STERLING HILLS WEST METRO DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2020

STERLING HILLS WEST METRO DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
MARCH 31, 2020

	General	Debt Service	Total
ASSETS			
Cash - First Bank	$ 12,107	$ -	$ 12,107
C - Safe	-	4	4
C - Safe - General Fund	624	-	624
Colotrust	557,424	362,066	919,490
Trust account - Bond fund Series 2017	-	225,618	225,618
Receivable from County Treasurer	42,114	50,536	92,650
TOTAL ASSETS	$ 612,269	$ 638,224	$ 1,250,493
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payable	$ 30,882	$ -	$ 30,882
Total Liabilities	30,882	-	30,882
FUND BALANCES			
Total Fund Balances	581,387	638,224	1,219,611
TOTAL LIABILITIES AND FUND BALANCES	$ 612,269	$ 638,224	$ 1,250,493

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

STERLING HILLS WEST METRO DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2020

GENERAL FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Property taxes	$ 709,523	$ 347,445	$ (362,078)
Specific ownership tax	42,570	12,529	(30,041)
Interest income	3,200	1,803	(1,397)
TOTAL REVENUES	755,293	361,777	(393,516)
EXPENDITURES			
Accounting	33,000	13,362	19,638
County Treasurer's fee	10,650	5,212	5,438
Directors' fees	3,000	1,100	1,900
Phone/website service	900	199	701
Storage rental	900	225	675
Legal services	45,000	7,546	37,454
Miscellaneous	500	853	(353)
Landscaping - contract	60,000	9,495	50,505
Drainage pond renovations	675,000	24,579	650,421
Landscape renovations	5,000	-	5,000
Snow removal	15,000	1,320	13,680
Tree/shrub maintenance	5,000	1,453	3,547
Utilities - irrigation	70,000	634	69,366
Utilities - electricity	450	72	378
Tree planting	1,000	-	1,000
Auditing	2,860	-	2,860
Dues and licenses	750	555	195
Insurance and bonds	5,000	5,377	(377)
District management	25,000	5,550	19,450
Payroll taxes	230	-	230
Election expense	15,000	1,006	13,994
Repairs and maintenance	15,000	2,950	12,050
Contingency	5,760	-	5,760
TOTAL EXPENDITURES	995,000	81,488	913,512
NET CHANGE IN FUND BALANCES	(239,707)	280,289	519,996
FUND BALANCES - BEGINNING	335,719	301,096	(34,623)
FUND BALANCES - ENDING	$ 96,012	$ 581,385	$ 485,373

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SUPPLEMENTARY INFORMATION

STERLING HILLS WEST METRO DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2020

DEBT SERVICE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Property taxes	$ 851,428	$ 416,935	$ (434,493)
Specific ownership tax	51,090	15,035	(36,055)
Interest income	3,300	840	(2,460)
TOTAL REVENUES	905,818	432,810	(473,008)
EXPENDITURES			
County Treasurer's fee	12,770	6,254	6,516
Paying agent fees	3,500	-	3,500
Bond interest	539,000	-	539,000
Bond principal	325,000	-	325,000
Contingency	1,730	-	1,730
TOTAL EXPENDITURES	882,000	6,254	875,746
NET CHANGE IN FUND BALANCES	23,818	426,556	402,738
FUND BALANCES - BEGINNING	211,173	211,668	495
FUND BALANCES - ENDING	$ 234,991	$ 638,224	$ 403,233

STERLING HILLS WEST METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was formed by Court Order on December 3, 1999, with its formation election held on November 2, 1999. The election approved general obligation indebtedness of $3,600,000 for streets, $500,000 for safety controls, $1,000,000 for water facilities, $1,500,000 for sewer and storm drainage facilities, $6,200,000 for parks, and $750,000 for general operations and maintenance. The election also approved an annual increase in taxes of $500,000 for general operations and maintenance and $2,148,000 for repayment of the combined approved debt.

In accordance with its Service Plan, the District was formed to provide for the construction of improvements for streets, landscaping, storm drainage, water and sewer, safety protection, and park improvements and facilities in its service area within the City of Aurora (City). During 2004 the District amended its Service Plan with the City, which allowed the District to increase its debt limitation from $9,400,000 to $11,600,000 in order to fund additional capital project costs. As required by the original Service Plan, the District received approval from the City on August 27, 2007 of a Second Amendment to the Service Plan, which approved a refunding of the District's outstanding debt and the issuance of additional debt to pay costs of public improvements in an amount not to exceed $1,100,000, an extension of the maturity of debt to 2031, and the imposition of a mill levy for payment of debt of not more than 42.55 mills, subject to adjustment for changes occurring after 2000 in the method of calculating assessed valuation. The adjusted maximum mill levy is 57.963.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the property tax summary page at the adopted mill levy of 55.000.

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of total property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.50%.

Expenditures

Administrative Expenses

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, general engineering, meeting expense, and other administrative expenses.

Operations and maintenance

Certain pocket parks and street landscaping improvements are owned and maintained by the District. The estimated costs for repairs and maintenance, and certain upgrades of the improvements are found on the General Fund page of the budget. The District has budgeted $675,000 for major renovation of a drainage pond for which the District is responsible.

Debt Service

Principal and interest payments in 2020 are provided based on the debt amortization schedule from the Series 2017 Bonds as detailed on the debt service schedule and debt service summary page of the Budget (discussed under Debt and Leases).

Contingency

The District has provided for the possibility of additional expenditures for landscaping or other contingencies.

Debt and Leases

General Obligation Refunding Bonds

On September 8, 2017, the District refunded $11,965,000 of General Obligation Refunding and Improvement Bonds (2007 Bonds) dated September 13, 2007, with interest rates from 4.0% to 5.0% by the issuance of $11,385,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds (2017 Bonds). Funds from the issuance of the 2017 Bonds were deposited with a trustee and invested in U.S. government securities. The 2007 Bonds were repaid in full by the trustee on December 1, 2017. Proceeds of the 2017 Bonds were also used pay amounts due to the Bond Insurer of the 2007 Bonds and the cost of issuance of the 2017 Bonds.

The 2017 Bonds bear interest at the rate of 5.0% per annum, with an effective interest rate of 3.86% due to the payment of a $1,498,883 premium paid at the time of issuance. Interest is due June 1 and December 1. Principal is due on December 1. The 2017 Bonds mature on December 1, 2039. The 2017 Bonds are subject to redemption prior to maturity, at the option of the District on December 1, 2027, and on any date thereafter, upon payment of par and accrued interest thereon to the date of redemption.

The 2017 Bonds are secured by and payable from Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue. The Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the 2017 Bonds as the same become due and payable but not in excess of 42.55 mills, provided however, that in the event the method of calculating assessed valuation is or was changed after 2000, the maximum mill levy will be increased or decreased to reflect such changes. For budget year 2020, the Required Mill Levy has been adjusted to 57.963 mills. Once the debt to assessed ratio is 40% or less, the Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the 2017 Bonds as the same become due and payable without limitation of rate. At December 31, 2019, the District's debt to assessed ratio was 38%.

The District has no operating or capital leases.

Reserve Funds

Emergency Reserves

The District has provided an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

Reserve for Capital Replacement

The District has set aside funds for the replacement of certain capital assets owned by the District.

STERLING HILLS WEST METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$11,385,000 General Obligation Limited
Tax Convertible to Unlimited Tax
Refunding Bonds
5.00% Serial & Term Bonds Due December 1, 2039
Series 2017, Dated September 8, 2017
Interest Payable June 1 and December 1,
Principal Due December 1

Year Ended December 31,	Principal	Interest	Total
2020	$ 325,000	$ 539,000	$ 864,000
2021	345,000	522,750	867,750
2022	360,000	505,500	865,500
2023	380,000	487,500	867,500
2024	395,000	468,500	863,500
2025	415,000	448,750	863,750
2026	435,000	428,000	863,000
2027	460,000	406,250	866,250
2028	480,000	383,250	863,250
2029	505,000	359,250	864,250
2030	530,000	334,000	864,000
2031	560,000	307,500	867,500
2032	585,000	279,500	864,500
2033	615,000	250,250	865,250
2034	645,000	219,500	864,500
2035	680,000	187,250	867,250
2036	710,000	153,250	863,250
2037	745,000	117,750	862,750
2038	785,000	80,500	865,500
2039	825,000	41,250	866,250
Total	$10,780,000	$ 6,519,500	$ 17,299,500

STERLING HILLS WEST METROPOLITAN DISTRICT

Schedule of Cash Position

March 31, 2020

Updated as of May 7, 2020

		General	Debt Service	Total
1st Bank				
Balance as of 03/31/20		$ 12,107.47	$ -	$ 12,107.47
Subsequent activities:				
04/07/2020	Aurora Water Payment	(207.78)	-	(207.78)
04/10/2020	Transfer from Colotrust	15,000.00	-	15,000.00
04/10/2020	Checks 1217-1224	(19,468.38)	-	(19,468.38)
05/07/2020	Aurora Water Payment	(207.78)	-	(207.78)
05/07/2020	Checks 1225-1232	(25,085.65)	-	(25,085.65)
05/08/2020	Transfer from Colotrust	25,000.00	-	25,000.00
	Anticipated Balance	7,137.88	-	7,137.88
CSAFE - General Fund				
Balance as of 03/31/20		624.35	-	624.35
Subsequent activities:				
04/30/20	Interest income	0.53	-	
	Anticipated Balance	624.88	-	624.35
CSAFE - Debt				
Balance as of 03/31/20		-	3.88	3.88
Subsequent activities:				
	Anticipated Balance	-	3.88	3.88
Colotrust Plus				
Balance as of 03/31/20		557,423.83	362,065.85	919,489.68
Subsequent activities:				
04/09/2020	Transfer to checking	(15,000.00)	-	(15,000.00)
04/10/2020	Property taxes	42,113.60	50,536.34	92,649.94
04/30/2020	Interest income	529.84	344.15	873.99
05/08/2020	Transfer to checking	(25,000.00)	-	(25,000.00)
05/08/2020	Transfer to UMB	-	(412,946.34)	(412,946.34)
	Anticipated Balance	560,067.27	-	560,067.27
UMB Bank Series 2017 Bonds - Bond Fund				
Balance as of 03/31/20		-	225,618.42	225,618.42
Subsequent activities:				
04/30/20	Interest income	-	196.84	196.84
05/08/20	Transfer from Colotrust	-	412,946.34	
	Anticipated Balance	-	638,761.60	225,815.26
	Anticipated Balances	**$ 567,830.03**	**$ 638,765.48**	**$ 793,648.64**

Current Yield (As of 4/30/20)

CSAFE - 0.98%

COLOTRUST PLUS - 1.11%

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Sterling Hills West Metro District
Check List
All Bank Accounts
April 1, 2020 - April 30, 2020

Interim Payments to Ratify

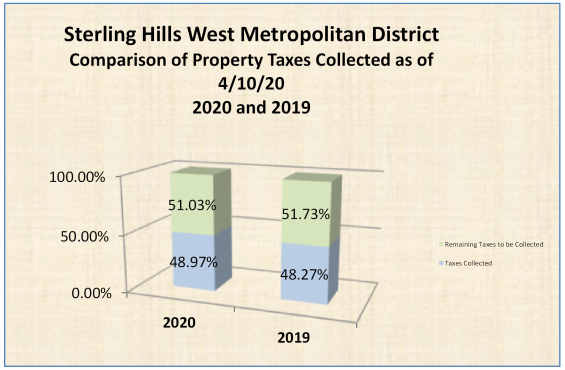
Check Number	Check Date	Payee		Amount
Vendor Checks				
1217	04/10/20	AAA Sandblasting of Denver, LLC		2,800.00
1218	04/10/20	CliftonLarsonAllen LLP		4,027.48
1219	04/10/20	Colorado District Mngmnt& Operations		2,092.07
1220	04/10/20	HOAM Contractors		150.00
1221	04/10/20	Icenogle Seaver Pogue		3,432.20
1222	04/10/20	Keesen Landscape Managememt,Inc.		3,592.50
1223	04/10/20	Wright Water Engineers, Inc.		3,350.25
1224	04/10/20	Xcel Energy		23.88
ACH	04/07/20	Aurora Water		207.78
			Vendor Check Total	19,676.16
			Check List Total	19,676.16

Check count = 9

STERLING HILLS WEST METROPOLITAN DISTRICT
Property Tax Reconciliation
2020

	Current Year									Prior Year		
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Property Taxes Received Monthly	% of Total Property Taxes Received Y-T-D	Total Cash Received	% of Total Property Taxes Received Monthly	% of Total Property Taxes Received Y-T-D
Beginning Balance												
January	$ 22,213.61	$ -	$ 9,289.79	$ -	$ (333.20)	$ -	$ 31,170.20	1.42%	1.42%	$ 11,529.51	0.34%	0.34%
February	656,799.76	-	9,710.74	-	(9,852.00)	-	656,658.50	42.08%	43.50%	528,805.63	43.99%	44.33%
March	85,366.81	-	8,562.95	0.69	(1,280.51)	-	92,649.94	5.47%	48.97%	53,515.32	3.94%	48.27%
April	-	-	-	-	-	-	-	0.00%	48.97%	85,326.99	6.72%	54.98%
May	-	-	-	-	-	-	-	0.00%	48.97%	35,542.05	2.38%	57.36%
June	-	-	-	-	-	-	-	0.00%	48.97%	488,136.30	40.64%	98.00%
July	-	-	-	-	-	-	-	0.00%	48.97%	14,823.38	0.63%	98.63%
August	-	-	-	-	-	-	-	0.00%	48.97%	21,099.79	1.01%	99.64%
September	-	-	-	-	-	-	-	0.00%	48.97%	10,199.74	0.16%	99.80%
October	-	-	-	-	-	-	-	0.00%	48.97%	8,509.06	0.10%	99.90%
November	-	-	-	-	-	-	-	0.00%	48.97%	10,278.57	0.10%	100.00%
December	-	-	-	-	-	-	-	0.00%	48.97%	7,847.69	0.00%	100.00%
	$ 764,380.18	$ -	$ 27,563.48	$ 0.69	$ (11,465.71)	$ -	$ 780,478.64	48.97%	48.97%	$ 1,275,614.03	100.00%	100.00%

	AV	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
Property Tax					
General Fund	25.000	$ 709,523	45.45%	$ 347,445.45	48.97%
Debt Service Fund	30.000	$ 851,428	54.55%	416,934.73	48.97%
$ 28,380,934	55.000	$ 1,560,951	100.00%	$ 764,380.18	48.97%
Specific Ownership Tax					
General Fund		$ 42,570	45.45%	$ 12,528.85	29.43%
Debt Service Fund		$ 51,090	54.55%	15,034.63	29.43%
		$ 93,660	100.00%	$ 27,563.48	29.43%
Treasurer's Fees					
General Fund		$ 10,650	45.45%	$ 5,211.69	48.94%
Debt Service Fund		$ 12,770	54.55%	6,254.02	48.97%
		$ 23,420	100.00%	$ 11,465.71	48.96%



12/31/16 Debt Service Fund Balance: $ 37
12/31/17 Debt Service Fund Balance: $ 42,472
12/31/18 Debt Service Fund Balance: $ 127,437
12/31/19 Debt Service Fund Balance: $ 211,668

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