



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, 2023, and June 30, 2024. We have also presented the accompanying 2025 proposed 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 "Jan Bernaske". The signature is fluid and cursive, written in a professional style.

Pinnacle Consulting Group, Inc.
October 17, 2024

Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537
(970)669-3611 (303)333-4380
www.PCGI.com

Serving our clients and community through excellent dependable service.

WATERFALL METROPOLITAN DISTRICT NO. 1							
BALANCE SHEET							
December 31, 2023 and June 30, 2024							
		Unaudited	Unaudited				
		Actual	Actual				
		12/31/2023	6/30/2024				
Assets							
Current Assets							
Cash, Checking	\$	409,816	\$ 503,293				
Restricted Cash, UMB Bank		384,357	431,320				
Property Tax Receivable		428,410	32,230				
Due from County		1,965	173,760				
Prepaid Expenses		3,641	-				
Total Current Assets	\$	1,228,189	\$ 1,140,603				
Long-Term Assets							
Public Improvements	\$	428,345	\$ 428,345				
Less: Accumulated Depreciation		(251,473)	(251,473)				
Total Long-Term Assets	\$	176,872	\$ 176,872				
Total Assets	\$	1,405,060	\$ 1,317,475				
Liabilities							
Current Liabilities							
Accounts Payable	\$	9,382	\$ 28,645				
Deferred Property Tax		428,410	32,230				
Total Current Liabilities	\$	437,792	\$ 60,874				
Long-Term Liabilities							
Bond Payable, Series 2016/2018	\$	-	\$ -				
Bond Payable, Series 2022	\$	5,550,000	\$ 5,550,000				
Capital Note Payable		589,952	589,942				
Capital Note Payable, Interest		89,810	120,698				
Total Long-Term Debt	\$	6,229,762	\$ 6,260,640				
Total Liabilities	\$	6,667,554	\$ 6,321,514				
Fund Equity							
Net investment in Fixed Assets	\$	(6,052,891)	\$ (6,083,768)				
Fund Balance							
Restricted		600,696	816,248				
Unassigned		189,700	263,481				
Total Fund Equity	\$	(5,262,494)	\$ (5,004,039)				
Total Liabilities and Fund Equity	\$	1,405,060	\$ 1,317,475				
		=	=				

WATERFALL METROPOLITAN DISTRICT NO. 1													
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS													
GENERAL FUND													
		(a)	(b)	(c)	(d)	(e)	(e-c)						
		2023	2024	2024	Actual	2025	Year to Year						
		Unaudited	Adopted	Projected	Through	Proposed	Budget					Budget	
Revenues		Actual	Budget	Actual	6/30/2024	Budget	Variance					Comments	
O&M Fees		\$ 78,750	\$ 73,850	\$ 73,850	\$ 73,850	\$ 74,846	\$ 996					Billing for O&M; does not include facilities mgmt	
Property Taxes		84,083	85,682	85,682	79,236	83,881	(1,801)					See mill levy table	
Specific Ownership Taxes		6,060	5,998	5,998	2,610	5,872	(126)					7% of Property Tax Revenues	
Interest & Other		396	-	-	84	-	-						
Total Revenues		\$ 169,289	\$ 165,530	\$ 165,530	\$ 155,780	\$ 164,599	\$ (931)						
Expenditures													
Operations & Maintenance:													
Landscape Maintenance		\$ 29,978	\$ 32,100	\$ 30,150	\$ 14,903	\$ 33,846	\$ 1,746					See O&M Detail	
Hardscape Maintenance		7,007	6,250	4,000	1,675	5,550	1,550					See O&M Detail	
Storm Water Facility Maintenance		352	1,250	1,000	300	1,500	500					See O&M Detail	
Misc Services		-	250	-	-	250	250					See O&M Detail	
Repairs and Replacements		22,556	19,000	20,500	5,674	18,250	(2,250)					See O&M Detail	
Utilities		13,928	15,000	15,000	8,337	15,450	450					Based on prior year hx	
Facilities Management		19,500	21,000	21,000	10,500	21,700	700					Based on contracted services	
Administration:													
Accounting and Finance		26,500	27,000	27,000	13,500	27,000	-					Based on contracted services	
Audit		5,500	6,000	6,000	4,500	6,500	500					Per Auditor	
District Management		20,000	20,000	20,000	10,000	20,000	-					Based on contracted services	
District Engineer		-	5,000	5,000	-	5,000	-					estimate, maps etc, reserve study	
Director's Fees		766	2,150	1,100	-	1,500	400					2 meetings scheduled, 1 special as needed.	
Elections		1,211	-	-	-	10,000	10,000					Per Legal	
Insurance		3,478	4,000	3,641	3,641	4,400	759					10% increase from PY budget	
Legal		4,855	10,000	10,000	5,636	12,000	2,000					Per Legal	
Office, Dues and Other		1,468	2,800	2,800	1,020	2,200	(600)					Admin forms/filing, subscriptions, memberships	
Website Hosting		-	1,200	1,200	727	1,900	700					ADA, IT services	
Treasurer's Fees		1,690	1,714	1,714	1,586	1,714	-					2% of Property Tax Revenues	
Total Expenditures		\$ 158,788	\$ 174,714	\$ 170,105	\$ 81,999	\$ 188,760	\$ 16,705						
Revenues Over/(Under) Expenditures		\$ 10,501	\$ (9,184)	\$ (4,575)	\$ 73,781	\$ (24,161)	\$ (19,586)						
Beginning Fund Balance		184,278	214,374	194,779	194,779	190,204	(4,575)						
Ending Fund Balance		\$ 194,779	\$ 205,189	\$ 190,204	\$ 268,560	\$ 166,043	\$ (24,161)						
Components of Ending Fund Balance:													
TABOR Reserve (3% of revenues)		\$ 5,079	\$ 4,967	\$ 5,630	\$ 4,967	\$ 5,700	\$ 70						
Operating Reserve (25% of expenses)		46,327	46,327	47,500	46,327	47,500	-						
Repairs and Replacements Reserve		143,373	153,895	137,074	217,266	112,843	(24,231)						
Total Fund Balance		\$ 194,779	\$ 205,189	\$ 190,204	\$ 268,560	\$ 166,043	\$ (24,161)						
Mill Levy													
Operating		9,000	9,389	9,389	9,389	9,389	0.000						
Debt Service		36,000	37,556	37,556	37,556	37,599	0.043						
Total Mill Levy		45,000	46,945	46,945	46,945	46,988	0.043					45 mills adjusted	
Assessed Value		\$ 9,346,803	\$ 9,125,787	\$ 9,125,787	\$ 9,125,787	\$ 8,933,978	\$ (191,809)					Preliminary AV as of 8/25	
Property Tax Revenue													
Operating		84,121	85,682	85,682	85,682	83,881	(1,801)						
Debt Service		336,485	342,728	342,728	342,728	335,909	(6,819)						
Total Property Tax Revenue		\$ 420,606	\$ 428,410	\$ 428,410	\$ 428,410	\$ 419,790	\$ (8,620)						

WATERFALL METROPOLITAN DISTRICT NO. 1							
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS							
DEBT SERVICE FUND							
	(a)	(b)	(c)	(d)	(e)	(e-c)	
	2023	2024	2024	Actual	2025	Year to Year	
	Unaudited	Adopted	Projected	Through	Proposed	Budget	Budget
Revenues	Actual	Budget	Actual	6/30/2024	Budget	Variance	Comments
Property Taxes	\$ 336,333	\$ 342,728	\$ 342,728	316,944	\$ 335,909	\$ (6,819)	See mill levy table
Specific Ownership Taxes	24,239	23,991	23,991	10,438	23,514	(477)	7% of Property Tax Revenues
Interest and Other Income	40,135	22,500	42,691	21,346	12,700	(29,991)	2% of beginning fund balance
Total Revenues	\$ 400,708	\$ 389,219	\$ 409,410	\$ 348,728	\$ 372,122	\$ (37,288)	
Expenditures							
Bond Principal - 2022A Bonds	\$ 25,000	\$ 35,000	\$ 35,000	\$ -	\$ 35,000	\$ -	Per DS schedule
Bond Interest - 2022A Bonds	259,266	239,663	239,663	119,831	239,663	-	Per DS schedule
Bond Interest - 2022B Bonds	-	82,389	359,811	-	84,242	(275,569)	Potential payments to subordinate bonds
Custodian Fees	7,000	6,500	6,500	7,000	6,500	-	Trustee fees
Treasurer's fees	6,758	6,855	6,855	6,346	6,718	(136)	2% of Property Tax Revenues
Total Expenditures	\$ 298,024	\$ 370,406	\$ 647,828	\$ 133,177	\$ 372,123	\$ (275,705)	
Revenues Over/(Under) Expenditures	\$ 102,684	\$ 18,813	\$ (238,418)	\$ 215,551	\$ -	\$ 238,418	
Beginning Fund Balance	492,934	557,200	595,618	595,618	357,200	107,991	
Ending Fund Balance	\$ 595,618	\$ 576,013	\$ 357,200	\$ 811,169	\$ 357,200	\$ 346,409	
COMPONENTS OF ENDING FUND BALANCE:							
Required Reserve	\$ 357,200	\$ 357,200	\$ 357,200	\$ 357,200	\$ 357,200	\$ -	Required Reserve - \$357,200
Reserve Fund	135,734	200,000	-	-	-	(200,000)	
Bond Fund	102,684	18,813	-	453,969	-	-	Any excess to be paid towards 2022B
Total	\$ 595,618	\$ 576,013	\$ 357,200	\$ 811,169	\$ 357,200	\$ (200,000)	