

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
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YEAR ENDED DECEMBER 31, 2021**

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INSERT INDEPENDENT AUDITOR'S REPORT

(1)

Draft. No assurance is provided on these financial statements.

BASIC FINANCIAL STATEMENTS

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 160,814
Cash and Investments - Restricted	508,638
Receivable - County Treasurer	11,074
Property Taxes Receivable	2,811,548
Total Assets	3,492,074
LIABILITIES	
Due to PTMD	7,881
Accrued Interest Payable - Bonds	26,097
Noncurrent Liabilities:	
Due Within One Year	260,000
Due in More than One Year	7,052,430
Total Liabilities	7,346,408
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	2,811,548
Total Deferred Inflows of Resources	2,811,548
NET POSITION	
Restricted for:	
Debt Service	194,201
Unrestricted	(6,860,083)
Total Net Position	\$ (6,665,882)

See accompanying Notes to Basic Financial Statements.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 160,814	\$ -	\$ 160,814
Cash and Investments - Restricted	-	508,638	508,638
Receivable - County Treasurer	3,945	7,129	11,074
Property Taxes Receivable	1,529,952	1,281,596	2,811,548
Total Assets	\$ 1,694,711	\$ 1,797,363	\$ 3,492,074
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to PTMD	\$ -	\$ 7,881	\$ 7,881
Total Liabilities	-	7,881	7,881
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	1,529,952	1,281,596	2,811,548
Total Deferred Inflows of Resources	1,529,952	1,281,596	2,811,548
FUND BALANCES			
Restricted:			
Debt Service	-	507,886	507,886
Committed:			
Operations (PTMD)	164,759	-	164,759
Total Fund Balances	164,759	507,886	672,645
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,694,711	\$ 1,797,363	

Amounts reported for governmental activities in the position are different because:

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Bonds Payable	(7,060,000)
Bond Premium	(252,430)
Accrued Interest Payable - Bonds	(26,097)

Net Position of Governmental Activities	\$ (6,665,882)
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See accompanying Notes to Basic Financial Statements.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 947,334	\$ 1,711,705	\$ 2,659,039
Specific Ownership Taxes	47,538	85,894	133,432
Payment in Lieu of Taxes	145,410	-	145,410
Interest Income	1,036	2,028	3,064
Total Revenues	<u>1,141,318</u>	<u>1,799,627</u>	<u>2,940,945</u>
EXPENDITURES			
County Treasurer's Fees	14,225	25,702	39,927
2016 G.O. Bond Interest	-	320,175	320,175
2016 G.O. Bond Principal	-	255,000	255,000
Miscellaneous	178	100	278
Paying Agent Fees	-	2,500	2,500
Transfers to PTMD - Other	1,442,259	-	1,442,259
Transfers to PTMD - Series 2020 Bonds	-	938,300	938,300
Total Expenditures	<u>1,456,662</u>	<u>1,541,777</u>	<u>2,998,439</u>
NET CHANGE IN FUND BALANCES	(315,344)	257,850	(57,494)
Fund Balances - Beginning of Year	<u>480,103</u>	<u>250,036</u>	<u>730,139</u>
FUND BALANCES - END OF YEAR	<u>\$ 164,759</u>	<u>\$ 507,886</u>	<u>\$ 672,645</u>

See accompanying Notes to Basic Financial Statements.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balance - Total Governmental Fund	\$ (57,494)
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

2016 G.O. Bonds - Principal Payment	255,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability	584
Amortization of Bond Premium	<u>21,210</u>

Change in Net Position of Governmental Activities	<u><u>\$ 219,300</u></u>
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See accompanying Notes to Basic Financial Statements.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 947,418	\$ 947,334	\$ 947,334	\$ -
Specific Ownership Taxes	47,371	47,538	47,538	-
Payment in Lieu of Taxes	145,411	145,410	145,410	-
Interest Income	300	1,036	1,036	-
Total Revenues	<u>1,140,500</u>	<u>1,141,318</u>	<u>1,141,318</u>	<u>-</u>
EXPENDITURES				
County Treasurer's Fees	14,211	14,225	14,225	-
Miscellaneous	150	12,447	178	12,269
Transfers to PTMD - Funding for Operations	1,126,139	1,442,259	1,442,259	-
Total Expenditures	<u>1,140,500</u>	<u>1,468,931</u>	<u>1,456,662</u>	<u>12,269</u>
NET CHANGE IN FUND BALANCE	-	(327,613)	(315,344)	12,269
Fund Balance - Beginning of Year	<u>150,000</u>	<u>480,103</u>	<u>480,103</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 150,000</u>	<u>\$ 152,490</u>	<u>\$ 164,759</u>	<u>\$ 12,269</u>

See accompanying Notes to Basic Financial Statements.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 DEFINITION OF REPORTING ENTITY

Water Valley Metropolitan District No. 2 (the 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 a Financing District organized in conjunction with two other related Districts – Poudre Tech Metropolitan District and Water Valley Metropolitan District No. 1. Poudre Tech Metropolitan District serves as the Operating District which is responsible for managing the construction and operation of facilities and improvements needed for Water Valley Metropolitan Districts Nos. 1 and 2 (Financing Districts) which are responsible for providing the tax base needed to support financing of capital improvements.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest, and other related costs of debts issued by the District and Poudre Tech Metropolitan District (Operating District).

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2021.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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 always 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The unearned property tax revenue is recorded as revenue in the year they are available or collected.

Amortization

Original Issue Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 160,814
Cash and Investments - Restricted	<u>508,638</u>
Total Cash and Investments	<u><u>\$ 669,452</u></u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 381,024
Investments	<u>288,428</u>
Total Cash and Investments	<u><u>\$ 669,452</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021, the District’s cash deposits had a bank and carrying balance of \$381,024.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government	Weighted Average Under	
Liquid Asset Trust (COLOTRUST)	60 Days	<u>\$ 288,428</u>

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance at December 31, 2020	Additions	Payments	Balance at December 31, 2021	Due Within One Year
General Obligation Refunding					
Bonds, Series 2016	\$ 7,315,000	\$ -	\$ 255,000	\$ 7,060,000	\$ 260,000
Total	7,315,000	-	255,000	7,060,000	<u>\$ 260,000</u>
Series 2016 Bond Premium	273,640	-	21,210	252,430	
Total	<u>\$ 7,588,640</u>	<u>\$ -</u>	<u>\$ 276,210</u>	<u>\$ 7,312,430</u>	

The details of the District's long-term obligations are as follows:

On January 31, 2014, the District entered into a loan agreement with First Western Trust Bank to obtain a loan in the aggregate original amount of up to \$8,240,000 (Loan). The maturity date of the Loan is January 31, 2021, with an interest rate of 4.04%, paid semiannually on June 1 and December 1. The proceeds of the initial draw from the Loan were used to finance certain public improvements, reimburse the Developer for prior advances related to public improvements constructed by the Developer on behalf of the District, and pay the costs of issuing the Loan.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

On July 8, 2016, the District issued \$8,125,000 in General Obligation Refunding Bonds, Series 2016 (2016 Bonds) to prepay the Loan described above. The 2016 Bonds are general obligations of the District secured and payable from Pledged Revenue which include Property Tax Revenue, net of costs of collection, and any other legally available amounts. The 2016 Bonds are due December 1, 2040, with an interest rate of 2.00%-5.25%, paid semiannually on June 1 and December 1. The 2016 Bonds maturing on December 1, 2040, are subject to redemption prior to 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 (and if in part in such order of maturities as the District is to determine and by lot within maturities), on December 1, 2026, and on any date thereafter, upon payment of par, and accrued interest thereon, without redemption premium. The 2016 Bonds maturing on December 1, 2033, are subject to mandatory sinking fund redemption, prior to maturity, in part, by lot in such manner as the Trustee is to determine, on December 1 of each year at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest.

Further, the District entered into a Capital Pledge Agreement in October 2010, as amended on January 31, 2014, and again on April 21, 2015, pursuant to which the District is obligated to impose an ad valorem property tax levy without limitation as to the rate, to pay a portion of principal and accrued interest on Poudre Tech Metropolitan District's Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2010 A, B, and C in the aggregate principal amount of \$25,675,000 issued pursuant to a 2010 Indenture of Trust with UMB Bank. The Third Amendment, dated September 1, 2020, made changes to provide for payment of the 2020 Operating District Bonds. During 2021, the District transferred \$930,419 to Poudre Tech Metropolitan District in compliance of its obligation under the Capital Pledge Agreement.

The 2016 Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 260,000	\$ 313,162	\$ 573,162
2023	265,000	305,362	570,362
2024	275,000	297,081	572,081
2025	285,000	288,144	573,144
2026	295,000	278,525	573,525
2027-2031	1,645,000	1,214,400	2,859,400
2032-2036	2,020,000	842,550	2,862,550
2037-2040	2,015,000	271,426	2,286,426
Total	<u>\$ 7,060,000</u>	<u>\$ 3,810,650</u>	<u>\$ 10,870,650</u>

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 AUTHORIZED DEBT

On November 8, 1994, the District's voters authorized the issuance of indebtedness in an amount not to exceed \$30,405,000. At December 31, 2021, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 8, 1994	Authorization Used for 2005 Bonds	Authorization Used for 2008 Bonds	Authorization Used for Pledge Agreement with Operating District 2010 Bonds	Authorization Used for 2014 Loan	Authorized But Unissued
Water	\$ 5,720,000	\$ (900,000)	\$ -	\$ (3,076,562)	\$ (565,767)	\$ 1,177,671
Sanitation	6,150,000	(3,075,000)	-	(578,924)	(2,378,342)	117,734
Streets	11,865,000	(2,325,000)	(5,200,000)	(1,883,849)	(2,215,857)	240,294
Parks and Recreation	4,860,000	(1,050,000)	-	-	(2,985,132)	824,868
Traffic/Safety Protection	710,000	(150,000)	-	(291,690)	(94,902)	173,408
Fire Protection	420,000	-	-	-	-	420,000
TV Relay/Translation	680,000	-	-	-	-	680,000
Total	<u>\$ 30,405,000</u>	<u>\$ (7,500,000)</u>	<u>\$ (5,200,000)</u>	<u>\$ (5,831,025)</u>	<u>\$ (8,240,000)</u>	<u>\$ 3,633,975</u>

Pursuant to the Service Plan, the maximum general obligation bonded indebtedness for Financing Districts is not expected to exceed \$21,000,000 exclusive of costs of issuance, organization costs, inflation, contingencies, and other similar costs.

The electoral authorization used for 2005 Bonds was reallocated in January 2014 through a resolution approved by the District's Board of Directors for the purpose of correlating/adjusting the allocation with the actual uses of net proceeds.

The 2016 Bonds constitutes a financing of District indebtedness at a lower interest rate and the principal amount of the Bonds is not in excess of the original principal amount of the Loan; therefore, the issuance of the 2016 Bonds did not require electoral authorization.

In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this audit, the amount and timing of any future debt issuances are not determinable.

NOTE 6 NET POSITION

The District has a deficit in unrestricted net position. This negative net position is a result of the District being responsible for the repayment of long-term debt and accrued interest issued to finance public improvements previously constructed and/or acquired by Poudre Tech Metropolitan District, Operating District, for the benefit of the District, which public improvements are either owned and maintained by Poudre Tech Metropolitan District or conveyed to other governmental entities.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Trollco Inc., a Colorado corporation (Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

NOTE 8 AGREEMENTS AND COMMITMENTS

District Operating Agreement

Poudre Tech Metropolitan District (Operating District) and District Nos. 1 and 2 (collectively, the Taxing Districts) have entered into a District Operating Agreement dated January 30, 2014. The purpose of the District Operating Agreement is to set forth the rights and obligations of the Taxing Districts to fully fund and of the Operating District to provide operations on behalf of all the Districts. Based on the integrated nature of the public improvements, it is most efficient and cost effective to combine the operations, maintenance, and administration and to have the Operating District provide those services for the benefit of all the Districts. The agreement shall be interpreted consistent with the Service Plan.

Capital Pledge Agreement

The District entered into a Capital Pledge Agreement in October 2010, as amended on January 31, 2014, and again on April 21, 2015, pursuant to which the District is obligated to impose an ad valorem property tax levy without limitation as to the rate to pay for a portion of principal and accrued interest payable on PTMD's Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2010 A, B, and C in the aggregate principal amount of \$25,675,000 issued pursuant to a 2010 Indenture of Trust with UMB Bank (2010 Bonds).

The First Amendment dated January 31, 2014, made changes to the allocation between District Nos. 1 and 2's required debt service on the 2010 Bonds. The Districts later determined that the changes were not necessary, and therefore, the Capital Pledge Agreement, was amended for a second time on April 21, 2015, to reinstate the original definitions and allocations.

The Third Amendment, dated September 1, 2020, made changes to provide for the payment of the 2020 Operating District Bonds, to remove UMB as a party to the agreement and add US Bank as a party to the agreement.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 AGREEMENTS AND COMMITMENTS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement

An Infrastructure Acquisition and Reimbursement Agreement (IARA), dated January 30, 2014, was entered into by the District and Trollco, Inc. (Developer) pursuant to which the District agrees to reimburse the Developer for all District Eligible Costs incurred by the Developer for public infrastructure within the boundaries of the District. "District Eligible Costs" means all costs of any kind related to the provision of the public infrastructure that may be lawfully funded by the District under Colorado's Special District Act and the Service Plan, and with respect to which the District has available electoral authorization to incur indebtedness to finance the same. The provision for repayment of amounts under this agreement shall be subject to annual appropriation by the District.

Agreement Regarding Payment in Lieu of Taxes

The Developer sold a property to The Evangelical Lutheran Good Samaritan Society (Society) as evidenced by a Definitive Purchase Agreement, dated February 10, 2004, between the Developer and the Society. The property sold by the Developer to the Society is located within the District and PTMD (collectively, the Districts). Under the agreement, the Society, a tax-exempt entity, agrees to pay the Districts, on an annual basis, an amount equal to whatever mill levy is assessed by the Districts for other property owners within the Districts, based on the assessed valuation of the property sold to the Society as determined by Weld County.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

WATER VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As of December 31, 2021, the District has not provided for an emergency reserve equal to at least 3% of fiscal year spending, as defined under TABOR, because net tax revenue is transferred to Poudre Tech Metropolitan District, the Operating District. Additionally, the District has committed to maintain a reasonable level of unrestricted fund balance in the General Fund to mitigate temporary revenue shortfalls or unplanned one-time expenditures that may occur in the future.

The District's management has taken steps it believes are necessary to comply with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,711,858	\$ 1,711,705	\$ (153)
Specific Ownership Taxes	85,593	85,894	301
Interest Income	400	2,028	1,628
Total Revenues	<u>1,797,851</u>	<u>1,799,627</u>	<u>1,776</u>
EXPENDITURES			
County Treasurer's Fees	25,678	25,702	(24)
2016 G.O. Bond Interest	320,175	320,175	-
2016 G.O. Bond Principal	255,000	255,000	-
Miscellaneous	3,347	100	3,247
Paying Agent Fees	2,500	2,500	-
Transfers to PTMD - Series 2020 Bonds	938,300	938,300	-
Total Expenditures	<u>1,545,000</u>	<u>1,541,777</u>	<u>3,223</u>
NET CHANGE IN FUND BALANCE	252,851	257,850	4,999
Fund Balance - Beginning of Year	<u>39,800</u>	<u>250,036</u>	<u>210,236</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 292,651</u></u>	<u><u>\$ 507,886</u></u>	<u><u>\$ 215,235</u></u>

WATER VALLEY METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021

\$8,125,000 General Obligation Refunding Bonds, Series 2016
Dated July 8, 2016

Principal Due December 1, Interest Rate 2.00% - 5.25%
Payable June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 260,000	\$ 313,162	\$ 573,162
2023	265,000	305,362	570,362
2024	275,000	297,081	572,081
2025	285,000	288,144	573,144
2026	295,000	278,525	573,525
2027	305,000	268,200	573,200
2028	315,000	256,000	571,000
2029	330,000	243,400	573,400
2030	340,000	230,200	570,200
2031	355,000	216,600	571,600
2032	370,000	202,400	572,400
2033	385,000	187,600	572,600
2034	400,000	172,200	572,200
2035	420,000	151,200	571,200
2036	445,000	129,150	574,150
2037	465,000	105,788	570,788
2038	490,000	81,375	571,375
2039	515,000	55,650	570,650
2040	545,000	28,613	573,613
Total	<u>\$ 7,060,000</u>	<u>\$ 3,810,650</u>	<u>\$ 10,870,650</u>

**CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2016**

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

**TABLE II
CONSTRUCTION ACTIVITY IN FIRST PHASE OF WV2 DEVELOPMENT
YEAR ENDED DECEMBER 31, 2021**

Home Type/ Homebuilder	Total Platted Lots/Planned Units ¹	Base Sales Price	Square Footage	Number of Building Permits Issued ²	Remaining Inventory ³
Single-Family Detached:	884			884	-
D.R. Horton	94	\$359,950 - \$469,950	1,782 - 4,130	94	-
Cal Atlantic Homes	117	\$345,490 - \$450,590	1,871 - 2,734	117	-
Lennar	55	\$359,900 - \$379,900	1,671 - 1,988	55	-
JUMA Homes ⁴	46	\$390,000 - \$510,000	1,325 - 1,771	46	-
Other ⁵	572	Unknown	Unknown	572	-
Single-Family Attached:	150			150	-
Landmark ⁶	150	\$272,400 - \$339,900	1,455 - 1,794	150	-
Multi-Family:	292			60	232
Apartments	220	--	--	-	220
Condos	56	Unknown	Unknown	56	-
Duplex	16	--	--	4	12
Total	1,326			1,094	232

Development Activity - Subsequent Phases of WV2 Development

Home Type/ Homebuilder	Total Platted Lots/Planned Units ¹	Base Sales Price	Square Footage	Building Permits Issued ²	Remaining Inventory ³
Single-Family Detached:	306			226	80
JUMA Homes Luxury/Active Adults	70	\$500,000 - \$900,000	1,325 - 2,000	6	64
JUMA Homes Ridgeline Lots	34	\$750,000 - \$1,100,000	2,500 - 4,000	18	16
Pelican Farms	202	\$375,000 - \$750,000	2,000 - 4,500	202	-
Mid-Family:	491			491	-
Apartments	196	For Rent	--	196	-
Apartments - Luxury / Active Adults	120	For Rent	--	120	-
Senior Living - Independent Living	121	For Rent	--	121	-
Senior Living - Memory Care	54	For Rent	--	54	-
Total	797			717	80
Grand Total	2,123			1,811	312

¹ Reflects the total number of lots platted for single-family detached homes, single-family attached homes, and condominiums as well as the total number of apartment units planned as of the date of this report.

² Represents lots for which the Town of Windsor has issued a building permit, as of date of this report. This includes lots for which title has transferred to individual homeowners as well as lots upon which homes may have been constructed but have not yet been sold to homeowners. No specific information is available to the District with regard to the total number of homes that have been sold and closed to homeowners.

³ Represents lots for which no building permit has been issued by the Town of Windsor.

⁴ Lots replatted from Single-Family Attached to Single-Family Detached in 2017.

⁵ Includes custom homebuilders and other miscellaneous homebuilders, for which no additional information is known or provided.

⁶ The sole active single-family attached builder in the first phase of the WV2 Development is Landmark Construction Solutions, Inc., a Colorado corporation, doing business as Landmark Homes (Landmark Homes).

Source: The District and the Town of Windsor.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE III
HISTORY OF DISTRICT'S ASSESSED VALUATION AND MILL LEVIES
YEAR ENDED DECEMBER 31, 2021**

Levy/Collection Year	Assessed Valuation	Percent Increase	Mill Levies		
			General Fund	Debt Service Fund	Total Mill Levy
2010/2011	\$ 20,113,720	- %	0.000	20.000	20.000
2011/2012	16,893,730	(16.01)	0.000	26.000	26.000
2012/2013	17,836,630	5.58	0.000	39.000	39.000
2013/2014	18,266,193	2.41	0.000	39.000	39.000
2014/2015	20,326,230	11.28	0.000	39.000	39.000
2015/2016	84,359,680	315.03	15.975	23.025	39.000
2016/2017	81,309,260	(3.62)	20.907	18.093	39.000
2017/2018	57,038,740	(29.85)	11.554	27.446	39.000
2018/2019	65,477,360	14.79	15.155	25.984	41.139
2019/2020	63,277,390	(3.36)	15.412	26.531	41.943
2020/2021	63,402,150	0.20	14.943	27.000	41.943
2021/2022	67,032,590	5.73	22.824	19.119	41.943

Sources: Weld County Assessor's Office and the District.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

TABLE IV

**2018 ASSESSED AND "ACTUAL" VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
YEAR ENDED DECEMBER 31, 2021**

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Oil and Gas	\$ 7,712,460	11.50 %	\$ 15,619,439	2.08 %
Residential	50,452,100	75.27	705,601,933	93.85
Vacant Land	2,635,010	3.93	9,087,249	1.21
Commercial	5,578,090	8.32	19,234,762	2.56
State Assessed	643,430	0.96	2,218,736	0.30
Agricultural	7,090	0.01	24,346	0.00
Industrial	3,630	0.01	12,500	0.00
Minerals	780	0.00	2,675	0.00
Total	<u>\$ 67,032,590</u>	<u>100.00 %</u>	<u>\$ 751,801,640</u>	<u>100.00 %</u>

Source: Weld County Assessor's Office

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE V
HISTORY OF DISTRICT'S PROPERTY TAX COLLECTIONS
YEAR ENDED DECEMBER 31, 2021**

Levy/Collection Year	Taxes Levied	Property Tax Collections	Tax Collections as Percent of Tax Levied
2010/2011	\$ 402,274	\$ 401,271	99.75 %
2011/2012	439,237	435,729	99.20
2012/2013	695,629	679,303	97.65
2013/2014	712,382	712,071	99.96
2014/2015	792,723	787,415	99.33
2015/2016	3,290,028	3,294,992	100.15
2016/2017	3,171,061	3,103,222	97.86
2017/2018	2,224,511	2,230,812	100.28
2018/2019	2,693,673	2,692,820	99.97
2019/2020	2,654,043	2,596,192	97.82
2020/2021	2,659,276	2,659,039	99.99

Source: Through 2014/2015 - from the Official Statement for the General Obligation Refunding Bonds, Series 2016. From 2015/2016 - from the District.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

**TABLE VIII
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2021**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES					
Property Taxes	\$ 1,663,566	\$ 660,893	\$ 991,995	\$ 953,974	\$ 947,334
Specific Ownership Taxes	132,013	50,109	66,734	46,290	47,538
Payment in Lieu of Taxes - Good Samaritan	105,791	122,123	124,135	134,856	145,410
Interest Income	1,115	1,000	5,792	12,562	1,036
Total Revenues	<u>1,902,485</u>	<u>834,125</u>	<u>1,188,656</u>	<u>1,147,682</u>	<u>1,141,318</u>
EXPENDITURES					
Miscellaneous	138	120	59	171	178
County Treasurer's Fees	25,016	9,920	14,887	14,486	14,225
Transfer to Poudre Tech - Other ¹	1,874,400	829,433	1,166,027	814,506	1,442,259
Total Expenditures	<u>1,899,554</u>	<u>839,473</u>	<u>1,180,973</u>	<u>829,163</u>	<u>1,456,662</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,931</u>	<u>(5,348)</u>	<u>7,683</u>	<u>318,519</u>	<u>(315,344)</u>
NET CHANGE IN FUND BALANCES	2,931	(5,348)	7,683	318,519	(315,344)
Fund Balances - Beginning of Year	<u>156,318</u>	<u>159,249</u>	<u>153,901</u>	<u>161,584</u>	<u>480,103</u>
FUND BALANCES - END OF YEAR	<u>\$ 159,249</u>	<u>\$ 153,901</u>	<u>\$ 161,584</u>	<u>\$ 480,103</u>	<u>\$ 164,759</u>

¹ Transfer to Poudre Tech for operations and capital costs.

Source: District's audited financial statements for the years ended December 31, 2016-2021.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

**TABLE IX
DEBT SERVICE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2021**

	2017	2018	2019	2020	2021
REVENUES					
Property Taxes	\$ 1,439,656	\$ 1,569,919	\$ 1,700,825	\$ 1,642,218	\$ 1,711,705
Specific Ownership Taxes	114,244	119,030	114,419	79,686	85,894
Interest Income	4,334	8,504	17,260	22,561	2,028
Reimbursed Expenditures	576,681	-	-	-	-
Total Revenues	<u>2,134,915</u>	<u>1,697,453</u>	<u>1,832,504</u>	<u>1,744,465</u>	<u>1,799,627</u>
EXPENDITURES					
County Treasurer's Fees	21,649	23,566	25,524	24,938	25,702
Transfer to Poudre Tech - Other ¹	571,147	-	61,097	-	-
Miscellaneous	102	100	110	75	100
Debt Service:					
Bond Interest	339,694	337,894	332,606	326,606	320,175
Bond Principal	90,000	235,000	240,000	245,000	255,000
Paying Agent Fees	2,500	2,500	2,500	2,500	2,500
Transfer to Poudre Tech - 2010 PTMD Bonds	1,205,733	1,214,727	1,222,500	1,229,420	-
Transfer to Poudre Tech - 2020 PTMD Bonds	-	-	-	-	938,300
Total Expenditures	<u>2,230,825</u>	<u>1,813,787</u>	<u>1,884,337</u>	<u>1,828,539</u>	<u>1,541,777</u>
NET CHANGE IN FUND BALANCES	(95,910)	(116,334)	(51,833)	(84,074)	257,850
Fund Balances - Beginning of Year	<u>598,187</u>	<u>502,277</u>	<u>385,943</u>	<u>334,110</u>	<u>250,036</u>
FUND BALANCES - END OF YEAR	<u>\$ 502,277</u>	<u>\$ 385,943</u>	<u>\$ 334,110</u>	<u>\$ 250,036</u>	<u>\$ 507,886</u>

¹ Transfer to Poudre Tech for capital costs.

Source: District's audited financial statements for the years ended December 31, 2016-2021.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE X
GENERAL FUND BUDGET SUMMARY AND COMPARISON
YEAR ENDED DECEMBER 31, 2021**

	<u>2020 Budget</u>	<u>2021 Budget (As Amended)</u>	<u>2021 Year-to-Date Actual</u>
BEGINNING FUND BALANCE	\$ 150,000	\$ 480,103	\$ 480,103
REVENUES			
Property Taxes	975,231	947,334	947,334
Specific Ownership Taxes	68,266	47,538	47,538
Payment in Lieu of Taxes - Good Samaritan	131,187	145,410	145,410
Interest Income	1,500	1,036	1,036
Total Revenues	<u>1,176,184</u>	<u>1,141,318</u>	<u>1,141,318</u>
Total Funds Available	1,326,184	1,621,421	1,621,421
EXPENDITURES			
County Treasurer's Fees	14,628	14,225	14,225
Miscellaneous	150	12,447	178
Transfer to Poudre Tech	<u>1,161,406</u>	<u>1,442,259</u>	<u>1,442,259</u>
Total Expenditures	<u>1,176,184</u>	<u>1,468,931</u>	<u>1,456,662</u>
TOTAL EXPENDITURES AND TRANSFERS OUT REQUIRING APPROPRIATION	<u>1,176,184</u>	<u>1,468,931</u>	<u>1,456,662</u>
ENDING FUND BALANCE	<u>\$ 150,000</u>	<u>\$ 152,490</u>	<u>\$ 164,759</u>

Sources: District's adopted 2020 and 2021 budgets and the District's audited financial statements for the year ended December 31, 2021.

**WATER VALLEY METROPOLITAN DISTRICT NO. 2
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
TABLE XI
DEBT SERVICE FUND BUDGET SUMMARY AND COMPARISON
YEAR ENDED DECEMBER 31, 2021**

	<u>2020 Budget</u>	<u>2021 Budget</u>	<u>2021 Year-to-Date Actual</u>
BEGINNING FUND BALANCE	\$ 327,307	\$ 39,800	\$ 250,036
REVENUES			
Property Taxes	1,678,812	1,711,858	1,711,705
Specific Ownership Taxes	117,517	85,593	85,894
Interest Income	3,000	400	2,028
Total Revenues	<u>1,799,329</u>	<u>1,797,851</u>	<u>1,799,627</u>
Total Funds Available	2,126,636	1,837,651	2,049,663
EXPENDITURES			
County Treasurer's Fees	25,182	25,678	25,702
Miscellaneous	2,369	3,347	100
Paying Agent Fees	2,500	2,500	2,500
Bond Interest - Series 2016	326,606	320,175	320,175
Bond Principal - Series 2016	245,000	255,000	255,000
Transfer to Poudre Tech - 2010 PTMD Bonds	1,229,343	938,300	938,300
Total Expenditures	<u>1,831,000</u>	<u>1,545,000</u>	<u>1,541,777</u>
TOTAL EXPENDITURES REQUIRING APPROPRIATION	<u>1,831,000</u>	<u>1,545,000</u>	<u>1,541,777</u>
ENDING FUND BALANCE	<u>\$ 295,636</u>	<u>\$ 292,651</u>	<u>\$ 507,886</u>

Sources: District's adopted 2020 and 2021 budgets and the District's audited financial statements for the year ended December 31, 2021.