

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (12,057)	\$ 1,562	\$ 36,505
REVENUES			
Property taxes	9,493	40,661	252,064
Specific ownership taxes	562	1,686	10,082
Operations and maintenance fee	4,614	45,200	144,600
Interest income	46	105	-
Developer advance	55,000	45,000	5,000
Other revenue	-	-	1,582
Collection Letter Fee Revenue	-	220	-
Late fees / penalties	166	1,100	-
Total revenues	<u>69,881</u>	<u>133,972</u>	<u>413,328</u>
TRANSFERS IN	<u>1,929</u>	<u>-</u>	<u>-</u>
Total funds available	<u>59,753</u>	<u>135,534</u>	<u>449,833</u>
EXPENDITURES			
General Fund	46,281	48,932	51,500
Debt Service Fund	9,981	34,097	211,300
Special Revenue Fund	-	16,000	85,000
Total expenditures	<u>56,262</u>	<u>99,029</u>	<u>347,800</u>
TRANSFERS OUT	<u>1,929</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>58,191</u>	<u>99,029</u>	<u>347,800</u>
ENDING FUND BALANCES	<u>\$ 1,562</u>	<u>\$ 36,505</u>	<u>\$ 102,033</u>
EMERGENCY RESERVE	\$ 100	\$ 300	\$ 1,600
SPECIAL REVENUE EMERGENCY RESERVE	-	1,400	4,400
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 1,700</u>	<u>\$ 6,000</u>

No assurance provided. See summary of significant assumptions.

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Residential	\$ -	\$ -	\$ 2,663,390
Commercial	-	-	36,280
Oil and gas - Production		-	385,570
Oil and gas - Pipeline	130,490	311,290	80,400
Agricultural	2,570	-	-
State assessed	54,970	82,220	690
Vacant land	1,810	419,710	800,870
Personal property	-	-	70,280
Certified Assessed Value	\$ 189,840	\$ 813,220	\$ 4,037,480

MILL LEVY

General	10.000	10.000	12.486
Debt Service	40.000	40.000	49.945
Total mill levy	50.000	50.000	62.431

PROPERTY TAXES

General	\$ 1,898	\$ 8,132	\$ 50,412
Debt Service	7,594	32,529	201,652
Levied property taxes	9,492	40,661	252,064
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	\$ 9,493	\$ 40,661	\$ 252,064

BUDGETED PROPERTY TAXES

General	\$ 1,898	\$ 8,132	\$ 50,412
Debt Service	7,595	32,529	201,652
	\$ 9,493	\$ 40,661	\$ 252,064

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (3,019)	\$ (3,343)	\$ 1,196
REVENUES			
Property taxes	1,898	8,132	50,412
Specific ownership taxes	112	338	2,016
Interest income	1	1	-
Developer advance	43,946	45,000	5,000
Total revenues	<u>45,957</u>	<u>53,471</u>	<u>57,428</u>
Total funds available	<u>42,938</u>	<u>50,128</u>	<u>58,624</u>
EXPENDITURES			
General and administrative			
Accounting	18,188	20,000	22,000
Auditing	5,500	5,700	6,300
County Treasurer's fee	28	122	756
Dues and membership	314	300	500
Election	1,871	3,139	-
Insurance	2,530	2,571	2,700
District management	2,735	-	-
Legal	15,115	17,100	19,000
Contingency	-	-	244
Total expenditures	<u>46,281</u>	<u>48,932</u>	<u>51,500</u>
Total expenditures and transfers out requiring appropriation	<u>46,281</u>	<u>48,932</u>	<u>51,500</u>
ENDING FUND BALANCES	<u>\$ (3,343)</u>	<u>\$ 1,196</u>	<u>\$ 7,124</u>
EMERGENCY RESERVE	<u>\$ 100</u>	<u>\$ 300</u>	<u>\$ 1,600</u>
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 300</u>	<u>\$ 1,600</u>

No assurance provided. See summary of significant assumptions.

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 4,781	\$ 35,309
REVENUES			
Operations and maintenance fee	4,614	45,200	144,600
Late fees / penalties	166	1,100	-
Collection Letter Fee Revenue	-	220	-
Interest income	1	8	-
Total revenues	<u>4,781</u>	<u>46,528</u>	<u>144,600</u>
Total funds available	<u>4,781</u>	<u>51,309</u>	<u>179,909</u>
EXPENDITURES			
Operations and maintenance			
District management	-	15,000	15,000
Landscaping	-	-	35,000
Snow removal	-	-	25,000
Utilities	-	-	5,000
Miscellaneous	-	1,000	5,000
Total expenditures	<u>-</u>	<u>16,000</u>	<u>85,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>16,000</u>	<u>85,000</u>
ENDING FUND BALANCES	<u>\$ 4,781</u>	<u>\$ 35,309</u>	<u>\$ 94,909</u>
SPECIAL REVENUE EMERGENCY RESERVE	\$ -	\$ 1,400	\$ 4,400
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ 4,400</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 87	\$ 124	\$ -
REVENUES			
Property taxes	7,595	32,529	201,652
Specific ownership taxes	450	1,348	8,066
Interest income	44	96	-
Other revenue	-	-	1,582
Total revenues	<u>8,089</u>	<u>33,973</u>	<u>211,300</u>
TRANSFERS IN			
Transfers from other funds	<u>1,929</u>	<u>-</u>	<u>-</u>
Total funds available	<u>10,105</u>	<u>34,097</u>	<u>211,300</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	114	488	3,025
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	1,394
Bond Interest - 2021	5,867	29,609	202,881
Total expenditures	<u>9,981</u>	<u>34,097</u>	<u>211,300</u>
Total expenditures and transfers out requiring appropriation	<u>9,981</u>	<u>34,097</u>	<u>211,300</u>
ENDING FUND BALANCES	<u>\$ 124</u>	<u>\$ -</u>	<u>\$ -</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (9,125)	\$ -	\$ -
REVENUES			
Developer advance	11,054	-	-
Total revenues	11,054	-	-
Total funds available	1,929	-	-
EXPENDITURES			
Total expenditures	-	-	-
TRANSFERS OUT			
Transfers to other fund	1,929	-	-
Total expenditures and transfers out requiring appropriation	1,929	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
2024 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 2024 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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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 4% 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.

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

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.

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.