

PARKER HOMESTEAD METROPOLITAN DISTRICT

2021 Budget Message

Introduction

The District was formed in March of 2011 for the purpose of providing planning, design, acquisition, construction, installation, relocation and financing of streets, water system, sanitary sewer system, drainage and storm water improvements and parks and recreation improvements ("Public Improvements").

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. This budget provides for the annual debt service on the District's general obligation debt, and the general operation of the District. 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, 2000, 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 7.15% (decreased from 7.2%) for property taxes commencing on and after January 1, 2019. In November 2020, voters agreed to Repeal the Gallagher Amendment by approving Amendment B. 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 increased by 0.3% in 2020 to \$14,366,690 from \$14,323,290. The District certified 47.605 mills for taxes collected in the 2021 fiscal year with 3.586 mills dedicated to the General Fund and 44.019 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, developer repayments, 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 service which includes principal payments, interest payments, and administrative costs associated with debt obligations. In 2016, the District issued General Obligation Refunding and Improvement Bonds in the amount of \$8,300,000. In 2020, the District issued Taxable Converting to Tax-Exempt General Obligation Refunding Loan in the amount of \$8,300,000 at an initial taxable interest rate of 3.95%, which will convert to a 3.17% tax exempt rate on September 1, 2021.

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.

Parker Homestead Metropolitan District
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Date Printed: 12/13/20

	2019 Audited Actual	2020 Adopted Budget	2020 Amended Budget	2020 Forecast	YTD Thru 08/31/20 Actual	YTD Thru 08/31/20 Budget	Variance Favorable (Unfavor)	2021 Adopted Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	12,485,830	14,323,290	14,323,290	14,323,290				14,366,690	Final AV Per County
Mill Levy Breakdown:									
Mill Levy - Operations	4.085	3.597	3.597	3.597			3.586		To generate \$51,515 + 1%/ Yr
Mill Levy - Debt	43.100	44.047	44.047	44.047			44.019		Remaining mill levy
Total	47.185	47.644	47.644	47.644			47.605		35 mills gallagherized
Property Tax Revenue - Operations	51,005	51,521	51,521	51,521			51,519		AV * Mill Levy / 1,000
Property Tax Revenue - Debt	538,139	630,898	630,898	630,898			632,407		AV * Mill Levy / 1,000
Total	589,144	682,419	682,419	682,419			683,926		
COMBINED FUNDS									
REVENUE									
Property Taxes	588,947	682,419	682,419	682,419	676,995	682,419	(5,423)	683,926	AV * Mill Levy / 1,000
Specific Ownership Taxes	59,091	61,400	55,072	54,594	37,541	32,125	5,415	54,715	8% of Taxes
Interest	7,915	6,025	2,525	2,275	2,181	1,683	498	275	Based on 2020 Forecast
TOTAL REVENUE	655,953	749,844	740,016	739,288	716,717	716,227	490	738,916	
EXPENDITURES									
Administration & Contingency	46,022	65,521	104,831	62,776	45,994	44,945	(1,050)	66,229	All Non-Debt Repayment Costs
Developer Repayments	27,108	11,000	311,000	327,890	320,000	300,000	(20,000)	3,000	Use Available Funds
Bond Principal & Interest	545,550	555,825	8,357,913	8,357,913	8,357,913	8,357,913	-	525,020	See Debt Service Fund
Capital	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	618,680	632,346	8,773,743	8,748,578	8,723,907	8,702,857	(21,050)	594,249	
REVENUE OVER / (UNDER) EXP	37,273	117,498	(8,033,727)	(8,009,290)	(8,007,190)	(7,986,630)	(20,560)	144,667	
OTHER SOURCES / (USES)									
Bond Proceeds	-	-	8,300,000	8,300,000	8,300,000	8,300,000	-	-	
Bond Premium	-	-	452,350	452,350	452,350	452,350	-	-	
Bond Defeasance	-	-	(872,798)	(872,798)	(872,798)	(872,798)	-	-	
Cost of Issuance	-	-	(210,952)	(187,950)	(187,866)	(210,952)	23,086	-	
TOTAL OTHER SOURCES / (USES)	-	-	7,668,600	7,691,602	7,691,686	7,668,600	23,086	-	
CHANGE IN FUND BALANCE	37,273	117,498	(365,127)	(317,689)	(315,504)	(318,030)	2,526	144,667	
BEGINNING FUND BALANCE	333,455	369,357	370,321	370,728	370,727	370,321	406	53,039	
ENDING FUND BALANCE	370,728	486,855	5,194	53,039	55,223	52,291	2,932	197,707	
COMPONENTS OF FUND BALANCE									
Nonspendable	-	3,465	3,465	3,500	-	-	-	3,675	Prepaid Insurance
TABOR Emergency Reserve	1,684	-	-	1,670	1,670	1,684	(14)	-	Shown as an expense
Restricted For Debt Service	359,216	481,661	(0)	44,062	23,361	19,446	3,915	187,806	See Debt Service Fund
Restricted for Capital	0	-	-	-	-	-	-	-	Capital Fund Closed Out
Unassigned/ Other	9,827	1,729	1,729	3,807	30,193	31,161	(968)	6,226	Per General Fund
TOTAL ENDING FUND BALANCE	370,728	486,855	5,194	53,039	55,223	52,291	2,932	197,707	
=	=	=	=	=	=	=	=	=	

No assurance is provided on these financial statements;
 substantially all disclosures required by GAAP omitted.

Parker Homestead Metropolitan District
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Date Printed: 12/13/20

	2019 Audited Actual	2020 Adopted Budget	2020 Amended Budget	2020 Forecast	YTD Thru 08/31/20 Actual	YTD Thru 08/31/20 Budget	Variance Favorable (Unfavor)	2021 Adopted Budget	Notes/Assumptions
GENERAL FUND									
REVENUE									
1-510	Property Taxes	50,988	51,521	51,521	51,521	51,111	(409)	51,519	AV * Mill Levy / 1,000
1-515	Specific Ownership Taxes	5,116	4,600	4,600	4,122	2,834	151	4,122	8% of Taxes
1-560	Interest & Other Income	39	25	25	25	10	(7)	25	Based on 2020 Forecast
TOTAL REVENUE		56,142	56,146	56,146	55,668	53,955	(265)	55,666	
EXPENDITURES									
Administration									
1-612	Accounting	11,287	11,000	11,000	12,000	7,532	(657)	12,000	Based on 2020 Forecast
1-614	District Management	7,301	11,000	11,000	13,000	8,936	(1,603)	12,000	Based on 2020 Budget
1-615	Audit	4,000	4,500	4,500	4,200	4,200	300	4,500	Based on 2020 Forecast
1-635	Election	-	1,500	1,500	820	820	680	-	No Election in 2021
1-670	Insurance & SDA Dues	3,415	3,300	3,300	3,220	3,220	80	3,500	Based on 2020 Forecast
1-675	Legal	7,803	12,000	12,000	12,000	7,953	47	12,000	Based on 2020 Budget
1-685	Miscellaneous Expense	373	300	300	300	177	23	300	Based on 2020 Forecast
1-700	Treasurer's Fees	766	773	773	773	767	6	773	1.5% of property taxes
	Emergencies		1,684	1,684	-	-	-	1,670	3% Emergency Reserve
1-795	Contingency		5,000	5,000	4,000		-	5,000	Unforeseen Needs
Total Administration		34,945	51,057	51,057	50,313	33,604	(1,123)	51,743	
Debt Service									
1-710	Developer Repayment- Ops Principal	25,000	7,889	7,889	7,889	-	-	-	Remaining Balance
	Developer Repayment- Cap Principal		3,111	3,111				3,000	Remaining Funds Available
	Developer Repayment- Ops Interest		-	-	-			-	Principal Paid First
	Developer Repayment- Cap Interest		-	-	-			-	Principal Paid First
Total Debt Service		25,000	11,000	11,000	7,889	-	-	3,000	
TOTAL EXPENDITURES		59,945	62,057	62,057	58,202	33,604	(1,123)	54,743	
REVENUE OVER / (UNDER) EXP		(3,803)	(5,911)	(5,911)	(2,534)	20,351	(1,389)	923	
OTHER SOURCES / (USES)									
1-894	Transfer to Capital Fund	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)		-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE		(3,803)	(5,911)	(5,911)	(2,534)	20,351	(1,389)	923	
1-450	BEGINNING FUND BALANCE	15,314	11,105	11,105	11,511	11,511	406	8,977	
ENDING FUND BALANCE		11,511	5,194	5,194	8,977	31,863	(982)	9,901	
COMPONENTS OF FUND BALANCE:		=	=	=	=	=	=	=	
	Nonspendable	-	3,465	3,465	3,500	-	-	3,675	Prepaid Insurance
	Restricted for Emergencies	1,684	-	-	1,670	1,670	(14)	-	Shown as an expense
	Unassigned	9,827	1,729	1,729	3,807	30,193	(968)	6,226	
TOTAL FUND BALANCE		11,511	5,194	5,194	8,977	31,863	(982)	9,901	
		=	=	=	=	=	=	=	

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DEBT SERVICE FUND										
REVENUE										
2-510	Property Taxes	537,959	630,898	630,898	630,898	625,884	630,898	(5,014)	632,407	AV * Mill Levy / 1,000
2-515	Specific Ownership Taxes	53,975	56,800	50,472	50,472	34,706	29,442	5,264	50,593	8% of Taxes
2-560	Interest Income	7,830	6,000	2,500	2,250	2,171	1,667	505	250	0.25% of Fund Balance
TOTAL REVENUE		599,765	693,698	683,870	683,620	662,762	662,007	755	683,250	
EXPENDITURES										
2-607	Bond Principal- 2016	105,000	120,000	8,140,000	8,140,000	8,140,000	8,140,000	-		Defeased in 2020
2-608	Bond Interest- 2016	440,550	435,825	217,913	217,913	217,913	217,913	-		Defeased in 2020
	Loan Principal- 2020			-	-	-	-	-	115,000	Per Amortization Schedule
	Loan Interest- 2020			-	-	-	-	-	410,020	Partial 2020 + Full 2021
2-668	Paying Agent Fees	3,000	3,000	3,000	3,000	3,000	3,000	-	-	Now a Direct Placement
2-685	Bank Fees / Misc Expense	-	-	-	-	-	-	-	-	
2-700	Treasurer's Fees	8,077	9,463	9,463	9,463	9,390	9,463	73	9,486	1.5% of property taxes
	Contingency		2,000	41,310	-	-	-	-	5,000	Unforeseen needs
TOTAL EXPENDITURES		556,627	570,288	8,411,686	8,370,376	8,370,303	8,370,376	73	539,506	
REVENUE OVER / (UNDER) EXP		43,138	123,409	(7,727,816)	(7,686,756)	(7,707,541)	(7,708,369)	829	143,744	
OTHER SOURCES / (USES)										
2-523	Bond Proceeds			8,300,000	8,300,000	8,300,000	8,300,000	-		Refunding Completed in 2020
2-730	Bond Premium			452,350	452,350	452,350	452,350	-		Refunding Completed in 2020
2-735	Bond Defeasance			(872,798)	(872,798)	(872,798)	(872,798)	-		Refunding Completed in 2020
2-618	Cost of Issuance			(210,952)	(187,950)	(187,866)	(210,952)	23,086		Refunding Completed in 2020
2-750	Developer Repayment- Capital Transfer from General Fund	-	-	(300,000)	(320,000)	(320,000)	(300,000)	(20,000)	-	Refunding Completed in 2020
TOTAL OTHER SOURCES / (USES)		-	-	7,368,600	7,371,602	7,371,686	7,368,600	3,086	-	
CHANGE IN FUND BALANCE		43,138	123,409	(359,216)	(315,154)	(335,855)	(339,769)	3,915	143,744	
2-450	BEGINNING FUND BALANCE	316,078	358,252	359,216	359,216	359,216	359,216	-	44,062	
ENDING FUND BALANCE		359,216	481,661	(0)	44,062	23,361	19,446	3,915	187,806	
COMPONENTS OF FUND BALANCE:										
	Surplus Fund Requirement	359,216	481,661	(0)	44,062	23,361	19,446	3,915	163,782	Build to \$163,782 Cap
	Restricted for Debt Service		-	-	-	-	-	-	24,024	
TOTAL FUND BALANCE		359,216	481,661	(0)	44,062	23,361	19,446	3,915	187,806	
		=	=	=	=	=	=	=	=	
	Loan Balance- Beginning of Year	8,245,000	8,140,000		8,300,000				8,300,000	
	Assessed Valuation	12,485,830	14,323,290		14,323,290				14,366,690	
	Debt to Assessed Ratio	66%	57%		58%				58%	
	<i>Mill levy cap released once below 50%</i>									

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