

POUDRE TECH METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

**POUDRE TECH METROPOLITAN DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 1,353,305	\$ 1,422,768	\$ 1,028,553
REVENUES			
Service fees	862,383	850,000	935,000
System development fees	108,125	40,000	75,000
Water meter sales	77,500	40,000	75,000
Developer advance - Office overhead	213,534	213,534	60,000
Developer advance - Manager & field staff	221,334	221,334	225,000
Developer advance - Certified costs	1,003,819	-	-
Reimbursed expenditures	1,003,819	-	-
Bond issuance	-	21,015,000	-
Bond premium	-	1,899,629	-
Water credits sale	-	1,008,000	-
Note proceeds	-	-	786,487
Developer advance	-	135,894	-
Other revenue	58,841	860	-
Interest income	837	55	-
Transfers from WV No. 1 - Operations	636,348	609,413	629,024
Transfers from WV No. 2 - Operations	1,166,027	1,022,023	1,126,139
Transfers from WV No. 1 - Other	5,599	-	-
Transfers from WV No. 2 - Other	61,097	-	-
Transfers from WV No. 1 - Series 2010 Bonds	377,869	379,620	-
Transfers from WV No. 2 - Series 2010 Bonds	1,222,500	1,229,420	-
Transfers from WV No. 1 - Series 2020 Bonds	-	-	279,876
Transfers from WV No. 2 - Series 2020 Bonds	-	-	938,300
Total revenues	<u>7,019,632</u>	<u>28,664,782</u>	<u>5,129,826</u>
TRANSFERS IN	<u>66,696</u>	<u>-</u>	<u>-</u>
Total funds available	<u>8,439,633</u>	<u>30,087,550</u>	<u>6,158,379</u>
EXPENDITURES			
General Fund	3,942,381	2,110,000	2,599,750
Debt Service Fund	1,601,563	24,523,997	1,218,176
Enterprise Fund	1,406,225	2,425,000	1,556,000
Total expenditures	<u>6,950,169</u>	<u>29,058,997</u>	<u>5,373,926</u>
TRANSFERS OUT	<u>66,696</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>7,016,865</u>	<u>29,058,997</u>	<u>5,373,926</u>
ENDING FUND BALANCES	<u>\$ 1,422,768</u>	<u>\$ 1,028,553</u>	<u>\$ 784,453</u>
EMERGENCY RESERVE	<u>\$ 46,800</u>	<u>\$ 46,400</u>	<u>\$ 48,300</u>
TOTAL RESERVE	<u>\$ 46,800</u>	<u>\$ 46,400</u>	<u>\$ 48,300</u>

No assurance provided. See summary of significant assumptions.

**POUDRE TECH METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/21

ACTUAL	ESTIMATED	BUDGET
2019	2020	2021

ASSESSED VALUATION

State assessed	\$ 1,330	\$ 1,340	\$ 1,430
Vacant land	730	4,350	4,350
Certified Assessed Value	\$ 2,060	\$ 5,690	\$ 5,780

MILL LEVY

PROPERTY TAXES

Budgeted property taxes	\$ -	\$ -	\$ -
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BUDGETED PROPERTY TAXES

\$ -	\$ -	\$ -
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No assurance provided. See summary of significant assumptions.

**POUDRE TECH METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ (14,552)	\$ 174,676	\$ 46,400
REVENUES			
Transfers from WV No. 1 - Operations	636,348	609,413	629,024
Transfers from WV No. 2 - Operations	1,166,027	1,022,023	1,126,139
Developer advance - Certified costs	1,003,819	-	-
Reimbursed expenditures	1,003,819	-	-
Developer advance	-	135,894	-
Note proceeds	-	-	786,487
Other revenue	41,366	860	-
Developer advance - Office overhead	213,534	213,534	60,000
Total revenues	<u>4,064,913</u>	<u>1,981,724</u>	<u>2,601,650</u>
TRANSFERS IN			
Transfers from other funds	<u>66,696</u>	-	-
Total funds available	<u>4,117,057</u>	<u>2,156,400</u>	<u>2,648,050</u>
EXPENDITURES			
General and administrative			
Accounting	59,841	70,000	70,000
Administration			
Assets management - staffing	113,609	75,000	344,750
Management fee	37,800	40,000	54,000
Asset Administration - Other	11,758	20,000	10,000
Audit	25,317	27,621	27,000
Banking and loan fees	1,460	1,000	1,000
Consulting and studies	20,714	25,000	20,000
District events	5,820	5,000	50,000
Dues and membership	1,724	1,724	2,000
Insurance	40,379	44,224	41,000
Legal	47,720	70,000	50,000
Miscellaneous	7,298	17,185	5,000
Office supplies	4,129	5,000	5,000
Office overhead	213,534	213,534	60,000
Rent	24,000	24,000	24,000
Repay Developer advance - Office overhead	171,081	284,712	60,000
Operations and maintenance			
Electricity and gas	42,494	50,000	45,000
Landscape and open space			
Softscape - Landscape contract	396,750	375,000	375,000
Special projects and mowing	173,864	220,000	200,000
Snow removal	48,104	50,000	50,000
Pest control	10,794	11,000	11,000
Repairs and maintenance	51,064	80,000	50,000
Patrol services	108,282	120,000	115,000
Beach maintenance	39,183	35,000	30,000
Capital Outlay			
Tree replacement	18,304	60,000	60,000
Hardscape - Fence maintenance/Staining	71,922	5,000	10,000
Capital projects - 7th Street Bridge	-	-	700,000
Capital projects - PTMD	8,900	160,000	90,000
Capital projects - WV No. 1	5,599	-	-
Capital projects - WV No. 2	61,097	-	-
Equipment acquisition	112,202	20,000	40,000
Repay Developer advance - Certified costs	1,003,819	-	-
Total expenditures	<u>3,942,381</u>	<u>2,110,000</u>	<u>2,599,750</u>
Total expenditures and transfers out requiring appropriation	<u>3,942,381</u>	<u>2,110,000</u>	<u>2,599,750</u>
ENDING FUND BALANCE	<u>\$ 174,676</u>	<u>\$ 46,400</u>	<u>\$ 48,300</u>
EMERGENCY RESERVE	<u>\$ 46,800</u>	<u>\$ 46,400</u>	<u>\$ 48,300</u>
TOTAL RESERVE	<u>\$ 46,800</u>	<u>\$ 46,400</u>	<u>\$ 48,300</u>

No assurance provided. See summary of significant assumptions.

**POUDRE TECH METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 630	\$ 273	\$ -
REVENUES			
Interest income	837	55	-
Transfers from WV No. 1 - Other	5,599	-	-
Transfers from WV No. 2 - Other	61,097	-	-
Transfers from WV No. 1 - Series 2010 Bonds	377,869	379,620	-
Transfers from WV No. 2 - Series 2010 Bonds	1,222,500	1,229,420	-
Transfers from WV No. 1 - Series 2020 Bonds	-	-	279,876
Transfers from WV No. 2 - Series 2020 Bonds	-	-	938,300
Bond issuance	-	21,015,000	-
Bond premium	-	1,899,629	-
Total revenues	1,667,902	24,523,724	1,218,176
Total funds available	1,668,532	24,523,997	1,218,176
EXPENDITURES			
Debt Service			
Paying agent fees	2,000	400	5,000
Bond interest - Series 2010A	903,500	451,750	-
Bond interest - Series 2010B	246,063	114,031	-
Bond interest - Series 2020	-	-	783,176
Bond principal - Series 2010B	450,000	-	-
Bond principal - Series 2020	-	-	430,000
2010 Bond - Refunding Escrow	-	23,311,235	-
Bond issue costs	-	646,581	-
Total expenditures	1,601,563	24,523,997	1,218,176
TRANSFERS OUT			
Transfers to other funds	66,696	-	-
Total expenditures and transfers out requiring appropriation	1,668,259	24,523,997	1,218,176
ENDING FUND BALANCE	\$ 273	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**POUDRE TECH METROPOLITAN DISTRICT
ENTERPRISE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUNDS AVAILABLE	\$ 1,367,227	\$ 1,247,819	\$ 982,153
REVENUES			
Other revenue	17,475	-	-
Water credits sale	-	1,008,000	-
Service fees	862,383	850,000	935,000
Water meter sales	77,500	40,000	75,000
System development fees	108,125	40,000	75,000
Developer advance - Manager & field staff	221,334	221,334	225,000
Total revenues	<u>1,286,817</u>	<u>2,159,334</u>	<u>1,310,000</u>
Total funds available	<u>2,654,044</u>	<u>3,407,153</u>	<u>2,292,153</u>
EXPENDITURES			
General and administrative			
Administration - Billing	8,100	16,000	63,000
Core	450	450	-
Staffing	42,554	45,000	-
Operations and maintenance			
Repairs and maintenance	47,971	95,000	78,750
Electricity and gas	146,342	160,000	140,000
Water meters and installations	249,182	50,000	75,000
Other Water Operating Expenses			
Scada	32,059	50,000	31,500
Delivery and Ditch expenses	28,355	30,000	31,500
Water system manager & field staff	221,334	221,334	225,000
Tools and Equipment - New	-	4,048	5,000
Contingency	-	76,296	1,798
Debt Service			
2016 Loan interest	180,614	173,538	165,452
2016 Loan principal	164,000	164,000	164,000
Repay Developer advance - Manager & field staff	221,334	221,334	225,000
Capital Outlay			
Capital outlay	63,930	-	100,000
Water rights acquisition	-	1,008,000	-
Meter replacement	-	110,000	100,000
River Stabilization and Improvement Project	-	-	150,000
Total expenditures	<u>1,406,225</u>	<u>2,425,000</u>	<u>1,556,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,406,225</u>	<u>2,425,000</u>	<u>1,556,000</u>
ENDING FUNDS AVAILABLE	<u>\$ 1,247,819</u>	<u>\$ 982,153</u>	<u>\$ 736,153</u>

No assurance provided. See summary of significant assumptions.

**POUDRE TECH METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Poudre Tech Metropolitan District (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Windsor, Weld County, Colorado in 1994, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide water and wastewater services, street construction, installation of safety control devices and construction and maintenance of parks and recreation facilities. The District is the Operating District organized in conjunction with two other related Financing Districts – Water Valley Metropolitan District Nos. 1 and 2 (District No. 1 and District No. 2). The District serves as the Operating District which is responsible for managing the construction and operation of facilities and improvements needed for District No. 1 and District No. 2. The Financing Districts are responsible for providing the funding and tax base needed to support the Financing Plan for capital improvements.

At its organizational election held on November 4, 2003, the voters approved general obligation indebtedness of \$27,750,000 for street improvements, \$2,250,000 for traffic and safety controls, \$13,500,000 for potable and non-potable water system \$15,000,000 for solid waste disposal, \$17,250,000 for parks and recreational facilities, \$2,250,000 for television relay and translation, \$78,000,000 for refinancing of District debt, and \$7,500,000 for general operations and maintenance. The voters also approved an annual tax increase of \$200,000 for general operations and maintenance. In order to exceed \$78,000,000 in total debt issuance among the Districts, the Districts would be required to submit an Amended Service Plan for approval by the Town Council.

On November 19, 2015, the District created its Water Activity Enterprise to provide water services and to acquire water or water rights. In 2016, the portion of the General Fund balance associated with Enterprise activity was transferred to the Enterprise Fund.

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

Service Fees

The District charges service fees to each homeowner for non-potable water usage.

System Development Fees

In 2021, the District will assess a system development fee of \$2,500 per lot, which is collected at the time the lot is sold. The budget anticipates the collection of system development fees for 30 lots in 2021.

Water Meter Sales

The District anticipates selling and installing water meters for 30 homes in 2021 and expects to collect \$2,500 per home.

**POUDRE TECH METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Developer Advance

Pursuant to the Management Agreement between the District and Water Valley Land Company LLC (an entity affiliated with the Developer), Water Valley Land Company LLC will provide certain managerial and administrative services to the District. These services will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from legally available revenue.

Transfer from Water Valley Metropolitan District No. 1

District No. 1, Financing District, levied 17.618 mills for operations and maintenance. It is anticipated that District No. 1 will transfer the property taxes, net of fees, generated from the 17.618 mills into the District, Operating District, to pay for a portion of the operations and administrative expenditures of all Districts. District No. 1 also levied 24.325 mills for debt service. It is anticipated that District No. 1 will transfer a portion of the property taxes generated from the 24.325 mills into the District to pay for a portion of the Series 2020 bonds' debt service for 2021.

Transfer from Water Valley Metropolitan District No. 2

District No. 2, Financing District, levied 14.943 mills for operations and maintenance. It is anticipated that District No. 2 will transfer the property taxes, net of fees, generated from the 14.943 mills into the District, Operating District, to pay for a portion of the operations and administrative expenditures of all Districts. District No. 2 also levied 27.000 mills for debt service. It is anticipated that District No. 2 will transfer a portion of the property taxes generated from the 27.000 mills to pay for a portion of the Series 2020 bonds' debt service for 2021.

Expenditures

General, Administrative, Operating and Capital Expenditures

General and administrative expenditures include the costs of services necessary to maintain the District's administrative viability such as legal, accounting, audit, managerial, insurance, meeting and other general and administrative expenditures. Operating expenditures such as billing, landscaping, utilities, snow removal, and repairs and maintenance are also included in the District's budget. Further, anticipated capital expenditures (tree replacement, fence improvements, beach improvements and equipment acquisitions) are included in the General Fund's budget.

Debt Service

Principal and interest payments are provided based on the attached debt amortization schedules from the Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2020, and Taxable Water Revenue Loan Series 2016.

**POUDRE TECH METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On October 22, 2010, the District issued the following Bonds: (1) \$18,070,000 Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2010A with an interest rate of 5.0%; (2) \$7,305,000 Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2010B with interest rates varying from 2.5% to 5.0%; and (3) \$300,000 Taxable Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2010C with an interest rate of 1.25%.

The Series 2010A bonds are subject to redemption prior to maturity, at the option of the District, as a whole or integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2020, and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the date of redemption, without redemption premium. The bonds maturing December 1, 2030 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2027 and on each December 1 thereafter prior to the maturity date. Additionally, the bonds maturing December 1, 2039 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2011 and on each December 1 thereafter prior to the maturity date. These bonds were paid in full on September 3, 2020.

The Series 2010B bonds maturing December 1, 2021 are subject to redemption prior to the maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2020, and on any date thereof, upon payment of the principal amount so redeemed plus accrued interest to the date of redemption, without redemption premium. The bonds maturing December 1, 2028 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2025 and on each December 1 thereafter prior the maturity date. These bonds were paid in full on September 3, 2020.

The Series 2010C bonds were paid in full on December 1, 2010.

On November 29, 2016, the District entered into a Loan Agreement with Points West Community Bank to obtain a loan in the amount of \$4,100,000 (Loan). The maturity date of the Loan is December 1, 2023, with an interest rate of 4.575% from November 29, 2016 through December 1, 2021. From December 1, 2021 through and including December 1, 2023, the Loan shall bear interest at a per annum fixed rate equal to the lesser of: (i) the sum of the Index plus 100 basis points; or (ii) the Maximum Rate of 18.00% per annum. Index means the prime rate published by the Wall Street Journal Online, or, in the event that such Index is no longer published, then the term Index shall be deemed to refer to a similar index selected by the Lender and approved by the Enterprise. Interest is paid semiannually on June 1 and December 1. The proceeds from the Loan were used to purchase water rights, paid for the costs of the Loan, and used to finance certain public improvements.

On September 3, 2020, the District issued \$21,015,000 Unlimited Property Tax Supported Revenue Refunding Bonds, Series 2020 (Bonds) with interest rates varying from 2.125% to 4.000%. Proceeds from the sale of the Bonds were used for the purpose of refunding the Series 2010 Bonds. A portion of the proceeds of the Bonds were also used to (a) purchase a municipal bond insurance policy and (b) fund the costs of issuing the Bonds. The Bonds are subject to redemption prior to maturity, at the option of the District. The Bonds maturing on or after December 1, 2031 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 December 1, 2030, and on any date thereafter, upon payment of par plus accrued interest, and without any redemption premium.

**POUDRE TECH METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR.

This information is an integral part of the accompanying budget.

**POUDRE TECH METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$21,015,000 Series 2020 Unlimited
Property Tax Supported Revenue
Refunding and Improvement Bonds
Dated September 3, 2020
Principal due December 1
Interest Rate 2.125% to 4.00% Payable
June 1 and December 1**

Year Ended December 31,	Principal	Interest	Total
2021	\$ 430,000	\$ 783,176	\$ 1,213,176
2022	620,000	616,438	1,236,438
2023	645,000	597,837	1,242,837
2024	660,000	578,488	1,238,488
2025	675,000	558,687	1,233,687
2026	715,000	538,438	1,253,438
2027	740,000	516,987	1,256,987
2028	830,000	494,788	1,324,788
2029	1,130,000	469,887	1,599,887
2030	1,195,000	435,988	1,630,988
2031	1,275,000	400,137	1,675,137
2032	1,310,000	361,888	1,671,888
2033	1,360,000	309,487	1,669,487
2034	1,435,000	255,088	1,690,088
2035	1,505,000	197,687	1,702,687
2036	1,550,000	167,588	1,717,588
2037	1,600,000	121,087	1,721,087
2038	1,650,000	73,088	1,723,088
2039	1,690,000	38,025	1,728,025
	\$ 21,015,000	\$ 7,514,789	\$ 28,529,789

No assurance provided. See summary of significant assumptions.

**POUDRE TECH METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2020**

**\$4,100,000 Taxable Water
Revenue Loan, 2016
Dated November 29, 2016
Principal due June 1 and December 1
Interest Rate 4.575% Payable
June 1 and December 1**

Year Ended December 31,	Principal	Estimated Interest*	Total
2021	\$ 164,000	\$ 165,452	\$ 329,452
2022	164,000	**	**
2023	<u>3,280,000</u>		
	<u>\$ 3,608,000</u>		

* Represents initial anticipated interest payments, without taking into account prepayment of Loan principal.

**From December 1, 2021 through and including December 1, 2023, the Loan shall bear an interest rate at a per annum fixed rate equal to the lesser of: (i) the sum of the Index plus 100 basis points; or (ii) the Maximum Rate of 18% per annum. Index means the prime rate published by the Wall Street Journal online, or, in the event that such Index is no longer published the term Index shall be deemed to refer to a similar index selected by the Lender and approved by the Enterprise.