

JEFFCO BUSINESS CENTER METROPOLITAN DISTRICT NO.1

2019 Budget Message

Introduction

The District was formed in 2000 for the purpose of providing design, acquisition, construction, installation, and financing of certain infrastructure improvements within and outside the boundaries of the District including water, sanitation, streets, safety protection, park and recreation, transportation, and television relay and translation services. When appropriate, these improvements have been dedicated to the City and County of Broomfield, or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

The 2019 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2019 fiscal year based on available revenues. This budget provides for the annual debt service on the District's General Obligation Debt as well as the general operation of the District.

The District's 2018 assessed value decreased 1.26% to \$4,084,186. The District assessed a total mill of 35.000 mills for taxes collected in the 2019 fiscal year, with 29.000 mills dedicated to the Debt Service Fund and 6.000 mills dedicated to the General Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report on its financial position and results of its 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 comprise 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 revenue traditionally associated with government such as property taxes, specific ownership tax. Expenditures 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 issues. Below is a summary of the District's long-term debt.

Summary of Debt Outstanding

JEFFCO BUSINESS CENTER METROPOLITAN DISTRICT NO. 1			
<u>Bonds Principal Interest Maturing in the Year Ending December 31,</u>	\$2,020,000 Series 2000 General Obligation Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	236,000	39,680	275,680
2020	260,000	39,680	299,680
Total	<u>\$ 496,000</u>	<u>\$ 79,360</u>	<u>\$ 575,360</u>

Note: The District has been unable to make Principal Payments beginning in 2005 and has made only partial payments of interest. Future payment of principal and interest will depend upon revenue sources. The District has budgeted to make only interest payments in 2019 and does not anticipate any principal reduction.

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 revenues in the General Fund.

JEFFCO BUSINESS CENTER METROPOLITAN DISTRICT NO. 1
Assessed Value, Property Tax and Mill Levy Information

	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Assessed Valuation	\$ 3,769,680	\$ 4,136,440	\$ 4,084,186
Mill Levy			
General Fund	6.000	6.000	6.000
Debt Service Fund	29.000	29.000	29.000
Total Mill Levy	<u>35.000</u>	<u>35.000</u>	<u>35.000</u>
Property Taxes			
General Fund	\$ 22,618	\$ 24,819	\$ 24,505
Debt Service Fund	109,321	119,957	118,441
Actual/Budgeted Property Taxes	<u>\$ 131,939</u>	<u>\$ 144,776</u>	<u>\$ 142,946</u>

JEFFCO BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

**GENERAL FUND
2019 Adopted Budget
with 2017 Actual, 2018 Adopted Budget, and 2018 Estimated**

	2017 Actual	2018 Adopted Budget	2018 Estimated	2019 Adopted Budget
BEGINNING FUND BALANCE	\$ 6,927	\$ 4,999	\$ 7,728	\$ 13,864
REVENUE				
Property Tax Revenue	22,618	24,819	24,819	24,505
Specific Ownership Taxes	8,653	8,687	7,000	7,000
Interest Income	7	9	22	40
Total Revenue	31,278	33,515	31,841	31,545
Total Funds Available	38,205	38,514	39,569	45,409
EXPENDITURES				
Accounting	5,996	6,222	6,200	6,300
District Management	3,232	4,080	4,000	4,300
Audit	257	300	548	600
Election Expense	-	1,000	1,243	-
Insurance and Bonds/SDA	3,754	4,400	3,803	4,200
Legal	7,227	2,856	2,850	3,000
Legal Publications	43	150	100	150
Miscellaneous	517	330	330	330
Treasurer's Fees	339	372	373	368
Reimburse Dev Adv Int	8,000	-	-	-
Contingency	-	4,172	2,686	5,000
Sub-Total	29,364	23,882	22,133	24,248
Transfers				
Transfer to Debt Service	1,113	1,113	2,617	3,529
Emergency Reserve	-	1,005	955	946
Total Expenditures	30,477	26,000	25,705	28,723
Total Expenditures Requiring Appropriation	30,477	26,000	25,705	28,723
ENDING FUND BALANCE	\$ 7,728	\$ 12,514	\$ 13,864	\$ 16,685

JEFFCO BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

**DEBT SERVICE FUND
2019 Adopted Budget
with 2017 Actual, 2018 Adopted Budget, and 2018 Estimated**

	2017 Actual	2018 Adopted Budget	2018 Estimated	2019 Adopted Budget
BEGINNING FUND BALANCE	\$ 1,519	\$ 1,562	\$ 1	\$ 2,468
REVENUE				
Property Tax Revenue	109,321	119,957	119,957	118,441
Interest Income	32	40	99	40
Transfer from General Fund	1,113	1,113	2,617	3,529
Total Revenue	110,466	121,110	122,673	122,010
Total Funds Available	111,985	122,672	122,674	124,478
EXPENDITURES				
Bond Interest	110,194	120,723	118,255	120,000
Bond Principal				-
Paying Agent Fees	150	150	150	150
Treasurer's Fees	1,640	1,799	1,801	1,799
Total Expenditures	111,984	122,672	120,206	121,949
Total Expenditures Requiring Appropriation	111,984	122,672	120,206	121,949
ENDING FUND BALANCE	\$ 1	\$ -	\$ 2,468	\$ 2,529