



Certified Public Accountants and Business Consultants

### Accountant's Compilation Report

Board of Directors  
Sheridan Station West Metropolitan District  
Jefferson County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Sheridan Station West Metropolitan District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, the actual comparative information for the year ending December 31, 2016, and the adopted budget for the year ending December 31, 2017 in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the Budget Message included in the budget submission to the State of Colorado which describes that the budgetary basis of accounting is the modified accrual basis in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Sheridan Station West Metropolitan District.

*Barnes Griggs & Associates, PC*

Lakewood, Colorado  
January 15, 2018

Barnes Griggs & Associates, PC

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

|                                       | <b>2016<br/>Actual</b> | <b>2017<br/>Adopted Budget</b> | <b>2018<br/>Adopted Budget</b> |
|---------------------------------------|------------------------|--------------------------------|--------------------------------|
| <b>Assessed Valuation</b>             | \$ -                   | \$ 147,971                     | \$ 139,057                     |
| <b>Mill Levy</b>                      |                        |                                |                                |
| General Fund                          | 0.000                  | 60.000                         | 22.000                         |
| Debt Service Fund                     | 0.000                  | 0.000                          | 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>0.000</u>           | <u>60.000</u>                  | <u>66.222</u>                  |
| <b>Property Taxes</b>                 |                        |                                |                                |
| General Fund                          | \$ -                   | \$ 8,878                       | \$ 3,059                       |
| Debt Service Fund                     | -                      | -                              | 6,149                          |
| Temporary Mill Levy Reduction         | -                      | -                              | -                              |
| Refunds and Abatements                | -                      | -                              | -                              |
| <b>Actual/Budgeted Property Taxes</b> | <u>\$ -</u>            | <u>\$ 8,878</u>                | <u>\$ 9,208</u>                |

**SHERIDAN STATION WEST METROPOLITAN DISTRICT**  
**GENERAL FUND**  
**2018 Adopted Budget**  
with 2016 Actual, 2017 Adopted Budget and 2017 Estimated

|   | 2016<br>Actual | 2017<br>Adopted Budget | 2017<br>Estimated | 2018<br>Adopted Budget |
|---|----------------|------------------------|-------------------|------------------------|
| <b>BEGINNING FUND BALANCE</b>                     | \$ -           | \$ -                   | \$ -              | \$ -                   |
| <b>REVENUE</b>                                    |                |                        |                   |                        |
| Property Tax Revenue                              | -              | 8,878                  | 8,878             | 3,059                  |
| Specific Ownership Taxes                          | -              | 533                    | 533               | 184                    |
| Developer Advances                                | -              | 50,000                 | 52,662            | 114,664                |
| Miscellaneous Income                              | -              | -                      | 579               | -                      |
| Operations and Maintenance Fee                    | -              | -                      | -                 | 1,400                  |
| <b>Total Revenue</b>                              | -              | 59,411                 | 62,652            | 119,307                |
| <b>Total Funds Available</b>                      | -              | 59,411                 | 62,652            | 119,307                |
| <b>EXPENDITURES</b>                               |                |                        |                   |                        |
| Election  | -              | -                      | -                 | 1,500                  |
| Insurance/SDA Dues                                | -              | 1,500                  | 3,152             | 3,500                  |
| Legal   | -              | 14,000                 | 14,000            | 14,280                 |
| Management  | -              | 4,400                  | 7,400             | 7,548                  |
| Office Supplies/Miscellaneous                     | -              | 1,000                  | 1,000             | 1,000                  |
| Accounting  | -              | -                      | 5,200             | 5,304                  |
| Covenant Control                                  | -              | -                      | 2,270             | 5,800                  |
| Treasurer's Fees                                  | -              | 150                    | 150               | 150                    |
| Transfer to Capital Fund                          | -              | 27,600                 | 27,600            | 27,600                 |
| Meter Installation                                | -              | -                      | -                 | 7,335                  |
| Billing & Meter Reading                           | -              | -                      | -                 | 6,000                  |
| Snow Removal                                      | -              | -                      | -                 | 15,000                 |
| Utilities   | -              | -                      | -                 | 7,700                  |
| Repair and Maintenance                            | -              | -                      | -                 | 1,000                  |
| O&M Reserve                                       | -              | -                      | -                 | 2,222                  |
| Contingency                                       | -              | 8,979                  | -                 | 8,979                  |
| <b>Total Expenditures</b>                         | -              | 57,629                 | 60,772            | 114,918                |
| <b>Transfers and Other Uses</b>                   |                |                        |                   |                        |
| Emergency Reserve                                 | -              | 1,782                  | 1,880             | 2,620                  |
| <b>Total Expenditures Requiring Appropriation</b> | -              | 59,411                 | 62,652            | 117,538                |
| <b>ENDING FUND BALANCE</b>                        | \$ -           | \$ -                   | \$ -              | \$ 1,769               |

This financial information should be read only in connection with the accompanying accountant's compilation report and budget message.

**SHERIDAN STATION WEST METROPOLITAN DISTRICT**

**DEBT SERVICE**  
**2018 Adopted Budget**  
**with 2016 Actual, 2017 Adopted Budget and 2017 Estimated**

|   | <b>2016<br/>Actual</b> | <b>2017<br/>Adopted Budget</b> | <b>2017<br/>Estimated</b> | <b>2018<br/>Adopted Budget</b> |
|---|------------------------|--------------------------------|---------------------------|--------------------------------|
| BEGINNING FUND BALANCE                                | \$ -                   | \$ -                           | \$ -                      | \$ 962,500                     |
| <b>REVENUE</b>  |                        |                                |                           |                                |
| Transfer from Capital Projects                        | -                      | -                              | 962,500                   | -                              |
| Property Tax  | -                      | -                              | -                         | 6,149                          |
| Specific Ownership Tax                                | -                      | -                              | -                         | 369                            |
| Bond proceeds   | -                      | -                              | 5,000,000                 | -                              |
| <b>Total Revenue</b>                                  | -                      | -                              | 5,962,500                 | 6,518                          |
| <b>Total Funds Available</b>                          | -                      | -                              | 5,962,500                 | 969,018                        |
| <b>EXPENDITURES</b>                                   |                        |                                |                           |                                |
| Bond Interest   | -                      | -                              | -                         | 230,792                        |
| Treasurer's Fees                                      | -                      | -                              | -                         | 92                             |
| Contingency   | -                      | -                              | 3,666,408                 | -                              |
| Transfer to Capital Projects                          | -                      | -                              | 1,333,592                 | -                              |
| <b>Total Expenditures</b>                             | -                      | -                              | 5,000,000                 | 230,884                        |
| <b>Total Expenditures Requiring<br/>Appropriation</b> | -                      | -                              | 5,000,000                 | 230,884                        |
| ENDING FUND BALANCE                                   | \$ -                   | \$ -                           | \$ 962,500                | \$ 738,134                     |

**SHERIDAN STATION WEST METROPOLITAN DISTRICT**

**CAPITAL PROJECTS FUND**

**2018 Adopted Budget**

**with 2016 Actual, 2017 Adopted Budget and 2017 Estimated**

|   | <b>2016<br/>Actual</b> | <b>2017<br/>Adopted Budget</b> | <b>2017<br/>Estimated</b> | <b>2018<br/>Adopted Budget</b> |
|---|------------------------|--------------------------------|---------------------------|--------------------------------|
| BEGINNING FUND BALANCE                                | \$ -                   | \$ -                           | \$ -                      | \$ -                           |
| <b>REVENUE</b>  |                        |                                |                           |                                |
| Developer Advances                                    | -                      | -                              | 13,807                    | 13,405                         |
| Interest Income                                       | -                      | -                              | 1                         | -                              |
| Transfer from General Fund                            | -                      | 27,600                         | 27,600                    | 27,600                         |
| Transfer from Debt Service                            | -                      | -                              | 1,333,592                 | -                              |
| Bond Proceeds   | -                      | -                              | 3,625,000                 | -                              |
| <b>Total Revenue</b>                                  | -                      | 27,600                         | 5,000,000                 | 41,005                         |
| <b>Total Funds Available</b>                          | -                      | 27,600                         | 5,000,000                 | 41,005                         |
| <b>EXPENDITURES</b>                                   |                        |                                |                           |                                |
| Legal   | -                      | 21,000                         | 29,000                    | 29,580                         |
| Management  | -                      | 6,600                          | 11,200                    | 11,425                         |
| Bond Issuance Costs                                   | -                      | -                              | 180,137                   | -                              |
| Underwriters Discount                                 | -                      | -                              | 72,500                    | -                              |
| Transfer to Debt Service                              | -                      | -                              | 962,500                   | -                              |
| Capital Outlay  | -                      | -                              | 2,409,863                 | -                              |
| Contingency   | -                      | -                              | 1,334,800                 | -                              |
| <b>Total Expenditures</b>                             | -                      | 27,600                         | 5,000,000                 | 41,005                         |
| <b>Total Expenditures Requiring<br/>Appropriation</b> | -                      | 27,600                         | 5,000,000                 | 41,005                         |
| ENDING FUND BALANCE                                   | \$ -                   | \$ -                           | \$ -                      | \$ -                           |

# SHERIDAN STATION WEST METROPOLITAN DISTRICT

## 2018 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 2018 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2018 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 \$139,057 in 2017. The District certified 66.222 mills for taxes collected in the 2018 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                 |  |              |              |
|---|--|--------------|--------------|
| \$3,625,000   |  |              |              |
| Bonds Principal and Interest<br>Maturing in the Year Ending | Series 2017 Limited Tax (Convertible to Unlimited<br>Tax) General Obligation Bonds |              |              |
| December 31,  | Principal  | Interest     | Total        |
| 2018  | \$ -   | \$ 230,792   | \$ 230,792   |
| 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    |
|   | \$ 3,625,000   | \$ 4,827,692 | \$ 8,452,692 |

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. In 2018, the District will have legal and management expenses in the Capital Projects Fund.

**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.