

# GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2

## 2020 Budget Message

### **Introduction**

The District was formed in December 2008 for the purpose of providing design, financing, acquisition, and construction of certain infrastructure improvements.

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. This budget provides for the general operation of the District and facilitation of capital project expenditures.

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, 2001, 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 increased by \$4,881,014 to \$18,061,835. The District certified a 2020 mill levy of 53.108 mills, with 5.430 mills dedicated to the General Fund and 47.678 mills 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 principal and interest and associated costs for long term debt. The primary revenue source is property taxes along with specific ownership taxes and interest income. In 2016 the District issued 2016A General Obligation Bonds and 2016B Subordinate Cash Flow Bonds. The combined schedule of principal and interest is presented below:

Great Western Park Metropolitan District No. 2  
\$11,045,000

Bonds Principal and Interest Maturing in the Year Ending December 31,	Series 2016A GO and \$ 1,555,000 2016B Subordinate Cash Flow Bonds*		
	Principal	Interest	Total
2020	55,000	653,338	708,338
2021	145,000	651,138	796,138
2022	165,000	645,338	810,338
2023-2027	1,035,000	3,116,888	4,151,888
2028-2032	1,500,000	2,835,938	4,335,938
2033-2038	2,120,000	2,402,188	4,522,188
2038-2042	2,940,000	1,794,188	4,734,188
2043-2046	4,640,000	848,450	5,488,450
	<u>\$ 12,600,000</u>	<u>\$ 12,947,463</u>	<u>\$ 25,547,463</u>

\*2016B are Subordinate Cash Flow Bonds

**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. The primary source of revenue is monies from the Developer.

**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 revenues in the General Fund.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**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>	\$ 9,553,490	\$ 13,180,821	\$ 18,061,835
<b>Mill Levy</b>			
General Fund	5.392	5.392	5.430
Debt Service Fund	46.185	47.347	47.678
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	0.019	-
<b>Total Mill Levy</b>	<u>51.577</u>	<u>52.758</u>	<u>53.108</u>
<b>Property Taxes</b>			
General Fund	\$ 51,512	\$ 71,071	\$ 98,076
Debt Service Fund	441,228	624,072	861,152
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	250	-
<b>Actual/Budgeted Property Taxes</b>	<u>\$ 492,740</u>	<u>\$ 695,393</u>	<u>\$ 959,228</u>

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**

**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>	\$ 5,814	\$ 18,200	\$ 24,052	\$ 67,528
<b>REVENUE</b>				
Property Tax Revenue	51,507	71,071	71,071	98,076
Specific Ownership Taxes	3,324	2,300	3,500	5,800
Developer Advance	-	-	3,451	-
Interest Income	563	400	850	500
<b>Total Revenue</b>	<b>55,394</b>	<b>73,771</b>	<b>78,872</b>	<b>104,376</b>
<b>Total Funds Available</b>	<b>61,208</b>	<b>91,971</b>	<b>102,924</b>	<b>171,904</b>
<b>EXPENDITURES</b>				
Accounting	8,606	7,500	7,500	7,500
Audit	4,093	5,500	3,428	5,500
Election	823	-	-	1,500
Insurance/SDA Dues	3,028	3,500	3,902	3,800
Legal	9,392	11,000	11,000	11,000
Management	4,774	10,500	6,000	10,000
Miscellaneous	5,666	1,500	2,500	1,500
Treasurer's Fees	773	1,066	1,066	1,471
<b>Total Expenditures</b>	<b>37,156</b>	<b>40,566</b>	<b>35,396</b>	<b>42,271</b>
<b>Transfers and Other (Uses)</b>				
Transfer to District No. 1	-	-	-	-
Emergency Reserve	-	2,213	-	3,131
<b>Total Expenditures Requiring Appropriation</b>	<b>37,156</b>	<b>42,779</b>	<b>35,396</b>	<b>45,402</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 24,052</b>	<b>\$ 49,192</b>	<b>\$ 67,528</b>	<b>\$ 126,501</b>

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**

**DEBT SERVICE 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	\$ 1,726,467	\$ 1,552,193	\$ 1,676,822	\$ 1,700,445
<b>REVENUE</b>				
Property Tax Revenue	441,183	624,072	624,322	861,152
Specific Ownership Taxes	28,471	28,500	30,000	30,000
Interest Income	39,009	25,000	40,000	30,000
<b>Total Revenue</b>	<b>508,662</b>	<b>677,572</b>	<b>694,322</b>	<b>921,152</b>
<b>Total Funds Available</b>	<b>2,235,129</b>	<b>2,229,765</b>	<b>2,371,144</b>	<b>2,621,597</b>
<b>EXPENDITURES</b>				
2016 A Interest	540,600	540,600	540,600	540,600
2016A Principal	-	-	-	55,000
2016 B Interest	-	112,738	112,738	112,738
Paying Agent/Trustee Fees	8,250	5,500	5,500	5,500
Treasurer's Fees	6,621	9,361	9,361	12,917
Miscellaneous Expenses	2,836	6,801	2,500	2,500
Transfer to Capital Projects	-	-	-	-
<b>Total Expenditures</b>	<b>558,307</b>	<b>675,000</b>	<b>670,699</b>	<b>729,255</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>558,307</b>	<b>675,000</b>	<b>670,699</b>	<b>729,255</b>
ENDING FUND BALANCE	\$ 1,676,822	\$ 1,554,765	\$ 1,700,445	\$ 1,892,342

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**

**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	\$ 2,071,109	\$ 20,544	\$ 1,714,182	\$ 1,465,076
<b>REVENUE</b>				
Developer Advance	-	3,978,956	-	2,756,079
Interest Income	36,623	500	34,000	25,000
<b>Total Revenue</b>	<b>36,623</b>	<b>3,979,456</b>	<b>34,000</b>	<b>2,781,079</b>
<b>Total Funds Available</b>	<b>2,107,732</b>	<b>4,000,000</b>	<b>1,748,182</b>	<b>4,246,155</b>
<b>EXPENDITURES</b>				
Accounting	641	-	11,000	11,500
Legal	1,237	-	11,000	12,000
Management	140	-	5,500	7,500
Miscellaneous Expense	4,005	-	4,500	3,500
Capital Outlay	387,526	4,000,000	251,106	4,000,000
<b>Total Expenditures</b>	<b>393,550</b>	<b>4,000,000</b>	<b>283,106</b>	<b>4,034,500</b>
<b>Transfers and Other (Uses)</b>				
Transfer to Debt Service	-	-	-	-
<b>Total Expenditures Requiring Appropriation</b>	<b>393,550</b>	<b>4,000,000</b>	<b>283,106</b>	<b>4,034,500</b>
ENDING FUND BALANCE	\$ 1,714,182	\$ -	\$ 1,465,076	\$ 211,655