	Series:	<u>Subordinate General Obligation Limited Tax Bonds Series 2017B</u>
	Date of Issue:	<u>9/9/2017</u>
	Coupon Rate:	<u>7.750%</u>
	Maturity Date:	<u>12/15/2046</u>
	Levy:	<u>11.315</u>
	Revenue:	<u>\$55.304</u>

CONTRACTS^K:

3.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____
4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.