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July 16, 2024

To the Board of Directors and Management
Villas Metropolitan District

We have audited the financial statements of the governmental activities and the major fund of Villas Metropolitan District (the “District”) for the year ended December 31, 2023. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 10, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Villas Metropolitan District are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant accounting estimates noted in the current year.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements noted.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated July 16, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Villas Metropolitan District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

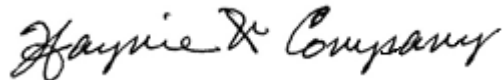
Other Matters

We were not engaged to report on the other information as listed in the table of contents, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

The information is intended solely for the use of the Board of Directors of and management of Villas Metropolitan District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Haynie & Company".

Haynie & Company

VILLAS METROPOLITAN DISTRICT
Douglas County, Colorado

FINANCIAL STATEMENTS

with Independent Auditors' Report


December 31, 2023


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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Villas Metropolitan District

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Villas Metropolitan District 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Villas Metropolitan District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 the Villas Metropolitan District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Villas Metropolitan District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

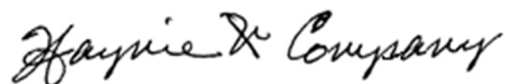
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Villas Metropolitan District's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included as listed in the table of contents. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Littleton, Colorado
July 16, 2024

BASIC FINANCIAL STATEMENTS

VILLAS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION (DEFICIT)
December 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and investments - restricted	\$ 208,439
Accounts receivable	3,440
Property taxes receivable	493,204
Prepaid expenses	6,612
Capital assets, not being depreciated	4,240,836
Total assets	<u>4,952,531</u>
LIABILITIES	
Accounts payable	43,686
Accrued interest payable	352,683
Bonds payable - due within one year	60,000
Deferred revenue	6,091
Noncurrent liabilities:	
Bonds payable	4,815,000
Bond premium	5,859
Developer advances	112,849
Total liabilities	<u>5,396,168</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	493,204
Total deferred inflows of resources	<u>493,204</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	(244,164)
Restricted for:	
Emergencies	8,800
Unrestricted	(701,477)
Total net position (deficit)	<u><u>\$ (936,841)</u></u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**VILLAS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 295,696	\$ 194,950	\$ -	\$ -	\$ (100,746)
Interest and expenses on long-term debt	328,764	-	-	-	(328,764)
	\$ 624,460	\$ 194,950	\$ -	\$ -	(429,510)
General revenues:					
Property taxes					323,617
Specific ownership taxes					25,427
Interest					13,115
Total general revenues					362,159
Change in net position					(67,351)
Net position (deficit)- beginning					(869,490)
Net position (deficit)- ending					\$ (936,841)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**VILLAS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and investments - restricted	\$ -	\$ 208,439	\$ 208,439
Property taxes receivable	140,482	352,722	493,204
Accounts receivable	3,440	-	3,440
Due from other funds	-	3,570	3,570
Prepaid expenditures	3,612	3,000	6,612
Total assets	\$ 147,534	\$ 567,731	\$ 715,265
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 43,686	\$ -	\$ 43,686
Deferred revenue	6,091	-	6,091
Due to other funds	3,570	-	3,570
Total liabilities	53,347	-	53,347
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	140,482	352,722	493,204
Total deferred inflows of resources	140,482	352,722	493,204
FUND BALANCES (DEFICIT)			
Nonspendable:			
Prepaid expenditures	3,612	3,000	6,612
Restricted:			
Emergency reserves	8,800	-	8,800
Debt service	-	212,009	212,009
Unassigned	(58,707)	-	(58,707)
Total fund balances (deficit)	(46,295)	215,009	168,714
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
	\$ 147,534	\$ 567,731	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	4,240,836
Long-term liabilities are not due and payable in the current period and, therefore, are not in the funds	
Long term obligations	(4,993,708)
Accrued interest on long-term obligations	(352,683)
Net position of governmental activities	\$ (936,841)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

VILLAS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 92,166	\$ 231,451	\$ 323,617
Specific ownership taxes	7,242	18,185	25,427
Operations fees	194,950	-	194,950
Interest	1,482	11,633	13,115
Total revenues	<u>295,840</u>	<u>261,269</u>	<u>557,109</u>
EXPENDITURES			
<u>General</u>			
Audit and accounting	62,509	-	62,509
Collection costs	955	-	955
County treasurer fees	1,383	3,472	4,855
District management	21,863	-	21,863
Insurance and dues	3,123	-	3,123
Landscape	65,123	-	65,123
Legal	45,072	-	45,072
Miscellaneous	506	-	506
Snow removal	55,108	-	55,108
Trash removal	35,224	-	35,224
Utilities	1,358	-	1,358
<u>Debt service</u>			
Bond interest	-	217,044	217,044
Bond principal	-	50,000	50,000
Trustee / paying agent fees	-	3,000	3,000
Total expenditures	<u>292,224</u>	<u>273,516</u>	<u>565,740</u>
NET CHANGES IN FUND BALANCES	3,616	(12,247)	(8,631)
FUND BALANCES (DEFICIT)- BEGINNING OF	(49,911)	227,256	177,345
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (46,295)</u>	<u>\$ 215,009</u>	<u>\$ 168,714</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**VILLAS METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023**

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

Net change in fund balance - Total governmental funds	\$ (8,631)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Principal payments on bonds	50,000
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Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of bond premium	163	
Net change in accrued interest on long-term obligations	<u>(108,883)</u>	<u>(108,720)</u>

Change in net position of governmental activities	<u><u>\$ (67,351)</u></u>
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These financial statements should be read only in connection with the accompanying notes to financial statements.

VILLAS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2023

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 92,177	\$ 92,177	\$ 92,166	\$ (11)
Specific ownership taxes	7,374	7,374	7,242	(132)
Operations fee	38,400	194,900	194,950	50
Interest	-	1,500	1,482	(18)
Total revenues	<u>137,951</u>	<u>295,951</u>	<u>295,840</u>	<u>(111)</u>
EXPENDITURES				
Audit and accounting	10,000	62,600	62,509	91
Collection costs	2,000	960	955	5
County treasurer fees	1,383	1,383	1,383	-
District management	12,200	21,900	21,863	37
Election	20,000	-	-	-
Insurance and dues	4,000	3,125	3,123	2
Landscape	21,000	65,125	65,123	2
Legal	8,000	45,080	45,072	8
Miscellaneous	1,000	510	506	4
Snow removal	25,000	55,110	55,108	2
Trash removal	25,000	31,625	35,224	(3,599)
Utilities	5,000	1,360	1,358	2
Contingency	2,608	-	-	-
Emergency reserve - 3%	4,037	7,173	-	7,173
Total expenditures	<u>141,228</u>	<u>295,951</u>	<u>292,224</u>	<u>3,727</u>
NET CHANGE IN FUND BALANCE	(3,277)	-	3,616	3,616
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>3,277</u>	<u>(49,911)</u>	<u>(49,911)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ (49,911)</u>	<u>\$ (46,295)</u>	<u>\$ 3,616</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - DEFINITION OF REPORTING ENTITY

Villas Metropolitan District (“the District”) a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 15, 2016, existing and operating under the State of Colorado Special District Act. The District operates pursuant to a service plan approved by Douglas County on August 23, 2016 (Service Plan). The District was established for the purpose of providing the public improvements and services for the benefit of all inhabitants and taxpayers of the District. The District’s primary source of revenue is 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.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

The statement of net position reports all financial and capital resources of the District. The difference between the assets plus deferred outflows of resources and liabilities plus 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

VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds and promissory notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and operations fees. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest and related expenses on the long-term general obligation debt.

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

**VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's board of directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's board of directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. For the year ended December 31, 2023, supplementary appropriations approved by the District's board of directors modified the appropriation for expenditures in its General Fund from \$141,228 to \$295,951.

Pooled Cash and Investments

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 single account. 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.

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 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The county treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year they are available or collected.

Bond Premium

In the fund financial statements, governmental fund types recognize bond premiums at the time of issuance. The face amount of debt issued, and premiums received on debt issuance were reported as other financing sources.

**VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the government-wide financial statements, the bond premium is amortized over the term of the bonds using the interest method.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (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.

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. The District has no items that qualify for reporting in this 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. The revenue continues to be recognized when earned in the government-wide statements. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as inflows of resources in the period that the amount becomes available.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance - the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

**VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted fund balance - the amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the District board of directors or by an official or body to which the District board of directors delegates the authority.

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

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. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the District board of directors has provided otherwise in its commitment or assignment actions.

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.

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 or 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.

**VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are classified in the accompanying statement of net position as follows:

Cash and investments - restricted	<u>\$ 208,439</u>
Total cash and investments	<u>\$ 208,439</u>

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

Deposits with financial institutions	\$ 21,301
Investments	<u>187,138</u>
Total cash and investments	<u>\$ 208,439</u>

Cash Deposits

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

At December 31, 2023, the District's cash deposits had a bank and carrying balance of \$21,301.

Investments

Credit Risk

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

**VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

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

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

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

<u>Investments</u>	<u>Maturity</u>	<u>Fair Value</u>
Federated U.S. Treasury		
Cash Reserves	Weighted average under 35 days	\$ 171,078
Colorado Local Government Liquid		
Asset Trust	Weighted average under 60 days	<u>16,060</u>
		<u>\$ 187,138</u>

Federated US Treasury Cash Reserves

During 2023, the District invested in the Federated U.S. Treasury Cash Reserves, a money market fund which is rated AAAM by S&P Global Ratings and Aaa-mf by Moody's. The fund invests exclusively in short-term U.S. Treasury securities. As of December 31, 2023 the District had \$171,078 invested in the fund through Zions Bank, the trustee.

**VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Colotrust

During 2023, the District invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. The District invested in COLOTRUST PLUS+ (PLUS+), one of the three portfolios offered by Colotrust. PLUS+ operates similarly to a money market fund and each share is equal in value to \$1.00. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption notice period. PLUS+ may invest in U.S. Treasury securities, federal instrumentality and agency securities, repurchase agreements and tri-party repurchase agreements, collateralized bank deposits, government money market funds, corporate bonds and highest rated commercial paper. A designated custodial bank serves as custodian for Colotrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colotrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by Colotrust. As of December 31, 2023, the District had \$16,060 invested in PLUS+ in the name of the District. Colotrust PLUS+ is rated as 'AAAm' by S&P Global Ratings.

Cash and investments of \$208,439 are restricted in the Debt Service Fund for servicing the District's long-term debt (Note 5).

Investment Valuation

Certain investments measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: 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 investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in Colotrust and Federated U.S. Treasury Cash Reserves at year end for which the investment valuations were determined as follows.

The NAV of the shares of each portfolio is determined as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of the investment funds to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held and there can be no assurance that the NAV will not vary from \$1.00 per share.

VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Balance at December 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2023</u>
Capital assets, not being depreciated:				
Public improvements	\$ 4,240,836	\$ -	\$ -	\$ 4,240,836
Total capital assets, not being depreciated	<u>\$ 4,240,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,240,836</u>
			Less outstanding capital debt	<u>(4,485,000)</u>
			Net investment in capital assets	<u>\$ (244,164)</u>

Pursuant to the Service Plan, all public improvements are to be owned and maintained by Douglas County upon their completion and acceptance by Douglas County, except for certain public improvements, including, but not limited to parks and open space tracts, which may be owned and maintained by the District or by a homeowner’s association.

NOTE 5 - LONG-TERM OBLIGATIONS

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

	<u>Balance at December 31, 2022</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance at December 31, 2023</u>	<u>Due Within One Year</u>
<i>Bonded debt</i>					
G.O. Bonds, Series 2018A	\$ 4,235,000	\$ -	\$ 50,000	\$ 4,185,000	\$ 60,000
Subordinate G.O. Bonds, Series 2018B	690,000	-	-	690,000	-
Total bonded debt	<u>\$ 4,925,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 4,875,000</u>	<u>\$ 60,000</u>
<i>Other long-term liabilities</i>					
Developer advances					
Advances	\$ 85,890	\$ -	\$ -	\$ 85,890	\$ -
Advance interest	20,947	6,012	-	26,959	-
Total	106,837	6,012	-	112,849	-
Premium on bonds	6,022	-	163	5,859	-
Total other long-term liabilities	<u>\$ 112,859</u>	<u>\$ 6,012</u>	<u>\$ 163</u>	<u>\$ 118,708</u>	<u>\$ -</u>
Total	<u>\$ 5,037,859</u>	<u>\$ 6,012</u>	<u>\$ 50,163</u>	<u>\$ 4,993,708</u>	<u>\$ 60,000</u>

VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

A description of the long-term obligations as of December 31, 2023 is as follows:

General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2018A and Subordinate Limited Tax General Obligation Bonds, Series 2018B

On August 30, 2018, the District issued \$4,250,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2018A (Series 2018A Bonds) and \$690,000 Subordinate Limited Tax General Obligation Bonds, Series 2018B (Series 2018B Bonds) for the purpose (a) paying a portion of the project costs (as defined in the bond documents);(b) funding the reserve fund to the reserve requirement; (c) funding a portion of the interest to accrue on the Series 2018A Bonds; and (d) paying other costs in connection with the issuance of the Series 2018A and Series 2018B Bonds. The Series 2018A Bonds bear interest at the rate of 5.125%, payable semiannually on each June 1 and December 1 and mature on December 1, 2048. The Series 2018B Bonds bear interest at the rate of 7.750% payable annually on December 15, to the extent that subordinate pledged revenue is available. The Series 2018B Bonds mature on December 15, 2048.

The Series 2018A Bonds and Series 2018B Bonds are subject to optional and mandatory redemption commencing on December 1, 2022 and December 15, 2018, respectively, 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, 2023 and December 15, 2023, respectively, upon payment of par, accrued interest and a redemption premium that ranges between 0% and 3%.

The Series 2018A Bonds are secured by (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; (c) all Capital Fees; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund. The Series 2018A Bonds are also secured by the senior reserve fund in the amount of \$168,963. The Series 2018B Bonds are secured by (a) all Subordinate Property Tax Revenue; (b) all Subordinate Specific Ownership Tax Revenue; (c) all Subordinate Capital Fee Revenue; (d) all amounts, if any, on deposit in the Senior Obligation Surplus Fund which are released pursuant to the terms of the indenture, resolution or other documents providing for the issuance of the Senior Obligation; (e) and any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The 2018B Bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient subordinate pledged revenue for payment. In the event any amounts due and owing on the 2018B Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

Events of default for the Series 2018A and Series 2018B Bonds include: (i) failure by the District to impose the required mill levy or apply the pledged revenue as required by the indenture; (ii) failure to pay the principal or interest when due (iii) failure by the District to meet financial or custodial covenants as described in the indenture and failure to remedy the same; or (iv) the District files a petition under federal bankruptcy laws. Due to the limited nature of the

**VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

pledged revenue, failure to pay principal or interest when due does not, of itself, constitute an event of default.

Immediately upon the occurrence and continuance of an event of default, the trustee has rights or remedies including (i) rights to the appointment of a receiver for control of trust assets and (ii) right to file a suit for judgment, action or special proceedings as advised by trustee counsel.

The following table sets forth the estimated debt service payment schedule for the principal and interest on the Series 2018A Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	60,000	214,481	274,481
2025	60,000	211,406	271,406
2026	70,000	208,331	278,331
2027	75,000	204,743	279,743
2028	80,000	200,900	280,900
2029-2033	515,000	935,824	1,450,824
2034-2038	740,000	781,304	1,521,304
2039-2043	1,040,000	562,980	1,602,980
2044-2048	1,545,000	258,299	1,803,299
	<u>\$ 4,185,000</u>	<u>\$ 3,578,268</u>	<u>\$ 7,763,268</u>

Because of the uncertainty of the timing of the principal and interest payment on the Series 2018B Bonds, no schedule of principal and interest payments is presented.

Debt Authorization

A majority of the qualified electors of the District authorized the issuance of indebtedness in the amount not to exceed \$42,000,000. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$6,000,000. As of December 31, 2023, the District had \$1,060,000 remaining authority under the Service Plan.

NOTE 6 – FUND EQUITY

At December 31, 2023, the District reported the following classification of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$3,612 and the Debt Service Fund in the amount of \$3,000 represents prepaid expenditures for the ensuing fiscal year and is therefore not in a spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$8,800 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado.

The restricted fund balance in the Debt Service Fund in the amount of \$212,009 is to be used exclusively for debt service.

VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – FUND EQUITY (CONTINUED)

The District anticipates that the unassigned fund deficit balance of \$58,707 in the general fund will be eliminated with property taxes and operations fees. Operations fees were increased as of April 1, 2023 to \$125 per unit per month to help eliminate this fund deficit.

NOTE 7 – NET POSITION

The District’s net position consists of three components – net investment in capital assets, restricted and unrestricted.

The net investment in capital assets consists of capital assets owned by the District, net of accumulated depreciation, if applicable, and reduced by the outstanding balances of bonds mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.

As of December 31, 2023, the District had a net deficit in capital assets as follows:

Capital assets, net	\$ 4,240,836
Less capital-related debt	<u>(4,485,000)</u>
Net investment in capital assets	<u>\$ (244,164)</u>

The restricted portion of the net position includes amounts that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District’s restricted net position at December 31, 2023 consists of the TABOR emergency reserve in the amount of \$8,800 (Note 9).

In the government-wide financial statements, the District’s unrestricted net deficit as of December 31, 2023 totaled \$701,477 primarily due to interest and expenses related to long-term obligations in excess of revenues in the debt service fund.

NOTE 8 – AGREEMENTS

Advance and Reimbursement Agreement

The District has entered into an Advance and Reimbursement Agreement with a partner in the Developer, Cardel Homes US Limited Partnership (the “Prior Developer”) dated March 7, 2017, and as amended by that First Amendment to Reimbursement Agreement dated June 1, 2018 whereby it was acknowledged that Cardel Parker Limited Partnership (the “Company”) was the successor in interest to the Prior Developer. Pursuant to the Advance and Reimbursement Agreement, the Company agreed to construct and complete certain public improvements described in the Service Plan and transfer such improvements to the District, the County or the Water District for public use or, in the alternative, the Company has agreed to advance the District funds necessary to construct and complete the public improvements described in the Service Plan and to provide funding for operating and administrative expenditures.

The Advance and Reimbursement Agreement requires that all public improvements be constructed, installed and completed in conformance with all duly approved designs, plans and specification and requirements, standards and specification of the District, the County or the

**VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 8 – AGREEMENTS (CONTINUED)

Water District, as applicable. The Advance and Reimbursement Agreement further requires that the Company transfer the public improvements to the District, the County or the Water District upon completion and acceptance of the public improvements by the District, the County or the Water District, as applicable. The Advance and Reimbursement Agreement requires that as a precondition to the conveyance, dedication or other transfer of any public improvements to the District, the County or the Water District for ownership, maintenance, and repair, the Company shall provide the District, the County or the Water District, as applicable with a guarantee, to secure performance of warranty obligations against defects in materials, workmanship, construction and installation of the facilities or improvements, all for a two year period from acceptance of the public improvements.

The amount of Reimbursable Costs incurred under the Advance and Reimbursement Agreement was not to exceed \$4,242,550. On December 31, 2020, as required under the Advance and Reimbursement Agreement, the District reimbursed the Company \$4,242,550 for actual capital costs expended. In addition, the Advance and Reimbursement Agreement provides that the District submit a written request to the Company for any funding shortfall and that, after reasonable verification of such funding shortfall, the Company may, in its sole discretion, but shall have no obligation to in any manner, make an advance after such notice from the District.

The term of the Advance and Reimbursement Agreement shall expire on the date all reimbursable costs of the public improvements and operations advances have been paid to the Company or its assignee or on December 31, 2056, whichever date occurs first. The Advance and Reimbursement Agreement further states that the payment obligations under the Advance and Reimbursement Agreement are subject to annual appropriation by the board of directors in the exercise of their sole discretion.

NOTE 9 – TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including

**VILLAS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 9 – TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 8, 2016, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

NOTE 10 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God.

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

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

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

VILLAS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2023

	<u>Budget Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Property taxes	\$ 231,438	\$ 231,451	\$ 13
Specific ownership taxes	18,515	18,185	(330)
Interest	10	11,633	11,623
Total revenues	<u>249,963</u>	<u>261,269</u>	<u>11,306</u>
EXPENDITURES			
Bond interest - Series 2018A	217,044	217,044	-
Bond principal - Series 2018A	50,000	50,000	-
County treasurer fees	3,472	3,472	-
Trustee / paying agent fees	3,000	3,000	-
Total expenditures	<u>273,516</u>	<u>273,516</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(23,553)	(12,247)	11,306
FUND BALANCE - BEGINNING OF YEAR	<u>177,945</u>	<u>227,256</u>	<u>49,311</u>
FUND BALANCE - END OF YEAR	<u>\$ 154,392</u>	<u>\$ 215,009</u>	<u>\$ 60,617</u>

OTHER INFORMATION

**VILLAS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2023**

\$4,250,000

**General Obligation Limited Tax (Convertible to Unlimited Tax) Bonds
Series 2018A**

Dated August 30, 2018

Interest Rate 5.125%

Interest payable June 1 and December 1; Principal due December 1

	Principal	Interest	Total
2024	60,000	214,481	274,481
2025	60,000	211,406	271,406
2026	70,000	208,331	278,331
2027	75,000	204,743	279,743
2028	80,000	200,900	280,900
2029	85,000	196,800	281,800
2030	95,000	192,443	287,443
2031	100,000	187,575	287,575
2032	115,000	182,450	297,450
2033	120,000	176,556	296,556
2034	130,000	170,406	300,406
2035	135,000	163,743	298,743
2036	150,000	156,825	306,825
2037	155,000	149,137	304,137
2038	170,000	141,193	311,193
2039	180,000	132,481	312,481
2040	195,000	123,256	318,256
2041	205,000	113,262	318,262
2042	225,000	102,756	327,756
2043	235,000	91,225	326,225
2044	255,000	79,181	334,181
2045	265,000	66,112	331,112
2046	285,000	52,531	337,531
2047	300,000	37,925	337,925
2048	440,000	22,550	462,550
	\$ 4,185,000	\$ 3,578,268	\$ 7,763,268

**VILLAS METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
			Levied	Collected	
2018	\$ 538,340	70.000	\$ 37,684	\$ 37,684	100.00%
2019	\$ 1,492,790	70.585	\$ 105,369	\$ 105,369	100.00%
2020	\$ 2,339,860	74.831	\$ 175,094	\$ 175,094	100.00%
2021	\$ 2,942,800	74.831	\$ 220,213	\$ 220,213	100.00%
2022	\$ 3,721,310	75.059	\$ 279,318	\$ 279,318	100.00%
2023	\$ 4,215,560	76.767	\$ 323,616	\$ 323,617	100.00%
Estimated for the year ending December 31, 2024	\$ 6,424,690	76.767	\$ 493,204		

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the county treasurer does not permit identification of specific year of assessment.