

JEFFCO BUSINESS CENTER METROPOLITAN DISTRICT NO.1

2020 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 2020 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2020 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 2019 assessed value increased 30.6% to \$5,332,613. The District assessed a total mill of 35.000 mills for taxes collected in the 2020 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

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<u>Bonds Principal Interest Maturing in the Year Ending December 31,</u>	\$2,020,000 Series 2000 General Obligation Bonds		
	Principal	Interest	Total
2020	260,000	20,800	280,800
Total	\$ 260,000	\$ 20,800	\$ 280,800

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 2020 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

	2018 Actual	2019 Adopted Budget	2020 Adopted Budget
Assessed Valuation	\$ 4,136,440	\$ 4,084,186	\$ 5,332,613
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	\$ 24,819	\$ 24,505	\$ 31,996
Debt Service Fund	119,957	118,441	154,646
Actual/Budgeted Property Taxes	<u>\$ 144,776</u>	<u>\$ 142,946</u>	<u>\$ 186,642</u>

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**GENERAL FUND
2020 Adopted Budget
with 2018 Actual, 2019 Adopted Budget, and 2019 Estimated**

	2018 Actual	2019 Adopted Budget	2019 Estimated	2020 Adopted Budget
BEGINNING FUND BALANCE	\$ 7,728	\$ 13,864	\$ 14,890	\$ 20,018
REVENUE				
Property Tax Revenue	24,818	24,505	24,505	31,996
Specific Ownership Taxes	1,602	7,000	1,200	1,500
Interest Income	21	40	100	10
Total Revenue	26,441	31,545	25,805	33,506
Total Funds Available	34,169	45,409	40,695	53,524
EXPENDITURES				
Accounting	6,946	6,300	8,000	8,000
District Management	3,970	4,300	4,300	4,500
Audit	548	600	28	400
Election Expense	1,243	-	-	1,500
Insurance and Bonds/SDA	3,831	4,200	4,001	4,000
Legal	1,910	3,000	3,500	3,500
Legal Publications	43	150	150	200
Miscellaneous	417	330	330	350
Treasurer's Fees	373	368	368	480
Reimburse Dev Adv Int	-	-	-	-
Contingency	-	5,000	-	5,000
Sub-Total	19,279	24,248	20,677	27,930
Transfers				
Transfer to Debt Service	-	3,529	-	-
Emergency Reserve	-	946	-	1,005
Total Expenditures	19,279	28,723	20,677	28,935
Total Expenditures Requiring Appropriation	19,279	28,723	20,677	28,935
ENDING FUND BALANCE	\$ 14,890	\$ 16,685	\$ 20,018	\$ 24,588

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**DEBT SERVICE FUND
2020 Adopted Budget
with 2018 Actual, 2019 Adopted Budget, and 2019 Estimated**

	2018 Actual	2019 Adopted Budget	2019 Estimated	2020 Adopted Budget
BEGINNING FUND BALANCE	\$ 1	\$ 2,468	\$ 7,592	\$ 4,684
REVENUE				
Property Tax Revenue	119,957	118,441	118,441	154,646
Specific Ownership Taxes	7,741	-	5,600	5,500
Interest Income	99	40	-	20
Transfer from General Fund	-	3,529	-	-
Total Revenue	127,797	122,010	124,041	160,166
Total Funds Available	127,798	124,478	131,633	164,850
EXPENDITURES				
Bond Interest	118,255	120,000	125,000	155,000
Bond Principal	-	-	-	-
Paying Agent Fees	150	150	150	150
Treasurer's Fees	1,801	1,799	1,799	2,320
Total Expenditures	120,206	121,949	126,949	157,470
Total Expenditures Requiring Appropriation	120,206	121,949	126,949	157,470
ENDING FUND BALANCE	\$ 7,592	\$ 2,529	\$ 4,684	\$ 7,380