

# SHERIDAN STATION WEST METROPOLITAN DISTRICT

## 2020 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 2020 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2020 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%), 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 2019 assessed value is \$2,828,389. 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
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>\$ 4,379,400</u>	<u>\$ 8,004,400</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>2018 Actual</b>		<b>2019 Adopted Budget</b>		<b>2020 Adopted Budget</b>
<b>Assessed Valuation</b>	\$ 139,057	\$	938,862	\$	2,828,389
<b>Mill Levy</b>					
General Fund	22.000		22.000		22.154
Debt Service Fund	44.222		44.222		44.532
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>66.222</u>		<u>66.222</u>		<u>66.686</u>
<b>Property Taxes</b>					
General Fund	\$ 3,059	\$	20,655	\$	62,660
Debt Service Fund	6,149		41,518		125,954
Temporary Mill Levy Reduction	-		-		-
Refunds and Abatements	-		-		-
<b>Actual/Budgeted Property Taxes</b>	<u>\$ 9,208</u>	\$	<u>62,173</u>	\$	<u>188,614</u>

**SHERIDAN STATION WEST METROPOLITAN DISTRICT**

**GENERAL FUND  
2020 Adopted Budget  
with 2018 Actual, 2019 Adopted Budget and 2019 Estimated**

	<b>2018 Actual</b>	<b>2019 Adopted Budget</b>	<b>2019 Estimated</b>	<b>2020 Adopted Budget</b>
<b>BEGINNING FUND BALANCE</b>	4,116	\$ -	\$ 8,006	\$ 6,114
<b>REVENUE</b>				
Property Tax Revenue	3,358	20,655	20,655	62,660
Specific Ownership Taxes	311	1,239	1,400	3,760
Developer Advance	37,517	67,061	67,000	50,000
Interest Income	-	-	40	50
Miscellaneous Income	372	-	-	-
Operations and Maintenance Fee	6,433	26,714	27,520	32,000
			-	
<b>Total Revenue</b>	47,991	115,669	116,615	148,470
<b>Total Funds Available</b>	52,107	115,669	124,621	154,584
<b>EXPENDITURES</b>				
Audit	4,000	4,000	4,250	4,250
Election	980	-	28	5,000
Insurance/SDA Dues	3,095	3,500	3,591	3,800
Legal	9,521	12,000	12,000	12,000
Management	6,834	9,000	11,000	9,000
Miscellaneous	1,687	1,000	1,700	1,000
Accounting	10,930	7,000	15,500	9,000
Covenant Control	4,551	9,490	15,000	13,200
Treasurer's Fees	50	310	310	940
Billing and Meter Reading	-	6,000	878	6,000
Snow Removal	842	15,000	24,000	30,000
Repair and Maintenance	-	25,000	10,500	15,000
O&M Reserve	-	7,861	-	8,000
Utilities	1,612	10,000	19,750	20,000
Contingency	-	2,139	-	5,000
<b>Total Expenditures</b>	44,101	112,300	118,507	142,190
<b>Transfers and Other Uses</b>				
Emergency Reserve	-	3,369	-	4,454
<b>Total Expenditures Requiring Appropriation</b>	44,101	115,669	118,507	146,644
<b>ENDING FUND BALANCE</b>	\$ 8,006	\$ -	\$ 6,114	\$ 7,940

**SHERIDAN STATION WEST METROPOLITAN DISTRICT**

**DEBT SERVICE**  
**2020 Adopted Budget**  
with 2018 Actual, 2019 Adopted Budget and 2019 Estimated

	<b>2018 Actual</b>	<b>2019 Adopted Budget</b>	<b>2019 Estimated</b>	<b>2020 Adopted Budget</b>
BEGINNING FUND BALANCE	963,803	779,658	\$ 780,794	\$ 618,680
<b>REVENUE</b>				
Transfer from Capital Projects	25,087	-	-	-
Property Tax Revenue	6,750	41,518	41,518	125,954
Specific Ownership Tax	625	2,491	2,491	7,557
Interest Income	18,922	14,000	15,000	16,000
<b>Total Revenue</b>	<b>51,384</b>	<b>58,009</b>	<b>59,009</b>	<b>149,511</b>
<b>Total Funds Available</b>	<b>1,015,187</b>	<b>837,667</b>	<b>839,803</b>	<b>768,191</b>
<b>EXPENDITURES</b>				
Bond Interest	230,792	217,500	217,500	217,500
Bond Principal	-	-	-	-
Treasurer's Fees	101	623	623	1,889
Paying Agent Fees	3,500	3,000	3,000	3,000
Transfer to Capital Projects	-	-	-	-
<b>Total Expenditures</b>	<b>234,393</b>	<b>221,123</b>	<b>221,123</b>	<b>222,389</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>234,393</b>	<b>221,123</b>	<b>221,123</b>	<b>222,389</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 780,794</b>	<b>\$ 616,544</b>	<b>\$ 618,680</b>	<b>\$ 545,802</b>

**SHERIDAN STATION WEST METROPOLITAN DISTRICT**

**CAPITAL PROJECTS FUND  
2020 Adopted Budget  
with 2018 Actual, 2019 Adopted Budget and 2019 Estimated**

	<b>2018 Actual</b>	<b>2019 Adopted Budget</b>	<b>2019 Estimated</b>	<b>2020 Adopted Budget</b>
BEGINNING FUND BALANCE	\$ 1,866,750	1,859,972	\$ 777,307	\$ 769,807
<b>REVENUE</b>				
Developer Advance	1,254,794	-	-	-
Interest Income	19,141	7,000	16,000	5,000
Transfer From General Fund	-	-	-	-
Transfer from Debt Service	-	-	-	-
Bond Proceeds	-	-	-	-
<b>Total Revenue</b>	<b>1,273,935</b>	<b>7,000</b>	<b>16,000</b>	<b>5,000</b>
<b>Total Funds Available</b>	<b>3,140,685</b>	<b>1,866,972</b>	<b>793,307</b>	<b>774,807</b>
<b>EXPENDITURES</b>				
Legal	14,621	-	10,000	10,000
Management	10,250	-	12,000	7,500
Miscellaneous	-	-	1,500	1,500
Construction-General	1,228,442	-	-	-
Transfer to Debt Service	25,087	-	-	-
Engineering	-	-	-	-
Developer Reimbursement	1,084,978	770,072	-	755,807
<b>Total Expenditures</b>	<b>2,363,378</b>	<b>770,072</b>	<b>23,500</b>	<b>774,807</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>2,363,378</b>	<b>770,072</b>	<b>23,500</b>	<b>774,807</b>
ENDING FUND BALANCE	\$ 777,307	\$ 1,096,900	\$ 769,807	\$ -