

SPRING VALLEY METROPOLITAN DISTRICT NO. 6
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 75.000 mills, adjusted for changes in property tax assessment rates to 78.790 mills. Of this total mill levy, 67.338 mills are dedicated to debt service on the Series 2022 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 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 Series 2022 Bonds and transfer of bond proceeds to District No. 1 for construction of public improvements.

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. 6
Statement of Net Position
September 30, 2022

| | General Fund | Debt Service Fund | Fixed Assets & LTD | TOTAL ALL FUNDS |
|--|--------------|----------------------|-----------------------|--------------------|
| ASSETS | | | | |
| CASH | | | | |
| First Bank | 501,015 | | | 501,015 |
| UMB Bond Account | | - | | - |
| UMB Mandatory Redemption | | - | | - |
| UMB Project Fund | | 9,857,460 | | 9,857,460 |
| UMB Cost of Issuance | | - | | - |
| ColoTrust | 7,433 | | | 7,433 |
| Inter-Fund Balances | (503,824) | 503,824 | | - |
| TOTAL CASH | 4,625 | 10,361,284 | - | 10,365,909 |
| OTHER CURRENT ASSETS | | | | |
| Accounts Receivable - Misc | | | | - |
| Prepaid Expenses | 450 | | | 450 |
| Due From County Treasurer | - | - | | - |
| Property Taxes Receivable | - | - | | - |
| TOTAL OTHER CURRENT ASSETS | 450 | - | - | 450 |
| TOTAL ASSETS | 5,075 | 10,361,284 | - | 10,366,359 |
| LIABILITIES & DEFERED INFLOWS | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts Payable | 5,999 | | | 5,999 |
| Due To District #1 | - | | | - |
| TOTAL CURRENT LIABILITIES | 5,999 | - | - | 5,999 |
| DEFERRED INFLOWS | | | | |
| Deferred Property Taxes | - | - | | - |
| TOTAL DEFERRED INFLOWS | - | - | - | - |
| LONG-TERM LIABILITIES | | | | |
| Series 2022 Bonds | | | 15,070,000 | 15,070,000 |
| Developer Payable- Operations | | | 51,000 | 51,000 |
| Series 2022 Bond Discount | | | - | - |
| Accrued Interest | | | 331 | 331 |
| TOTAL LONG-TERM LIABILITIES | - | - | 15,121,331 | 15,121,331 |
| TOTAL LIAB & DEF INFLOWS | 5,999 | - | 15,121,331 | 15,127,329 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | | | | - |
| Amount to be Provided for Debt | | | (15,121,331) | (15,121,331) |
| Fund Balance- Nonspendable | 450 | | | 450 |
| Fund Balance- Restricted | 966 | 10,361,284 | | 10,362,250 |
| Fund Balance- Unassigned | (2,340) | | | (2,340) |
| TOTAL NET POSITION | (924) | 10,361,284 | (15,121,331) | (4,760,970) |
| | = | = | = | = |

Spring Valley Metropolitan District No. 6
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 01/22/23

| | 2021 Unaudited 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 | - | 1,060 | 1,060 | 1,060 | | | | 30,100 | November Final AV per County |
| Mill Levy Breakdown: | | | | | | | | | |
| Operations | 0.000 | 2.783 | 2.783 | 2.783 | | | | 2.863 | 2.5 Mills Adjusted |
| Contractual Obligations (Trfr to #1) | 0.000 | 8.349 | 8.349 | 8.349 | | | | 8.589 | 7.5 Mills Adjusted |
| Debt Service | 0.000 | 65.454 | 65.454 | 65.454 | | | | 67.338 | 65 Mills Adjusted |
| Total Mills Levied | - | 76.586 | 76.586 | 76.586 | | | | 78.790 | |
| Property Tax Breakdown: | | | | | | | | | |
| Operations | | 3 | 3 | 3 | | | | 86 | AV * Mill Levy / 1,000 |
| Contractual Obligations (Trfr to #1) | | 9 | 9 | 9 | | | | 259 | AV * Mill Levy / 1,000 |
| Debt Service | | 69 | 69 | 69 | | | | 2,027 | AV * Mill Levy / 1,000 |
| Total Taxes Levied | | 81 | 81 | 81 | | | | 2,372 | |

Spring Valley Metropolitan District No. 6
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 01/22/23

| | | 2021 Unaudited 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 | | | | | | | | | | |
| 1-4100 | Property Taxes- Operations | - | 3 | 3 | 3 | 3 | 3 | (0) | 86 | AV * Mill Levy / 1,000 |
| 1-4110 | Property Taxes- Contractual Obligations | - | 9 | 9 | 9 | 9 | 9 | (0) | 259 | AV * Mill Levy / 1,000 |
| 1-4150 | Specific Ownership Taxes | - | 2 | 2 | 2 | 1 | 1 | (0) | 59 | 17% of Taxes |
| 1-4410 | Interest Income | - | - | - | - | - | - | - | 160 | |
| TOTAL REVENUE | | - | 14 | 14 | 14 | 13 | 13 | (0) | 564 | |
| EXPENDITURES | | | | | | | | | | |
| 1-5100 | Accounting | 3,566 | 10,000 | 10,000 | 8,000 | 5,578 | 7,500 | 1,922 | 9,000 | Based on 2022 Forecast |
| 1-5110 | Audit | - | 6,000 | 6,000 | - | - | 6,000 | 6,000 | 6,500 | Per FZ Engagement Letter |
| 1-5300 | District Management | 7,538 | 10,000 | 10,000 | 8,000 | 5,602 | 7,500 | 1,898 | 9,000 | Based on 2022 Forecast |
| 1-5340 | Election | - | 5,000 | 5,000 | 281 | 281 | 5,000 | 4,719 | 5,000 | Assumed Cancelled |
| 1-5350 | Insurance | 822 | 3,750 | 3,750 | 3,399 | 3,399 | 3,750 | 351 | 3,900 | Based on 2022 Forecast |
| 1-5450 | Legal | 16,083 | 10,000 | 10,000 | 12,000 | 8,140 | 6,667 | (1,473) | 13,000 | Based on 2022 Budget |
| 1-5600 | Miscellaneous | 487 | 500 | 500 | 500 | 432 | 375 | (57) | 500 | |
| 1-5700 | Treasurer's Fees | - | - | - | 0 | 0 | - | (0) | - | 3% of Property Taxes |
| 1-6900 | Transfer to #1 For Operations | - | 9 | 9 | 9 | 9 | 9 | (0) | 259 | Contractual Obligations Taxes |
| | Emergencies | | 1,500 | 1,500 | - | | 750 | 750 | 1,500 | 3% of Revenues |
| | Contingency | | 25,000 | 25,000 | - | | 12,500 | 12,500 | 25,000 | Unforeseen Needs |
| TOTAL EXPENDITURES | | 28,495 | 71,759 | 71,759 | 32,191 | 23,441 | 50,051 | 26,609 | 73,659 | |
| REVENUE OVER / (UNDER) EXP | | (28,495) | (71,745) | (71,745) | (32,177) | (23,429) | (50,037) | 26,609 | (73,095) | |
| OTHER SOURCES / (USES) | | | | | | | | | | |
| 1-7000 | Developer Advance | 26,000 | 72,000 | 72,000 | 40,000 | 25,000 | 50,037 | (25,037) | 74,000 | To Cover Shortfall |
| 1-9000 | Transfer to Debt Service Fund | - | - | - | - | - | - | - | - | |
| TOTAL OTHER SOURCES / (USES) | | 26,000 | 72,000 | 72,000 | 40,000 | 25,000 | 50,037 | (25,037) | 74,000 | |
| CHANGE IN FUND BALANCE | | (2,495) | 255 | 255 | 7,823 | 1,571 | - | 1,571 | 905 | |
| 1-3000 | BEGINNING FUND BALANCE | - | 3,000 | 3,000 | (2,495) | (2,495) | 3,000 | (5,495) | 5,328 | |
| ENDING FUND BALANCE | | (2,495) | 3,255 | 3,255 | 5,328 | (924) | 3,000 | (3,924) | 6,233 | |
| | | = | = | = | = | = | = | = | = | |
| COMPONENTS OF FUND BALANCE | | | | | | | | | | |
| 1-1400 | Nonspendable | 2,529 | - | - | 3,569 | 450 | | | 4,095 | |
| | TABOR Emergency Reserve | 855 | - | - | 966 | 966 | | | - | |
| | Unassigned/ Other | (5,879) | 3,255 | 3,255 | 793 | (2,340) | | | 2,138 | |
| TOTAL ENDING FUND BALANCE | | (2,495) | 3,255 | 3,255 | 5,328 | (924) | | | 6,233 | |
| | | = | = | = | = | = | | | = | |

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: 01/22/23

| | 2021 Unaudited 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 | | | | | | | | | |
| # Of Facility /Tap Fees Paid | - | - | 25 | 25 | 25 | | | 45 | 25 Up Front, Then 15/ Qtr after 1 Yr |
| REVENUE | | | | | | | | | |
| 2-4100 Property Taxes | - | 69 | 69 | 69 | 68 | 69 | (1) | 2,027 | AV * Mill Levy / 1,000 |
| 2-4150 Specific Ownership Taxes | - | 12 | 12 | 12 | 8 | 8 | (0) | 345 | 17% of Taxes |
| 2-4600 Facilities Fees (3,950 Each) | - | - | 98,750 | 98,750 | 98,750 | - | 98,750 | 177,750 | At \$3,950 per Unit |
| 2-4610 Tap Fees (\$16,200 Each) | - | - | 405,000 | 405,000 | 405,000 | - | 405,000 | 729,000 | At \$16,200 per Unit |
| 2-4410 Interest Income | - | - | 100,000 | 100,000 | 80,849 | - | 80,849 | 191,000 | Average Balance at 3.5% |
| TOTAL REVENUE | - | 81 | 603,831 | 603,831 | 584,675 | 77 | 584,598 | 1,100,122 | |
| EXPENDITURES | | | | | | | | | |
| 2-7310 Bond Principal- Series 2021A(3) | - | - | - | - | - | - | - | - | |
| 2-7210 Bond Interest- Series 2021A(3) | - | 79 | 493,829 | 493,829 | - | - | - | 897,421 | Funds Available |
| 2-7100 Paying Agent Fees | - | - | - | - | - | - | - | 4,000 | Maximum Allowed per Bonds |
| 2-5600 Bank Fees | - | - | 4,000 | 4,000 | 3,268 | - | (3,268) | 7,640 | Roughly 4% of Interest Income |
| 2-5700 Treasurer's Fees | - | 2 | 2 | 2 | 2 | 2 | 0 | 61 | 3% of Property Taxes |
| Contingency | - | - | - | - | - | - | - | - | Unforeseen Needs |
| TOTAL EXPENDITURES | - | 81 | 497,831 | 497,831 | 3,270 | 2 | (3,268) | 909,122 | |
| REVENUE OVER / (UNDER) EXP | - | - | 106,000 | 106,000 | 581,405 | 75 | 581,329 | 191,000 | |
| OTHER SOURCES / (USES) | | | | | | | | | |
| 2-7800 Bond Proceeds | - | - | 15,070,000 | 15,070,000 | 15,070,000 | - | 15,070,000 | - | |
| 2-8000 Cost of Issuance | (6,000) | - | (578,200) | (578,200) | (557,953) | - | (557,953) | - | |
| 2-8010 Transfer to #1 For Capital | - | (13,940,400) | (14,591,800) | (6,948,764) | (4,726,168) | (10,455,300) | 5,729,132 | (7,834,036) | Remaing Funds- Trfr To #1 |
| Transfer to #3 For Capital | - | - | - | - | - | - | - | - | |
| Transfer to #4 For Capital | - | - | - | - | - | - | - | - | |
| 2-9001 Transfer From General Fund | - | - | - | - | - | - | - | - | |
| TOTAL OTHER SOURCES / (USES) | (6,000) | (13,940,400) | (100,000) | 7,543,036 | 9,785,879 | (10,455,300) | 20,241,179 | (7,834,036) | |
| CHANGE IN FUND BALANCE | (6,000) | (13,940,400) | 6,000 | 7,649,036 | 10,367,284 | (10,455,225) | 20,822,509 | (7,643,036) | |
| 2-3000 BEGINNING FUND BALANCE | - | 13,940,400 | (6,000) | (6,000) | (6,000) | 13,940,400 | (13,946,400) | 7,643,036 | |
| ENDING FUND BALANCE | (6,000) | - | - | 7,643,036 | 10,361,284 | 3,485,175 | 6,876,109 | - | |
| COMPONENTS OF FUND BALANCE: | | | | | | | | | |
| 2-1120 Capital Projects Fund | - | - | - | 7,643,036 | 9,857,460 | - | - | - | Assumed Used on Projects |
| 2-1100 Bond Payment Fund | - | - | - | - | - | - | - | - | All Used for Debt Service |
| Interfund & Other Balances | (6,000) | - | - | - | 503,824 | - | - | - | |
| TOTAL FUND BALANCE | (6,000) | - | - | 7,643,036 | 10,361,284 | - | - | - | |

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