

Waterfall Metropolitan District No.1

January 28, 2014

Via email: dlg-filing@state.co.us

Colorado Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: Waterfall Metropolitan District No. 1 2014 Budget

To Whom It May Concern:

Attached are true and accurate copies of the adopted 2014 budget for the Waterfall Metropolitan District No. 1 in Larimer County, Colorado, submitted pursuant to C.R.S. Section 29-1-113. The budget was adopted on October 24, 2013.

If there are any questions, please contact our office at (970) 669-3611.

Sincerely,
WATERFALL METROPOLITAN DISTRICT NO. 1



Pinnacle Consulting Group Inc.
Accounting Manager

Enc.

Managed by Pinnacle Consulting Group, Inc.
1627 East 18th Street
Loveland, CO 80538
Phone: (970) 669-3611 * Fax: (970) 669-3612

WATERFALL METROPOLITAN DISTRICT NO. 1

2014 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 was established for the community 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.

2014 BUDGET STRATEGY

The District's strategy in preparing the 2014 budget is to strive to provide the level of street, safety, drainage, and park and recreational services as desired by the property owners and residents of the District in the most economic manner possible.

General Fund

The District has general and administrative expenses budgeted in the amount of \$109,050 which will be paid by O&M Fees and other income in the amount of \$76,432 in budgeted revenue and \$32,618 of available fund balance.

Debt Service Fund

The District has budgeted expenditures for principal, interest and other payments related to the 2011 Loan Agreement and note payable in the amount of \$177,545. Debt service will be paid with revenues from property and specific ownership taxes in the budgeted amount of \$178,426.

Debt

On June 28, 2011, the District signed a loan agreement with U.S. Bank, NA for purposes of issuing a Limited Tax General Obligation Note in the amount of \$1,730,000. The bonds carry an interest rate of 3.61% and payments are due and payable semi-annually on June 1 and December 1. The bonds mature on June 28, 2016 with a balloon payment.

Reserve

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2014, as defined under TABOR.



Accountant's Report

BOARD OF DIRECTORS WATERFALL METROPOLITAN DISTRICT NO. 1

I have compiled the statements of revenues and expenditures for the year ended December 31, 2012 and the nine months ended September 30, 2013 for Waterfall Metropolitan District No. 1. I have not audited or reviewed 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.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of the Waterfall Metropolitan District No. 1 for the year ending December 31, 2014 in accordance with standards established by the American Institute of Certified Public Accountants.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to the Waterfall Metropolitan District No. 1.

A handwritten signature in dark ink, appearing to read "BSC", is written over a light blue horizontal line.

Brendan Campbell, CPA
January 28, 2014

WATERFALL METROPOLITAN DISTRICT NO. 1					28-Jan-14
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
December 31, 2012 Actual, 2013 Adopted Budget and Projected Actual,					
Year-to-date Actual, 2014 Adopted Budget					
Modified Accrual Budgetary Basis					
GENERAL FUND	2012	2013	2013	Actual	2014
	Unaudited	Adopted	Projected	Through	Adopted
Revenues	Actual	Budget	Budget	09/30/13	Budget
O&M Fees	\$ 99,369	\$ 107,235	\$ 107,235	\$ 107,255	\$ 74,056
Transfer In from Capital Projects Fund	-	-	-	-	2,356
Interest & Other	108	20	20	8	20
Total Revenues	\$ 99,477	\$ 107,255	\$ 107,255	\$ 107,263	\$ 76,432
Expenditures					
Accounting and Finance	\$ 8,670	\$ 7,500	\$ 7,500	\$ 4,731	\$ 7,500
Audit	5,500	-	-	-	-
District Management	18,268	16,500	16,500	14,388	21,500
District Engineer	-	500	-	-	2,000
Elections	-	-	-	-	500
Insurance	2,114	2,300	2,384	2,384	2,500
Landscape Maintenance	40,871	64,405	55,405	31,968	60,850
Legal	6,461	7,500	5,000	736	4,000
Office, Dues and Other	646	550	750	540	1,000
Utilities	3,004	3,000	6,600	5,183	6,700
Contingency	-	5,000	-	-	2,500
Total Operating Expenditures	\$ 85,534	\$ 107,255	\$ 94,139	\$ 59,931	\$ 109,050
Revenues over/(under) Expenditures	\$ 13,943	\$ -	\$ 13,116	\$ 47,332	\$ (32,618)
Beginning Fund Balance	15,558	15,744	29,501	29,501	42,618
Ending Fund Balance	\$ 29,501	\$ 15,744	\$ 42,618	\$ 76,833	\$ 10,000
CAPITAL PROJECTS FUND	2012	2013	2013	Actual	2014
	Unaudited	Adopted	Projected	Through	Adopted
Revenues	Actual	Budget	Budget	09/30/13	Budget
Capital Advance	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
Repairs	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sources/(Uses) of Funds:					
Transfer to General Fund	\$ -	\$ -	\$ -	\$ -	\$ (2,356)
Net Other Sources/(Uses) of Funds	\$ -	\$ -	\$ -	\$ -	\$ (2,356)
Revenues over/(under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ (2,356)
Beginning Fund Balance	2,356	2,356	2,356	2,356	2,356
Ending Fund Balance	\$ 2,356	\$ 2,356	\$ 2,356	\$ 2,356	\$ -
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WATERFALL METROPOLITAN DISTRICT NO. 1					28-Jan-14
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
December 31, 2012 Actual, 2013 Adopted Budget and Projected Actual,					
Year-to-date Actual, 2014 Adopted Budget					
Modified Accrual Budgetary Basis					
DEBT SERVICE FUND	2012	2013	2013	Actual	2014
	Unaudited	Adopted	Projected	Through	Adopted
Revenues	Actual	Budget	Budget	09/30/13	Budget
Property Taxes	\$ 137,776	\$ 159,331	\$ 159,331	\$ 159,331	\$ 167,301
Specific Ownership Taxes	9,526	9,560	6,481	7,800	10,875
Interest Income	164	250	-	66	250
Total Revenues	\$ 147,467	\$ 169,141	\$ 165,812	\$ 167,197	\$ 178,426
Expenditures					
Loan Principal	\$ 51,000	\$ 53,000	\$ -	\$ -	\$ 55,000
Loan Interest	63,841	60,612	30,306	30,643	58,699
Custodian Fees	1,500	1,500	1,500	1,500	1,500
Treasurer's fees	\$ 2,756	\$ 3,187	\$ 3,187	3,187	3,346
Total Expenditures	\$ 119,096	\$ 118,299	\$ 34,993	\$ 35,329	\$ 118,545
Other Sources/(Uses) of Funds:					
Capital Note Repayment	\$ (48,500)	\$ (50,000)	\$ -	\$ -	\$ (59,000)
Net Other Sources/(Uses) of Funds	\$ (48,500)	\$ (50,000)	\$ -	\$ -	\$ (59,000)
Rev over/(under) Exp after Other	\$ (20,130)	\$ 842	\$ 130,820	\$ 131,868	\$ 881
Beginning Fund Balance	89,157	75,264	69,027	69,027	199,847
Ending Fund Balance	\$ 69,027	\$ 76,106	\$ 199,847	\$ 200,896	\$ 200,728
Required Reserve	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
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