

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 13,525,083
REVENUES			
Interest income	-	39,828	345,000
2022 Bond proceeds	-	16,935,000	-
Capital fees	-	-	521,588
Total revenues	-	16,974,828	866,588
TRANSFERS IN	-	4,682,313	-
Total funds available	-	21,657,141	14,391,671
EXPENDITURES			
General Fund	-	-	-
Debt Service Fund	-	443,956	1,075,000
Capital Projects Fund	-	3,005,789	9,460,000
Total expenditures	-	3,449,745	10,535,000
TRANSFERS OUT	-	4,682,313	-
Total expenditures and transfers out requiring appropriation	-	8,132,058	10,535,000
ENDING FUND BALANCES	\$ -	\$ 13,525,083	\$ 3,856,671
DEBT SERVICE SURPLUS	\$ -	\$ 1,518,726	\$ 2,183,752
DEBT SERVICE CAPITALIZED INTEREST	-	2,731,357	1,672,919
TOTAL RESERVE	\$ -	\$ 4,250,083	\$ 3,856,671

No assurance provided. See summary of significant assumptions.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 58	\$ 58	\$ 3,531
Certified Assessed Value	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 3,531</u>
<b>MILL LEVY</b>			
General	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
<b>PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
Debt Service	-	-	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
Debt Service	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
Transfers from other funds	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
TRANSFERS OUT			
Transfers to other fund	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7**  
**DEBT SERVICE FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 4,250,083
REVENUES			
Capital fees	-	-	521,588
Interest income	-	11,726	160,000
Total revenues	<u>-</u>	<u>11,726</u>	<u>681,588</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>4,682,313</u>	<u>-</u>
Total funds available	<u>-</u>	<u>4,694,039</u>	<u>4,931,671</u>
EXPENDITURES			
Trustee fees	-	-	4,000
Contingency	-	-	12,562
Bond interest Senior Bonds	-	443,956	1,058,438
Total expenditures	<u>-</u>	<u>443,956</u>	<u>1,075,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>443,956</u>	<u>1,075,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 4,250,083</u>	<u>\$ 3,856,671</u>
DEBT SERVICE SURPLUS	\$ -	\$ 1,518,726	\$ 2,183,752
DEBT SERVICE CAPITALIZED INTEREST	-	2,731,357	1,672,919
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 4,250,083</u>	<u>\$ 3,856,671</u>

No assurance provided. See summary of significant assumptions.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 9,275,000
REVENUES			
Interest income	-	28,102	185,000
2022 Bond proceeds	-	16,935,000	-
Total revenues	<u>-</u>	<u>16,963,102</u>	<u>185,000</u>
Total funds available	<u>-</u>	<u>16,963,102</u>	<u>9,460,000</u>
EXPENDITURES			
Cost of issuance	-	908,547	-
Trustee fees	-	4,000	-
Transfer to District No.1	-	2,093,242	9,460,000
Total expenditures	<u>-</u>	<u>3,005,789</u>	<u>9,460,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>4,682,313</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>7,688,102</u>	<u>9,460,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 9,275,000</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Villages at Johnstown Metropolitan District No. 7 (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized concurrently with Villages of Johnstown District Nos. 1-6 and 8 (collectively, the Districts) by order and decree of the District Court for Larimer County on May 30, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within Johnstown, Larimer County, Colorado.

Pursuant to the Consolidated Service Plan, District No. 1 will serve as the service district and will be responsible for managing the construction and operation of the facilities and improvements for the Districts. Districts Nos. 2-8 will serve as the financing districts and are responsible for providing the funding and tax base needed to support the capital improvements.

During the election held on May 8, 2018, a majority of the District's electors authorized general obligation indebtedness of \$1,190,000,000, for the above listed facilities, intergovernmental agreements and debt refunding. Additionally, on May 8, 2018, the Districts' voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

The Consolidated Service Plan limits the aggregate amount of debt that may be issued by the Districts to \$72,500,000.

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

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**

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

**Capital Fee**

The District imposes a Capital Fee in the amount of \$2,500 for each single-family residential unit and \$750 for each multi-family residential unit. Capital Fees are inflated 5% annually, beginning 2023 and are payable at the earlier to occur of: 1) the date of the initial transfer of a lot to an end user, or 2) the issuance of a certificate of occupancy for each Apartment Unit, or Residential Unit. For the calendar year 2023, the District anticipates to collect fees on 142 single-family units and 189 multi-family units.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Trustee Fees**

The District anticipates to pay Trustee fees in the amount of \$4,000 in 2023.

**Debt Service**

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2022 Bonds (discussed under Debts and Leases).

**Capital Outlay**

The District anticipates capital outlay as outlined in the Capital Project Fund.

**Transfers to Villages at Johnstown Metropolitan District No. 1**

Pursuant to the Infrastructure Acquisition and Reimbursement Agreement, and the Addendum to that agreement, between the District, Villages at Johnstown Metropolitan District No. 1, and the Developers, Villages at Johnstown Metropolitan District No. 1 will acquire public infrastructure constructed or caused to be constructed by the Developers, and the District will be responsible for reimbursing the Developers.

**Debt and Leases**

**Series 2022 Bonds**

The District issued Limited Tax General Obligation Bonds, Series 2022 on June 30, 2022 in the par amount of \$16,935,000 (the Bonds). Proceeds from the sale of the Bonds were/will be used to (i) finance or reimburse the costs of public improvements related to a residential development in the Town; (ii) fund capitalized interest on the Bonds; (iii) fund the initial deposit to the Surplus Fund; and (iv) pay other costs in connection with the issuance of the Bonds.

Bonds Details

The Bonds bear interest at the rate of 6.250%, payable semi-annually on June 1 and December 1 (each an "Interest Payment Date"), beginning on December 1, 2022. Annual mandatory sinking fund principal payments on the Bonds due annually on December 1, beginning on December 1, 2027. The Bonds mature on December 1, 2052. In the event any amounts due and owing on the Bonds remain outstanding on December 1, 2065, such amounts shall be deemed discharged and shall no longer be due and outstanding.

Bonds Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue, is defined generally in the Indenture as: (a) all Property Tax Revenues; (b) all Specific Ownership Tax Revenues; (c) all Pledged Capital Fees; and (d) any other legally available moneys which the District determine, in its absolute discretion, to transfer to the Bond Fund.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**.Debt and Leases (continued)**

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on June 1, 2027, 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:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 1, 2027, to May 31, 2028	3.00%
June 1, 2028, to May 31, 2029	2.00
June 1, 2029, to May 31, 2030	1.00
June 1, 2030, and thereafter	0.00

Required Mill Levy

The Pledge Agreement provides a Required Mill Levy be imposed in an amount sufficient to generate Property Tax revenues sufficient to pay debt service on the Bonds, but not in excess of the applicable Maximum Required Mill Levy; provided, however, that for so long as the amount on deposit in the Surplus Fund maintained under the Indenture is less than the Maximum Surplus Amount, the Required Mill Levy for each Taxing District (the Issuing District, District No.5 and District No.6) shall be equal to the Maximum Required Mill Levy for such Taxing District, or such lesser amounts determined by the Issuing District which maintain the Relative Required Mill Levy Ratio, and which, if imposed in the applicable amounts by all of the Taxing Districts for collection in the succeeding calendar year, would generate Property Tax Revenues sufficient to pay debt service on the Bonds and to fully fund the Surplus Fund to the Maximum Surplus Amount.

Per the Pledge Agreement, a Maximum Required Mill Levy with respect to the Issuing District and District No. 6 is 40 mills and with respect to District No.5, it is 20 mills, adjusted for changes occurring after January 1, 2018, so that to the extent possible, the actual tax revenues generated by the applicable mill levy are neither diminished nor enhanced as a result of such changes. A change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

	Balance -			Balance -	
	December 31, 2021	Additions	Reductions	December 31, 2022	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Limited Tax General					
Obligation Bonds:					
Series 2022	\$ 16,935,000	\$ -	\$ -	\$ 16,935,000	\$ -
<b>Total Bonds Payable</b>	<b>\$ 16,935,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,935,000</b>	<b>\$ -</b>
	Balance -			Balance -	
	December 31, 2022	Additions	Reductions	December 31, 2023	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Limited Tax General					
Obligation Bonds:					
Series 2022	\$ 16,935,000	\$ -	\$ -	\$ 16,935,000	\$ -
<b>Total Bonds Payable</b>	<b>\$ 16,935,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,935,000</b>	<b>\$ -</b>

The District has no outstanding debt, nor operating or capital leases.

**Reserves**

The District has not provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2023, as defined under TABOR, because net tax revenue is transferred to District No. 1, the service district, which provides for the required reserve amount.

**Debt Service Reserve (Surplus Fund)**

The District is required to maintain a Surplus Fund from funds that exceed the current year debt service requirements as outlined in the terms of the Bonds. The Surplus Fund is not to exceed \$3,387,000 and shall be drawn in the event Pledged Revenues are insufficient to cover current year debt service requirements.

**This information is an integral part of the accompanying budget.**

**VILLAGES AT JOHNSTOWN METROPOLITAN DISTRICT NO. 7**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2022**

<b>Year Ended December 31,</b>	<b>Series 2022 Bonds \$16,935,000 Interest Rate 6.250% Dated June 30, 2022</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ -	\$ 1,058,438	\$ 1,058,438
2024	-	1,058,438	1,058,438
2025	-	1,058,438	1,058,438
2026	-	1,058,438	1,058,438
2027	125,000	1,058,438	1,183,438
2028	160,000	1,050,625	1,210,625
2029	170,000	1,040,625	1,210,625
2030	205,000	1,030,000	1,235,000
2031	215,000	1,017,188	1,232,188
2032	255,000	1,003,750	1,258,750
2033	270,000	987,813	1,257,813
2034	315,000	970,938	1,285,938
2035	335,000	951,250	1,286,250
2036	380,000	930,313	1,310,313
2037	405,000	906,563	1,311,563
2038	455,000	881,250	1,336,250
2039	485,000	852,813	1,337,813
2040	540,000	822,500	1,362,500
2041	575,000	788,750	1,363,750
2042	640,000	752,813	1,392,813
2043	675,000	712,813	1,387,813
2044	750,000	670,625	1,420,625
2045	795,000	623,750	1,418,750
2046	875,000	574,063	1,449,063
2047	925,000	519,375	1,444,375
2048	1,015,000	461,563	1,476,563
2049	1,080,000	398,125	1,478,125
2050	1,175,000	330,625	1,505,625
2051	1,250,000	257,188	1,507,188
2052	2,865,000	179,063	3,044,063
	<u>\$ 16,935,000</u>	<u>\$ 24,006,571</u>	<u>\$ 40,941,571</u>

No assurance provided. See summary of significant assumptions.