

# SPRING VALLEY METROPOLITAN DISTRICT NO. 5

## 2022 Budget Message

### Introduction

The District was formed in February of 2021 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 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 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 \$4,640. The District certified 76.586 mills for taxes collected in the 2022 fiscal year with 68.237 mills dedicated to the General Fund, and 8.349 mills transferred to District No.1 for overlapping operations.

### 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.

**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. 5  
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	1,867			1,867
ColoTrust	-			-
Inter-Fund Balances	-			-
<b>TOTAL CASH</b>	<b>1,867</b>	-	-	<b>1,867</b>
<b>OTHER CURRENT ASSETS</b>				
Accounts Receivable - Misc				-
Prepaid Expenses	-			-
Due From County Treasurer	-	-		-
Property Taxes Receivable	-	-		-
<b>TOTAL OTHER CURRENT ASSETS</b>	-	-	-	-
<b>TOTAL ASSETS</b>	<b>1,867</b>	-	-	<b>1,867</b>
<b>LIABILITIES &amp; DEFERRED INFLOWS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	3,593			3,593
Due To District #1	2,046			2,046
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,639</b>	-	-	<b>5,639</b>
<b>DEFERRED INFLOWS</b>				
Deferred Property Taxes	-	-		-
<b>TOTAL DEFERRED INFLOWS</b>	-	-	-	-
<b>LONG-TERM LIABILITIES</b>				
Developer Payable			5,000	5,000
Accrued Interest				-
<b>TOTAL LONG-TERM LIABILITIES</b>	-	-	<b>5,000</b>	<b>5,000</b>
<b>TOTAL LIAB &amp; DEF INFLOWS</b>	<b>5,639</b>	-	<b>5,000</b>	<b>10,639</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets				-
Amount to be Provided for Debt			(5,000)	(5,000)
Fund Balance- Nonspendable	-			-
Fund Balance- Restricted	670	-		670
Fund Balance-Assigned				-
Fund Balance- Unassigned	(4,442)			(4,442)
<b>TOTAL NET POSITION</b>	<b>(3,772)</b>	-	<b>(5,000)</b>	<b>(8,772)</b>
	=	=	=	=

Spring Valley Metropolitan District No. 5  
 Statement of Revenues, Expenditures, & Changes In Fund Balance  
 Modified Accrual Basis For the Period Indicated

Print Date: 12/13/21

	2020 Unaudited Actual	2021 Adopted Budget	Variance Favorable (Unfavor)	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	-	-		-				4,640	November Final AV per County
<b>Mill Levy Breakdown:</b>									
Operations	0.000	0.000		0.000				68.237	2.5 + 65 Mills Gallagherized
Contractual Obligations (Trfr to #1)	0.000	0.000		0.000				8.349	7.5 Mills Gallagherized
Debt Service	0.000	0.000		0.000				0.000	All Ops for 2022
<b>Total Mills Levied</b>	-	-		-				<b>76.586</b>	
<b>Property Tax Breakdown:</b>									
Operations	-	-		-				317	AV * Mill Levy / 1,000
Contractual Obligations (Trfr to #1)	-	-		-				39	AV * Mill Levy / 1,000
Debt Service	-	-		-				-	AV * Mill Levy / 1,000
<b>Total Taxes Levied</b>	-	-		-				<b>355</b>	

Spring Valley Metropolitan District No. 5  
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 Modified Accrual Basis For the Period Indicated

Print Date: 12/13/21

	2020 Unaudited Actual	2021 Adopted Budget	Variance Favorable (Unfavor)	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>									
1-4100	-	-	-	-	-	-	-	317	AV * Mill Levy / 1,000
1-4110	-	-	-	-	-	-	-	39	AV * Mill Levy / 1,000
1-4150	-	-	-	-	-	-	-	57	16% of Taxes
1-4410	-	-	-	-	-	-	-	-	
<b>TOTAL REVENUE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>412</b>	
<b>EXPENDITURES</b>									
1-5100	10,000	10,000	5,000	5,000	1,440	7,500	6,060	10,000	Based on 2021 Budget
1-5110	-	-	-	-	-	-	-	-	
1-5300	10,000	10,000	5,000	5,000	1,980	7,500	5,520	10,000	Based on 2021 Budget
1-5340	5,000	5,000	5,000	-	-	4,000	4,000	5,000	Assumed Cancelled
1-5350	4,000	4,000	3,177	823	-	4,000	4,000	3,750	Based on 2021 Forecast
1-5450	10,000	10,000	4,000	6,000	5,067	7,500	2,433	10,000	Based on 2021 Budget
1-5600	500	500	-	500	284	375	91	500	
1-5700	-	-	-	-	-	1	1	11	3% of property taxes
1-6900	-	-	-	-	-	-	-	39	Contractual Obligations Taxes
	1,500	1,500	1,500	-	-	1,125	1,125	1,500	3% of Revenues
	9,000	9,000	4,000	5,000	-	6,750	6,750	9,000	Unforeseen Needs
<b>TOTAL EXPENDITURES</b>	<b>50,000</b>	<b>50,000</b>	<b>27,677</b>	<b>22,323</b>	<b>8,772</b>	<b>38,751</b>	<b>29,979</b>	<b>49,799</b>	
<b>REVENUE OVER / (UNDER) EXP</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>27,677</b>	<b>(22,323)</b>	<b>(8,772)</b>	<b>(38,751)</b>	<b>29,979</b>	<b>(49,387)</b>	
<b>OTHER SOURCES / (USES)</b>									
1-7000	50,000	50,000	(23,000)	27,000	5,000	38,751	(33,751)	50,000	To Cover Shortfall
1-9000	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>50,000</b>	<b>50,000</b>	<b>(23,000)</b>	<b>27,000</b>	<b>5,000</b>	<b>38,751</b>	<b>(33,751)</b>	<b>50,000</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>4,677</b>	<b>4,677</b>	<b>(3,772)</b>	<b>-</b>	<b>(3,772)</b>	<b>613</b>	
1-3000	-	-	-	-	-	-	-	4,677	
<b>BEGINNING FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,677</b>	
<b>ENDING FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>4,677</b>	<b>4,677</b>	<b>(3,772)</b>	<b>-</b>	<b>(3,772)</b>	<b>5,290</b>	
<b>COMPONENTS OF FUND BALANCE</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	
1-1400	-	-	3,750	3,750	-	-	-	3,938	Prepaid Insurance
	-	-	670	670	670	-	-	-	
	-	-	257	257	(4,442)	-	-	1,352	
<b>TOTAL ENDING FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>4,677</b>	<b>4,677</b>	<b>(3,772)</b>	<b>-</b>	<b>(3,772)</b>	<b>5,290</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.