

SPRING VALLEY METROPOLITAN DISTRICT NO. 2
2023 BUDGET MESSAGE

Spring Valley Metropolitan Districts 1-6 are quasi-municipal corporations organized and operated pursuant to provisions set forth in the Colorado Special District Act.

The Districts have no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting.

The Districts were formed with the primary purposes of 1) to finance construction of public improvements as defined in the Service Plan for the districts and; 2) to operate and maintain such public improvements that are not otherwise dedicated or conveyed to the County of other governmental entities and to provide for all or part of the Public Improvements, as defined in the District's Service Plan, for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. District No. 1 is the District responsible for overall community administration, operations and maintenance, and Districts Nos. 2-6 will provide funding for such costs. District No. 1 is also responsible for construction of public improvements that benefit the overall community and Districts Nos. 2-6 will provide funding for such costs via the issuance of bonds, the proceeds of which are transferred to District No. 1 to fund the cost of the public improvements.

Budget Strategy

The District's strategy in preparing the 2023 budget is to strive to provide the scope of services defined in the service plan in the most economic manner possible.

Revenues

In 2023 the District will impose a total of 60.000 mills, adjusted for changes in property tax assessment rates to 68.718 mills. Of this total mill levy, 57.266 mills are dedicated to debt service on Loans and Bonds issued by the District, 8.589 mills are dedicated for use by District No.1 for overall community operations, and the remaining 2.863 mills are levied as an operating mill levy that will generate property tax revenue to be used towards General Fund expenditures.

Expenditures

The District has adopted two separate funds: 1) a General Fund to provide for general operating expenditures and; 2) a Debt Service Fund to provide for debt service on the Loans and Bonds.

The District has budgeted an expenditure line item for Emergencies in the General Fund in accordance with the TABOR Amendment.

Spring Valley Metropolitan District No. 2
Statement of Net Position
September 30, 2022

	General Fund	Debt Service Fund	Fixed Assets & LTD	TOTAL ALL FUNDS
ASSETS				
CASH				
First Bank	2,904			2,904
ColoTrust	1,415,246			1,415,246
US Bank Pledged Revenue		2		2
US Bank-Project Fund		68,110		68,110
US Bank-Reserve Fund		173,486		173,486
US Bank-Loan Payment Fund		0		0
UMB- 1st Subordinate Bond Fund		1,088,100		1,088,100
Inter-Fund Balances	(1,346,546)	1,346,546		-
TOTAL CASH	71,604	2,676,245	-	2,747,849
OTHER CURRENT ASSETS				
Prepaid Expenses	450			450
Accounts Receivable	375	-		375
Due From US Bank		-		-
Due From County Treasurer	-	-		-
Property Taxes Receivable	1,692	8,310		10,001
TOTAL OTHER CURRENT ASSETS	2,517	8,310	-	10,826
TOTAL ASSETS	74,121	2,684,554	-	2,758,675
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	14,757			14,757
Due To District #1	-	-		-
Due To District #3	-			-
Due To District #4				-
TOTAL CURRENT LIABILITIES	14,757	-	-	14,757
DEFERRED INFLOWS				
Deferred Property Taxes	1,692	8,310		10,001
Deferred Rev- Tap & Facil Fees		-		-
TOTAL DEFERRED INFLOWS	1,692	8,310	-	10,001
LONG-TERM LIABILITIES				
Developer Payable- Ops			81,871	81,871
Developer Payable- Cap			-	-
General Obligation Loan- Series 2020			12,235,000	12,235,000
1st Subordinate Bonds- Series 2004			7,240,000	7,240,000
1st Subordinate Bonds- Series 2005			2,410,000	2,410,000
1st Subordinate Bonds- Series 2007			4,125,000	4,125,000
2nd Subordinate Bonds- Series 2007			469,000	469,000
3rd Subordinate Bonds- Series 2007			1,100,000	1,100,000
Accrued Interest Dev Note - Ops			51,434	51,434
Accrued But Unpaid Interest- 1st Subs			1,747,710	1,747,710
Accrued But Unpaid Interest- 3rd Subs			87,985	87,985
Year End Interest Accruals			72,301	72,301
TOTAL LONG-TERM LIABILITIES	-	-	29,620,300	29,620,300
TOTAL LIAB & DEF INFLOWS	16,448	8,310	29,620,300	29,645,058
NET POSITION				
Net Investment in Capital Assets				-
Amount to be Provided for Debt			(29,620,300)	(29,620,300)
Fund Balance- Nonspendable	450			450
Fund Balance- Restricted	5,067	2,676,245		2,681,312
Fund Balance- Unassigned	52,155			52,155
TOTAL NET POSITION	57,672	2,676,245	(29,620,300)	(26,886,383)
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Spring Valley Metropolitan District No. 2
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Date Printed: 01/22/23

	2021 Audited Actual	2022 Adopted Budget	2022 Amended Budget	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	13,941,990	14,600,026	14,600,026	14,600,026				14,296,227	November Final AV per County
Mill Levy Breakdown:									
Operations	2.783	2.783	2.783	2.783				2.863	2.5 Mills Adjusted
Contractual Obligations (Trfr to #1)	8.349	8.349	8.349	8.349				8.589	7.5 Mills Adjusted
Debt Service	55.664	55.664	55.664	55.664				57.266	50 Mills Adjusted
Total Mills Levied	66.796	66.796	66.796	66.796				68.718	
Property Tax Breakdown:									
Operations	38,801	40,632	40,632	40,632				40,930	AV * Mill Levy / 1,000
Contractual Obligations (Trfr to #1)	116,402	121,896	121,896	121,896				122,790	AV * Mill Levy / 1,000
Debt Service	776,067	812,696	812,696	812,696				818,688	AV * Mill Levy / 1,000
Total Taxes Levied	931,269	975,223	975,223	975,223				982,408	
COMBINED FUNDS									
REVENUE									
Property Taxes	931,269	975,223	975,223	975,223	965,252	965,471	(219)	982,408	AV * Mill Levy / 1,000
Specific Ownership Taxes	166,845	156,035	156,035	156,035	100,250	104,023	(3,773)	157,185	16% of Taxes
Tap & Facilities Fees	604,500	1,591,850	1,591,850	1,450,800	1,088,100	1,209,000	(120,900)	1,450,800	See Debt Service Fund
Interest & Other Income	1,290	10,625	50,125	20,000	14,065	7,969	6,096	101,100	Interest on Reserves
TOTAL REVENUE	1,703,904	2,733,733	2,773,233	2,602,058	2,167,667	2,286,463	(118,796)	2,691,493	
EXPENDITURES									
Administration	160,095	194,556	194,556	168,910	154,124	178,803	24,679	193,462	See General Fund Detail
Operations	-	-	-	-	-	-	-	-	See General Fund Detail
Debt Service	914,209	2,545,077	2,716,479	2,646,930	155,586	158,517	2,930	2,500,318	See Debt Service Fund
TOTAL EXPENDITURES	1,074,304	2,739,633	2,911,035	2,815,840	309,710	337,319	27,609	2,693,780	
REVENUE OVER / (UNDER) EXP	629,600	(5,900)	(137,802)	(213,782)	1,857,957	1,949,144	(91,187)	(2,287)	
OTHER SOURCES / (USES)									
Bond Proceeds	-	-	-	-	-	-	-	-	
Transfer to District #1- Capital	(796,694)	(597,001)	(597,001)	(490,500)	(421,961)	(597,001)	175,040	-	For Capital Improvements
Bond Cost of Issuance	-	-	(23,000)	(22,784)	(22,784)	-	(22,784)	-	
TOTAL OTHER SOURCES / (USES)	(796,694)	(597,001)	(620,001)	(513,284)	(444,745)	(597,001)	152,256	-	
CHANGE IN FUND BALANCE	(167,093)	(602,901)	(757,803)	(727,065)	1,413,213	1,352,143	61,070	(2,287)	
BEGINNING FUND BALANCE	1,487,798	788,610	1,320,705	1,320,705	1,320,705	788,610	532,094	593,639	
ENDING FUND BALANCE	1,320,705	185,709	562,902	593,639	2,733,917	2,140,753	593,164	591,352	
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
Nonspendable	2,962	-	-	4,830	450			5,100	Prepaid Insurance
TABOR Emergency Reserve	5,498	-	-	5,067	5,067			-	Budgeted as an Expenditure
Restricted- Debt Service	1,285,775	172,500	556,872	556,872	2,676,245			557,032	Per 2020 Loan Docs
Unassigned/ Other	26,470	13,210	6,030	26,870	52,155			29,220	
TOTAL ENDING FUND BALANCE	1,320,705	185,709	562,902	593,639	2,733,917			591,352	
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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

	2021 Audited Actual	2022 Adopted Budget	2022 Amended Budget	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Notes/Assumptions
GENERAL FUND									
REVENUE									
Property Taxes- Operations	38,801	40,632	40,632	40,632	40,216	40,226	(9)	40,930	AV * Mill Levy / 1,000
Property Taxes- Contractual Obligations	116,402	121,896	121,896	121,896	120,649	120,677	(27)	122,790	AV * Mill Levy / 1,000
Specific Ownership Taxes	27,806	26,004	26,004	26,004	15,117	17,336	(2,219)	26,195	16% of Taxes
Interest Income	251	125	125	5,000	884	94	790	1,100	3% of Fund Balance
Facility Fees	-	-	-	-	-	-	-	-	
Other Income	-	-	-	-	-	-	-	-	
TOTAL REVENUE	183,259	188,656	188,656	193,531	176,867	178,332	(1,465)	191,015	
EXPENDITURES									
Administration									
Accounting	14,840	15,500	15,500	13,000	6,943	10,979	4,036	14,000	Based on 2022 Forecast
Audit	6,000	6,200	6,200	6,000	6,000	6,200	200	6,500	Per FZ Engagement Letter
Election	-	2,500	2,500	738	738	2,500	1,762	2,500	Assume Canceled
Insurance	3,385	3,725	3,725	4,200	4,200	3,725	(475)	4,830	Based on 2022 Forecast
Legal	5,047	12,500	12,500	7,500	2,514	9,375	6,861	11,000	Based on 2022 Forecast
Management	8,787	10,500	10,500	9,500	6,357	7,875	1,518	10,000	Based on 2022 Forecast
Miscellaneous	1,002	1,200	1,200	1,200	685	900	215	1,200	Based on 2022 Forecast
Treasurer's Fees	4,632	4,876	4,876	4,876	4,791	4,827	36	4,912	3% of Property Taxes
Transfer to District #1	116,402	121,896	121,896	121,896	121,896	120,677	(1,219)	122,790	Contractual Obligations Taxes
Emergency Reserve	-	5,660	5,660	-	-	4,245	4,245	5,730	3% of Revenues
Contingency	-	10,000	10,000	-	-	7,500	7,500	10,000	Unforeseen Needs
Total Administration	160,095	194,556	194,556	168,910	154,124	178,803	24,679	193,462	
Operations									
Road Maintenance	-	-	-	-	-	-	-	-	
Stormwater Maintenance	-	-	-	-	-	-	-	-	
Total Operations	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	160,095	194,556	194,556	168,910	154,124	178,803	24,679	193,462	
REVENUE OVER / (UNDER) EXP	23,163	(5,900)	(5,900)	24,622	22,743	(471)	23,213	(2,447)	
OTHER SOURCES / (USES)									
Transfer to Debt Service Fund	-	-	(23,000)	(22,784)	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	(23,000)	(22,784)	-	-	-	-	
CHANGE IN FUND BALANCE	23,163	(5,900)	(28,900)	1,838	22,743	(471)	23,213	(2,447)	
BEGINNING FUND BALANCE	11,766	19,109	34,930	34,930	34,930	19,109	15,820	36,767	
ENDING FUND BALANCE	34,930	13,210	6,030	36,767	57,672	18,639	39,034	34,320	
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Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

	2021 Audited Actual	2022 Adopted Budget	2022 Amended Budget	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Notes/Assumptions
DEBT SERVICE FUND									
Homes Constructed/ Fees Paid	30	79	79	72	54			72	18 Per Quarter From LGI
REVENUE									
Property Taxes	776,067	812,696	812,696	812,696	804,386	804,569	(183)	818,688	AV * Mill Levy / 1,000
Specific Ownership Taxes	139,039	130,031	130,031	130,031	85,133	86,687	(1,555)	130,990	16% of Taxes
Facilities Fees	118,500	312,050	312,050	284,400	213,300	237,000	(23,700)	284,400	\$3,950 Each
Tap Fees	486,000	1,279,800	1,279,800	1,166,400	874,800	972,000	(97,200)	1,166,400	\$16,200 Each
Interest Income	1,040	10,500	50,000	15,000	13,182	7,875	5,307	100,000	Budget High To Allow For Contingency
TOTAL REVENUE	1,520,646	2,545,077	2,584,577	2,408,527	1,990,801	2,108,131	(117,331)	2,500,478	
EXPENDITURES									
Bond Principal- Series 2004	-	-	-	-	-	-	-	-	
Bond Interest- Series 2004	99,862	944,107	1,017,375	1,005,524	-	-	-	880,492	Estimated Available
Bond Principal- Series 2005	-	-	-	-	-	-	-	-	
Bond Interest- Series 2005	33,241	314,268	338,657	334,712	-	-	-	293,092	Estimated Available
Bond Principal- Series 2007	-	-	-	-	-	-	-	-	
Bond Interest- Series 2007	56,897	537,906	579,651	572,899	-	-	-	501,662	Estimated Available
Bond Principal- Series 2007 Subordinate	-	-	-	-	-	-	-	-	
Bond Interest- Series 2007 Subordinate	-	-	-	-	-	-	-	-	
Loan Principal- Series 2020	440,000	455,000	455,000	455,000	-	-	-	455,000	Per Amortization- 2027 Balloon
Loan Interest- Series 2020	246,795	239,415	239,415	239,415	119,380	119,380	(0)	230,512	Fixed Rate Thru 09/2027
Paying Agent Fees	14,250	20,000	20,000	15,000	12,250	15,000	2,750	15,000	6 Series of Bonds
Miscellaneous Expense/ Contingency	-	10,000	42,000	-	-	-	-	100,000	Unforeseen Needs
Treasurer's Fees	23,164	24,381	24,381	24,381	23,957	24,137	180	24,561	3% of Property Taxes
TOTAL EXPENDITURES	914,209	2,545,077	2,716,479	2,646,930	155,586	158,517	2,930	2,500,318	
REVENUE OVER / (UNDER) EXP	606,437	(0)	(131,902)	(238,403)	1,835,214	1,949,615	(114,400)	160	
OTHER SOURCES / (USES)									
Bond Proceeds	-	-	-	-	-	-	-	-	
Transfer to District #1- Capital	(796,694)	(597,001)	(597,001)	(490,500)	(421,961)	(597,001)	175,040	-	
Bond Issuance Costs	-	-	(23,000)	(22,784)	(22,784)	-	(22,784)	-	
Transfer From General Fund	-	-	23,000	22,784	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	(796,694)	(597,001)	(597,001)	(490,500)	(444,745)	(597,001)	152,256	-	
CHANGE IN FUND BALANCE	(190,257)	(597,001)	(728,903)	(728,903)	1,390,470	1,352,614	37,856	160	
BEGINNING FUND BALANCE	1,476,032	769,501	1,285,775	1,285,775	1,285,775	769,501	516,274	556,872	
ENDING FUND BALANCE	1,285,775	172,500	556,872	556,872	2,676,245	2,122,114	554,130	557,032	
COMPONENTS OF FUND BALANCE									
Series 2020 Reserve Fund	173,486	172,500	172,500	172,500	173,486			172,500	Required By Senior Loan
Project Fund	487,691	-	-	-	68,110			-	Assume Exhausted in 2022
Bond Payment Fund / Other	624,598	(0)	384,372	384,372	2,434,648			384,532	18 LGI Fees & Other Taxes Received in Dec
1,285,775	172,500	556,872	556,872	2,676,245				557,032	