

JEFFCO BUSINESS CENTER METROPOLITAN DISTRICT NO.1

2021 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 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 as well as the general operation of the District.

The District's 2020 assessed value increased to \$6,656,140 from \$5,332,613 the prior year. The District assessed a total mill of 35.000 mills for taxes collected in the 2021 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. Since 2005, the

District has been unable to make principal payments, and has only made partial interest payments, on its outstanding Series 2000 debt. Future payments of principal and interest will depend upon sufficiency of revenue sources. In 2021, the District has budgeted to make only an interest payment in the amount of \$195,000, 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.

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Assessed Value, Property Tax and Mill Levy Information

	2019 Actual	2020 Adopted Budget	2021 Adopted Budget
Assessed Valuation	\$ 4,084,186	\$ 5,332,613	\$ 6,656,140
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	\$ 24,505	\$ 31,996	\$ 39,937
Debt Service Fund	118,441	154,646	193,028
Actual/Budgeted Property Taxes	<u>\$ 142,946</u>	<u>\$ 186,642</u>	<u>\$ 232,965</u>

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**GENERAL FUND
2021 Adopted Budget
with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated**

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
BEGINNING FUND BALANCE	\$ 14,890	\$ 20,018	\$ 21,082	\$ 30,343
REVENUE				
Property Tax Revenue	24,505	31,996	31,996	39,937
Specific Ownership Taxes	1,567	1,500	4,000	4,000
Interest Income	92	10	-	10
Total Revenue	26,163	33,506	35,996	43,947
Total Funds Available	41,053	53,524	57,078	74,290
EXPENDITURES				
Accounting	7,028	8,000	8,000	8,000
District Management	1,939	4,500	4,500	6,000
Audit	28	400	280	400
Election Expense	-	1,500	579	-
Insurance and Bonds/SDA	4,001	4,000	4,000	4,000
Legal	3,948	3,500	8,000	8,000
Legal Publications	2,219	200	200	200
Miscellaneous	-	-	696	1,000
Miscellaneous	364	350	-	-
Treasurer's Fees	368	480	480	599
Contingency	-	5,000	-	5,000
Sub-Total	19,896	27,930	26,735	33,199
Transfers				
Transfer to Debt Service	-	-	-	-
Emergency Reserve	-	1,005	-	1,318
Total Expenditures	19,896	28,935	26,735	34,517
Total Expenditures Requiring Appropriation	19,896	28,935	26,735	34,517
ENDING FUND BALANCE	\$ 21,157	\$ 24,588	\$ 30,343	\$ 39,773

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**DEBT SERVICE FUND
2021 Adopted Budget
with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated**

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
BEGINNING FUND BALANCE	\$ 7,592	\$ 4,684	\$ 1,864	\$ 4,540
REVENUE				
Property Tax Revenue	118,441	154,646	154,646	193,028
Specific Ownership Taxes	7,571	5,500	5,500	5,500
Interest Income	-	20	-	-
Transfer from General Fund	-	-	-	-
Total Revenue	126,013	160,166	160,146	198,528
Total Funds Available	133,605	164,850	162,010	203,068
EXPENDITURES				
Bond Interest	129,813	155,000	155,000	195,000
Bond Principal	-	-	-	-
Paying Agent Fees	150	150	150	150
Treasurer's Fees	1,778	2,320	2,320	2,895
Total Expenditures	131,741	157,470	157,470	198,045
Total Expenditures Requiring Appropriation	131,741	157,470	157,470	198,045
ENDING FUND BALANCE	\$ 1,864	\$ 7,380	\$ 4,540	\$ 5,023