

JOHNSTOWN FARMS METROPOLITAN DISTRICT

2023 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for the Johnstown Farms Metropolitan District (the "**District**"), the District is required to provide an annual report to the Town of Johnstown (the "**Town**") with regard to the following matters:

For the year ending December 31, 2023, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

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

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

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

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

The District has not adopted any rules and regulations.

4. 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, 2023.

5. Status of construction of public improvements by the District.

All public improvements to serve the District have been completed and dedicated to the Town or other appropriate entity, except the detention pond which is owned by the District.

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

The developer(s) within the District constructed all public improvements and conveyed them to the Town or other appropriate entity, except the detention pond which is owned by the District.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The District's assessed valuation as of December 12, 2023 is \$3,821,270.

8. A copy of the current year's budget;

A copy of the 2024 Budget is attached hereto as **Exhibit A**

9. 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 2023 Audit is in process and will be provided as a supplement to this report.

10. Notice of any uncured defaults existing for more than ninety (90) 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

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) 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.

Service Plan Requirements

1. Boundary changes made or proposed.

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

2. Intergovernmental Agreements entered into or proposed.

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

3. 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.

4. 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, though the District continues to seek an appropriate entity to take over operation and maintenance of the detention pond.

5. 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.

6. 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, 2023.

7. 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.

8. Status of construction of public improvements.

All public improvements to serve the District have been completed.

9. The current assessed valuation of the District.

The District's assessed valuation as of December 12, 2023 is \$3,821,270.

EXHIBIT A

2024 Budget

JOHNSTOWN FARMS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**JOHNSTOWN FARMS 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	\$ 228,559	\$ 247,833	\$ 260,295
REVENUES			
Property taxes	150,583	150,239	197,017
Specific ownership taxes	8,893	6,230	7,881
Interest income	5,041	13,484	14,000
Total revenues	<u>164,517</u>	<u>169,953</u>	<u>218,898</u>
Total funds available	<u>393,076</u>	<u>417,786</u>	<u>479,193</u>
EXPENDITURES			
General Fund	38,962	45,121	55,000
Debt Service Fund	106,281	112,370	115,000
Total expenditures	<u>145,243</u>	<u>157,491</u>	<u>170,000</u>
Total expenditures and transfers out requiring appropriation	<u>145,243</u>	<u>157,491</u>	<u>170,000</u>
ENDING FUND BALANCES	<u>\$ 247,833</u>	<u>\$ 260,295</u>	<u>\$ 309,193</u>
EMERGENCY RESERVE	\$ 1,100	\$ 1,200	\$ 1,300
SERIES 2023 BONDS RESERVE FUND	153,059	153,059	153,059
TOTAL RESERVE	<u>\$ 154,159</u>	<u>\$ 154,259</u>	<u>\$ 154,359</u>

No assurance provided. See summary of significant assumptions.

**JOHNSTOWN FARMS 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	\$ 2,759,300	\$ 2,685,650	\$ 3,145,860
Commercial	428,420	430,430	410,070
Oil and gas	41,990	40,980	39,430
State assessed	88,390	80,140	810
Vacant land	128,520	128,520	140,510
Personal property	-	-	84,590
	3,446,620	3,365,720	3,821,270
Adjustments	-	-	-
Certified Assessed Value	\$ 3,446,620	\$ 3,365,720	\$ 3,821,270

MILL LEVY

General	10.000	10.000	10.000
Debt Service	33.593	34.638	41.558
Total mill levy	43.593	44.638	51.558

PROPERTY TAXES

General	\$ 34,466	\$ 33,657	\$ 38,213
Debt Service	115,782	116,582	158,804
Levied property taxes	150,248	150,239	197,017
Adjustments to actual/rounding	335	-	-
Budgeted property taxes	\$ 150,583	\$ 150,239	\$ 197,017

BUDGETED PROPERTY TAXES

General	\$ 34,543	\$ 33,657	\$ 38,213
Debt Service	116,040	116,582	158,804
	\$ 150,583	\$ 150,239	\$ 197,017

**JOHNSTOWN FARMS 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	\$ 49,722	\$ 47,369	\$ 40,041
REVENUES			
Property taxes	34,543	33,657	38,213
Specific ownership taxes	2,040	1,396	1,529
Interest income	26	2,740	1,500
Total revenues	<u>36,609</u>	<u>37,793</u>	<u>41,242</u>
Total funds available	<u>86,331</u>	<u>85,162</u>	<u>81,283</u>
EXPENDITURES			
General and administrative			
Accounting	17,829	19,866	22,000
Auditing	4,700	5,000	5,500
County Treasurer's fee	517	505	573
Dues and membership	374	305	500
Insurance	2,621	2,571	3,000
Legal	9,624	10,656	15,000
Miscellaneous	1,014	700	800
Election	2,283	2,018	-
Contingency	-	-	4,127
Operations and maintenance			
Detention Pond Maintenance	-	3,500	3,500
Total expenditures	<u>38,962</u>	<u>45,121</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>38,962</u>	<u>45,121</u>	<u>55,000</u>
ENDING FUND BALANCES	<u>\$ 47,369</u>	<u>\$ 40,041</u>	<u>\$ 26,283</u>
EMERGENCY RESERVE	\$ 1,100	\$ 1,200	\$ 1,300
AVAILABLE FOR OPERATIONS	<u>46,269</u>	<u>38,841</u>	<u>24,983</u>
TOTAL RESERVE	<u>\$ 47,369</u>	<u>\$ 40,041</u>	<u>\$ 26,283</u>

**JOHNSTOWN FARMS 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	\$ 178,837	\$ 200,464	\$ 220,254
REVENUES			
Property taxes	116,040	116,582	158,804
Specific ownership taxes	6,853	4,834	6,352
Interest income	5,015	10,744	12,500
Total revenues	<u>127,908</u>	<u>132,160</u>	<u>177,656</u>
TRANSFERS IN			
Total funds available	<u>306,745</u>	<u>332,624</u>	<u>397,910</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	1,738	1,749	2,382
Bond Interest - 2020	75,543	74,621	73,516
Bond Principal - 2020	25,000	30,000	30,000
Paying agent fees	4,000	6,000	6,000
Contingency	-	-	3,102
Total expenditures	<u>106,281</u>	<u>112,370</u>	<u>115,000</u>
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	<u>106,281</u>	<u>112,370</u>	<u>115,000</u>
ENDING FUND BALANCES	<u>\$ 200,464</u>	<u>\$ 220,254</u>	<u>\$ 282,910</u>
SERIES 2023 BONDS RESERVE FUND	\$ 153,059	\$ 153,059	\$ 153,059
TOTAL RESERVE	<u>\$ 153,059</u>	<u>\$ 153,059</u>	<u>\$ 153,059</u>

No assurance provided. See summary of significant assumptions.

**JOHNSTOWN FARMS METROPOLITAN DISTRICT
2024 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.

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.

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%			

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

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.

Interest Income

Interest earned on the District's available funds has been estimated based on average interest rate of approximately 5%.

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
2024 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 2024, 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
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
	\$ 1,995,000	\$ 1,261,375	\$ 3,256,375

No assurance provided. See summary of significant assumptions.