

JEFFCO BUSINESS CENTER METROPOLITAN DISTRICT NO.1

2022 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 2022 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2022 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 2021 assessed value increased to \$8,193,270 from \$6,656,140 the prior year. The District assessed a total mill of 35.000 mills for taxes collected in the 2022 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 2022, the District has budgeted to make only an interest payment in the amount of \$250,000, 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

	2020 Actual	2021 Adopted Budget	2022 Adopted Budget
Assessed Valuation	\$ 5,332,613	\$ 6,656,140	\$ 8,193,270
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	\$ 31,996	\$ 39,937	\$ 49,160
Debt Service Fund	154,646	193,028	237,605
Actual/Budgeted Property Taxes	<u>\$ 186,642</u>	<u>\$ 232,965</u>	<u>\$ 286,765</u>

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**GENERAL FUND
2022 Adopted Budget
with 2020 Actual, 2021 Adopted Budget, and 2021 Estimated**

	2020 Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
BEGINNING FUND BALANCE	\$ 20,645	\$ 30,343	\$ 35,703	\$ 49,056
REVENUE				
Property Tax Revenue	31,996	39,937	39,937	49,160
Specific Ownership Taxes	10,331	4,000	1,600	2,438
Interest Income	30	10	15	10
Total Revenue	42,357	43,947	41,552	51,608
Total Funds Available	63,002	74,290	77,255	100,664
EXPENDITURES				
Accounting	6,986	8,000	8,000	8,000
District Management	3,676	6,000	6,000	6,000
Audit	294	400	400	400
Election Expense	579	-	-	3,000
Insurance and Bonds/SDA	3,462	4,000	4,000	4,500
Legal	10,462	8,000	8,000	8,000
Legal Publications	41	200	200	200
Miscellaneous	1,319	1,000	1,000	1,000
Treasurer's Fees	480	599	599	737
Contingency	-	5,000	-	5,000
Sub-Total	27,299	33,199	28,199	36,837
Transfers				
Transfer to Debt Service	-	-	-	-
Emergency Reserve	-	1,318	-	1,548
Total Expenditures	27,299	34,517	28,199	38,385
Total Expenditures Requiring Appropriation	27,299	34,517	28,199	38,385
ENDING FUND BALANCE	\$ 35,703	\$ 39,773	\$ 49,056	\$ 62,279

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**DEBT SERVICE FUND
2022 Adopted Budget
with 2020 Actual, 2021 Adopted Budget, and 2021 Estimated**

	2020 Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
BEGINNING FUND BALANCE	\$ 1,864	\$ 4,540	\$ 3,538	\$ 7,714
REVENUE				
Property Tax Revenue	154,646	193,028	154,646	237,605
Specific Ownership Taxes	63	5,500	7,000	14,768
Interest Income	143	-	-	-
Transfer from General Fund	-	-	-	-
Total Revenue	154,852	198,528	161,646	252,373
Total Funds Available	156,716	203,068	165,184	260,087
EXPENDITURES				
Bond Interest	150,707	195,000	155,000	250,000
Bond Principal	-	-	-	-
Paying Agent Fees	150	150	150	150
Treasurer's Fees	2,320	2,895	2,320	3,564
Total Expenditures	153,178	198,045	157,470	253,714
Total Expenditures Requiring Appropriation	153,178	198,045	157,470	253,714
ENDING FUND BALANCE	\$ 3,538	\$ 5,023	\$ 7,714	\$ 6,373