

Financial Information

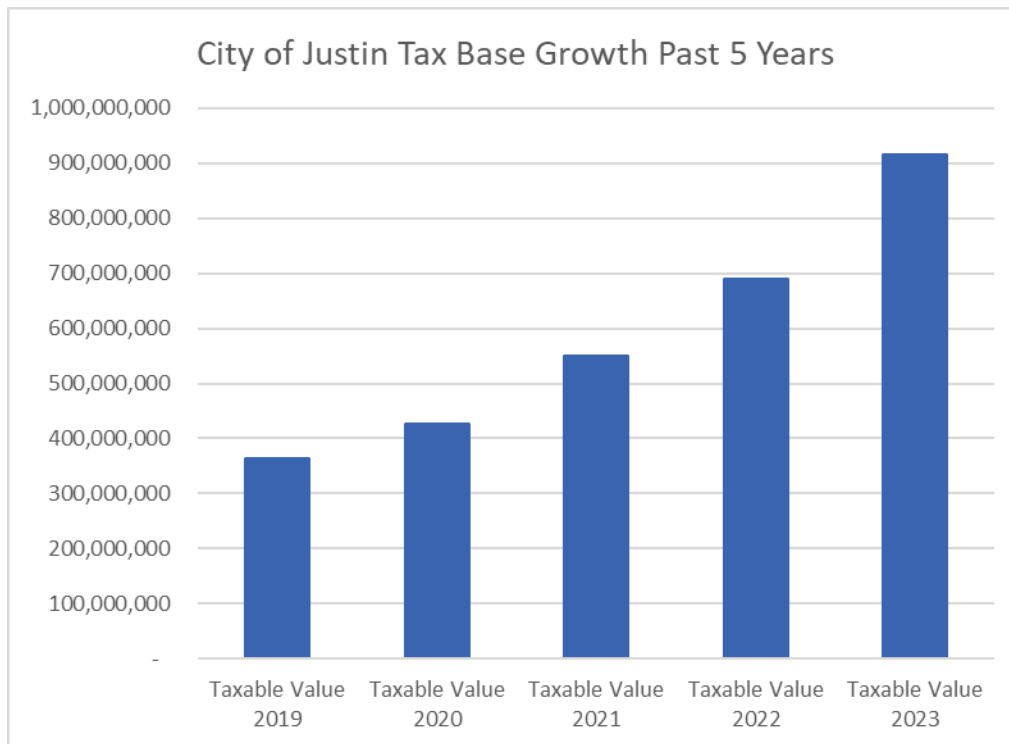
The City of Justin's financial practices have earned it a "AA-" rating from Standard & Poor's Global Ratings. This high credit rating lowers the City's borrowing costs.

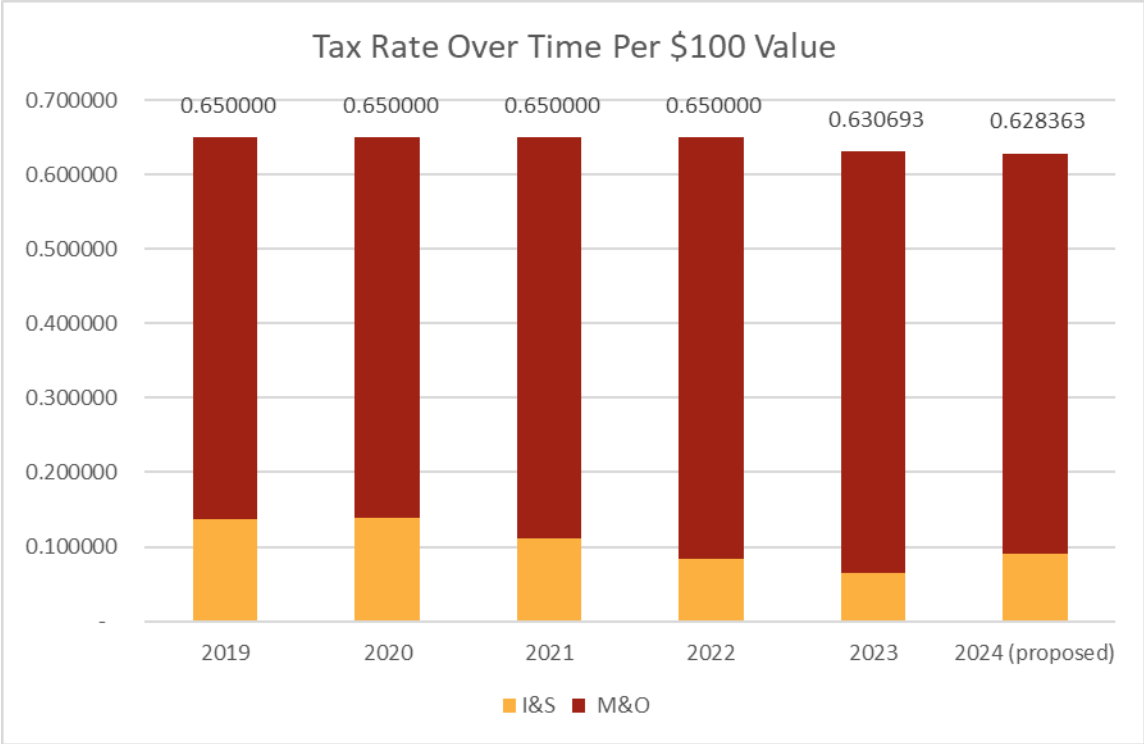
Tax Rate:

The City of Justin has seen considerable growth in its tax base over the past five years with an average growth of 30% in the past three years alone. This growth has driven the City to lower its property tax rate in the most recent tax year and a proposed decrease again in the FY24 budget. The City has two tax rates that fund separate buckets:

- The largest portion of the tax rate is the **Maintenance & Operations** (or "M&O" rate). This funds the City's general fund which provides services such as police, fire, library, parks, finance, and City administration.
- Additionally, the City has an **Interest & Sinking** tax rate (or "I&S" rate). This is the rate that levies the appropriate amount of taxes to pay off the debt service requirements for any given year and the revenue from this tax rate is restricted to paying off debt.

These two rates are added together to get the City's total tax rate.





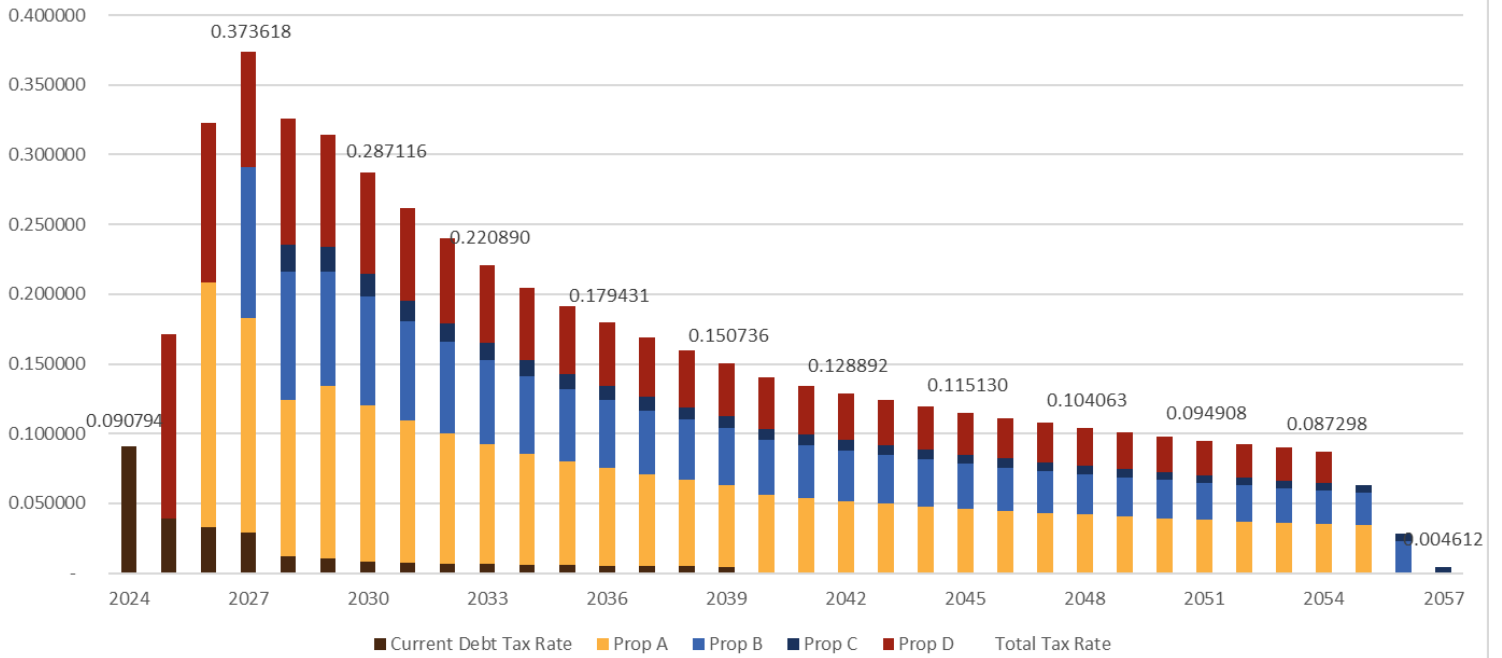
Estimated Tax Rate Impact of 2023 Bond Package:

The City has made some key assumptions in order to estimate the potential tax impact of these bonds:

- Population growth is projected to reach 19,746 in 2042.
- The City has assumed linear growth from a current population estimate of 5,600.
- Tax Base growth is estimated to grow in line with the population growth described above and additional market tax base growth between 1 and 3% for first 15 years.
- Bonds issued once per year for the first four years; or a total of four separate bonds.
- 30-year bond maturity and borrowing cost estimated at 5%.

Overall, these assumptions form a conservative outlook for the potential impact of these bonds. The following charts show the estimated maximum I&S tax rate needed to pay for these bonds, including current debt; and the estimated maximum annual I&S taxes levied per \$100,000 of taxable value to pay for these bonds and current debt. The highest tax impact would likely come in 2027 and then lessen each year thereafter. The City’s estimated maximum annual tax impact is \$283 per \$100,000 of taxable value. This is equal to the 2027 estimated maximum annual I&S taxes per \$100,000 of taxable value (373.62) minus the current (proposed FY24 budget) I&S taxes owed per \$100,000 of taxable value (90.79). **It is important to note that this is an estimate, and the actual tax rate impact may vary.**

Estimated Maximum I&S Rates Per \$100 Value Stacked by Proposition



Estimated Maximum Annual I&S Taxes per \$100,000 of Taxable Value

