

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ (12,057)	\$ 615
REVENUE			
Property taxes	13,432	9,492	40,661
Specific ownership tax	675	538	2,440
Interest income	182	1	-
Bond issuance - Series 2021	7,062,000	-	-
Developer advance	7,315,364	61,054	42,000
Operations Fees	-	-	144,600
Other revenue	-	-	1,690
Total revenue	<u>14,391,653</u>	<u>71,085</u>	<u>231,391</u>
TRANSFERS IN	-	1,930	-
Total funds available	<u>14,391,653</u>	<u>60,958</u>	<u>232,006</u>
EXPENDITURES			
General Fund	31,590	48,372	50,500
Special Revenue Fund	-	-	80,000
Debt Service Fund	11,199	10,041	36,000
Capital Projects Fund	14,360,921	-	-
Total expenditures	<u>14,403,710</u>	<u>58,413</u>	<u>166,500</u>
TRANSFERS OUT	-	1,930	-
Total expenditures and transfers out requiring appropriation	<u>14,403,710</u>	<u>60,343</u>	<u>166,500</u>
ENDING FUND BALANCES	<u>\$ (12,057)</u>	<u>\$ 615</u>	<u>\$ 65,506</u>
EMERGENCY RESERVE	\$ 100	\$ 100	\$ 300
SPECIAL REVENUE RESERVE	-	-	4,400
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 4,700</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
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**ASSESSED VALUATION**

Agricultural	\$ 2,860	\$ 2,570	\$ -
State assessed	-	54,970	82,220
Vacant land	-	1,810	419,710
Oil and Gas	265,780	130,490	311,290
	268,640	189,840	813,220
Adjustments	-	-	-
Certified Assessed Value	\$ 268,640	\$ 189,840	\$ 813,220

**MILL LEVY**

General	10.000	10.000	10.000
Debt Service	40.000	40.000	40.000
Total mill levy	50.000	50.000	50.000

**PROPERTY TAXES**

General	\$ 2,686	\$ 1,898	\$ 8,132
Debt Service	10,746	7,594	32,529
Budgeted property taxes	\$ 13,432	\$ 9,492	\$ 40,661
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ -	\$ -	\$ -

**BUDGETED PROPERTY TAXES**

General	\$ 2,686	\$ 1,898	\$ 8,132
Debt Service	10,746	7,594	32,529
	\$ 13,432	\$ 9,492	\$ 40,661

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ (3,019)	\$ 615
REVENUE			
Property taxes	2,686	1,898	8,132
Specific ownership tax	135	108	488
Developer advance	25,750	50,000	42,000
Total revenue	<u>28,571</u>	<u>52,006</u>	<u>50,620</u>
Total funds available	<u>28,571</u>	<u>48,987</u>	<u>51,235</u>
EXPENDITURES			
General and administrative			
Accounting	10,455	20,000	20,000
Auditing	-	5,500	5,500
Contingency	-	-	178
County Treasurer's fee	40	28	122
Election expense	-	-	1,500
Dues and licenses	403	314	500
Insurance and bonds	384	2,530	2,700
Legal services	20,308	20,000	20,000
Total expenditures	<u>31,590</u>	<u>48,372</u>	<u>50,500</u>
Total expenditures and transfers out requiring appropriation	<u>31,590</u>	<u>48,372</u>	<u>50,500</u>
ENDING FUND BALANCE	<u>\$ (3,019)</u>	<u>\$ 615</u>	<u>\$ 735</u>
EMERGENCY RESERVE	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 300</u>
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 300</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND  
2023 BUDGET  
WITH 2020 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Operations Fees	-	-	144,600
Total revenue	<u>-</u>	<u>-</u>	<u>144,600</u>
Total funds available	<u>-</u>	<u>-</u>	<u>144,600</u>
EXPENDITURES			
General and administrative			
District management	-	-	15,000
Operations and maintenance			
Landscaping	-	-	30,000
Utilities	-	-	5,000
Snow Removal	-	-	25,000
Miscellaneous	-	-	5,000
Total expenditures	<u>-</u>	<u>-</u>	<u>80,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>80,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,600</u>
SPECIAL REVENUE RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,400</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,400</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 87	\$ -
REVENUE			
Property taxes	10,746	7,594	32,529
Specific ownership tax	540	430	1,952
Other revenue	-	-	1,690
Total revenue	<u>11,286</u>	<u>8,024</u>	<u>36,171</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>1,930</u>	<u>-</u>
Total funds available	<u>11,286</u>	<u>10,041</u>	<u>36,171</u>
EXPENDITURES			
Debt Service			
Contingency	-	-	1,692
County Treasurer's fee	161	114	488
Bond interest	<u>11,038</u>	<u>9,927</u>	<u>33,820</u>
Total expenditures	<u>11,199</u>	<u>10,041</u>	<u>36,000</u>
Total expenditures and transfers out requiring appropriation	<u>11,199</u>	<u>10,041</u>	<u>36,000</u>
ENDING FUND BALANCE	<u>\$ 87</u>	<u>\$ -</u>	<u>\$ 171</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ (9,125)	\$ -
REVENUE			
Interest income	182	1	-
Developer advance	7,289,614	11,054	-
Bond issuance - Series 2021	7,062,000	-	-
Total revenue	<u>14,351,796</u>	<u>11,055</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>14,351,796</u>	<u>1,930</u>	<u>-</u>
EXPENDITURES			
General and Administrative			
Accounting	2,258	-	-
Capital Projects			
Repay developer advance	6,685,065	-	-
Engineering	8,797	-	-
Bond issue costs	375,187	-	-
Capital outlay	7,289,614	-	-
Total expenditures	<u>14,360,921</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>1,930</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>14,360,921</u>	<u>1,930</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ (9,125)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT  
2023 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 2023 will be partially 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.



**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

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

**Specific Ownership Taxes**

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

**Operations fees**

The District imposes an Operations Fee on all residential units within the boundaries of the District to fund operating costs. The Operations Fee is a recurring payment of \$50 per unit per month.

**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.

**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  
2023 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.**