

SPRING VALLEY METROPOLITAN DISTRICT NO. 6

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 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 \$1,060. 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. The District is anticipating issuing bonds in late 2021 or early 2022.

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. 6
Statement of Net Position
September 30, 2021

	General Fund	Debt Service Fund	Fixed Assets & LTD	TOTAL ALL FUNDS
ASSETS				
CASH				
First Bank	2,058			2,058
ColoTrust	-			-
Inter-Fund Balances	6,000	(6,000)		-
TOTAL CASH	8,058	(6,000)	-	2,058
OTHER CURRENT ASSETS				
Accounts Receivable - Misc				-
Prepaid Expenses	-			-
Due From County Treasurer	-	-		-
Property Taxes Receivable	-	-		-
TOTAL OTHER CURRENT ASSETS	-	-	-	-
TOTAL ASSETS	8,058	(6,000)	-	2,058
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	7,421			7,421
Due To District #1	1,925			1,925
TOTAL CURRENT LIABILITIES	9,346	-	-	9,346
DEFERRED INFLOWS				
Deferred Property Taxes	-	-		-
TOTAL DEFERRED INFLOWS	-	-	-	-
LONG-TERM LIABILITIES				
Developer Payable			11,000	11,000
Accrued Interest				-
TOTAL LONG-TERM LIABILITIES	-	-	11,000	11,000
TOTAL LIAB & DEF INFLOWS	9,346	-	11,000	20,346
NET POSITION				
Net Investment in Capital Assets				-
Amount to be Provided for Debt			(11,000)	(11,000)
Fund Balance- Nonspendable	-			-
Fund Balance- Restricted	850	(6,000)		(5,150)
Fund Balance-Assigned				-
Fund Balance- Unassigned	(2,138)			(2,138)
TOTAL NET POSITION	(1,288)	(6,000)	(11,000)	(18,288)
	=	=	=	=

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

Spring Valley Metropolitan District No. 6
 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	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	-	-	-	-				1,060	November Final AV per County
Mill Levy Breakdown:									
Operations	0.000	0.000	0.000	0.000				2.783	2.5 Mills Gallagherized
Contractual Obligations (Trfr to #1)	0.000	0.000	0.000	0.000				8.349	7.5 Mills Gallagherized
Debt Service	0.000	0.000	0.000	0.000				65.454	65 Mills Gallagherized
Total Mills Levied	-	-	-	-				76.586	
Property Tax Breakdown:									
Operations	-	-	-	-				3	AV * Mill Levy / 1,000
Contractual Obligations (Trfr to #1)	-	-	-	-				9	AV * Mill Levy / 1,000
Debt Service	-	-	-	-				69	AV * Mill Levy / 1,000
Total Taxes Levied	-	-	-	-				81	

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GENERAL FUND									
REVENUE									
1-4100	-	-	-	-	-	-	-	3	AV * Mill Levy / 1,000
1-4110	-	-	-	-	-	-	-	9	AV * Mill Levy / 1,000
1-4150	-	-	-	-	-	-	-	2	17% of Taxes
1-4410	-	-	-	-	-	-	-	-	
TOTAL REVENUE	-	-	-	-	-	-	-	14	
EXPENDITURES									
1-5100	10,000	10,000	10,000	5,000	1,495	7,500	6,005	10,000	Based on 2021 Budget
1-5110	-	-	-	-	-	-	-	6,000	Required by Bonds
1-5300	10,000	10,000	10,000	5,000	2,220	7,500	5,280	10,000	Based on 2021 Budget
1-5340	5,000	5,000	5,000	5,000	-	4,000	4,000	5,000	Assumed Cancelled
1-5350	4,000	4,000	4,000	822	-	4,000	4,000	3,750	Based on 2021 Forecast
1-5450	10,000	10,000	10,000	10,000	8,257	7,500	(757)	10,000	Based on 2021 Budget
1-5600	500	500	500	500	316	375	59	500	
1-5700	-	-	-	-	-	1	1	-	3% of property taxes
1-6900	-	-	-	-	-	-	-	9	Contractual Obligations Taxes
	1,500	1,500	1,500	-	-	1,125	1,125	1,500	3% of Revenues
	9,000	9,000	9,000	2,000	-	6,750	6,750	25,000	Unforeseen Needs
TOTAL EXPENDITURES	50,000	50,000	50,000	28,322	12,288	38,751	26,463	71,759	
REVENUE OVER / (UNDER) EXP	(50,000)	(50,000)	(50,000)	(28,322)	(12,288)	(38,751)	26,463	(71,745)	
OTHER SOURCES / (USES)									
1-7000	50,000	50,000	50,000	33,000	11,000	38,751	(27,751)	72,000	To Cover Shortfall
1-9000	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	50,000	50,000	50,000	33,000	11,000	38,751	(27,751)	72,000	
CHANGE IN FUND BALANCE	-	-	-	4,678	(1,288)	-	(1,288)	255	
1-3000	-	-	-	-	-	-	-	3,000	
BEGINNING FUND BALANCE	-	-	-	-	-	-	-	3,000	
ENDING FUND BALANCE	-	-	-	4,678	(1,288)	-	(1,288)	3,255	
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
1-1400	-	-	-	3,750	-	-	-	-	
	-	-	-	850	850	-	-	-	
	-	-	-	78	(2,138)	-	-	3,255	
TOTAL ENDING FUND BALANCE	-	-	-	4,678	(1,288)	-	(1,288)	3,255	
	=	=	=	=	=	=	=	=	

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DEBT SERVICE FUND									
Homes Constructed					-			-	Not Likely Until 2023
REVENUE									
2-4100 Property Taxes	-	-	-	-	-	-	-	69	AV * Mill Levy / 1,000
2-4150 Specific Ownership Taxes	-	-	-	-	-	-	-	12	17% of Taxes
2-4600 Facilities Fees (3,950 Each)	-	-	-	-	-	-	-	-	At \$3,950 per Unit
Tap Fees (\$16,200 Each)	-	-	-	-	-	-	-	-	At \$16,200 per Unit
2-4410 Interest Income	-	-	-	-	-	-	-	-	
TOTAL REVENUE	-	-	-	-	-	-	-	81	
EXPENDITURES									
2-7310 Bond Principal- Series 2021A(3)	-	-	-	-	-	-	-	-	
2-7210 Bond Interest- Series 2021A(3)	-	-	-	-	-	-	-	79	Funds Available
2-7100 Paying Agent Fees	-	-	-	-	-	-	-	-	Prepaid at Closing for 2022
2-5600 Bank Fees	-	-	-	-	-	-	-	-	
2-5700 Treasurer's Fees	-	-	-	-	-	-	-	2	3% of property taxes
Contingency	-	-	-	-	-	-	-	-	Unforeseen Needs
TOTAL EXPENDITURES	-	-	-	-	-	-	-	81	
REVENUE OVER / (UNDER) EXP	-	-	-	-	-	-	-	-	
OTHER SOURCES / (USES)									
2-7800 Bond Proceeds	-	-	15,000,000	15,307,000	-	-	-	-	
2-8000 Cost of Issuance	-	-	(600,000)	(556,140)	(6,000)	-	(6,000)	-	
2-8010 Transfer to #1 For Capital	-	-	(6,605,588)	(5,107,734)	-	-	-	(13,940,400)	Funding for District #1 Capital
Transfer to #3 For Capital	-	-	(3,334,662)	-	-	-	-	-	
Transfer to #4 For Capital	-	-	(4,459,749)	-	-	-	-	-	
2-9001 Transfer From General Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	9,643,126	(6,000)	-	(6,000)	(13,940,400)	
CHANGE IN FUND BALANCE	-	-	-	9,643,126	(6,000)	-	(6,000)	(13,940,400)	
2-3000 BEGINNING FUND BALANCE	-	-	-	-	-	-	-	13,940,400	
ENDING FUND BALANCE	-	-	-	9,643,126	(6,000)	-	(6,000)	-	
COMPONENTS OF FUND BALANCE:									
2-1203 Capital Projects Fund	-	-	-	9,643,126	-	-	-	-	Assumed Used on Projects
Bond Payment Fund	-	-	-	-	-	-	-	-	All Used for Debt Service
Interfund & Other Balances	-	-	-	-	(6,000)	-	-	-	
TOTAL FUND BALANCE	-	-	-	9,643,126	(6,000)	-	(6,000)	-	

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