

WATER VALLEY METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2024

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 438,293	\$ 392,033	\$ 362,192
REVENUES			
Property taxes	1,461,992	1,530,227	1,652,620
Specific ownership taxes	78,642	64,000	66,105
Interest income	6,904	14,700	14,000
Total revenues	<u>1,547,538</u>	<u>1,608,927</u>	<u>1,732,725</u>
Total funds available	<u>1,985,831</u>	<u>2,000,960</u>	<u>2,094,917</u>
EXPENDITURES			
General Fund	798,429	833,768	937,481
Debt Service Fund	795,369	805,000	801,000
Total expenditures	<u>1,593,798</u>	<u>1,638,768</u>	<u>1,738,480</u>
Total expenditures and transfers out requiring appropriation	<u>1,593,798</u>	<u>1,638,768</u>	<u>1,738,480</u>
ENDING FUND BALANCES	<u>\$ 392,033</u>	<u>\$ 362,192</u>	<u>\$ 356,437</u>
FUND BALANCE POLICY	\$ 100,000	\$ 100,000	\$ 100,000
RESERVE FUND (Required \$250,856)	250,856	250,856	250,856
RESERVE FOR FUTURE DEBT SERVICE	33,658	11,336	5,581
TOTAL RESERVE	<u>\$ 384,514</u>	<u>\$ 362,192</u>	<u>\$ 356,437</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/16/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 25,433,890	\$ 24,742,120	\$ 29,396,690
Commercial	5,275,260	5,835,210	7,528,930
Industrial	340,610	340,610	549,420
Agricultural	3,630	3,310	3,160
State assessed	9,110	6,740	6,520
Vacant land	128,430	128,430	195,760
Personal property	700,320	649,870	676,750
Oil and Gas	2,305,840	4,065,070	5,771,490
Certified Assessed Value	\$ 34,197,090	\$ 35,771,360	\$ 44,128,720

MILL LEVY

General	21.773	22.128	20.340
Debt Service	20.170	20.650	17.110
Total mill levy	41.943	42.778	37.450

PROPERTY TAXES

General	\$ 744,573	\$ 791,549	\$ 897,578
Debt Service	689,755	738,678	755,042
Levied property taxes	1,434,328	1,530,227	1,652,620
Adjustments to actual/rounding	27,664	-	-
Budgeted property taxes	\$ 1,461,992	\$ 1,530,227	\$ 1,652,620

BUDGETED PROPERTY TAXES

General	\$ 758,933	\$ 791,549	\$ 897,578
Debt Service	703,059	738,678	755,042
	\$ 1,461,992	\$ 1,530,227	\$ 1,652,620

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**WATER VALLEY METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 104,911	\$ 107,519	\$ 100,000
REVENUES			
Property taxes	758,933	791,549	897,578
Specific ownership taxes	40,824	33,000	35,903
Interest income	1,280	1,700	4,000
Total revenues	<u>801,037</u>	<u>826,249</u>	<u>937,481</u>
Total funds available	<u>905,948</u>	<u>933,768</u>	<u>1,037,481</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	11,367	11,873	13,464
Miscellaneous	49	100	200
Transfers to PTMD	787,013	821,795	923,817
Total expenditures	<u>798,429</u>	<u>833,768</u>	<u>937,481</u>
Total expenditures and transfers out requiring appropriation	<u>798,429</u>	<u>833,768</u>	<u>937,481</u>
ENDING FUND BALANCES	<u>\$ 107,519</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>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/16/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 333,382	\$ 284,514	\$ 262,192
REVENUES			
Property taxes	703,059	738,678	755,042
Specific ownership taxes	37,818	31,000	30,202
Interest income	5,624	13,000	10,000
Total revenues	<u>746,501</u>	<u>782,678</u>	<u>795,244</u>
Total funds available	<u>1,079,883</u>	<u>1,067,192</u>	<u>1,057,436</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	10,530	11,080	11,326
Miscellaneous	75	4,895	3,992
Paying agent fees	2,500	2,500	2,500
Debt Service			
Bond interest	272,044	265,294	257,950
Bond Principal	225,000	235,000	240,000
Transfers to PTMD - Series 2020 Bonds	285,220	286,231	285,232
Total expenditures	<u>795,369</u>	<u>805,000</u>	<u>801,000</u>
Total expenditures and transfers out requiring appropriation	<u>795,369</u>	<u>805,000</u>	<u>801,000</u>
ENDING FUND BALANCES	<u>\$ 284,514</u>	<u>\$ 262,192</u>	<u>\$ 256,437</u>
RESERVE FUND (Required \$250,856)	\$ 250,856	\$ 250,856	\$ 250,856
RESERVE FOR FUTURE DEBT SERVICE	33,658	11,336	5,581
TOTAL RESERVE	<u>\$ 284,514</u>	<u>\$ 262,192</u>	<u>\$ 256,437</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

WATER VALLEY METROPOLITAN DISTRICT NO. 1
2024 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
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenue – (continued)

Property Taxes (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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 4% of the property taxes collected.

Interest income

Interest earned on the District's available funds has been estimated on an average interest rate of 4%.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.50% of property taxes.

Transfer to Poudre Tech Metro District

Property taxes generated from the 20.340 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 17.110 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.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

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 2024, 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.

**WATER VALLEY METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves – (continued)

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, 2024

\$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

Year Ended December 31,	Principal		Interest		Total
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
	\$	5,715,000	\$	2,768,676	\$ 8,483,676

No assurance provided. See summary of significant assumptions.