

SPRING VALLEY METROPOLITAN DISTRICT NO. 3

2022 Budget Message

Introduction

The District was formed in July of 2004 for the purpose of providing planning, design, acquisition, construction, installation, relocation and financing of streets, water system, sanitary sewer system, safety protection, transportation, television relay and translation, mosquito control, limited fire protection services, drainage and storm water improvements, and parks and recreation improvements ("Public Improvements").

The 2022 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2022 fiscal year based on available revenues. This budget provides for the annual debt service on the District's general obligation debt and the general operation of the District. The Board of Directors authorized adjustment of the District mill levy in accordance with the Colorado Constitution, Article X, Section 3 (the "Gallagher Adjustment"). The Gallagher Adjustment and the District's Service Plan authorize an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2005, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%) for property taxes commencing on and after January 1, 2019. In November 2020, voters agreed to Repeal the Gallagher Amendment by approving Amendment B. The Gallagher Adjustment for the District allows for a total mill levy imposition, as noted in the following paragraph, so the District's revenue is neither diminished nor enhanced.

The District's assessed value is \$2,403,795. The District certified 66.796 mills for taxes collected in the 2022 fiscal year with 2.783 mills dedicated to the General Fund, 8.349 mills transferred to District No.1 for overlapping operations, and 55.664 mills dedicated to the Debt Service Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include District administration, legal services, developer repayments, and other expenses related to statutory operations of a local government.

The **Debt Service Fund** is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt service which includes principal payments, interest payments, and administrative costs associated with debt obligations.

Emergency Reserve

As required under Article X, Section 20 of the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

Spring Valley Metropolitan District No. 3
Statement of Net Position
September 30, 2021

	General Fund	Debt Service Fund	Capital Fund	Fixed Assets & LTD	TOTAL ALL FUNDS
ASSETS					
CASH					
First Bank	404,718				404,718
ColoTrust	46,312				46,312
UMB- Bond Payment Fund		102,107			102,107
UMB- Reserve Fund		324,776			324,776
UMB- Surplus Fund		407,533			407,533
UMB- 2020A Project Fund			148,210		148,210
UMB- 2020B Project Fund			-		-
UMB-2020B Bond Fund		221,485			221,485
UMB-2020B Interest Fund		-			-
Inter-Fund Balances	(452,099)	483,002	(30,903)		-
TOTAL CASH	(1,069)	1,538,903	117,306	-	1,655,141
OTHER CURRENT ASSETS					
Prepaid Expenses	450				450
A/R- Tap & Facilities Fees		-			-
Due From County Treasurer	-	-			-
Due From District #1	-	-			-
Due From District #2		-			-
Property Taxes Receivable	-	-			-
TOTAL OTHER CURRENT ASSETS	450	-	-	-	450
TOTAL ASSETS	(619)	1,538,903	117,306	-	1,655,591
LIABILITIES & DEFERED INFLOWS					
CURRENT LIABILITIES					
Accounts Payable	10,112				10,112
Due to District #1			-		-
Due to District #4					
TOTAL CURRENT LIABILITIES	10,112	-	-	-	10,112
DEFERRED INFLOWS					
Deferred Property Taxes	-	-			-
TOTAL DEFERRED INFLOWS	-	-	-	-	-
LONG-TERM LIABILITIES					
Bonds Payable-Series 2020A				4,075,000	4,075,000
Bonds Payable-Series 2020B				2,661,000	2,661,000
Bond Premium, Net				131,438	131,438
Due to Developer				40,000	40,000
Accrued Interest				26,480	26,480
TOTAL LONG-TERM LIABILITIES	-	-	-	6,933,918	6,933,918
TOTAL LIAB & DEF INFLOWS	10,112	-	-	6,933,918	6,944,030
NET POSITION					
Net Investment in Capital Assets					-
Amount to be Provided for Debt				(6,933,918)	(6,933,918)
Fund Balance- Nonspendable	450				450
Fund Balance- Restricted	1,635	1,538,903	117,306		1,657,845
Fund Balance- Unassigned	(12,816)				(12,816)
TOTAL NET POSITION	(10,730)	1,538,903	117,306	(6,933,918)	(5,288,439)
	=	=	=	=	=

Spring Valley Metropolitan District No. 3
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 12/13/21

	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	YTD Thru 09/30/21 Actual	YTD Thru 09/30/21 Budget	Variance Favorable (Unfavor)	2022 Adopted Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	130,020	1,030,200	1,030,200	1,030,200			2,403,795	November Final AV per County	
Mill Levy Breakdown:									
Operations	0.000	2.783	2.783	2.783			2.783	2.5 Mills Gallagherized	
Contractual Obligations (Trfr to #1)	11.132	8.349	8.349	8.349			8.349	7.5 Mills Gallagherized	
Debt Service	55.664	55.664	55.664	55.664			55.664	50 Mills Gallagherized	
Total Mills Levied	66.796	66.796	66.796	66.796			66.796		
Property Tax Breakdown:									
Operations	-	2,867	2,867	2,867			6,690	AV * Mill Levy / 1,000	
Contractual Obligations (Trfr to #1)	1,447	8,601	8,601	8,601			20,069	AV * Mill Levy / 1,000	
Debt Service	7,237	57,345	57,345	57,345			133,805	AV * Mill Levy / 1,000	
Total Taxes Levied	8,685	68,813	68,813	68,813			160,564		

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Print Date: 12/13/21

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COMBINED FUNDS									
REVENUE									
Property Taxes	8,686	68,813	68,813	68,813	68,814	68,813	1	160,564	AV * Mill Levy / 1,000
Specific Ownership Taxes	1,540	11,699	11,699	11,699	7,225	7,799	(575)	25,690	16% of Taxes
Tap & Facilities Fees	903,494	362,700	1,148,550	1,151,807	403,000	362,700	40,300	1,329,900	See Debt Service Fund
Interest	32,317	15,000	25,000	1,810	1,196	11,250	(10,054)	20,000	
TOTAL REVENUE	946,036	458,212	1,254,062	1,234,129	480,234	450,563	29,672	1,536,154	
EXPENDITURES									
Administration	28,315	83,594	83,594	45,909	27,504	64,469	36,965	79,003	See General Fund Detail
Operations	-	-	-	-	-	-	-	-	See General Fund Detail
Transfer to District #3- Operations	1,085	8,601	8,601	8,601	8,601	8,601	(0)	20,069	Contractual Obligations Taxes
Debt Service	378,696	887,655	1,671,175	1,641,955	110,708	113,595	2,887	1,522,994	See Debt Service Fund
Capital Outlay	2,079	10,000	10,000	400	197	7,500	7,303	10,000	See Capital Fund
TOTAL EXPENDITURES	410,176	989,851	1,773,371	1,696,866	147,010	194,166	47,156	1,632,066	
REVENUE OVER / (UNDER) EXP	535,860	(531,638)	(519,308)	(462,737)	333,225	256,397	76,828	(95,912)	
OTHER SOURCES / (USES)									
Bond Proceeds	6,736,000	-	-	-	-	-	-	-	
Bond Premium	136,676	-	-	-	-	-	-	-	
Developer Advances	35,000	80,000	80,000	45,000	5,000	60,000	(55,000)	70,000	To Cover General Fund Deficit
Transfer to District #3- Capital	(3,936,513)	(1,888,934)	(1,980,513)	(1,971,113)	(1,853,734)	(1,888,934)	35,200	-	Funding for District #1 Capital
Bond Cost of Issuance	(465,769)	-	-	-	-	-	-	-	
Interfund Transfers	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	2,505,394	(1,808,934)	(1,900,513)	(1,926,113)	(1,848,734)	(1,828,934)	(19,800)	70,000	
CHANGE IN FUND BALANCE	3,041,254	(2,340,572)	(2,419,821)	(2,388,850)	(1,515,509)	(1,572,537)	57,028	(25,912)	
BEGINNING FUND BALANCE	119,735	3,078,183	3,156,482	3,160,989	3,160,989	3,078,183	82,806	772,139	
ENDING FUND BALANCE	3,160,989	737,610	736,661	772,139	1,645,479	1,505,645	139,834	746,227	
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
Nonspendable	2,970	-	-	-	450	-	450	-	
TABOR Emergency Reserve	882	-	-	1,635	1,635	-	1,635	-	
Restricted- Debt Service	1,182,781	733,199	732,250	760,526	1,538,903	1,502,759	36,144	732,646	
Restricted- Capital Projects	1,970,513	-	-	-	117,306	-	117,306	-	
Unassigned/ Other	3,843	4,411	4,411	9,978	(12,816)	2,886	(15,702)	13,581	
TOTAL ENDING FUND BALANCE	3,160,989	737,610	736,661	772,139	1,645,479	1,505,645	139,834	746,227	
=	=	=	=	=	=	=	=	=	

No assurance is provided on these financial statements;
 substantially all disclosures required by GAAP omitted.

Spring Valley Metropolitan District No. 3
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 12/13/21

	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	YTD Thru 09/30/21 Actual	YTD Thru 09/30/21 Budget	Variance Favorable (Unfavor)	2022 Adopted Budget	Notes/Assumptions
GENERAL FUND									
REVENUE									
Property Taxes- Operations		2,867	2,867	2,867	2,867	2,867	0	6,690	AV * Mill Levy / 1,000
Property Taxes- Contractual Obligations	1,448	8,601	8,601	8,601	8,601	8,601	0	20,069	AV * Mill Levy / 1,000
Specific Ownership Taxes	257	1,950	1,950	1,950	1,204	1,300	(96)	4,281	16% of Taxes
Interest Income	0	-	-	10	7	-	7	-	
TOTAL REVENUE	1,704	13,418	13,418	13,428	12,680	12,768	(89)	31,040	
EXPENDITURES									
Administration									
Accounting	9,188	15,000	15,000	15,000	8,738	10,625	1,887	15,500	Based on 2021 Forecast
Audit	-	7,000	7,000	6,000	6,000	7,000	1,000	6,200	Based on 2021 Forecast
Election	1,038	-	-	-	-	-	-	2,500	Assume Canceled
Insurance	2,057	2,250	2,250	3,565	3,565	2,250	(1,315)	4,000	Based on 2021 Forecast
Legal	7,061	15,000	15,000	10,000	3,751	11,250	7,499	10,500	Based on 2021 Forecast
Management	8,477	15,000	15,000	10,000	4,393	11,250	6,857	10,500	Based on 2021 Forecast
Miscellaneous	483	1,000	1,000	1,000	713	750	37	1,000	Based on 2021 Forecast
Treasurer's Fees	12	344	344	344	344	344	(0)	803	3% of Property Taxes
Transfer to District 1	1,085	8,601	8,601	8,601	8,601	8,601	(0)	20,069	Contractual Obligations Taxes
Emergency Reserve		3,000	3,000	-		2,250	2,250	3,000	3% of Revenue & Dev Advances
Contingency		25,000	25,000	-		18,750	18,750	25,000	Unforeseen Needs
Total Administration	29,401	92,195	92,195	54,510	36,105	73,070	36,965	99,072	
Operations									
Road Maintenance	-	-	-	-	-	-	-	-	Performed by District No. 1
Stormwater Maintenance	-	-	-	-	-	-	-	-	Performed by District No. 1
Total Operations	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	29,401	92,195	92,195	54,510	36,105	73,070	36,965	99,072	
REVENUE OVER / (UNDER) EXP	(27,696)	(78,777)	(78,777)	(41,082)	(23,425)	(60,302)	36,877	(68,032)	
OTHER SOURCES / (USES)									
Developer Advance	35,000	80,000	80,000	45,000	5,000	60,000	(55,000)	70,000	To Cover Shortfall
TOTAL OTHER SOURCES / (USES)	35,000	80,000	80,000	45,000	5,000	60,000	(55,000)	70,000	
CHANGE IN FUND BALANCE	7,304	1,223	1,223	3,918	(18,425)	(302)	(18,123)	1,968	
BEGINNING FUND BALANCE	391	3,188	3,188	7,695	7,695	3,188	4,506	11,613	
ENDING FUND BALANCE	7,695	4,411	4,411	11,613	(10,730)	2,886	(13,617)	13,581	
	=	=	=	=	=	=	=	=	

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Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	YTD Thru 09/30/21 Actual	YTD Thru 09/30/21 Budget	Variance Favorable (Unfavor)	2022 Adopted Budget	Notes/Assumptions
DEBT SERVICE FUND									
Number of Tap/Fac Fees Collected	45	18	57	57	20			66	Assume All Collected By End of 2022
REVENUE									
Property Taxes	7,238	57,345	57,345	57,345	57,346	57,345	1	133,805	AV * Mill Levy / 1,000
Specific Ownership Taxes	1,283	9,749	9,749	9,749	6,021	6,499	(479)	21,409	16% of Taxes
Facilities Fees (3,950 Each)	173,800	71,100	225,150	225,788	79,000	71,100	7,900	260,700	\$3,950 per unit
Tap Fees (\$16,200 Each)	729,694	291,600	923,400	926,018	324,000	291,600	32,400	1,069,200	\$16,200 per unit
Interest Income	3,739	5,000	5,000	800	464	3,750	(3,286)	10,000	To Allow For Contingency
TOTAL REVENUE	915,754	434,794	1,220,644	1,219,701	466,830	430,294	36,536	1,495,114	
EXPENDITURES									
Bond Principal- Series 2020A	-	-	-	-	-	-	-	-	Per Amortization Schedule
Bond Interest- Series 2020A	170,924	203,750	203,750	203,750	101,875	101,875	-	203,750	Per Amortization Schedule
Bond Principal- Series 2020B	-	446,000	1,203,000	1,203,000	-	-	-	1,174,000	Funds Available
Bond Interest- Series 2020B	198,540	226,185	226,185	226,185	-	-	-	123,930	Funds Available
Paying Agent Fees	9,000	10,000	10,000	7,000	7,000	10,000	3,000	7,000	Series A & B
Bank Fees	172	-	-	300	113	-	(113)	300	Based on 2021 Forecast
Treasurer's Fees	61	1,720	1,720	1,720	1,720	1,720	(0)	4,014	3% of Property Taxes
Contingency	-	-	26,520	-	-	-	-	10,000	Unforeseen Needs
TOTAL EXPENDITURES	378,696	887,655	1,671,175	1,641,955	110,708	113,595	2,887	1,522,994	
REVENUE OVER / (UNDER) EXP	537,057	(452,861)	(450,531)	(422,255)	356,122	316,699	39,423	(27,880)	
OTHER SOURCES / (USES)									
Transfer From Capital Fund	504,674	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	504,674	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	1,041,731	(452,861)	(450,531)	(422,255)	356,122	316,699	39,423	(27,880)	
BEGINNING FUND BALANCE	141,050	1,186,060	1,182,781	1,182,781	1,182,781	1,186,060	(3,279)	760,526	
ENDING FUND BALANCE	1,182,781	733,199	732,250	760,526	1,538,903	1,502,759	36,144	732,646	See Breakout Below
COMPONENTS OF FUND BALANCE									
Reserve Fund	324,860	324,750	324,750	324,750	324,776			324,750	\$324,750 Minimum
Surplus	407,539	407,500	407,500	407,500	407,533			407,500	\$407,500 Maximum
Senior Bond Payment Fund	216,830	-	-	-	102,107			-	
Subordinate Bond Payment Fund	208,198	949	(0)	28,276	221,485			396	
Interfund Balances	25,354	-	-	-	483,002			-	
TOTAL FUND BALANCE	1,182,781	733,199	732,250	760,526	1,538,903			732,646	
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Spring Valley Metropolitan District No. 3
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 12/13/21

	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	YTD Thru 09/30/21 Actual	YTD Thru 09/30/21 Budget	Variance Favorable (Unfavor)	2022 Adopted Budget	Notes/Assumptions
CAPITAL FUND									
REVENUE									
Interest income	28,578	10,000	20,000	1,000	724	7,500	(6,776)	10,000	
TOTAL REVENUE	28,578	10,000	20,000	1,000	724	7,500	(6,776)	10,000	
EXPENDITURES									
Bank Fees	2,079	3,000	3,000	400	197	2,250	2,053	-	
Contingency		7,000	7,000	-		5,250	5,250	10,000	
TOTAL EXPENDITURES	2,079	10,000	10,000	400	197	7,500	7,303	10,000	
REVENUE OVER / (UNDER) EXP	26,498	-	10,000	600	528	-	528	-	
OTHER SOURCES / (USES)									
Bond Proceeds	6,736,000	-	-	-	-	-	-	-	
Bond Premium	136,676	-	-	-	-	-	-	-	
Bond Issuance Costs	(465,769)	-	-	-	-	-	-	-	
Transfer To Debt Service Fund	(504,674)	-	-	-	-	-	-	-	
Transfer to District #1 For Capital	(3,936,513)	(1,888,934)	(1,980,513)	(1,971,113)	(1,853,734)	(1,888,934)	35,200	-	Funding for District #1 Capital
TOTAL OTHER SOURCES / (USES)	1,965,720	(1,888,934)	(1,980,513)	(1,971,113)	(1,853,734)	(1,888,934)	35,200	-	
CHANGE IN FUND BALANCE	1,992,219	(1,888,934)	(1,970,513)	(1,970,513)	(1,853,207)	(1,888,934)	35,728	-	
BEGINNING FUND BALANCE	(21,706)	1,888,934	1,970,513	1,970,513	1,970,513	1,888,934	81,579	-	
ENDING FUND BALANCE	1,970,513	-	-	-	117,306	-	117,306	-	
	=	=	=		=	=	=	=	