

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 942
REVENUE			
Property taxes	-	13,432	9,492
Specific ownership taxes	-	648	475
Interest income	-	181	-
Bond issuance - Series 2021	-	7,062,000	-
Developer advance	-	7,323,614	10,065,000
Other revenue	-	1	1,026
Total revenue	-	14,399,876	10,075,993
Total funds available	-	14,399,876	10,076,935
EXPENDITURES			
General Fund	-	35,875	65,000
Debt Service Fund	-	11,264	9,000
Capital Projects Fund	-	14,351,795	10,000,000
Total expenditures	-	14,398,934	10,074,000
Total expenditures and transfers out requiring appropriation	-	14,398,934	10,074,000
ENDING FUND BALANCES	\$ -	\$ 942	\$ 2,935
EMERGENCY RESERVE	\$ -	\$ 100	\$ 100

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ -	\$ 2,860	\$ 2,570
State assessed	-	-	54,970
Vacant land	-	-	1,810
Oil and Gas	-	265,780	130,490
	-	268,640	189,840
Adjustments	-	-	-
Certified Assessed Value	<u>\$ -</u>	<u>\$ 268,640</u>	<u>\$ 189,840</u>
MILL LEVY			
General	0.000	10.000	10.000
Debt Service	0.000	40.000	40.000
Total mill levy	<u>0.000</u>	<u>50.000</u>	<u>50.000</u>
PROPERTY TAXES			
General	\$ -	\$ 2,686	\$ 1,898
Debt Service	-	10,746	7,594
Budgeted property taxes	<u>\$ -</u>	<u>\$ 13,432</u>	<u>\$ 9,492</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ -</u>	<u>\$ 2,686</u>	<u>\$ 1,898</u>
Debt Service	<u>-</u>	<u>10,746</u>	<u>7,594</u>
	<u>\$ -</u>	<u>\$ 13,432</u>	<u>\$ 9,492</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 942
REVENUE			
Property taxes	-	2,686	1,898
Specific ownership taxes	-	130	95
Developer advance	-	34,000	65,000
Other revenue	-	1	-
Total revenue	<u>-</u>	<u>36,817</u>	<u>66,993</u>
Total funds available	<u>-</u>	<u>36,817</u>	<u>67,935</u>
EXPENDITURES			
General and administrative			
Accounting	-	15,000	25,000
Audit	-	-	5,500
Contingency	-	-	1,222
County Treasurer's fee	-	40	28
Dues	-	201	500
Insurance	-	634	2,750
Legal	-	20,000	30,000
Total expenditures	<u>-</u>	<u>35,875</u>	<u>65,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>35,875</u>	<u>65,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 942</u>	<u>\$ 2,935</u>
EMERGENCY RESERVE	\$ -	\$ 100	\$ 100

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	-	10,746	7,594
Specific ownership taxes	-	518	380
Other revenue	-	-	1,026
Total revenue	<u>-</u>	<u>11,264</u>	<u>9,000</u>
Total funds available	<u>-</u>	<u>11,264</u>	<u>9,000</u>
EXPENDITURES			
Debt Service			
Contingency	-	-	1,026
County Treasurer's fee	-	161	114
Bond interest - Series 2021	-	11,103	7,860
Total expenditures	<u>-</u>	<u>11,264</u>	<u>9,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>11,264</u>	<u>9,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Interest income	-	181	-
Developer advance	-	7,289,614	10,000,000
Bond issuance - Series 2021	-	7,062,000	-
Total revenue	<u>-</u>	<u>14,351,795</u>	<u>10,000,000</u>
Total funds available	<u>-</u>	<u>14,351,795</u>	<u>10,000,000</u>
EXPENDITURES			
Capital Projects			
Repay Developer advance	-	6,685,065	-
Bond issue costs	-	377,116	-
Capital outlay	-	7,289,614	10,000,000
Total expenditures	<u>-</u>	<u>14,351,795</u>	<u>10,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>14,351,795</u>	<u>10,000,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Johnstown Farms East Metropolitan District (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order of the District Court in Weld County on November 30, 2020, and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District's service area is located in Weld County. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$12,500,000. In the future, the District may issue a portion or all of the authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

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

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

Revenues

Developer Advances

The District's general and administrative costs in 2022 will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bonds proceeds (if applicable) and other legally available revenue.

Property Taxes

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

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

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.10%.

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, membership dues, election and other administrative expenditures.

Debt Service

There is no debt amortization schedule provided for the Series 2021 Bonds (Described under Debt and Leases) as the Bonds are cash flow bonds and the timing of the payments are unknown.

Capital Outlay

The District anticipates capital outlay as outlined in the Capital Project Fund.

Debt and Leases

General Obligation Limited Tax Bonds, Series 2021 (the Bonds)

Bond Proceeds

The District issued the Bonds on October 13, 2021, in the par amount of \$7,062,000. Proceeds from the sale of the Bonds were used to finance or reimburse the costs of public improvements related to a residential development that is planned to be located within the boundaries of the District and to pay costs of issuance of the Bonds.

Details of the Bonds

The Bonds bear interest at the rate of 5.000% per annum and are payable annually on December 1, beginning on December 1, 2021, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2051 and are subject to mandatory redemption to the extent of available Pledged Revenue.

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Details of the Bonds (Continued)

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the maturity date. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 2, 2060, such amounts shall be extinguished and no longer due and outstanding.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows: The District has no debt, nor any capital and operating leases.

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) the Required Mill Levy; (b) the Capital Fees, if any; (c) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

The District is required to impose an ad valorem mill levy upon all taxable property of the District each year in the amount of 40.000 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement after September 21, 2020) or such lesser amount which is sufficient to pay all of the principal of and interest on the Bonds in full. The Required Mill levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

Capital Fees means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future.

Reserves

Emergency Reserve

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending. The District has provided for this reserve.

This information is an integral part of the accompanying budget.