

**WATER VALLEY METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR YEAR ENDING DECEMBER 31, 2022**

**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 368,728	\$ 488,047	\$ 430,813
REVENUES			
Property taxes	1,459,313	1,446,870	1,434,329
Specific ownership taxes	69,565	69,792	71,717
Interest income	13,607	850	400
Total revenues	<u>1,542,485</u>	<u>1,517,512</u>	<u>1,506,446</u>
Total funds available	<u>1,911,213</u>	<u>2,005,559</u>	<u>1,937,259</u>
EXPENDITURES			
General Fund	529,514	780,746	781,902
Debt Service Fund	893,652	794,000	799,000
Total expenditures	<u>1,423,166</u>	<u>1,574,746</u>	<u>1,580,902</u>
Total expenditures and transfers out requiring appropriation	<u>1,423,166</u>	<u>1,574,746</u>	<u>1,580,902</u>
ENDING FUND BALANCES	<u>\$ 488,047</u>	<u>\$ 430,813</u>	<u>\$ 356,357</u>
FUND BALANCE POLICY	\$ 100,000	\$ 100,000	\$ 100,000
RESERVE FUND (Required 250,856)	250,332	250,856	250,856
RESERVE FOR FUTURE DEBT SERVICE	-	79,957	5,501
TOTAL RESERVE	<u>\$ 350,332</u>	<u>\$ 430,813</u>	<u>\$ 356,357</u>

No assurance provided. See summary of significant assumptions.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>			
Residential	\$ 23,452,800	\$ 23,520,960	\$ 25,433,890
Commercial	4,815,430	4,588,080	5,275,260
Industrial	964,650	783,520	340,610
Agricultural	3,600	3,600	3,630
State assessed	3,940	4,180	9,110
Vacant land	279,570	166,790	128,430
Personal property	650,610	690,640	700,320
Oil and gas	4,771,580	4,738,340	2,305,840
Certified Assessed Value	<u>\$ 34,942,180</u>	<u>\$ 34,496,110</u>	<u>\$ 34,197,090</u>
<b>MILL LEVY</b>			
General	17.813	17.618	21.773
Debt Service	24.130	24.325	20.170
Total mill levy	<u>41.943</u>	<u>41.943</u>	<u>41.943</u>
<b>PROPERTY TAXES</b>			
General	\$ 622,425	\$ 607,752	\$ 744,573
Debt Service	843,155	839,118	689,756
Levied property taxes	1,465,580	1,446,870	1,434,329
Adjustments to actual/rounding	(6,267)	-	-
Budgeted property taxes	<u>\$ 1,459,313</u>	<u>\$ 1,446,870</u>	<u>\$ 1,434,329</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 619,763	\$ 607,752	\$ 744,573
Debt Service	839,550	839,118	689,756
	<u>\$ 1,459,313</u>	<u>\$ 1,446,870</u>	<u>\$ 1,434,329</u>

No assurance provided. See summary of significant assumptions.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 118,396	\$ 243,378	\$ 100,000
REVENUES			
Property taxes	619,763	607,752	744,573
Specific ownership taxes	29,544	29,316	37,229
Interest income	5,189	300	100
Total revenues	<u>654,496</u>	<u>637,368</u>	<u>781,902</u>
Total funds available	<u>772,892</u>	<u>880,746</u>	<u>881,902</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	9,370	9,116	11,169
Miscellaneous	220	200	200
Transfers to PTMD - Other	519,924	771,430	770,533
Total expenditures	<u>529,514</u>	<u>780,746</u>	<u>781,902</u>
Total expenditures and transfers out requiring appropriation	<u>529,514</u>	<u>780,746</u>	<u>781,902</u>
ENDING FUND BALANCE	<u>\$ 243,378</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
FUND BALANCE POLICY	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
TOTAL RESERVE	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

No assurance provided. See summary of significant assumptions.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 250,332	\$ 244,669	\$ 330,813
REVENUES			
Property taxes	839,550	839,118	689,756
Specific ownership taxes	40,021	40,476	34,488
Interest income	8,418	550	300
Total revenues	<u>887,989</u>	<u>880,144</u>	<u>724,544</u>
Total funds available	<u>1,138,321</u>	<u>1,124,813</u>	<u>1,055,357</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	12,693	12,587	10,346
Bond interest - Series 2016	283,738	278,094	272,044
Bond principal - Series 2016	215,000	220,000	225,000
Paying agent fees	2,500	2,500	2,500
Miscellaneous	101	943	3,890
Transfers to PTMD - Series 2010 Bonds	379,620	-	-
Transfers to PTMD - Series 2020 Bonds	-	279,876	285,220
Total expenditures	<u>893,652</u>	<u>794,000</u>	<u>799,000</u>
Total expenditures and transfers out requiring appropriation	<u>893,652</u>	<u>794,000</u>	<u>799,000</u>
ENDING FUND BALANCE	<u>\$ 244,669</u>	<u>\$ 330,813</u>	<u>\$ 256,357</u>
RESERVE FUND (Required 250,856)	\$ 250,332	\$ 250,856	\$ 250,856
RESERVE FOR FUTURE DEBT SERVICE	-	79,957	5,501
TOTAL RESERVE	<u>\$ 250,332</u>	<u>\$ 330,813</u>	<u>\$ 256,357</u>

No assurance provided. See summary of significant assumptions.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Water Valley Metropolitan District No. 1 (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. 2. 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 District Nos. 1 and 2 (Financing Districts) which 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 8, 1994, the voters approved general obligation indebtedness of \$6,590,000 for street system, \$450,000 for traffic and safety controls, \$3,175,000 for water system, \$3,415,000 for sanitation system, \$6,615,000 for parks and recreational facilities, \$795,000 for fire protection and \$525,000 for television relay system. The voters also approved an annual tax increase of \$1,700,000, or by such lesser annual amount as may be necessary to pay the District's general costs.

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**

**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 mill levy adopted by the District.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenue – (continued)**

**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 5% of the property taxes collected.

**Interest income**

Interest earned on the District's available funds has been estimated on an average interest rate of 0.20%.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**Transfer to Poudre Tech Metro District**

Property taxes generated from the 17.618 mills levied by the District for operations and maintenance, net of fees, are expected to be transferred to Poudre Tech Metropolitan District, the Operating District, which pays all administrative and operating expenditures of the District.

A portion of the property taxes generated from the 24.325 mills levied by the District for debt service, net of fees, are expected to be transferred to Poudre Tech Metropolitan District to pay for a portion of the debt service on the Series 2020 Bonds issued by Poudre Tech Metropolitan District.

**Debt Service**

Principal and interest payments are provided based on the attached debt amortization schedule from the General Obligation Refunding Bonds, Series 2016.

**Debt and Leases**

On January 31, 2014, the District entered into a Loan Agreement with First Western Trust Bank to obtain a loan in the aggregate original principal amount of up to \$7,210,000 (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 from the initial Loan funding were used to refund the Series 2004 and 2007 General Obligation Bonds, finance certain public improvements, and pay the costs of issuing the Loan.

On July 8, 2016, the District issued \$7,100,000 in General Obligation Refunding Bonds, Series 2016 (Bonds) to prepay the Loan described above.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

The 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 Bonds are due December 1, 2040, with an interest rate of 2.00%-5.25%, paid semiannually on June 1 and December 1. The Bonds maturing on and after December 1, 2035, 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 maturities), on December 1, 2026, and on any date thereafter, upon payment of par, and accrued interest thereon, without redemption premium. The 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.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve/Other Reserve**

The District has not provided for an emergency reserve equal to at least 3% of fiscal year spending for 2022, as defined under TABOR, because tax revenue is transferred to Poudre Tech Metropolitan District, the Operating District, which provides for the required reserve amount. However, 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.

**Debt Service Reserve**

The Series 2016 Bonds are secured by amounts on deposit in the Debt Service Reserve Fund which was funded from the bond proceeds in the amount of the reserve requirement of \$250,856.

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



**WATER VALLEY METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2022**

**\$7,100,000**  
**General Obligation Refunding Bonds, Series 2016**  
**Dated July 8, 2016**  
**Principal due December 1**  
**Interest Rate 2.0%-5.25% Payable**  
**June 1 and December 1**

<b>Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	225,000	272,044	497,044
2023	235,000	265,294	500,294
2024	240,000	257,950	497,950
2025	250,000	250,150	500,150
2026	260,000	241,712	501,712
2027	265,000	232,612	497,612
2028	275,000	222,012	497,012
2029	290,000	211,012	501,012
2030	300,000	199,412	499,412
2031	310,000	187,412	497,412
2032	325,000	175,013	500,013
2033	335,000	162,013	497,013
2034	350,000	148,613	498,613
2035	370,000	131,113	501,113
2036	385,000	112,613	497,613
2037	405,000	92,400	497,400
2038	430,000	71,138	501,138
2039	450,000	48,563	498,563
2040	475,000	24,938	499,938
	<b>\$ 6,175,000</b>	<b>\$ 3,306,014</b>	<b>\$ 9,481,014</b>

No assurance provided. See summary of significant assumptions.