

**JOHNSTOWN FARMS METROPOLITAN DISTRICT  
TOWN OF JOHNSTOWN, COUNTY OF WELD, STATE OF COLORADO ANNUAL  
REPORT  
FOR FISCAL YEAR 2022**

Pursuant to the Service Plan for the Johnstown Farms Metropolitan District (the "District"), the District is required to provide an annual report (the "Annual Report") to the Town of Johnstown (the "Town") with regard to the following matters:

**a. Boundary changes made or proposed;**

The District did not undertake any boundary changes during the reporting period.

**b. Intergovernmental Agreements entered into or proposed;**

The District did not enter into any intergovernmental agreements during the reporting period.

**c. Changes or proposed changes in the District's policies;**

There were no changes or proposed changes in the District's Policies occurred during the reporting period.

**d. Changes or proposed changes in the District's operations;**

There were no changes or proposed changes in the District's operations occurred during the reporting period.

**e. Any changes in the financial status of the District including revenue projections operating costs;**

The District's financial status, including revenue projections or operating costs remain substantially unchanged from the prior reporting period.

**f. A summary of any litigation involving the District;**

To our actual knowledge, based on review of the court records in Weld County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District as of December 31, 2022.

**g. Proposed plans for the year immediately following the year summarized in the annual report;**

The District plans to continue to meet its debt service obligations through the imposition of a debt service mill levy, and to provide limited operations services, including, detention pond maintenance.

**h. Status of construction of public improvements;**

All public improvements to serve the District have been completed.

**i. The current assessed valuation of the District;**

The District's assessed valuation as of November 28, 2022 is \$3,365,720.

Pursuant to Section 32-1-207(3)(c)(ii), C.R.S., the District provides the following additional information in this Annual Report:

**a. Access information to obtain a copy of rules and regulations adopted by the Board;**

The District has not adopted any rules and regulations.

**b. A summary of litigation involving public improvements owned by the District;**

To our actual knowledge, based on review of the court records in Weld County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District as of December 31, 2022.

**c. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the Town;**

The developer of the District constructed all public improvements and conveyed them to the Town.

**d. A copy of the current year's budget;**

A copy of the current year's budget is attached hereto as **Exhibit A**.

**e. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", Part 6 of Article 1 of Title 29, or the application for exemption from Audit, as applicable;**

The 2022 Audit is underway and will be provided as a supplement to this Annual Report when completed.

**f. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the District;**

To our actual knowledge there are no uncured defaults existing more than ninety days under any debt instrument of the District

**g. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety- day period;**

To our actual knowledge there is no inability of the District to pay its obligations as they come due under any obligations which continue beyond a ninety-day period.

**EXHIBIT A**

Current Year's Budget

**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	<u>166,141</u>	<u>159,813</u>	<u>168,853</u>
Total funds available	<u>381,522</u>	<u>388,372</u>	<u>412,433</u>
EXPENDITURES			
General Fund	45,671	36,512	55,000
Debt Service Fund	107,292	108,280	115,000
Total expenditures	<u>152,963</u>	<u>144,792</u>	<u>170,000</u>
Total expenditures and transfers out requiring appropriation	<u>152,963</u>	<u>144,792</u>	<u>170,000</u>
ENDING FUND BALANCES	<u>\$ 228,559</u>	<u>\$ 243,580</u>	<u>\$ 242,433</u>
EMERGENCY RESERVE	\$ 1,200	\$ 1,100	\$ 1,100
SERIES 2020 BONDS RESERVE FUND	153,059	153,059	153,059
TOTAL RESERVE	<u>\$ 154,259</u>	<u>\$ 154,159</u>	<u>\$ 154,159</u>

**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 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
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>
<b>MILL LEVY</b>			
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>
<b>PROPERTY TAXES</b>			
General	\$ 36,263	\$ 34,466	\$ 33,657
Debt Service	121,818	115,782	116,582
Levied property taxes	<u>158,081</u>	<u>150,248</u>	<u>150,239</u>
Adjustments to actual/rounding	(15)	-	-
Budgeted property taxes	<u>\$ 158,066</u>	<u>\$ 150,248</u>	<u>\$ 150,239</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 36,260</b>	<b>\$ 34,466</b>	<b>\$ 33,657</b>
Debt Service	<b>121,806</b>	<b>115,782</b>	<b>116,582</b>
	<u><b>\$ 158,066</b></u>	<u><b>\$ 150,248</b></u>	<u><b>\$ 150,239</b></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	<u>38,124</u>	<u>36,442</u>	<u>37,276</u>
Total funds available	<u>95,393</u>	<u>86,164</u>	<u>86,928</u>
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	<u>45,671</u>	<u>36,512</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>45,671</u>	<u>36,512</u>	<u>55,000</u>
ENDING FUND BALANCE	<u>\$ 49,722</u>	<u>\$ 49,652</u>	<u>\$ 31,928</u>
EMERGENCY RESERVE	\$ 1,200	\$ 1,100	\$ 1,100
AVAILABLE FOR OPERATIONS	<u>48,522</u>	<u>48,552</u>	<u>30,828</u>
TOTAL RESERVE	<u>\$ 49,722</u>	<u>\$ 49,652</u>	<u>\$ 31,928</u>

**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	<u>128,017</u>	<u>123,371</u>	<u>131,577</u>
Total funds available	<u>286,129</u>	<u>302,208</u>	<u>325,505</u>
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	<u>107,292</u>	<u>108,280</u>	<u>115,000</u>
Total expenditures and transfers out requiring appropriation	<u>107,292</u>	<u>108,280</u>	<u>115,000</u>
ENDING FUND BALANCE	<u>\$ 178,837</u>	<u>\$ 193,928</u>	<u>\$ 210,505</u>
SERIES 2020 BONDS RESERVE FUND	\$ 153,059	\$ 153,059	\$ 153,059
TOTAL RESERVE	<u>\$ 153,059</u>	<u>\$ 153,059</u>	<u>\$ 153,059</u>



**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**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$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</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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
	<b>\$ 2,025,000</b>	<b>\$ 1,335,996</b>	<b>\$ 3,360,996</b>

No assurance provided. See summary of significant assumptions.