

**SPRING VALLEY METROPOLITAN DISTRICT NO. 3**  
**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 the Series 2020 Bonds, 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 three separate funds: 1) a General Fund to provide for general operating expenditures; 2) a Debt Service Fund to provide for debt service on the Series 2020 Bonds and; 3) a Capital Fund to account for capital costs specific to the District.

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. 3  
Statement of Net Position  
September 30, 2022

	General Fund	Debt Service Fund	Capital Fund	Fixed Assets & LTD	TOTAL ALL FUNDS
<b>ASSETS</b>					
<b>CASH</b>					
First Bank	183,745				183,745
ColoTrust	214,070				214,070
UMB- Reserve Fund		326,449			326,449
UMB- Surplus Fund		409,632			409,632
UMB- 2020A Bond Payment Fund		1,699			1,699
UMB- 2020B Bond Fund		9			9
UMB- 2020B Interest Fund		999			999
UMB- 2020A Project Fund			-		-
UMB- 2020B Project Fund			-		-
Inter-Fund Balances	(359,891)	359,891	-		-
<b>TOTAL CASH</b>	<b>37,924</b>	<b>1,098,679</b>	<b>-</b>	<b>-</b>	<b>1,136,603</b>
<b>OTHER CURRENT ASSETS</b>					
Prepaid Expenses	450				450
A/R- Tap & Facilities Fees		-			-
Due From County Treasurer	-	-			-
Due From District #1	-	-			-
Due From District #2		-			-
Property Taxes Receivable	260	1,298			1,558
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>710</b>	<b>1,298</b>	<b>-</b>	<b>-</b>	<b>2,008</b>
<b>TOTAL ASSETS</b>	<b>38,633</b>	<b>1,099,977</b>	<b>-</b>	<b>-</b>	<b>1,138,610</b>
<b>LIABILITIES &amp; DEFERED INFLOWS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	1,722				1,722
Due to District #1			-		-
Due to District #4					
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,722</b>
<b>DEFERRED INFLOWS</b>					
Deferred Property Taxes	260	1,298			1,558
<b>TOTAL DEFERRED INFLOWS</b>	<b>260</b>	<b>1,298</b>	<b>-</b>	<b>-</b>	<b>1,558</b>
<b>LONG-TERM LIABILITIES</b>					
Bonds Payable-Series 2020A				4,075,000	4,075,000
Bonds Payable-Series 2020B				1,458,000	1,458,000
Bond Premium, Net				125,194	125,194
Due to Developer- Operations				120,000	120,000
Accrued Interest				23,976	23,976
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,802,170</b>	<b>5,802,170</b>
<b>TOTAL LIAB &amp; DEF INFLOWS</b>	<b>1,981</b>	<b>1,298</b>	<b>-</b>	<b>5,802,170</b>	<b>5,805,450</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets					-
Amount to be Provided for Debt				(5,802,170)	(5,802,170)
Fund Balance- Nonspendable	450				450
Fund Balance- Restricted	1,829	1,098,679	-		1,100,508
Fund Balance- Unassigned	34,373				34,373
<b>TOTAL NET POSITION</b>	<b>36,652</b>	<b>1,098,679</b>	<b>-</b>	<b>(5,802,170)</b>	<b>(4,666,839)</b>
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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: 01/22/23

	2021 Audited Actual	2022 Adopted Budget	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Notes/Assumptions
<b>PROPERTY TAXES</b>									
<b>Assessed Valuation</b>	1,030,200	2,403,795		2,403,795			3,326,435	November Final AV per County	
<b>Mill Levy Breakdown:</b>									
Operations	2.783	2.783		2.783			2.863	2.5 Mills Adjusted	
Contractual Obligations (Trfr to #1)	8.349	8.349		8.349			8.589	7.5 Mills Adjusted	
Debt Service	55.664	55.664		55.664			57.266	50 Mills Adjusted	
<b>Total Mills Levied</b>	<b>66.796</b>	<b>66.796</b>		<b>66.796</b>			<b>68.718</b>		
<b>Property Tax Breakdown:</b>									
Operations	2,867	6,690		6,690			9,524	AV * Mill Levy / 1,000	
Contractual Obligations (Trfr to #1)	8,601	20,069		20,069			28,571	AV * Mill Levy / 1,000	
Debt Service	57,345	133,805		133,805			190,492	AV * Mill Levy / 1,000	
<b>Total Taxes Levied</b>	<b>68,813</b>	<b>160,564</b>		<b>160,564</b>			<b>228,586</b>		

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<b>COMBINED FUNDS</b>									
<b>REVENUE</b>									
Property Taxes	68,814	160,564	-	160,564	159,006	160,564	(1,558)	228,586	AV * Mill Levy / 1,000
Specific Ownership Taxes	11,475	25,690	-	25,690	15,548	17,127	(1,579)	36,574	16% of Taxes
Tap & Facilities Fees	1,148,550	1,329,900	(1,027,560)	302,340	302,250	1,088,100	(785,850)	-	See Debt Service Fund
Interest	1,318	20,000	(9,980)	10,020	7,172	15,000	(7,828)	36,000	
<b>TOTAL REVENUE</b>	<b>1,230,156</b>	<b>1,536,154</b>	<b>(1,037,540)</b>	<b>498,614</b>	<b>483,976</b>	<b>1,280,791</b>	<b>(796,814)</b>	<b>301,160</b>	
<b>EXPENDITURES</b>									
Administration	34,220	79,003	38,101	40,902	25,712	61,107	35,394	77,843	See General Fund Detail
Operations	-	-	-	-	-	-	-	-	See General Fund Detail
Transfer to District #3- Operations	8,601	20,069	-	20,069	20,069	20,069	0	28,571	Contractual Obligations Taxes
Debt Service	1,641,768	1,522,994	1,038,100	484,894	113,077	112,889	(188)	265,435	See Debt Service Fund
Capital Outlay	197	10,000	10,000	-	-	7,500	7,500	3,000,000	See Capital Fund
<b>TOTAL EXPENDITURES</b>	<b>1,684,786</b>	<b>1,632,066</b>	<b>1,086,201</b>	<b>545,865</b>	<b>158,858</b>	<b>201,565</b>	<b>42,707</b>	<b>3,371,849</b>	
<b>REVENUE OVER / (UNDER) EXP</b>	<b>(454,630)</b>	<b>(95,912)</b>	<b>48,661</b>	<b>(47,251)</b>	<b>325,118</b>	<b>1,079,225</b>	<b>(754,107)</b>	<b>(3,070,689)</b>	
<b>OTHER SOURCES / (USES)</b>									
Bond Proceeds	-	-	-	-	-	-	-	-	
Bond Premium	-	-	-	-	-	-	-	-	
Developer Advances	85,000	70,000	(70,000)	-	-	35,000	(35,000)	3,064,000	Capital + General Fund Deficit
Transfer to District #3- Capital	(1,981,147)	-	-	-	-	-	-	-	
Bond Cost of Issuance	-	-	-	-	-	-	-	-	
Interfund Transfers	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>(1,896,147)</b>	<b>70,000</b>	<b>(70,000)</b>	<b>-</b>	<b>-</b>	<b>35,000</b>	<b>(35,000)</b>	<b>3,064,000</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>(2,350,776)</b>	<b>(25,912)</b>	<b>(21,339)</b>	<b>(47,251)</b>	<b>325,118</b>	<b>1,114,225</b>	<b>(789,107)</b>	<b>(6,689)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>3,160,989</b>	<b>772,139</b>	<b>38,073</b>	<b>810,213</b>	<b>810,213</b>	<b>772,139</b>	<b>38,073</b>	<b>763,961</b>	
<b>ENDING FUND BALANCE</b>	<b>810,213</b>	<b>746,227</b>	<b>16,734</b>	<b>762,961</b>	<b>1,135,331</b>	<b>1,886,364</b>	<b>(751,034)</b>	<b>757,273</b>	
<b>COMPONENTS OF FUND BALANCE</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	
Nonspendable	2,970	-	4,225	4,225	450	-	-	4,935	Prepaid Insurance
TABOR Emergency Reserve	2,952	-	1,829	1,829	1,829	-	-	-	Budgeted as an Expenditure
Restricted- Debt Service	757,055	732,646	7,068	739,714	1,098,679	-	-	732,250	
Restricted- Capital Projects	-	-	-	-	-	-	-	-	
Unassigned/ Other	47,236	13,581	3,612	17,193	34,373	-	-	20,088	
<b>TOTAL ENDING FUND BALANCE</b>	<b>810,213</b>	<b>746,227</b>	<b>16,734</b>	<b>762,961</b>	<b>1,135,331</b>	<b>1,886,364</b>	<b>(751,034)</b>	<b>757,273</b>	
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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	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Notes/Assumptions
<b>GENERAL FUND</b>									
<b>REVENUE</b>									
Property Taxes- Operations	2,867	6,690	-	6,690	6,625	6,690	(65)	9,524	AV * Mill Levy / 1,000
Property Taxes- Contractual Obligations	8,601	20,069	-	20,069	19,875	20,069	(195)	28,571	AV * Mill Levy / 1,000
Specific Ownership Taxes	1,912	4,281	-	4,281	2,591	2,854	(263)	6,095	16% of Taxes
Interest Income	8	-	20	20	185	-	185	-	
<b>TOTAL REVENUE</b>	<b>13,389</b>	<b>31,040</b>	<b>20</b>	<b>31,060</b>	<b>29,275</b>	<b>29,613</b>	<b>(338)</b>	<b>44,189</b>	
<b>EXPENDITURES</b>									
<b>Administration</b>									
Accounting	11,812	15,500	2,500	13,000	7,317	10,979	3,662	14,000	Based on 2022 Forecast
Audit	6,000	6,200	200	6,000	6,000	6,200	200	6,500	Per FZ Engagement Letter
Election	-	2,500	1,925	575	575	2,500	1,925	2,500	Assume Canceled
Insurance	3,565	4,000	(24)	4,024	4,024	4,000	(24)	4,700	Based on 2022 Forecast
Legal	4,450	10,500	3,000	7,500	1,362	7,000	5,638	11,000	Based on 2022 Forecast
Management	7,028	10,500	2,500	8,000	5,060	7,875	2,815	9,000	Based on 2022 Forecast
Miscellaneous	1,021	1,000	-	1,000	580	750	170	1,000	Based on 2022 Forecast
Treasurer's Fees	344	803	-	803	795	803	8	1,143	3% of Property Taxes
Transfer to District 1	8,601	20,069	-	20,069	20,069	20,069	0	28,571	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
<b>Total Administration</b>	<b>42,821</b>	<b>99,072</b>	<b>38,101</b>	<b>60,971</b>	<b>45,781</b>	<b>81,176</b>	<b>35,395</b>	<b>106,414</b>	
<b>Operations</b>									
Road Maintenance	-	-	-	-	-	-	-	-	Performed by District No. 1
Stormwater Maintenance	-	-	-	-	-	-	-	-	Performed by District No. 1
<b>Total Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL EXPENDITURES</b>	<b>42,821</b>	<b>99,072</b>	<b>38,101</b>	<b>60,971</b>	<b>45,781</b>	<b>81,176</b>	<b>35,395</b>	<b>106,414</b>	
<b>REVENUE OVER / (UNDER) EXP</b>	<b>(29,432)</b>	<b>(68,032)</b>	<b>38,121</b>	<b>(29,911)</b>	<b>(16,506)</b>	<b>(51,563)</b>	<b>35,057</b>	<b>(62,224)</b>	
<b>OTHER SOURCES / (USES)</b>									
Developer Advance	85,000	70,000	(70,000)	-	-	35,000	(35,000)	64,000	To Cover Shortfall
Transfer from Capital Fund	(10,105)	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>74,895</b>	<b>70,000</b>	<b>(70,000)</b>	<b>-</b>	<b>-</b>	<b>35,000</b>	<b>(35,000)</b>	<b>64,000</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>45,463</b>	<b>1,968</b>	<b>(31,879)</b>	<b>(29,911)</b>	<b>(16,506)</b>	<b>(16,563)</b>	<b>57</b>	<b>1,776</b>	
<b>BEGINNING FUND BALANCE</b>	<b>7,695</b>	<b>11,613</b>	<b>41,545</b>	<b>53,158</b>	<b>53,158</b>	<b>11,613</b>	<b>41,545</b>	<b>23,247</b>	
<b>ENDING FUND BALANCE</b>	<b>53,158</b>	<b>13,581</b>	<b>9,666</b>	<b>23,247</b>	<b>36,652</b>	<b>(4,950)</b>	<b>41,602</b>	<b>25,023</b>	
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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	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Notes/Assumptions
<b>DEBT SERVICE FUND</b>									
Number of Tap/Fac Fees Collected	57	66		15	15			-	Assume All Collected By End of 2022
<b>REVENUE</b>									
Property Taxes	57,346	133,805	-	133,805	132,507	133,805	(1,298)	190,492	AV * Mill Levy / 1,000
Specific Ownership Taxes	9,562	21,409	-	21,409	12,957	14,273	(1,316)	30,479	16% of Taxes
Facilities Fees (3,950 Each)	225,150	260,700	(201,432)	59,268	59,250	213,300	(154,050)	-	\$3,950 per unit
Tap Fees (\$16,200 Each)	923,400	1,069,200	(826,128)	243,072	243,000	874,800	(631,800)	-	\$16,200 per unit
Interest Income	584	10,000	-	10,000	6,987	7,500	(513)	36,000	Estimated Earnings + \$10K For Contingency
<b>TOTAL REVENUE</b>	<b>1,216,042</b>	<b>1,495,114</b>	<b>(1,027,560)</b>	<b>467,554</b>	<b>454,701</b>	<b>1,243,678</b>	<b>(788,977)</b>	<b>256,971</b>	
<b>EXPENDITURES</b>									
Bond Principal- Series 2020A	-	-	-	-	-	-	-	-	Per Amortization Schedule
Bond Interest- Series 2020A	203,750	203,750	-	203,750	101,875	101,875	-	203,750	Per Amortization Schedule
Bond Principal- Series 2020B	1,203,000	1,174,000	1,028,000	146,000	-	-	-	-	Funds Available
Bond Interest- Series 2020B	226,185	123,930	0	123,930	-	-	-	38,670	Excess Funds Available
Paying Agent Fees	7,000	7,000	-	7,000	7,000	7,000	-	7,000	Series A & B
Bank Fees	113	300	100	200	226	-	(226)	300	Based on 2022 Forecast
Treasurer's Fees	1,720	4,014	-	4,014	3,975	4,014	39	5,715	3% of Property Taxes
Contingency		10,000	10,000	-			-	10,000	Unforeseen Needs
<b>TOTAL EXPENDITURES</b>	<b>1,641,768</b>	<b>1,522,994</b>	<b>1,038,100</b>	<b>484,894</b>	<b>113,077</b>	<b>112,889</b>	<b>(188)</b>	<b>265,435</b>	
<b>REVENUE OVER / (UNDER) EXP</b>	<b>(425,726)</b>	<b>(27,880)</b>	<b>10,540</b>	<b>(17,340)</b>	<b>341,624</b>	<b>1,130,788</b>	<b>(789,164)</b>	<b>(8,464)</b>	
<b>OTHER SOURCES / (USES)</b>									
Transfer From Capital Fund	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>(425,726)</b>	<b>(27,880)</b>	<b>10,540</b>	<b>(17,340)</b>	<b>341,624</b>	<b>1,130,788</b>	<b>(789,164)</b>	<b>(8,464)</b>	
<b>BEGINNING FUND BALANCE</b>	1,182,781	760,526	(3,472)	757,055	757,055	760,526	(3,472)	740,714	
<b>ENDING FUND BALANCE</b>	<b>757,055</b>	<b>732,646</b>	<b>7,068</b>	<b>739,714</b>	<b>1,098,679</b>	<b>1,891,315</b>	<b>(792,636)</b>	<b>732,250</b>	See Breakout Below
<b>COMPONENTS OF FUND BALANCE</b>									
Reserve Fund	324,774	324,750	-	324,750	326,449			324,750	\$324,750 Minimum
Surplus	407,526	407,500	-	407,500	409,632			407,500	\$407,500 Maximum
Senior Bond Payment Fund	3	-	7,464	7,464	1,699			-	
Subordinate Bond Interest Pmt Fund				-				-	
Subordinate Bond Principal Pmt Fund	9	396	(396)	-	9			-	
Interfund Balances	24,742	-	-	-	360,890			-	
<b>TOTAL FUND BALANCE</b>	<b>757,055</b>	<b>732,646</b>	<b>7,068</b>	<b>739,714</b>	<b>1,098,679</b>			<b>732,250</b>	

Spring Valley Metropolitan District No. 3  
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Print Date: 01/22/23

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<b>CAPITAL FUND</b>									
<b>REVENUE</b>									
Interest income	726	10,000	(10,000)	-	-	7,500	(7,500)	-	
<b>TOTAL REVENUE</b>	<b>726</b>	<b>10,000</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>	<b>7,500</b>	<b>(7,500)</b>	<b>-</b>	
<b>EXPENDITURES</b>									
Bank Fees	197		-		-	-	-	-	
Water & Sewer							2,000,000		Water & Sewer Certified Costs
Contingency		10,000	10,000	-		7,500	1,000,000		Unforeseen Additional Costs
<b>TOTAL EXPENDITURES</b>	<b>197</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>7,500</b>	<b>3,000,000</b>		
<b>REVENUE OVER / (UNDER) EXP</b>	<b>529</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,000,000)</b>		
<b>OTHER SOURCES / (USES)</b>									
Bond Proceeds	-	-	-	-	-	-	-	-	
Bond Premium	-	-	-	-	-	-	-	-	
Bond Issuance Costs	-	-	-	-	-	-	-	-	
Transfer To Debt Service Fund	10,105	-	-	-	-	-	-	-	
Transfer to District #1 For Capital Developer Advance	(1,981,147)	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>(1,971,042)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>		Equal to Capital + Contingency
<b>CHANGE IN FUND BALANCE</b>	<b>(1,970,513)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>BEGINNING FUND BALANCE</b>	<b>1,970,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>ENDING FUND BALANCE</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.