



ICENOGLE SEAVER POGUE

March 1, 2022

Moses Garcia, Esq.
City of Loveland
500 East 3rd Street, Suite 330
Loveland, Colorado 80537

Office of the State Auditor
1525 Sherman Street, 7th Floor
Denver, Colorado 80203

Division of Local Government
1313 Sherman Street
Room 521
Denver, Colorado 80203
(Via E-Portal)

Larimer County Clerk and Recorder
Larimer County Colorado
P.O. Box 1280
Fort Collins, Colorado 80522
(Via E-Portal)

Re: Annual Report for Waterfall Metropolitan District No. 1

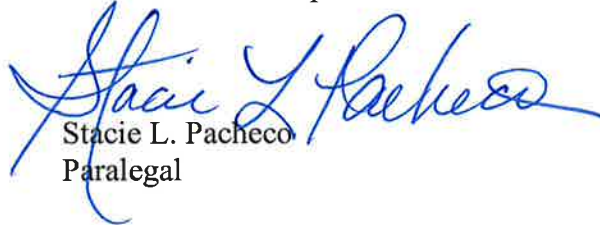
To Whom It May Concern:

Pursuant to Section 32-1-207(3) C.R.S., enclosed please find the 2021 Annual Report for Waterfall Metropolitan District No. 1.

Please contact our office with any questions regarding the Annual Report.

Sincerely,

ICENOGLE SEAVER POGUE
A Professional Corporation



Stacie L. Pacheco
Paralegal

Stacie L. Pacheco | SPacheco@isp-law.com | Direct 303.867.3000

4725 S. Monaco St., Suite 360 | Denver, CO 80237 | 303.292.9100 | fax 303.292.9101 | www.isp-law.com

WATERFALL METROPOLITAN DISTRICT NO. 1

2021 ANNUAL REPORT TO THE CITY OF LOVELAND

Pursuant to the Consolidated Service Plan for Waterfall Metropolitan Districts Nos. 1 & 2 (individually, “District No. 1” and “District No. 2”; collectively, the “Districts”), the Districts are required to provide an annual report to the City of Loveland (the “City”) with regard to any of the following events that occurred during calendar year 2021:

- A. Boundary changes made or proposed.
- B. Intergovernmental Agreements with other governmental bodies entered into or proposed.
- C. Changes or proposed changes in the Districts’ policies.
- D. Changes or proposed changes in the Districts’ operations.
- E. Any changes in the financial status of the Districts including revenue projections or operating costs.
- F. A summary of any litigation which involves the Districts.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of Districts’ Public Improvement Construction Schedule.
- I. List of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City.
- J. Summary of Financial Information

As reported previously reported, District No. 2 was dissolved by order of the Larimer County District Court entered on May 16, 2019. Accordingly, only District No. 1’s activities for 2021 are reported herein.

The following reflects information concerning the above listed matters that occurred in 2021:

- A. Boundary changes made or proposed.

There were no changes or proposed changes to District No. 1’s boundaries in 2021.

- B. Intergovernmental Agreements with other governmental bodies entered into or proposed.

District No. 1 did not enter into or propose any intergovernmental agreements with other governmental bodies in 2021.

- C. Changes or proposed changes in the Districts’ policies.

There were no changes or proposed changes in District No. 1’s policies in 2021.

D. Changes or proposed changes in the Districts' operations.

There were no changes or proposed changes in District No. 1's operations in 2021.

E. Any changes in the financial status of the Districts including revenue projections or operating costs.

The financial status of District No. 1, including revenue projections and operating costs through fiscal year 2021 and adopted for fiscal year 2022, is reflected in District No. 1's unaudited financial statements for the period ending December 31, 2021 and in District No. 1's 2022 Adopted Budget attached hereto as **Exhibit A**.

F. A summary of any litigation which involves the District.

There is no litigation involving District No. 1.

G. Proposed plans for the year immediately following the year summarized in the annual report.

No public improvements are proposed for construction by District No. 1 in 2022.

H. Status of Public Improvement Construction Schedule.

No public improvements were constructed by District No. 1 in 2021 and there are no public improvement construction projects planned for 2022.

I. List of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City.

No facilities or improvements were constructed by District No. 1 and dedicated to the City in 2021.

J. Summary of Financial Information.

1. Assessed value of taxable property within District No. 1's boundaries.

Pursuant to the certifications of valuation received from the Larimer County Assessor, District No. 1's net total taxable assessed valuation for taxable year 2021 is \$9,547,115.

2. The total acreage in District No. 1 as of December 31, 2021 was 29.56 acres.

3. **For District No. 1:**

(a) The District's indebtedness (stated separately for each class of Debt).

Series 2016A Bonds: As reported in the Districts' 2016 Annual Report, on December 27, 2016, the Board of Directors of District No. 1 issued its Limited Tax General Obligation Refunding Bonds, Series 2016A, in the total aggregate principal amount of \$1,710,000 ("Series 2016A Bonds") to refund a 2011 loan agreement between the District and U.S. Bank. The revenues pledged to pay the Series 2016A Bonds include property tax revenues, specific ownership tax revenues, revenues derived from payment in lieu of taxes if applicable, capital fees, and any other legally available moneys District No. 1 determines to apply to debt service on the Series 2016A Bonds. Principal payments are due annually on December 1 and interest payments on the bonds are due and payable semi-annually on June 1 and December 1.

Series 2018 Bonds: On March 29, 2018, District No. 1 issued Limited Tax General Obligation Bonds, Series 2018 in the total aggregate principal amount of \$2,211,000 (the "Series 2018 Bonds") primarily to pay a portion of the 2016 Developer Note (as defined in Section J.3 below). The revenues pledged to pay the Series 2018 Bonds include property tax revenues, specific ownership tax revenues, revenues derived from payment in lieu of taxes, capital fees, and other legally available moneys District No. 1 determines to apply to debt service on the Series 2018 Bonds. Principal payments are due annually on December 1 and interest payments on the bonds are due and payable semi-annually on June 1 and December 1.

Developer Advances: As previously reported, District No. 1 entered into an Amended and Restated Improvement Acquisition and Reimbursement Agreement dated January 1, 2010 with Boyd Lake Village, LLC, relating to the funding and repayment of costs associated with the Districts' organization and District No. 1's construction and acquisition of public improvements ("Agreement"). The Agreement was subsequently assigned to MBL 34, LLC ("MBL"). To evidence District No. 1's repayment obligation thereunder, District No. 1 issued a Subordinate Promissory Note to Boyd Lake Village, LLC, dated January 1, 2010, in the principal amount of \$3,677,320.23 with a maturity date of January 1, 2050 (the "2010 Subordinate Note"). The 2010 Subordinate Note was subsequently assigned to MBL.

In connection with the 2011 Loan, District No. 1 and MBL entered into a First Addendum to the Agreement to clarify the subordinate nature of the Agreement and notes issued thereunder, to the 2011 Loan. A portion of the principal balance on the 2010 Subordinate Note was paid from the 2011 Loan proceeds, and the remaining balance of the 2010 Subordinate Note was refunded through the issuance of a new Revenue and Limited Tax Obligation Subordinate Promissory Note to MBL, dated June 28, 2011, in the aggregate principal amount of \$2,473,840.28 (the "2011 Subordinate Note").

In connection with District No. 1's issuance of its Series 2016A Bonds, District No. 1 and MBL entered into a Second Addendum to the Agreement to clarify the subordinate nature of the Agreement and notes issued thereunder to the Series 2016A Bonds and certain other bonds that may be issued by District No. 1 in the future. In addition, District No. 1 refunded the 2011 Subordinate Note and issued a new Revenue and Limited Tax Obligation Subordinate Promissory Note to MBL, dated December 27, 2016,

in the aggregate principal amount of \$2,486,471.25 with a maturity date of January 1, 2050 (the “2016 Subordinate Note”). The District paid a portion of the 2016 Subordinate Note upon the issuance of the 2018 Bonds.

(b) The District’s debt service (stated separately for each class of Debt).

2016A Bonds & 2018 Bonds:

Bond Principal:	\$ 31,000
Bond Interest:	\$ 235,145

(c) The District’s tax revenue for 2021:

Property Tax Revenue:	\$378,552
Specific Ownership Tax Revenue:	\$28,778

(d) Other District Revenue for 2021:

Operations and Maintenance Fees:	\$128,054
Interest/Other:	\$285

(e) Public Improvement Expenditures for 2021:

None.

(f) Other Expenditures for 2021:

Custodian Fees:	\$ 6,500
Treasurer’s Fees:	\$ 5,888
Operating Expenses:	\$146,422

EXHIBIT A

**2021 UNAUDITED FINANCIAL STATEMENTS AND 2022 ADOPTED BUDGET
FOR
WATERFALL METROPOLITAN DISTRICT NO. 1**



Management Financial Statements

BOARD OF DIRECTORS
WATERFALL METROPOLITAN DISTRICT NO. 1

We have prepared the accompanying management financial statements for the periods ending as of December 31, 2020 and December 31, 2021. We have also presented the accompanying 2022 adopted budgets of revenues, expenditures, and funds available prepared on the modified accrual basis.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the financial position and results of operations.

A handwritten signature in blue ink, appearing to read "B. J. ...", is positioned above the typed name of the company.

Pinnacle Consulting Group, Inc.
February 1, 2022

WATERFALL METROPOLITAN DISTRICT NO. 1			2/1/2022
BALANCE SHEET			
December 31, 2020 and December 31, 2021			
	Audited Actual 12/31/2020	Unaudited Actual 12/31/2021	
Assets			
Current Assets			
Cash, Checking	\$ 87,294	\$ 160,264	
Restricted Cash, UMB Bank	472,742	510,704	
Property Tax Receivable	378,552	429,620	
Due from County	2,205	1,911	
Prepaid Expenses	3,490	3,358	
Total Current Assets	\$ 944,283	\$ 1,105,857	
Long-Term Assets			
Public Improvements	\$ 428,345	\$ 428,345	
Less: Accumulated Depreciation	(181,745)	(199,177)	
Total Long-Term Assets	\$ 246,600	\$ 229,168	
Total Assets	\$ 1,190,883	\$ 1,335,025	
Liabilities			
Current Liabilities			
Accounts Payable	\$ 6,914	\$ 6,705	
Deferred Property Tax	378,552	429,620	
Total Current Liabilities	\$ 385,466	\$ 436,325	
Long-Term Liabilities			
Bond Payable, Series 2016/2018	\$ 3,871,000	\$ 3,840,000	
Capital Note Payable	1,539,660	1,539,660	
Capital Note Payable, Interest	279,817	360,650	
Total Long-Term Debt	\$ 5,690,477	\$ 5,740,310	
Total Liabilities	\$ 6,075,943	\$ 6,176,635	
Fund Equity			
Net investment in Fixed Assets	\$ (5,443,877)	\$ (5,511,141)	
Fund Balance			
Restricted	472,269	512,300	
Unassigned	86,548	157,231	
Total Fund Equity	\$ (4,885,060)	\$ (4,841,610)	
Total Liabilities and Fund Equity	\$ 1,190,883	\$ 1,335,025	
	=	=	

WATERFALL METROPOLITAN DISTRICT NO. 1					2/1/2022
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
December 31, 2020 Actual, and 2021 Adopted Budget					
Year-to-date Actual, Budget, and Variance through December 31, 2021					
2022 Adopted Budget					
Modified Accrual Budgetary Basis					
GENERAL FUND	2020	2021	Actual	Variance	2022
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/21	12/31/21	Budget
Revenues					
O&M Fees	\$ 75,803	\$ 128,054	\$ 128,054	\$ -	\$ 63,144
Property Taxes	83,562	84,173	84,152	(21)	95,471
Specific Ownership Taxes	5,989	5,892	6,397	505	6,683
Interest & Other	332	500	92	(408)	500
Total Revenues	\$ 165,686	\$ 218,619	\$ 218,695	\$ 76	\$ 165,798
Expenditures					
Accounting and Finance	\$ 18,720	\$ 18,720	\$ 18,960	\$ 240	\$ 22,490
Audit	5,500	5,500	5,500	-	5,500
District Management	33,240	35,760	35,760	-	39,000
District Engineer	-	1,000	-	(1,000)	-
Director's Fees	775	1,000	438	(562)	1,000
Elections	741	-	-	-	1,000
Insurance	3,232	3,620	3,490	(130)	3,839
Landscape Maintenance	18,191	24,054	21,882	(2,172)	25,092
Hardscape Maintenance	2,019	3,600	2,135	(1,465)	5,000
Storm Water Facility Maintenance	250	2,000	160	(1,840)	1,500
Misc Services	-	500	-	(500)	500
Repairs and Replacements	17,033	84,500	25,752	(58,748)	17,250
Utilities	16,977	13,400	13,234	(166)	13,802
Legal	11,975	15,000	15,526	526	15,000
Office, Dues and Other	1,896	2,600	1,902	(698)	2,800
Treasurer's Fees	1,671	1,683	1,683	-	1,909
Transfer to Capital Projects Fund	5,623	5,000	-	(5,000)	-
Contingency	-	5,000	-	(5,000)	-
Total Operating Expenditures	\$ 137,843	\$ 222,937	\$ 146,422	\$ (76,515)	\$ 155,682
Revenues Over/(Under) Expenditures	\$ 27,843	\$ (4,318)	\$ 72,273	\$ 76,591	\$ 10,116
Beginning Fund Balance	63,676	57,307	91,519	34,212	168,251
Ending Fund Balance	\$ 91,519	\$ 52,989	\$ 163,792	\$ 110,803	\$ 178,367
				=	
Components of Ending Fund Balance:					
TABOR Reserve	\$4,971	\$6,559	\$6,561		\$4,974
Repairs and Replacements Reserve	22,290	19,144	100,415		111,291
Unassigned Reserve	64,258	27,286	56,816		62,102
Total Fund Balance	\$91,519	\$52,989	\$163,792		\$178,367

WATERFALL METROPOLITAN DISTRICT NO. 1					2/1/2022
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
December 31, 2020 Actual, and 2021 Adopted Budget					
Year-to-date Actual, Budget, and Variance through December 31, 2021					
2022 Adopted Budget					
Modified Accrual Budgetary Basis					
CAPITAL PROJECTS FUND	2020	2021	Actual	Variance	2022
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/21	12/31/21	Budget
Revenues					
Transfer from General Fund	\$ 5,623	\$ 5,000	\$ -	\$ (5,000)	\$ -
Total Revenues	\$ 5,623	\$ 5,000	\$ -	\$ (5,000)	\$ -
Expenditures					
District Management	\$ 5,623	\$ -	\$ -	\$ -	\$ -
Contingency	-	5,000	-	(5,000)	-
Total Capital Expenditures	\$ 5,623	\$ 5,000	\$ -	\$ (5,000)	\$ -
Other Sources/(Uses) of Funds					
Transfer from Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 1,900,310
Capital Advance Repayment	-	-	-	-	(1,900,310)
Net Other Sources/(Uses) of Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
				=	
DEBT SERVICE FUND					
	2020	2021	Actual	Variance	2022
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/21	12/31/21	Budget
Revenues					
Property Taxes	\$ 295,229	\$ 294,379	\$ 294,400	\$ 21	\$ 334,149
Specific Ownership Taxes	21,160	20,607	22,381	1,774	23,390
Interest and Other Income	3,311	10,000	193	(9,807)	10,000
Total Revenues	\$ 319,700	\$ 324,986	\$ 316,974	\$ (8,012)	\$ 367,539
Expenditures					
Bond Principal - 2016/2018 Bonds	\$ 30,000	\$ 31,000	\$ 31,000	\$ -	\$ 3,840,000
Bond Interest - 2016/2018 Bonds	236,983	235,145	235,145	-	58,313
Bond Principal - 2022 Bonds	-	-	-	-	150,000
Bond Interest - 2022 Bonds	-	-	-	-	188,625
Custodian Fees	6,500	6,500	6,500	-	6,500
Treasurer's fees	5,905	5,888	5,888	-	6,683
Contingency	-	10,000	-	(10,000)	10,000
Total Expenditures	\$ 279,388	\$ 288,533	\$ 278,533	\$ (10,000)	\$ 4,260,121
Other Sources/(Uses) of Funds:					
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 6,190,168
Cost of Issuance	-	-	-	-	(426,543)
Transfer to Capital Projects Fund	-	-	-	-	(1,900,310)
Net Other Sources/(Uses) of Funds	\$ -	\$ -	\$ -	\$ -	\$ 3,863,315
Revenues Over/(Under) Expenditures	\$ 40,312	\$ 36,454	\$ 38,441	\$ 1,988	\$ (29,267)
Beginning Fund Balance	426,986	461,418	467,298	5,880	504,051
Ending Fund Balance	\$ 467,298	\$ 497,872	\$ 505,739	\$ 7,868	\$ 474,785
				=	
COMPONENTS OF ENDING FUND BALANCE:					
Required Reserve	\$ 151,650	\$ 151,650	\$ 151,650		\$ 456,471
Surplus Fund	178,500	178,500	178,500		-
Bond Fund	137,148	167,722	175,589		18,314
Total	\$ 467,298	\$ 497,872	\$ 505,739		\$ 474,785

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
WATERFALL METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2022

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
WATERFALL)
METROPOLITAN)
DISTRICT NO. 1)

Due to the State of Emergency declared by Governor Polis and the threat to health and safety posed by the COVID-19 pandemic, the Board of Directors of the Waterfall Metropolitan District No. 1, Larimer County, Colorado, held a virtual meeting via MS Teams on December 15, 2021 at 8:30 a.m.

The following members of the Board of Directors were present:

Kim Perry, President & Chairperson
Abby Kirkbride, Vice President & Asst. Secretary
Sam Salazar, Secretary
Tim DePeder, Treasurer
Rishi Loona, Assistant Secretary

Also in attendance was: Alan Pogue, Icenogle Seaver Pogue, P.C.; Shannon McEvoy, Irene McCaffrey, Brendan Campbell, and Kieyesia Conaway, Pinnacle Consulting Group, Inc.

Mr. McEvoy, District Manager, stated that proper publication was made on December 12, 2021 to allow the Board to conduct a public hearing on the District's 2022 budget. Director Perry opened the public hearing on the District's proposed 2022 budget.

Thereupon, Director Depeder introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE WATERFALL METROPOLITAN DISTRICT NO. 1, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022, AND ENDING ON THE LAST DAY OF DECEMBER 2022,

WHEREAS, the Board of Directors of the Waterfall Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on December 12, 2021, in the Loveland Reporter Herald, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 15, 2021, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WATERFALL METROPOLITAN DISTRICT NO. 1 OF LARIMER COUNTY, COLORADO:

Section 1. 2022 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2022 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2022. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Waterfall Metropolitan District No. 1 for calendar year 2022.

Section 4. 2022 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2022 budget year is \$429,620. That the 2021 valuation for assessment, as certified by the Larimer County Assessor, is \$9,547,115.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2022 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the 2021 total valuation of assessment of all taxable property within the District.

B. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all general obligation bonds and interest expense of the District during the 2022 budget year, there is hereby levied a tax of 35.000 mills upon each dollar of the 2021 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 45.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the Waterfall Metropolitan District No. 1
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Waterfall Metropolitan District No. 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 9,547,115 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 9,547,115 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2021 for budget/fiscal year 2022
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	10.000 mills	\$ 95,471.15
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$ 95,471.15
3. General Obligation Bonds and Interest ^J	35.000 mills	\$ 334,149.03
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify):	mills	\$
	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	45.000 mills	\$ 429,620.18

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611
Signed: [Signature] Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS:

- | | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | Repay Waterfall Metropolitan District No. 1's Series 2018 Bonds of \$2,211,000.00 for acquisition of public infrastructure. |
| | Series: | 2018 |
| | Date of Issue: | 03/29/2018 |
| | Coupon Rate: | 5.750% |
| | Maturity Date: | 12/01/2046 |
| | Levy: | 35.000 |
| | Revenue: | \$334,149.03 |
| | | |
| 2. | Purpose of Issue: | Repay Waterfall Metropolitan District No. 1's 2016A Bonds of \$1,710,000 to fund for infrastructure improvements. |
| | Series: | 2016 |
| | Date of Issue: | 12/01/2016 |
| | Coupon Rate: | 6.5% |
| | Maturity Date: | 12/28/2016 |
| | Levy: | See Levy as listed above in 1. |
| | Revenue: | See Revenue as listed above in 1. |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Salazar and made a part of the public records of Waterfall Metropolitan District No. 1.

The foregoing Resolution was seconded by Director Loona.

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ADOPTED AND APPROVED THIS 15th DAY OF DECEMBER 2021.

DocuSigned by:
Kim Perry
B786C9D42F3647F...

President

ATTEST:

DocuSigned by:
Sam Salazar
5597E4C10DF544D...

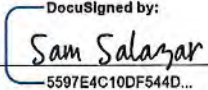
Secretary

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
WATERFALL)
METROPOLITAN)
DISTRICT NO. 1)

I, Sam Salazar, Secretary to the Board of Directors of the Waterfall Metropolitan District No. 1, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a virtual meeting of the Board held via MS Teams on December 15, at 8:30 a.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2022; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2022 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 15th day of December, 2021.

(S E A L)

Secretary 



Management Budget Report

BOARD OF DIRECTORS
WATERFALL METROPOLITAN DISTRICT NO. 1

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2022, including the comparative information of the forecasted estimate for the year ending December 31, 2021 and the actual historic information for the year 2020.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to be "B. G. M.", is written over the printed name of Pinnacle Consulting Group, Inc.

Pinnacle Consulting Group, Inc.
January 20, 2022

WATERFALL METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2020 Actual, 2021 Adopted Budget and Projected Actual,				
2022 Adopted Budget				
	Modified Accrual Budgetary Basis			
GENERAL FUND	2020	2021	2021	2022
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
O&M Fees	\$ 75,803	\$ 128,054	\$ 128,054	\$ 63,144
Property Taxes	83,562	84,173	84,173	95,471
Specific Ownership Taxes	5,989	5,892	5,892	6,683
Interest & Other	332	500	180	500
Total Revenues	\$ 165,686	\$ 218,619	\$ 218,299	\$ 165,798
Expenditures				
Accounting and Finance	\$ 18,720	\$ 18,720	\$ 18,720	\$ 22,490
Audit	5,500	5,500	5,500	5,500
District Management	33,240	35,760	35,760	39,000
District Engineer	-	1,000	-	-
Director's Fees	775	1,000	1,000	1,000
Elections	741	-	-	1,000
Insurance	3,232	3,620	3,490	3,839
Landscape Maintenance	18,191	24,054	21,964	25,092
Hardscape Maintenance	2,019	3,600	3,500	5,000
Storm Water Facility Maintenance	250	2,000	1,000	1,500
Misc Services	-	500	250	500
Repairs and Replacements	17,033	84,500	23,500	17,250
Utilities	16,977	13,400	13,400	13,802
Legal	11,975	15,000	10,000	15,000
Office, Dues and Other	1,896	2,600	1,800	2,800
Treasurer's Fees	1,671	1,683	1,683	1,909
Transfer to Capital Projects Fund	5,623	5,000	-	-
Contingency	-	5,000	-	-
Total Operating Expenditures	\$ 137,843	\$ 222,937	\$ 141,567	\$ 155,682
Revenues Over/(Under) Expenditures	\$ 27,843	\$ (4,318)	\$ 76,732	\$ 10,116
Beginning Fund Balance	63,676	57,307	91,519	168,251
Ending Fund Balance	\$ 91,519	\$ 52,989	\$ 168,251	\$ 178,367
Components of Ending Fund Balance:				
TABOR Reserve	\$4,971	\$6,559	\$6,559	\$4,974
Repairs and Replacements Reserve	22,290	19,144	100,130	113,932
Unassigned Reserve	64,258	27,286	61,562	59,461
Total Fund Balance	\$91,519	\$52,989	\$168,251	\$178,367

WATERFALL METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2020 Actual, 2021 Adopted Budget and Projected Actual,				
2022 Adopted Budget				
Modified Accrual Budgetary Basis				
CAPITAL PROJECTS FUND	2020	2021	2021	2022
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Transfer from General Fund	\$ 5,623	\$ 5,000	\$ -	\$ -
Total Revenues	\$ 5,623	\$ 5,000	\$ -	\$ -
Expenditures				
District Management	\$ 5,623	\$ -	\$ -	\$ -
Contingency	-	5,000	-	-
Total Capital Expenditures	\$ 5,623	\$ 5,000	\$ -	\$ -
Other Sources/(Uses) of Funds				
Transfer from Debt Service	\$ -	\$ -	\$ -	\$ 1,900,310
Capital Advance Repayment	-	-	-	(1,900,310)
Net Other Sources/(Uses) of Funds	\$ -	\$ -	\$ -	\$ -
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -
DEBT SERVICE FUND				
	2020	2021	2021	2022
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Taxes	\$ 295,229	\$ 294,379	\$ 294,379	\$ 334,149
Specific Ownership Taxes	21,160	20,607	20,607	23,390
Interest and Other Income	3,311	10,000	300	10,000
Total Revenues	\$ 319,700	\$ 324,986	\$ 315,286	\$ 367,539
Expenditures				
Bond Principal - 2016/2018 Bonds	\$ 30,000	\$ 31,000	\$ 31,000	\$ 3,840,000
Bond Interest - 2016/2018 Bonds	236,983	235,145	235,145	58,313
Bond Principal - 2022 Bonds	-	-	-	150,000
Bond Interest - 2022 Bonds	-	-	-	188,625
Custodian Fees	6,500	6,500	6,500	6,500
Treasurer's fees	5,905	5,888	5,888	6,683
Contingency	-	10,000	-	10,000
Total Expenditures	\$ 279,388	\$ 288,533	\$ 278,533	\$ 4,260,121
Other Sources/(Uses) of Funds:				
Bond Proceeds	\$ -	\$ -	\$ -	\$ 6,190,168
Cost of Issuance	-	-	-	(426,543)
Transfer to Capital Projects Fund	-	-	-	(1,900,310)
Net Other Sources/(Uses) of Funds	\$ -	\$ -	\$ -	\$ 3,863,315
Revenues Over/(Under) Expenditures	\$ 40,312	\$ 36,454	\$ 36,753	\$ (29,267)
Beginning Fund Balance	426,986	461,418	467,298	504,051
Ending Fund Balance	\$ 467,298	\$ 497,872	\$ 504,051	\$ 474,785
COMPONENTS OF ENDING FUND BALANCE:				
Required Reserve	\$ 151,650	\$ 151,650	\$ 151,650	\$ 456,471
Surplus Fund	178,500	178,500	178,500	-
Bond Fund	137,148	167,722	173,901	18,314
Total	\$ 467,298	\$ 497,872	\$ 504,051	\$ 474,785

WATERFALL METROPOLITAN DISTRICT NO. 1 2022 BUDGET MESSAGE

Waterfall Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act and was formed in May 2008. The District is located in the City of Loveland, Colorado. This District was organized to provide financing for the design, acquisition, construction and installation of street and roadway improvements; street landscaping, signage, monuments, and lighting; safety protection; park and recreation improvements; and sanitation and storm drainage; and to provide the operation and maintenance of these improvements.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

General Fund

Revenue

The District assesses an annual operations and maintenance fee to pay costs of maintaining District assets. Operation and maintenance fees are budgeted at \$63,144 for fiscal year 2022. Additionally, the District will assess 10.000 mills to generate \$95,471 in property tax revenue with an additional \$7,183 expected to be generated from specific ownership taxes (7% of property tax revenues) and interest and other revenue to fund administrative expenses. Total budgeted revenues amount to \$165,798.

Expenses

The District has budgeted general and administrative expenses of \$155,682.

Fund Balance/Reserves

Expected ending fund balance for 2022 consists of an emergency reserve equal to 3% of the fiscal year spending for 2022, as defined under TABOR, with the remaining balance being reserves for repairs and replacements and operating to provide a positive cash-flow position.

Capital Projects Fund

The District anticipates a bond issuance in 2022 and has allowed for repayment of capital advances of \$1,900,310.

Debt Service Fund

Revenue

The District certified a mill levy of 35.000 mills on the assessed value of \$9,547,115 to generate property tax revenue for debt service of \$334,149. Based on historical receipts, estimated specific ownership tax revenue is 7% of property tax revenue, or \$23,390. The District also budgeted interest earnings and miscellaneous revenues in the amount of \$10,000 in 2022. \$6,190,168 is expected in bond proceeds with the 2022 bond issuance. Total budgeted revenues for 2022 are \$6,557,707.

Expenses

In 2016, the District refinanced a bank loan with U.S. Bank, NA through the issuance of bonds. In 2018, the District issued Limited Tax General Obligation Bonds in the amount of \$2,221,000 for funding of public infrastructure projects. The District anticipates refunding \$3,840,000 on the 2016 and 2018 bonds with the 2022 bond issuance. \$420,121 is budgeted for other bond payments and related fees. \$2,326,853 has been budgeted for cost of issuance for the 2022 bonds and transfers to the Capital Fund for repayment of advances. Debt Service expenditures total \$6,586,974 for 2022.

Fund Balance/Reserves

The District anticipates debt service reserves at the end of 2022 to be \$474,785, which meets the anticipated required reserve of \$456,471.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 188 - WATERFALL METRO DISTRICT NO. 1

IN LARIMER COUNTY ON 11/23/2021

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2021 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$8,412,271
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$9,547,115
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$9,547,115
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2021 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2021

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$30,334,430
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2021

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.