

# SPRING VALLEY METROPOLITAN DISTRICT NO. 4

## 2022 Budget Message

### Introduction

The District was formed in February of 2006 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 Amended and Restated 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, 2019, 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 \$9,060. The District certified 76.586 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 65.454 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. 4  
Statement of Net Position  
September 30, 2021

	General Fund	Debt Service Fund	Fixed Assets & LTD	TOTAL ALL FUNDS
<b>ASSETS</b>				
<b>CASH</b>				
First Bank	1,549			1,549
ColoTrust	624			624
UMB- Series A Bond Pmt Fund		920		920
UMB-Series A Reserve Fund		723,309		723,309
UMB-Series A Project Fund		-		-
UMB-Series A Surplus Fund		-		-
UMB-Series B Project Fund		4,540,734		4,540,734
Inter-Fund Balances	6,024	(6,024)		-
<b>TOTAL CASH</b>	<b>8,197</b>	<b>5,258,939</b>	<b>-</b>	<b>5,267,136</b>
<b>OTHER CURRENT ASSETS</b>				
Accounts Receivable - Misc		-		-
Prepaid Expenses	450			450
A/R- Tap & Facilities Fees		-		-
Due From District #3	-			-
Due From County Treasurer	-	-		-
Property Taxes Receivable	-	-		-
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>450</b>
<b>TOTAL ASSETS</b>	<b>8,647</b>	<b>5,258,939</b>	<b>-</b>	<b>5,267,586</b>
<b>LIABILITIES &amp; DEFERED INFLOWS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	19,424			19,424
Due To District #1	9,792	-		9,792
<b>TOTAL CURRENT LIABILITIES</b>	<b>29,215</b>	<b>-</b>	<b>-</b>	<b>29,215</b>
<b>DEFERRED INFLOWS</b>				
Deferred Property Taxes	-	-		-
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LONG-TERM LIABILITIES</b>				
Bonds Payable-Series 2020A			9,140,000	9,140,000
Bonds Payable-Series 2020B			5,621,000	5,621,000
Bond Premium			26,923	26,923
Developer Payable			55,000	55,000
Accrued Interest			203,085	203,085
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>15,046,008</b>	<b>15,046,008</b>
<b>TOTAL LIAB &amp; DEF INFLOWS</b>	<b>29,215</b>	<b>-</b>	<b>15,046,008</b>	<b>15,075,224</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets				-
Amount to be Provided for Debt			(15,046,008)	(15,046,008)
Fund Balance- Nonspendable	450			450
Fund Balance- Restricted	1,644	5,258,939		5,260,583
Fund Balance-Assigned				-
Fund Balance- Unassigned	(22,663)			(22,663)
<b>TOTAL NET POSITION</b>	<b>(20,569)</b>	<b>5,258,939</b>	<b>(15,046,008)</b>	<b>(9,807,638)</b>
	=	=	=	=

Spring Valley Metropolitan District No. 4  
 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
<b>PROPERTY TAXES</b>									
Assessed Valuation	11,250	6,470	6,470	6,470				9,060	November Final AV per County
<b>Mill Levy Breakdown:</b>									
Operations	76.132	2.783	2.783	2.783				2.783	2.5 Mills Gallagherized
Contractual Obligations (Trfr to #1)	0.000	8.349	8.349	8.349				8.349	7.5 Mills Gallagherized
Debt Service	0.000	65.454	65.454	65.454				65.454	65 Mills Gallagherized
<b>Total Mills Levied</b>	<b>76.132</b>	<b>76.586</b>	<b>76.586</b>	<b>76.586</b>				<b>76.586</b>	
<b>Property Tax Breakdown:</b>									
Operations	856	18	18	18				25	AV * Mill Levy / 1,000
Contractual Obligations (Trfr to #1)	-	54	54	54				76	AV * Mill Levy / 1,000
Debt Service	-	423	423	423				593	AV * Mill Levy / 1,000
<b>Total Taxes Levied</b>	<b>856</b>	<b>496</b>	<b>496</b>	<b>496</b>				<b>694</b>	

Spring Valley Metropolitan District No. 4  
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<b>COMBINED FUNDS</b>									
<b>REVENUE</b>									
Property Taxes	856	137	137	496	496	137	358	694	AV * Mill Levy / 1,000
Specific Ownership Taxes	151	23	23	84	63	20	43	111	16% of Taxes
Tap & Facilities Fees	-	1,007,500	1,007,500	-	-	604,500	(604,500)	403,000	See Debt Service Fund
Interest	9,300	-	20,000	7,000	4,506	-	4,506	12,000	
<b>TOTAL REVENUE</b>	<b>10,308</b>	<b>1,007,660</b>	<b>1,027,660</b>	<b>7,580</b>	<b>5,064</b>	<b>604,657</b>	<b>(599,593)</b>	<b>415,805</b>	
<b>EXPENDITURES</b>									
Administration	39,119	81,627	81,627	54,755	34,351	62,629	28,277	87,303	See General Fund Detail
Transfer to District #3- Operations	642	54	54	54	-	54	54	76	Contractual Obligations Taxes
Debt Service	141,368	484,777	484,777	473,788	240,306	240,014	(291)	482,793	See Debt Service Fund
<b>TOTAL EXPENDITURES</b>	<b>181,129</b>	<b>566,458</b>	<b>566,458</b>	<b>528,597</b>	<b>274,657</b>	<b>302,697</b>	<b>28,040</b>	<b>570,172</b>	
<b>REVENUE OVER / (UNDER) EXP</b>	<b>(170,821)</b>	<b>441,203</b>	<b>461,203</b>	<b>(521,017)</b>	<b>(269,593)</b>	<b>301,960</b>	<b>(571,553)</b>	<b>(154,367)</b>	
<b>OTHER SOURCES / (USES)</b>									
Bond Proceeds	14,761,000	-	-	-	-	-	-	-	
Bond Premium	27,257	-	-	-	-	-	-	-	
Developer Advances	45,000	83,000	83,000	57,000	10,000	62,603	(52,603)	88,000	To Cover General Fund Deficit
Transfer to District #3- Capital	(2,379,955)	(10,622,036)	(10,698,536)	(10,678,536)	(6,119,999)	(9,243,125)	3,123,126	-	Funding for District #1 Capital
Bond Cost of Issuance	(651,712)	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>11,801,590</b>	<b>(10,539,036)</b>	<b>(10,615,536)</b>	<b>(10,621,536)</b>	<b>(6,109,999)</b>	<b>(9,180,522)</b>	<b>3,070,524</b>	<b>88,000</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>11,630,769</b>	<b>(10,097,834)</b>	<b>(10,154,333)</b>	<b>(11,142,553)</b>	<b>(6,379,591)</b>	<b>(8,878,562)</b>	<b>2,498,971</b>	<b>(66,367)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>(12,807)</b>	<b>11,585,076</b>	<b>11,617,213</b>	<b>11,617,962</b>	<b>11,617,962</b>	<b>11,585,076</b>	<b>32,886</b>	<b>475,408</b>	
<b>ENDING FUND BALANCE</b>	<b>11,617,962</b>	<b>1,487,242</b>	<b>1,462,879</b>	<b>475,408</b>	<b>5,238,370</b>	<b>2,706,514</b>	<b>2,531,857</b>	<b>409,041</b>	See Breakout Below
<b>COMPONENTS OF FUND BALANCE</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	
Nonspendable	-	-	-	-	-	-	-	-	
TABOR Emergency Reserve	1,193	-	-	1,644	1,644	-	-	-	
Restricted- Debt Service	935,725	1,482,887	1,458,524	469,432	718,205	-	-	402,328	
Restricted- Capital Projects	10,678,536	-	-	-	4,540,734	-	-	-	
Unassigned/ Other	2,508	4,355	4,355	4,332	(22,213)	-	-	6,714	
<b>TOTAL ENDING FUND BALANCE</b>	<b>11,617,962</b>	<b>1,487,242</b>	<b>1,462,879</b>	<b>475,408</b>	<b>5,238,370</b>	<b>2,706,514</b>	<b>2,531,857</b>	<b>409,041</b>	
	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	

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

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
<b>GENERAL FUND</b>									
<b>REVENUE</b>									
Property Taxes- Operations	856	18	18	18	18	18	0	25	AV * Mill Levy / 1,000
Property Taxes- Contractual Obligations	-	54	54	54	54	54	0	76	AV * Mill Levy / 1,000
Specific Ownership Taxes	151	12	12	12	10	8	2	16	16% of Taxes
Interest Income	-	-	-	-	-	-	-	-	
<b>TOTAL REVENUE</b>	<b>1,007</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>82</b>	<b>80</b>	<b>2</b>	<b>117</b>	
<b>EXPENDITURES</b>									
Accounting	5,942	15,000	15,000	15,000	7,683	10,625	2,942	15,500	Based on 2021 Forecast
Audit	56	5,000	5,000	6,000	6,000	5,000	(1,000)	6,200	Based on 2021 Forecast
District Management	10,257	15,000	15,000	12,000	5,790	11,250	5,460	12,500	Based on 2021 Forecast
Election	1,248	-	-	-	-	-	-	2,500	Assume Canceled
Insurance	2,594	3,125	3,125	3,553	3,553	3,125	(428)	3,900	Based on 2021 Forecast
Legal	18,599	15,000	15,000	17,000	10,594	11,250	656	17,500	Based on 2021 Forecast
Miscellaneous	396	500	500	1,200	732	375	(357)	1,200	Based on 2021 Forecast
Treasurer's Fees	26	2	2	2	0	4	4	3	3% of property taxes
Transfer to #1 For Operations	642	54	54	54	-	54	54	76	Contractual Obligations Taxes
Emergencies		3,000	3,000	-		2,250	2,250	3,000	3% of Revenues
Contingency		25,000	25,000	-		18,750	18,750	25,000	Unforeseen Needs
<b>TOTAL EXPENDITURES</b>	<b>39,761</b>	<b>81,681</b>	<b>81,681</b>	<b>54,809</b>	<b>34,351</b>	<b>62,683</b>	<b>28,331</b>	<b>87,379</b>	
<b>REVENUE OVER / (UNDER) EXP</b>	<b>(38,754)</b>	<b>(81,597)</b>	<b>(81,597)</b>	<b>(54,725)</b>	<b>(34,270)</b>	<b>(62,603)</b>	<b>28,333</b>	<b>(87,262)</b>	
<b>OTHER SOURCES / (USES)</b>									
Developer Advance	45,000	83,000	83,000	57,000	10,000	62,603	(52,603)	88,000	To Cover Shortfall
Transfer to Debt Service Fund	(3,427)	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>41,573</b>	<b>83,000</b>	<b>83,000</b>	<b>57,000</b>	<b>10,000</b>	<b>62,603</b>	<b>(52,603)</b>	<b>88,000</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>2,820</b>	<b>1,403</b>	<b>1,403</b>	<b>2,275</b>	<b>(24,270)</b>	<b>-</b>	<b>(24,270)</b>	<b>738</b>	
<b>BEGINNING FUND BALANCE</b>	<b>881</b>	<b>2,952</b>	<b>2,952</b>	<b>3,701</b>	<b>3,701</b>	<b>2,952</b>	<b>749</b>	<b>5,976</b>	
<b>ENDING FUND BALANCE</b>	<b>3,701</b>	<b>4,355</b>	<b>4,355</b>	<b>5,976</b>	<b>(20,569)</b>	<b>2,952</b>	<b>(23,521)</b>	<b>6,714</b>	
<b>COMPONENTS OF FUND BALANCE</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	
Nonspendable	2,968	-	-	3,900	450			4,095	Prepaid Insurance
TABOR Emergency Reserve	1,193	-	-	1,644	1,644			-	
Unassigned/ Other	(460)	4,355	4,355	431	(22,663)			2,619	
<b>TOTAL ENDING FUND BALANCE</b>	<b>3,701</b>	<b>4,355</b>	<b>4,355</b>	<b>5,976</b>	<b>(20,569)</b>			<b>6,714</b>	
	=	=	=	=	=	=	=	=	

Spring Valley Metropolitan District No. 4  
 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
<b>DEBT SERVICE FUND</b>									
Homes Constructed	-	50	50	-	-	-	-	20	Developer Estimate
<b>REVENUE</b>									
Property Taxes	-	65	65	423	423	65	358	593	AV * Mill Levy / 1,000
Specific Ownership Taxes	-	11	11	72	54	12	42	95	16% of Taxes
Facilities Fees (3,950 Each)	-	197,500	197,500	-	-	118,500	(118,500)	79,000	\$3,950 per unit
Tap Fees (\$16,200 Each)	-	810,000	810,000	-	-	486,000	(486,000)	324,000	\$16,200 per unit
Interest Income	9,300	-	20,000	7,000	4,506	-	4,506	12,000	\$2K plus \$10K Contingency
<b>TOTAL REVENUE</b>	<b>9,300</b>	<b>1,007,576</b>	<b>1,027,576</b>	<b>7,495</b>	<b>4,983</b>	<b>604,577</b>	<b>(599,595)</b>	<b>415,688</b>	
<b>EXPENDITURES</b>									
Bond Principal- Series 2020A	-	-	-	-	-	-	-	-	
Bond Interest- Series 2020A	140,572	464,275	464,275	464,275	232,138	232,138	-	464,275	Per Amortization Schedule
Bond Principal- Series 2020B	-	-	-	-	-	-	-	-	No Projected Funds Available
Bond Interest- Series 2020B	-	-	-	-	-	-	-	-	No Projected Funds Available
Paying Agent Fees	-	10,000	10,000	7,000	7,000	-	(7,000)	7,000	Based on 2021 Forecast
Bank Fees	796	500	500	2,500	1,168	375	(793)	1,500	Based on 2021 Forecast
Treasurer's Fees	-	2	2	13	0	2	2	18	3% of property taxes
Contingency	-	10,000	10,000	-	-	7,500	7,500	10,000	Unforeseen Needs
<b>TOTAL EXPENDITURES</b>	<b>141,368</b>	<b>484,777</b>	<b>484,777</b>	<b>473,788</b>	<b>240,306</b>	<b>240,014</b>	<b>(291)</b>	<b>482,793</b>	
<b>REVENUE OVER / (UNDER) EXP</b>	<b>(132,067)</b>	<b>522,799</b>	<b>542,799</b>	<b>(466,292)</b>	<b>(235,323)</b>	<b>364,563</b>	<b>(599,886)</b>	<b>(67,105)</b>	
<b>OTHER SOURCES / (USES)</b>									
Bond Proceeds	14,761,000	-	-	-	-	-	-	-	
Bond Premium	27,257	-	-	-	-	-	-	-	
Cost of Issuance	(651,712)	-	-	-	-	-	-	-	
Transfer to #1 For Capital	(2,379,955)	(10,622,036)	(10,698,536)	(10,678,536)	(6,119,999)	(9,243,125)	3,123,126	-	Funding for District #1 Capital
Transfer From General Fund	3,427	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>11,760,017</b>	<b>(10,622,036)</b>	<b>(10,698,536)</b>	<b>(10,678,536)</b>	<b>(6,119,999)</b>	<b>(9,243,125)</b>	<b>3,123,126</b>	<b>-</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>11,627,949</b>	<b>(10,099,237)</b>	<b>(10,155,737)</b>	<b>(11,144,828)</b>	<b>(6,355,322)</b>	<b>(8,878,562)</b>	<b>2,523,240</b>	<b>(67,105)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>(13,689)</b>	<b>11,582,124</b>	<b>11,614,261</b>	<b>11,614,261</b>	<b>11,614,261</b>	<b>11,582,124</b>	<b>32,137</b>	<b>469,432</b>	
<b>ENDING FUND BALANCE</b>	<b>11,614,261</b>	<b>1,482,887</b>	<b>1,458,524</b>	<b>469,432</b>	<b>5,258,939</b>	<b>2,703,562</b>	<b>2,555,377</b>	<b>402,328</b>	
<b>COMPONENTS OF FUND BALANCE:</b>									
Capitalized Interest/ Bond Payment	232,591	-	-	-	920	-	-	-	Used to Make 2021 Payments
Reserve Fund	723,495	723,250	723,250	469,432	723,309	-	-	402,328	\$723,250- Draw to Make Payments
Capital Projects Fund	10,678,536	-	-	-	4,540,734	-	-	-	Assumed Used on #1 Projects
Surplus Fund	-	759,637	735,274	-	-	-	-	-	Build to Max of \$914,000
Interfund & Other Balances	(20,361)	-	-	-	(6,024)	-	-	-	
<b>TOTAL FUND BALANCE</b>	<b>11,614,261</b>	<b>1,482,887</b>	<b>1,458,524</b>	<b>469,432</b>	<b>5,258,939</b>	<b>2,703,562</b>	<b>2,555,377</b>	<b>402,328</b>	

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