

JEFFCO BUSINESS CENTER METROPOLITAN DISTRICT NO.1

2023 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 2023 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2023 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 2022 assessed value increased to \$8,749,450 from \$8,193,270 the prior year. The District assessed a total mill levy of 35.000 mills for taxes collected in the 2023 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 2023, the District has budgeted to make only an interest payment in the amount of \$265,000, 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

	2021 Actual	2022 Adopted Budget	2023 Adopted Budget
Assessed Valuation	\$ 6,656,140	\$ 8,193,270	\$ 8,749,450
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	\$ 39,937	\$ 49,160	\$ 52,497
Debt Service Fund	193,028	237,605	253,734
Actual/Budgeted Property Taxes	<u>\$ 232,965</u>	<u>\$ 286,765</u>	<u>\$ 306,231</u>

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**GENERAL FUND
2023 Adopted Budget
with 2021 Actual and 2022 Adopted Budget**

	2021 Actual	2022 Adopted Budget	2023 Adopted Budget
BEGINNING FUND BALANCE	\$ 35,703	\$ 49,056	\$ 79,209
REVENUE			
Property Tax Revenue	39,907	49,160	52,497
Specific Ownership Taxes	1,881	2,438	2,604
Interest Income	14	10	40
Total Revenue	41,803	51,608	55,141
Total Funds Available	77,506	100,664	134,349
EXPENDITURES			
Accounting	5,670	8,000	8,700
District Management	4,104	6,000	6,500
Audit	-	400	-
Election Expense	-	3,000	1,100
Insurance and Bonds/SDA	3,902	4,500	4,500
Legal	6,632	8,000	8,000
Legal Publications	37	200	200
Miscellaneous	1,159	1,000	1,000
Treasurer's Fees	599	737	787
Contingency	-	5,000	5,000
Sub-Total	22,102	36,837	35,787
Transfers and Other Sources (Uses)			
Emergency Reserve	-	(1,548)	(1,654)
Total Expenditures Requiring Appropriation	22,102	38,385	37,441
ENDING FUND BALANCE	\$ 55,404	\$ 62,279	\$ 96,908

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**DEBT SERVICE FUND
2023 Adopted Budget
with 2021 Actual and 2022 Adopted Budget**

	2021 Actual	2022 Adopted Budget	2023 Adopted Budget
BEGINNING FUND BALANCE	\$ 3,538	\$ 7,714	\$ 6,724
REVENUE			
Property Tax Revenue	192,889	237,605	253,734
Specific Ownership Taxes	9,091	14,768	15,770
Interest Income	69	-	-
Total Revenue	<hr/> 202,049	<hr/> 252,373	<hr/> 269,504
Total Funds Available	<hr/> 205,587	<hr/> 260,087	<hr/> 276,228
EXPENDITURES			
Bond Interest	160,960	250,000	265,000
Bond Principal	-	-	-
Paying Agent Fees	150	150	150
Treasurer's Fees	2,896	3,564	3,806
Total Expenditures	<hr/> 164,006	<hr/> 253,714	<hr/> 268,956
Total Expenditures Requiring Appropriation	<hr/> <hr/> 164,006	<hr/> <hr/> 253,714	<hr/> <hr/> 268,956
ENDING FUND BALANCE	<hr/> <hr/> \$ 41,581	<hr/> <hr/> \$ 6,373	<hr/> <hr/> \$ 7,272