

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the Vista Ridge Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2014, duly adopted at a meeting of the Board of Directors of the Vista Ridge Metropolitan District held on November 21, 2013.

By: 
Secretary

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VISTA RIDGE METROPOLITAN DISTRICT

2014 Budget Message

Introduction

The budget reflects the projected spending plan for the 2014 fiscal year based on available revenues. This budget provides for the annual debt service on the District's general obligation debt as well as the general operation of the District, capital improvements, and conservation trust activity.

The District's 2013 assessed value increased 2.2% to \$50,219,898. The District's mill levy remains at 57.827 mills for taxes to be collected in the 2014 fiscal year with 15.000 mills certified to the General Fund and 42.827 mills certified to the Debt Service Fund. The maximum debt service mill levy is 35.000 mills, adjusted for changes in the residential assessment ratio, which for 2013 adjusts the debt service mill levy to 42.827.

The District was organized in December 2000 with its boundaries completely within the Town of Erie, Colorado. The District was formed to provide construction, installation, financing and operation of public improvements, including parks and recreational facilities and services, water and sanitary sewer services, street, and other improvements.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include District administration, legal services, operation and maintenance of the non-potable water system, landscape maintenance, and other expenses related to statutory operations of a local government. The primary source of revenue is from property taxes and specific ownership taxes. The District also receives irrigation water revenue from the Town of Erie, Colorado National Golf Club and a homeowners' association.

Debt Service Fund is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. The primary source of revenue comes from property taxes and specific ownership taxes. The District has a Senior Series 2006A General Obligation Refunding Bonds and Subordinate Series 2006B General Obligation Refunding Bonds, which are paid from property taxes. Per the Trust Indenture, non-property taxes may be used to repay these issues if property tax revenue is not sufficient.

The District also issued subordinate revenue bonds, Series 2006C, Series 2006D, Series 2008C and Series 2008D, each of which is paid from non-property tax sources, including specific ownership taxes and collections of system development fees. However, the first \$1,000,000 of "Additional System Development Fees" are payable to a non interest bearing note.

The Series 2006D and parity Series 2008D Bonds are subject to a Reimbursement Agreement which calls for the District's board to annually certify a General Fund mill levy for repayment of the annual debt service. For 2013, the board certified a mill levy of 4.000 mills or approximately \$200,000 for repayment in 2014 towards the Series 2006D Bonds and its parity issue.

The District has a \$500,000 Series 2006A reserve fund and is required to maintain a cash balance of \$800,000 in the Non-property Tax Account until certain debt ratios are achieved. However in 2011, due to cash flow constraints related to a diminishing assessed valuation the District was not able to process full payments on the 2006B bonds. So in accordance with the waterfall of funds, the District utilized a portion of the \$800,000 cash in the Non-property tax account in 2011 and again in 2012. Therefore, only a portion of the remaining \$800,000 is reflected in the ending fund balance along with the \$500,000 reserve, which has remained untouched.

In 2012, the 2006B bondholders and the District worked together to reach a restructuring agreement in which the interest rate will be 0% for five years with no principal payments due. After five years, the interest rate will increase to 9.5% and principal payments will resume at that time.

Below is a summary of the District's outstanding long-term debt.

Summary of Outstanding Debt

Vista Ridge Metropolitan District

Bonds Principal and Interest Maturing in the Year Ending December 31,		Totals		
		Principal	Interest	Total
2014	(a)	1,178,488	1,705,674	2,884,162
2015		660,000	1,603,431	2,263,431
2016		690,000	1,577,031	2,267,031
2017		715,000	1,548,569	2,263,569
2018		745,000	1,988,850	2,733,850
2019-2023		4,340,000	9,374,790	13,714,790
2024-2028		5,910,000	8,109,340	14,019,340
2029-2033		8,040,000	6,316,590	14,356,590
2034-2038		10,995,000	3,736,846	14,731,846
2039-2040		5,480,000	511,675	5,991,675
Total		<u>38,753,488</u>	<u>36,472,796</u>	<u>75,226,284</u>

(a) Includes unpaid principal from prior years on both Series 2006C and 2008C.

Series 2006A Limited Tax General Obligation Improvement and Refunding Bonds
 Amended Series 2006B Limited Tax General Obligation Subordinate Refunding Bonds
 Series 2006C Subordinate Non-Ad Valorem Tax Revenue Bonds
 Series 2006D Subordinate Non-Ad Valorem Tax Revenue Bonds
 Series 2008C Subordinate Non-Ad Valorem Tax Revenue Bonds
 Series 2008D Subordinate Non-Ad Valorem Tax Revenue Bonds

Conservation Trust Fund is used to account for disbursements of allocated state lottery revenue from the Colorado Department of Local Affairs, based on the District’s census. The funds are restricted until such time as the District incurs expenditures for allowable public improvements, including acquisition, development or maintenance of public areas.

Emergency Reserve

As required under Article X, Section 20 of the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year expenditures in the General Fund.

**Vista Ridge Metropolitan District
Assessed Value, Property Tax and Mill Levy Information**

	2012 Actual	2013 Adopted Budget	2014 Adopted Budget
Assessed Valuation	\$ 49,265,630	\$ 49,123,880	\$ 50,219,898
Mill Levy			
General Fund	15.000	15.000	15.000
Debt Service Fund	42.827	42.827	42.827
Temporary Mill Levy Reduction	0.000	0.000	0.000
Refunds and Abatements	0.000	0.000	0.000
Total Mill Levy	<u>57.827</u>	<u>57.827</u>	<u>57.827</u>
Property Taxes			
General Fund	\$ 738,984	\$ 736,858	\$ 753,298
Debt Service Fund	2,109,899	2,103,828	2,150,768
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	<u>\$ 2,848,883</u>	<u>\$ 2,840,686</u>	<u>\$ 2,904,066</u>

Vista Ridge Metropolitan District

GENERAL FUND

2014 ADOPTED BUDGET

with 2012 Actual, 2013 Adopted Budget, and 2013 Estimated Budget

	2012 Actual	2013 Adopted Budget	2013 Estimated Budget	2014 Adopted Budget
BEGINNING FUND BALANCE	519,454	178,364	222,493	208,298
REVENUE				
Property Taxes	724,560	736,858	736,858	753,298
Interest	1,552	750	500	750
Other Income	6,299	-	25,312	-
Reimb. from Golf Course	106,370	90,000	95,342	84,000
Reimb. from Town of Erie	25,672	20,000	20,000	16,000
Reimb. from Other Entities	1,385	1,500	1,500	1,500
Total Revenue	865,838	849,108	879,512	855,548
Total Funds Available	1,385,292	1,027,472	1,102,005	1,063,846
EXPENDITURES				
Accounting	27,683	24,000	24,000	24,000
Audit Fees	7,789	8,500	7,855	8,500
Election Costs	1,062	-	-	20,000
Insurance and Bonds	16,538	16,500	16,871	17,700
Landscape Maintenance	142,164	147,000	150,000	150,000
Landscape Maintenance-UP	5,722	13,000	7,000	7,000
Legal-McGeady Sisneros	17,641	20,000	20,000	20,000
Statutory Compliance	358	1,000	500	-
Management	29,799	44,000	44,000	44,000
Project Management	3,322	4,000	-	-
Engineering	258	4,000	400	1,000
Eng. - Maintenance Map	166	1,000	-	-
Non-Potable Water Mgmt Fee	66,066	-	23,888	25,082
County Treasurer's Fee	10,886	11,053	11,053	11,299
Miscellaneous	9,286	6,000	6,000	6,000
FRICO Irrigation Maint.	-	-	-	-
Field Supervision	16,099	21,000	20,000	20,000
Snow Removal	8,223	30,000	30,000	30,000
Fence Repair & Replace	18,930	40,000	45,000	40,000
Tree & Shrub Replacement	28,023	35,000	35,000	35,000
Utilities-Town of Erie	11,668	15,000	11,000	11,000
Utilities-United Power	-	-	140	-
Utilities-UNCC	1,270	1,000	1,000	1,000
Utilities-Locate Services	4,470	6,000	6,000	6,000
Utilities-Monument Lighting	4,622	12,000	12,000	12,000
Pump Station/Trans. Sys. Maint.	8,187	20,000	20,000	20,000
Pump Station-United Power	49,861	42,000	30,000	40,000
Water Quality	11,286	12,000	12,000	12,000
Water Lease	69,767	91,000	70,000	91,000
Water Rights (Eng & Legal)	16,653	25,000	15,000	20,000
Contingency	-	5,000	-	-
Total Expenditures	587,799	655,053	618,707	672,581
Emergency Reserve	-	25,473	-	25,666
Transfer to Debt Service	575,000	200,000	200,000	200,000
Transfer to Cap. Rep. & Replace.	-	75,000	75,000	75,000
Replacement Reserve	-	-	-	-
Total Expenditures Requiring Appropriation	1,162,799	955,526	893,707	973,247
ENDING FUND BALANCE				
REPLACEMENT RESERVE	80,000	-	-	-
UNDESIGNATED	142,493	71,946	208,298	90,599
TOTAL ENDING FUND BALANCE	\$ 222,493	\$ 71,946	\$ 208,298	\$ 90,599

Vista Ridge Metropolitan District

DEBT SERVICE FUND 2014 ADOPTED BUDGET

with 2012 Actual, 2013 Adopted Budget, and 2013 Estimated Budget

	2012 Actual	2013 Adopted Budget	2013 Estimate Budget	2014 Adopted Budget
BEGINNING FUND BALANCE	1,098,504	714,342	708,891	673,500
REVENUE				
Property Taxes	2,068,716	2,103,828	2,103,828	2,150,768
Specific Ownership Taxes	214,049	199,864	165,334	204,323
Sys. Dev. Fees	31,107	75,000	50,000	75,000
Interest	5,347	5,000	3,000	3,000
Transfer from Other Funds	200,000	200,000	200,000	200,000
Total Revenue	2,519,219	2,583,692	2,522,162	2,633,091
Total Funds Available	3,617,723	3,298,034	3,231,053	3,306,591
EXPENDITURES				
2006A Bonds Principal	580,000	600,000	600,000	630,000
2006D Bonds Principal	86,352	-	-	-
2008D Bonds Principal	26,406	-	-	-
2006A Bonds Interest	1,686,683	1,664,931	1,664,931	1,634,931
2006B Bonds Interest	287,606	-	-	-
2006D Bonds Interest	59,534	-	-	-
2008D Bonds Interest	27,708	200,000	200,000	200,000
Developer Reimbursement	31,107	75,000	50,000	75,000
Paying Agent Fees	3,600	8,000	5,000	5,000
County Treasurer's Fee	31,080	31,557	31,557	32,262
Bond Issuance Cost	88,081	-	-	-
Contingency	675	4,000	6,065	4,000
Total Expenditures	2,908,832	2,583,488	2,557,553	2,581,193
Total Expenditures Requiring Appropriation	2,908,832	2,583,488	2,557,553	2,581,193
ENDING FUND BALANCE				
NON-PROPERTY TAX ACCT	208,891	800,000	173,500	225,398
2006A RESERVE	500,000	500,000	500,000	500,000
UNDESIGNATED	-	(585,454)	-	-
ENDING FUND BALANCE	\$ 708,891	\$ 714,546	\$ 673,500	\$ 725,398

Vista Ridge Metropolitan District

CAPITAL REPAIR AND REPLACEMENT FUND
2014 ADOPTED BUDGET

with 2011 Actual, 2012 Adopted Budget, and 2012 Estimated Budget

	2012 Actual	2013 Adopted Budget	2013 Estimated Budget	2014 Proposed Budget
BEGINNING FUND BALANCE	-	-	375,000	450,000
REVENUE				
Interest	-	-	-	500
Transfer from General Fund	375,000	75,000	75,000	75,000
Total Revenue	375,000	75,000	75,000	75,500
Total Funds Available	375,000	75,000	450,000	525,500
EXPENDITURES				
Capital Repairs & Maintenance	-	-	-	-
Total Expenditures	-	-	-	-
Total Expenditures Requiring Appropriation	-	-	-	-
ENDING FUND BALANCE	\$ 375,000	\$ 75,000	\$ 450,000	\$ 525,500

Vista Ridge Metropolitan District

CONSERVATION TRUST FUND
2014 ADOPTED BUDGET

with 2012 Actual, 2013 Adopted Budget, 2013 Amended Budget and 2013 Estimated Budget

	2012 Actual	2013 Adopted Budget	2013 Amended Budget	2013 Estimated Budget	2014 Adopted Budget
BEGINNING FUND BALANCE	55,384	73,034	78,334	78,334	75,634
REVENUE					
Interest	143	50	100	100	50
Conservation Trust Revenue	22,807	15,200	15,200	15,200	15,200
Total Revenue	22,950	15,250	15,300	15,300	15,250
Total Funds Available	78,334	88,284	93,634	93,634	90,884
EXPENDITURES					
Conservation Trust Projects	-	-	18,000	18,000	-
Total Expenditures	-	-	18,000	18,000	-
Total Expenditures Requiring Appropriation	-	-	18,000	18,000	-
ENDING FUND BALANCE	\$ 78,334	\$ 88,284	\$ 75,634	\$ 75,634	\$ 90,884