

ACC METROPOLITAN DISTRICT

2019 Budget Message

Introduction

The District was formed in November 2003 for the purpose of providing design, financing, acquisition, and construction of certain infrastructure including water improvements, street improvements, sanitary sewer, storm sewer, park and recreation improvements and landscaping improvements. These improvements have been dedicated to the City of Aurora, 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 outstanding debt as well as the general operation of the District and capital improvements.

The District's 2018 assessed value decreased 0.48% to \$5,915,890. The District's mill levy is 37.000 mills for taxes to be collected in the 2019 fiscal year, with 6.000 mills certified to the General Fund, 30.000 mills certified to the Debt Service Fund, and 1.000 mill certified to the Aurora Regional Improvements. The ARI mill levy is required pursuant to the First Amended and Restated Service Plan.

Budgetary Basis of Accounting

The District uses Funds to budget and report on the financial position and results of 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 determine 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

General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership taxes and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government. The District's primary source of operating revenue for 2019 is from property taxes and specific ownership taxes.

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. The primary source of revenue comes from property taxes, specific ownership taxes and ARI revenue.

In 2013, the District entered into a Loan Agreement to partially reimburse the developer for prior capital advances made to the District. Below is a consolidated summary of the District’s debt.

Principal and Interest Maturing in the Year Ending December 31,	\$1,980,000 Series 2013 Taxable/Tax-Exempt GO Limited Tax Notes		
	Principal	Interest	Total
2019*	\$ 1,865,000	\$ 51,515	\$ 1,916,515

* Final principal payment due July 15, 2019

The District’s 2019 budget does not include full payment on the debt scheduled above. The District is currently negotiating and exploring opportunities to refinance or extend the current terms of the loan.

Capital Projects Fund is used to account for revenues and expenditures to complete capital projects such as new improvements and upgrades to existing infrastructure.

Emergency Reserve

As required under Section 20 of Article X of the Colorado Constitution (“TABOR”), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

ACC METROPOLITAN DISTRICT
Assessed Value, Property Tax and Mill Levy Information

2017 Actual	2018 Adopted Budget	2019 Adopted Budget
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Assessed Valuation	\$	5,366,340	\$	5,944,140	\$	5,915,890
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Mill Levy

General Fund	6.000	6.000	6.000	6.000
Debt Service Fund	30.000	30.000	30.000	30.000
ARI Mill Levy	1.000	1.000	1.000	1.000

Total Mill Levy	<u>37.000</u>	<u>37.000</u>	<u>37.000</u>	<u>37.000</u>
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Property Taxes

General Fund	\$	32,198	\$	35,665	\$	35,495
Debt Service Fund		160,990		178,324		177,477
ARI Mill Levy		5,366		5,944		5,916

Actual/Budgeted Property Taxes	<u>\$</u>	<u>198,554</u>	<u>\$</u>	<u>219,933</u>	<u>\$</u>	<u>218,888</u>
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ACC METROPOLITAN DISTRICT

**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	\$ 76,875	\$ 2,803	\$ 2,803	\$ -
REVENUE				
Property Tax Revenue	32,198	35,665	35,665	35,495
Specific Ownership Taxes	3,108	2,140	2,032	2,140
Developer Advance	8,000	39,120	39,120	31,364
Interest Income	78	100	-	-
Total Revenue	43,385	77,025	76,817	68,999
Total Funds Available	120,260	79,828	79,620	68,999
EXPENDITURES				
Accounting	11,151	11,000	11,000	11,000
District Management	18,377	16,000	20,000	17,500
Audit	3,857	5,000	7,737	5,000
Director's Fees	600	1,200	-	-
Election	-	1,500	997	-
Insurance/SDA Dues	3,172	3,400	3,047	3,397
Legal	14,603	15,000	27,000	18,000
Miscellaneous	169	1,500	7,000	1,500
Payroll Taxes	46	92	-	-
Treasurer's Fees	483	535	535	532
Contingency	-	22,584	-	10,000
Total Expenditures	52,457	77,811	77,316	66,929
Transfers and Other Uses				
Transfer to Capital Projects	65,000	-	-	-
Emergency Reserve	-	2,017	2,305	2,070
Total Expenditures Requiring Appropriation	117,457	79,828	79,621	68,999
ENDING FUND BALANCE	\$ 2,803	\$ -	\$ -	\$ -

ACC METROPOLITAN DISTRICT

**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	\$ 426,126	\$ 474,574	\$ 477,565	\$ 531,371
REVENUE				
Property Tax Revenue	160,990	178,324	178,324	177,477
Specific ownership tax	16,060	10,699	11,000	10,649
ARI Revenue	5,367	5,944	5,944	5,944
Interest Income	623	720	300	5,000
Total Revenue	183,039	195,687	195,568	199,070
Total Funds Available	609,166	670,261	673,133	730,440
EXPENDITURES				
Note Principal	40,000	50,000	50,000	50,000
Note Interest	83,820	83,000	83,000	83,000
Paying Agent Fees	-	300	300	300
ARTA - 1 mill levy	5,286	5,855	5,287	5,855
Treasurer's Fees	2,495	2,764	2,675	2,751
Contingency	-	500	500	500
Total Expenditures	131,601	142,419	141,762	142,406
Total Expenditures Requiring Appropriation	131,601	142,419	141,762	142,406
Reserve Fund	160,651	160,651	160,651	160,651
Undesignated	316,914	367,191	370,719	427,383
ENDING FUND BALANCE	\$ 477,565	\$ 527,842	\$ 531,371	\$ 588,034

ACC METROPOLITAN DISTRICT

CAPITAL PROJECTS 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	\$ 2,335	\$ -	\$ 4,746	\$ 43,522
REVENUE				
Developer Advance	81,000	333,982	333,982	414,512
Transfer from General Fund	65,000	-	-	-
Interest Income	19	3	30	125
Total Revenue	146,019	333,985	334,012	414,637
Total Funds Available	148,354	333,985	338,758	458,159
EXPENDITURES				
Legal	3,390	15,000	18,000	15,000
Engineering	140,217	180,000	277,236	440,659
Contingency	-	105,000	-	2,500
Total Expenditures	143,607	300,000	295,236	458,159
Total Expenditures Requiring Appropriation	143,607	300,000	295,236	458,159
ENDING FUND BALANCE	\$ 4,746	\$ 33,985	\$ 43,522	\$ -