

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2023

The Board of Directors of Johnstown Farms Metropolitan District (the “**Board**”), Town of Johnstown, Weld County, Colorado (the “**District**”), held a regular meeting via teleconference on November 14, 2022 at the hour of 3:30 p.m.

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

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NOTICE AS TO PROPOSED 2023 BUDGET

NOTICE OF PUBLIC HEARING ON THE AMENDED 2022 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE PROPOSED 2023 BUDGET

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the JOHNSTOWN FARMS METROPOLITAN DISTRICT (the "District") will hold a meeting via teleconference on November 14, 2022 at 3:30 p.m. for the purpose of conducting such business as may come before the Board including a public hearing on the 2023 proposed budget (the "Proposed Budget"). The necessity may also arise for an amendment to the 2022 budget (the "Amended Budget"). This meeting can be joined using the following teleconference information:

<https://us06web.zoom.us/j/87534368093?pwd=dzNIN2s3b0g5cUJERzRDS2gwd1lMdz09>
Meeting ID: 875 3436 8093
Passcode: 193266
(720) 707-2699

NOTICE IS FURTHER GIVEN that the Proposed Budget and Amended Budget (if applicable) have been submitted to the District. A copy of the Proposed Budget and Amended Budget are on file in the office of CliftonLarsonAllen, LLP, 8390 E Crescent Pkwy #300, Englewood, CO 80111, where the same are open for public inspection. Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to final adoption of the Proposed Budget or the Amended Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:

JOHNSTOWN FARMS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

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

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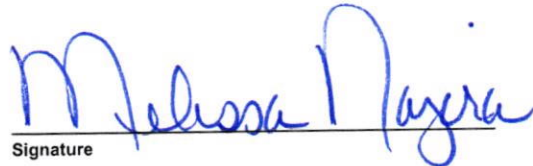
PUBLISHER'S AFFIDAVIT

County of Weld
State of Colorado

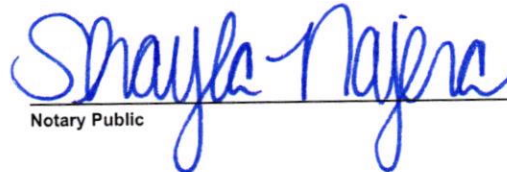
The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

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

Nov 9, 2022


Signature

Subscribed and sworn to me before me this
9th day of November 2022


Notary Public

(SEAL)

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

Account: 1051175
Ad Number: 1933553
Fee: \$32.12

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

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

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2023 budget year, there is hereby levied a tax of 34.638 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2023 budget year, there is hereby levied a tax of

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

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Weld County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED THIS NOVEMBER 14, 2022.

DISTRICT:

JOHNSTOWN FARMS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Craig Campbell*
Craig Campbell (Jan 28, 2023 13:18 MST)
Officer of the District

Attest:

By: *Alexandra Ham*
Alexandra Ham (Jan 19, 2023 07:19 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

[Signature]
General Counsel to the District

STATE OF COLORADO
COUNTY OF WELD
JOHNSTOWN FARMS METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Monday, November 14, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 19th day of January, 2023.

Alexandra Ham
Alexandra Ham (Jan 19, 2023 07:19 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

JOHNSTOWN FARMS METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**JOHNSTOWN FARMS 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	\$ 215,381	\$ 228,559	\$ 243,580
REVENUES			
Property taxes	158,066	150,248	150,239
Specific ownership taxes	7,934	7,761	9,014
Interest income	141	1,804	9,600
Total revenues	166,141	159,813	168,853
Total funds available	381,522	388,372	412,433
EXPENDITURES			
General Fund	45,671	36,512	55,000
Debt Service Fund	107,292	108,280	115,000
Total expenditures	152,963	144,792	170,000
Total expenditures and transfers out requiring appropriation	152,963	144,792	170,000
ENDING FUND BALANCES	\$ 228,559	\$ 243,580	\$ 242,433
EMERGENCY RESERVE	\$ 1,200	\$ 1,100	\$ 1,100
SERIES 2020 BONDS RESERVE FUND	153,059	153,059	153,059
TOTAL RESERVE	\$ 154,259	\$ 154,159	\$ 154,159

**JOHNSTOWN FARMS 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	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Agricultural	\$ 4,510	\$ -	\$ -
State assessed	112,660	88,390	80,140
Vacant land	124,490	128,520	128,520
Oil and gas	282,020	41,990	40,980
Residential - Single Family	2,660,870	2,759,300	2,685,650
Commercial	441,730	428,420	430,430
	<u>3,626,280</u>	<u>3,446,620</u>	<u>3,365,720</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 3,626,280</u>	<u>\$ 3,446,620</u>	<u>\$ 3,365,720</u>

MILL LEVY

General	10.000	10.000	10.000
Debt Service	33.593	33.593	34.638
Total mill levy	<u>43.593</u>	<u>43.593</u>	<u>44.638</u>

PROPERTY TAXES

General	\$ 36,263	\$ 34,466	\$ 33,657
Debt Service	121,818	115,782	116,582
	<u>158,081</u>	<u>150,248</u>	<u>150,239</u>
Levied property taxes			
Adjustments to actual/rounding	(15)	-	-
Budgeted property taxes	<u>\$ 158,066</u>	<u>\$ 150,248</u>	<u>\$ 150,239</u>

BUDGETED PROPERTY TAXES

General	\$ 36,260	\$ 34,466	\$ 33,657
Debt Service	121,806	115,782	116,582
	<u>\$ 158,066</u>	<u>\$ 150,248</u>	<u>\$ 150,239</u>

**JOHNSTOWN FARMS 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	\$ 57,269	\$ 49,722	\$ 49,652
REVENUES			
Property taxes	36,260	34,466	33,657
Specific ownership taxes	1,820	1,972	2,019
Interest income	44	4	1,600
Total revenues	38,124	36,442	37,276
Total funds available	95,393	86,164	86,928
EXPENDITURES			
General and administrative			
Accounting	25,560	15,000	20,000
Auditing	4,500	5,500	6,000
County Treasurer's fee	544	517	505
Dues and licenses	345	374	500
Insurance and bonds	2,521	2,621	3,000
Legal services	12,106	10,000	15,000
Miscellaneous	95	500	500
Election expense	-	2,000	2,000
Contingency	-	-	3,995
Operations and maintenance			
Dentention pond maintenance	-	-	3,500
Total expenditures	45,671	36,512	55,000
Total expenditures and transfers out requiring appropriation	45,671	36,512	55,000
ENDING FUND BALANCE	\$ 49,722	\$ 49,652	\$ 31,928
EMERGENCY RESERVE	\$ 1,200	\$ 1,100	\$ 1,100
AVAILABLE FOR OPERATIONS	48,522	48,552	30,828
TOTAL RESERVE	\$ 49,722	\$ 49,652	\$ 31,928

**JOHNSTOWN FARMS 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	\$ 158,112	\$ 178,837	\$ 193,928
REVENUES			
Property taxes	121,806	115,782	116,582
Specific ownership taxes	6,114	5,789	6,995
Interest income	97	1,800	8,000
Total revenues	128,017	123,371	131,577
Total funds available	286,129	302,208	325,505
EXPENDITURES			
Debt Service			
County Treasurer's fee	1,828	1,737	1,749
Bond interest	76,464	75,543	74,621
Bond principal	25,000	25,000	30,000
Paying agent fees	4,000	6,000	6,000
Contingency	-	-	2,630
Total expenditures	107,292	108,280	115,000
Total expenditures and transfers out requiring appropriation	107,292	108,280	115,000
ENDING FUND BALANCE	\$ 178,837	\$ 193,928	\$ 210,505
SERIES 2020 BONDS RESERVE FUND	\$ 153,059	\$ 153,059	\$ 153,059
TOTAL RESERVE	\$ 153,059	\$ 153,059	\$ 153,059

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

Services Provided

The Johnstown Farms Metropolitan District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was formed under a Service Plan approved by the Town of Johnstown, Colorado and was organized by order and decree of the District Court for Weld County, Colorado, on December 10, 2007 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The primary purpose of the District is to provide for the financing of public improvements, acquiring, completing, construction, equipping, completing, managing operating, providing and maintaining the public improvements and services needed to service the Johnstown Farms Development.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$5,600,000.

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.

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

Revenues

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%.

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 METROPOLITAN DISTRICT
2023 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 6% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on average interest rate of approximately 4%.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

General and Administrative Expenditures

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability, such as legal, accounting, managerial, insurance, detention pond maintenance, and other administrative expenses.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2020 Bonds (discussed under Debt and Leases).

Debt and Leases

On September 16, 2020, the District issued \$2,100,000 in General Obligation Limited Tax Bonds, Series 2020. The Series 2020 Bonds are limited tax general obligations of the District payable solely from Pledged Revenues, which include property tax revenues derived from the required debt service mill levy net of the cost of collection, specific ownership tax revenues, and any other legally available moneys of the District.

The Series 2020 Bonds bear interest of 3.685%, with interest payable semi-annually on June 1 and December 1 and with annual sinking fund principal payments beginning December 1, 2020. The Series 2020 Bonds mature on December 1, 2049, and are subject to redemption prior to maturity, at the option of the District, as a whole or in part on December 1, 2030, and on any date thereafter, upon payment of the principal amount to be redeemed together with accrued interest without redemption premiums.

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

Debt and Leases (Continued)

The Series 2020 Bonds were issued to reimburse prior certified costs plus accrued interest thereon per the Amended and Restated Infrastructure Acquisition Agreement, acquire a detention pond, fund the Reserve Fund, and pay the costs of issuing the Bonds.

The District has no capital nor operating lease.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal at least 3% of fiscal year spending for 2022, as defined under TABOR.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2020 General Obligation Limited Tax Bonds.

This information is an integral part of the accompanying budget.

JOHNSTOWN FARMS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Bonds and Interest Maturing in the Year Ending December 31,	\$2,100,000 Limited Tax General Obligation Bonds		
	Series 2020		
	Interest 3.685%		
	Dated September 16, 2020		
	Interest Payable June 1 and December 1		
	Principal Payable December 1		
	Principal	Interest	Total
2023	\$ 30,000	\$ 74,621	\$ 104,621
2024	30,000	73,516	103,516
2025	35,000	72,410	107,410
2026	35,000	71,121	106,121
2027	40,000	69,831	109,831
2028	40,000	68,357	108,357
2029	45,000	66,883	111,883
2030	45,000	65,225	110,225
2031	50,000	63,566	113,566
2032	50,000	61,724	111,724
2033	55,000	59,881	114,881
2034	60,000	57,855	117,855
2035	60,000	55,643	115,643
2036	65,000	53,432	118,432
2037	70,000	51,037	121,037
2038	75,000	48,458	123,458
2039	75,000	45,694	120,694
2040	80,000	42,930	122,930
2041	85,000	39,982	124,982
2042	90,000	36,850	126,850
2043	90,000	33,533	123,533
2044	100,000	30,217	130,217
2045	100,000	26,532	126,532
2046	110,000	22,847	132,847
2047	110,000	18,793	128,793
2048	120,000	14,740	134,740
2049	280,000	10,318	290,318
	<u>\$ 2,025,000</u>	<u>\$ 1,335,996</u>	<u>\$ 3,360,996</u>

No assurance provided. See summary of significant assumptions.