

SHERIDAN STATION WEST METROPOLITAN DISTRICT

2021 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 2021 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2021 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, and House Bill 19-255 setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%), commencing on and after January 1, 2019 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 2020 assessed value is \$3,439,343 an increase from \$2,828,389 the prior year. The District certified 66.686 mills for taxes collected in the 2020 fiscal year with 22.154 mills dedicated to the General Fund and 44.532 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 remaining \$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
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>\$ 4,161,900</u>	<u>\$ 7,786,900</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

	2019 Actual	2020 Adopted Budget	2021 Adopted Budget
Assessed Valuation	\$ 938,862	\$ 2,828,389	\$ 3,439,343
Mill Levy			
General Fund	22.000	22.154	22.154
Debt Service Fund	44.222	44.532	44.532
Temporary Mill Levy Reduction	0.000	0.000	0.000
Refunds and Abatements	0.000	0.000	0.000
Total Mill Levy	<u>66.222</u>	<u>66.686</u>	<u>66.686</u>
Property Taxes			
General Fund	\$ 20,655	\$ 62,660	\$ 76,195
Debt Service Fund	41,518	125,954	153,161
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	<u>\$ 62,173</u>	<u>\$ 188,614</u>	<u>\$ 229,356</u>

SHERIDAN STATION WEST METROPOLITAN DISTRICT

**GENERAL FUND
2021 Adopted Budget
with 2019 Actual, 2020 Adopted Budget and 2020 Estimated**

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
BEGINNING FUND BALANCE	8,006	\$ 6,114	\$ 3,160	\$ 6,108
REVENUE				
Property Tax Revenue	20,655	62,660	62,660	76,195
Specific Ownership Taxes	1,760	3,760	3,760	4,572
Developer Advance	62,268	50,000	60,000	30,000
Interest Income	12	50	-	-
Operations and Maintenance Fee	26,071	32,000	40,000	40,000
Metered Services - Water	24,066	-	37,000	39,000
Miscellaneous Income	-	-	124	-
Other Billing and Fees	6,634	-	-	-
Total Revenue	141,466	148,470	203,544	189,767
Total Funds Available	149,472	154,584	206,704	195,875
EXPENDITURES				
Audit	4,112	4,250	6,750	7,500
Election	56	5,000	1,087	-
Repair and Maintenance	11,939	15,000	22,000	4,000
Landscape Maintenance	-	-	-	11,000
Landscape Enhancements	-	-	-	5,000
Snow Removal	35,234	30,000	30,000	35,000
O&M Reserve	-	8,000	-	-
Insurance/SDA Dues	3,341	3,800	4,369	4,600
Legal	8,621	12,000	28,000	15,000
Management	11,682	9,000	23,500	12,000
Miscellaneous	3,429	1,000	6,750	1,000
Accounting	19,334	9,000	18,000	9,000
Covenant Control	17,184	13,200	13,200	13,200
Treasurer's Fees	310	940	940	1,143
Meter Installation	-	-	-	-
Billing and Meter Reading	2,910	6,000	12,000	10,000
Utilities	28,160	20,000	34,000	44,000
Contingency	-	5,000	-	10,000
Total Expenditures	146,312	142,190	200,596	182,443
Transfers and Other Uses				
Emergency Reserve	-	4,454	-	5,693
Total Expenditures Requiring Appropriation	146,312	146,644	200,596	188,136
ENDING FUND BALANCE	\$ 3,160	\$ 7,940	\$ 6,108	\$ 7,739

SHERIDAN STATION WEST METROPOLITAN DISTRICT

DEBT SERVICE
2021 Adopted Budget
with 2019 Actual, 2020 Adopted Budget and 2020 Estimated

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
BEGINNING FUND BALANCE	780,295	618,680	\$ 622,247	\$ 536,112
REVENUE				
Transfer from Capital Projects	-	-	-	-
Property Tax Revenue	41,518	125,954	125,954	153,161
Specific Ownership Tax	3,538	7,557	7,300	7,500
Interest Income	16,824	16,000	4,000	2,500
Total Revenue	61,881	149,511	137,254	163,161
Total Funds Available	842,176	768,191	759,501	699,273
EXPENDITURES				
Bond Interest	217,500	217,500	217,500	217,500
Bond Principal	-	-	-	-
Treasurer's Fees	623	1,889	1,889	2,297
Paying Agent Fees	-	3,000	4,000	4,000
Miscellaneous Expenses	1,806	-	-	-
Total Expenditures	219,929	222,389	223,389	223,797
Total Expenditures Requiring Appropriation	219,929	222,389	223,389	223,797
ENDING FUND BALANCE	\$ 622,247	\$ 545,802	\$ 536,112	\$ 475,476

SHERIDAN STATION WEST METROPOLITAN DISTRICT

CAPITAL PROJECTS FUND

2021 Adopted Budget

with 2019 Actual, 2020 Adopted Budget and 2020 Estimated

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
BEGINNING FUND BALANCE	\$ 776,871	769,807	\$ 781,673	\$ -
REVENUE				
Developer Advance	19,290	-	8,077	-
Interest Income	18,288	5,000	6,000	-
Transfer From General Fund	-	-	-	-
Transfer from Debt Service	-	-	-	-
Bond Proceeds	-	-	-	-
Total Revenue	37,578	5,000	14,077	-
Total Funds Available	814,449	774,807	795,750	-
EXPENDITURES				
Legal	14,251	10,000	-	-
Management	13,777	7,500	-	-
Miscellaneous	1,934	1,500	-	-
Accounting	2,814	-	-	-
Construction-General	-	-	-	-
Transfer to Debt Service	-	-	-	-
Engineering	-	-	-	-
Developer Reimbursement	-	755,807	795,750	-
Total Expenditures	32,776	774,807	795,750	-
Total Expenditures Requiring Appropriation	32,776	774,807	795,750	-
ENDING FUND BALANCE	\$ 781,673	\$ -	\$ -	\$ -