

# **SHERIDAN STATION WEST METROPOLITAN DISTRICT**

## **2019 Budget Message**

### **Introduction**

The District was formed in 2016 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements including water, streets, sanitary sewer, and park and recreation. These improvements will be dedicated to the City of Lakewood, Jefferson County, or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

The 2019 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2019 fiscal year based on available revenues.

The Board of Directors authorized adjustment of the District mill levy in accordance with the Colorado Constitution, Article X, Section 3 (the “Gallagher Adjustment”). The Gallagher Adjustment and the District’s Service Plan authorize an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2004, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property taxes commencing on and after January 1, 2017, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property. The Gallagher Adjustment for the District allows for a total mill levy imposition, as noted in the following paragraph, so the District’s revenue is neither diminished nor enhanced.

The District’s assessed value is \$938,862. The District certified 66.222 mills for taxes collected in the 2019 fiscal year with 22.000 mills dedicated to the General Fund and 44.222 mills dedicated to the Debt Service Fund.

### **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**

The **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, and other expenses related to statutory operations of a local government.

The **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 obligations. The District issued debt in 2017 and below is a summary of the District’s \$3,625,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds:

Sheridan Station West Metropolitan District

Bonds Principal and Interest Maturing in the Year Ending December 31,	\$3,625,000 Series 2017 Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds		
	Principal	Interest	Total
2019	-	217,500	217,500
2020	-	217,500	217,500
2021	-	217,500	217,500
2022	35,000	217,500	252,500
2023-2027	240,000	1,051,800	1,291,800
2028-2032	395,000	962,100	1,357,100
2033-2037	610,000	819,300	1,429,300
2038-2042	900,000	603,600	1,503,600
2043-2047	1,445,000	290,100	1,735,100
	<u>\$ 3,625,000</u>	<u>\$ 4,596,900</u>	<u>\$ 8,221,900</u>

The **Capital Projects Fund** is used to account for revenues and expenditures to complete capital projects such as new improvements and upgrades to existing infrastructure.

**Emergency Reserve**

As required by the TABOR amendment to 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.

**SHERIDAN STATION WEST METROPOLITAN DISTRICT**  
**Assessed Value, Property Tax and Mill Levy Information**

	<b>2017 Actual</b>		<b>2018 Adopted Budget</b>		<b>2019 Adopted Budget</b>
<b>Assessed Valuation</b>	\$ 147,971	\$	139,057	\$	938,862
<b>Mill Levy</b>					
General Fund	60.000		22.000		22.000
Debt Service Fund	0.000		44.222		44.222
Temporary Mill Levy Reduction	0.000		0.000		0.000
Refunds and Abatements	0.000		0.000		0.000
<b>Total Mill Levy</b>	<u>60.000</u>		<u>66.222</u>		<u>66.222</u>
<b>Property Taxes</b>					
General Fund	\$ 8,878	\$	3,059	\$	20,655
Debt Service Fund	-		6,149		41,518
Temporary Mill Levy Reduction	-		-		-
Refunds and Abatements	-		-		-
<b>Actual/Budgeted Property Taxes</b>	<u>\$ 8,878</u>	\$	<u>9,208</u>	\$	<u>62,173</u>

**SHERIDAN STATION WEST METROPOLITAN DISTRICT**

**GENERAL FUND  
2019 Preliminary Budget  
with 2017 Actual, 2018 Adopted Budget and 2018 Estimated**

	<b>2017 Actual</b>	<b>2018 Adopted Budget</b>	<b>2018 Estimated</b>	<b>2019 Adopted Budget</b>
<b>BEGINNING FUND BALANCE</b>	-	-	\$ 4,116	\$ -
<b>REVENUE</b>				
Property Tax Revenue	8,878	3,059	3,358	20,655
Specific Ownership Taxes	867	184	200	1,239
Developer Advance	26,867	114,664	28,221	67,061
Interest Income	1	-	-	-
Miscellaneous Income	579	-	372	-
Operations and Maintenance Fee	-	1,400	500	26,714
<b>Total Revenue</b>	<b>37,192</b>	<b>119,307</b>	<b>32,651</b>	<b>115,669</b>
<b>Total Funds Available</b>	<b>37,192</b>	<b>119,307</b>	<b>36,767</b>	<b>115,669</b>
<b>EXPENDITURES</b>				
Audit	-	-	4,000	4,000
Election	-	1,500	980	-
Insurance/SDA Dues	3,192	3,500	3,095	3,500
Legal	11,866	14,280	8,000	12,000
Management	7,342	7,548	7,485	9,000
Miscellaneous	1,082	1,000	877	1,000
Accounting	6,972	5,304	7,750	7,000
Covenant Control	2,489	5,800	3,551	9,490
Treasurer's Fees	133	150	50	310
Transfer to Capital Projects	-	27,600	-	-
Meter Installation	-	7,335	-	-
Billing and Meter Reading	-	6,000	-	6,000
Snow Removal	-	15,000	-	15,000
Repair and Maintenance	-	1,000	-	25,000
O&M Reserve	-	2,222	-	7,861
Utilities	-	7,700	-	10,000
Contingency	-	8,979	-	2,139
<b>Total Expenditures</b>	<b>33,076</b>	<b>114,918</b>	<b>35,788</b>	<b>112,300</b>
<b>Transfers and Other Uses</b>				
Emergency Reserve	-	2,620	980	3,369
<b>Total Expenditures Requiring Appropriation</b>	<b>33,076</b>	<b>117,538</b>	<b>36,768</b>	<b>115,669</b>
<b>ENDING FUND BALANCE</b>	\$ 4,116	\$ 1,769	\$ -	\$ -

**SHERIDAN STATION WEST METROPOLITAN DISTRICT**

**DEBT SERVICE  
2019 Preliminary Budget  
with 2017 Actual, 2018 Adopted Budget and 2018 Estimated**

	<b>2017 Actual</b>	<b>2018 Adopted Budget</b>	<b>2018 Estimated</b>	<b>2019 Adopted Budget</b>
BEGINNING FUND BALANCE	\$ -	\$ 962,500	\$ 963,803	\$ 779,658
<b>REVENUE</b>				
Transfer from Capital Projects	962,500	-	25,087	-
Property Tax Revenue	-	6,149	6,750	41,518
Specific Ownership Tax	-	369	402	2,491
Interest Income	1,303	-	14,500	14,000
Bond Proceeds	-	-	-	-
<b>Total Revenue</b>	<b>963,803</b>	<b>6,518</b>	<b>46,739</b>	<b>58,009</b>
<b>Total Funds Available</b>	<b>963,803</b>	<b>969,018</b>	<b>1,010,542</b>	<b>837,667</b>
<b>EXPENDITURES</b>				
Bond Interest	-	230,792	230,792	217,500
Bond Principal	-	-	-	-
Treasurer's Fees	-	92	92	623
Paying Agent Fees	-	-	-	3,000
Transfer to Capital Projects	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>230,884</b>	<b>230,884</b>	<b>221,123</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>-</b>	<b>230,884</b>	<b>230,884</b>	<b>221,123</b>
ENDING FUND BALANCE	\$ 963,803	\$ 738,134	\$ 779,658	\$ 616,544

**SHERIDAN STATION WEST METROPOLITAN DISTRICT**

**CAPITAL PROJECTS FUND  
2019 Preliminary Budget  
with 2017 Actual, 2018 Adopted Budget and 2018 Estimated**

	<b>2017 Actual</b>	<b>2018 Adopted Budget</b>	<b>2018 Estimated</b>	<b>2019 Adopted Budget</b>
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 1,866,750	\$ 1,859,972
<b>REVENUE</b>				
Developer Advance	54,973	13,405	18,727	-
Interest Income	2,554	-	15,500	7,000
Transfer From General Fund	-	27,600	-	-
Transfer from Debt Service	-	-	-	-
Bond Proceeds	3,625,000	-	-	-
<b>Total Revenue</b>	<b>3,682,528</b>	<b>41,005</b>	<b>34,227</b>	<b>7,000</b>
<b>Total Funds Available</b>	<b>3,682,528</b>	<b>41,005</b>	<b>1,900,977</b>	<b>1,866,972</b>
<b>EXPENDITURES</b>				
Legal	37,854	29,580	29,580	-
Management	10,871	11,425	11,425	-
Bond Issuance Costs	155,138	-	-	-
Underwriter's Discount	72,500	-	-	-
Transfer to Debt Service	962,500	-	-	-
Engineering	5,645	-	-	-
Developer Reimbursement	571,270	-	-	770,072
<b>Total Expenditures</b>	<b>1,815,778</b>	<b>41,005</b>	<b>41,005</b>	<b>770,072</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>1,815,778</b>	<b>41,005</b>	<b>41,005</b>	<b>770,072</b>
ENDING FUND BALANCE	\$ 1,866,750	\$ -	\$ 1,859,972	\$ 1,096,900