

# ACC METROPOLITAN DISTRICT

## 2020 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 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 outstanding debt as well as the general operation of the District and capital improvements.

The District's 2019 assessed value increased 38% to \$9,591,570. The District's mill levy is 37.000 mills for taxes to be collected in the 2020 fiscal year, with 5.734 mills certified to the General Fund, 30.266 mills certified to the Debt Service Fund, and 1.000 mills certified to the Aurora Regional Improvements (ARI). 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 2020 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 2018, the District entered into a Loan Agreement to reimburse the developer for prior capital advances made to the District, and to fund additional capital projects. Below is a consolidated summary of the District’s debt.

| Principal and Interest<br>Maturing in the Year<br>Ending December 31, | \$10,000,000 Drawdown Facility<br>Series 2019A Loan |            |            |
|---|---|------------|------------|
|   | Principal   | Interest   | Total      |
| 2020  | \$ 25,000   | \$ 249,974 | \$ 274,974 |

The District’s 2020 budget does include full payment on the debt scheduled above.

**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**

| <b>2018<br/>Actual</b> | <b>2019<br/>Adopted Budget</b> | <b>2020<br/>Adopted Budget</b> |
|------------------------|--------------------------------|--------------------------------|
|------------------------|--------------------------------|--------------------------------|

|                           |    |           |    |           |    |           |
|---------------------------|----|-----------|----|-----------|----|-----------|
| <b>Assessed Valuation</b> | \$ | 5,944,140 | \$ | 5,915,890 | \$ | 9,591,570 |
|---------------------------|----|-----------|----|-----------|----|-----------|

**Mill Levy**

|                   |        |        |        |
|-------------------|--------|--------|--------|
| General Fund      | 6.000  | 6.000  | 5.734  |
| Debt Service Fund | 30.000 | 30.000 | 30.266 |
| ARI Mill Levy     | 1.000  | 1.000  | 1.000  |

|                        |               |               |               |
|------------------------|---------------|---------------|---------------|
| <b>Total Mill Levy</b> | <u>37.000</u> | <u>37.000</u> | <u>37.000</u> |
|------------------------|---------------|---------------|---------------|

**Property Taxes**

|                   |           |           |           |
|-------------------|-----------|-----------|-----------|
| General Fund      | \$ 35,665 | \$ 35,495 | \$ 54,998 |
| Debt Service Fund | 178,324   | 177,477   | 290,298   |
| ARI Mill Levy     | 5,944     | 5,916     | 9,592     |

|                                       |                   |                   |                   |
|---------------------------------------|-------------------|-------------------|-------------------|
| <b>Actual/Budgeted Property Taxes</b> | <u>\$ 219,933</u> | <u>\$ 218,888</u> | <u>\$ 354,888</u> |
|---------------------------------------|-------------------|-------------------|-------------------|

**ACC METROPOLITAN DISTRICT**

**GENERAL FUND**

**2020 Adopted Budget**

with 2018 Actual, 2019 Adopted Budget, and 2019 Estimated

|   | <b>2018<br/>Actual</b> | <b>2019<br/>Adopted Budget</b> | <b>2019<br/>Estimated</b> | <b>2020<br/>Adopted Budget</b> |
|---|------------------------|--------------------------------|---------------------------|--------------------------------|
| <b>BEGINNING FUND BALANCE</b>                         | \$ 2,803               | \$ -                           | \$ 5,676                  | \$ 138,812                     |
| <b>REVENUE</b>  |                        |                                |                           |                                |
| Property Tax Revenue                                  | 35,665                 | 35,495                         | 35,495                    | 54,998                         |
| Specific Ownership Taxes                              | 3,132                  | 2,140                          | 2,200                     | 2,200                          |
| Developer Advance                                     | 49,355                 | 31,364                         | 150,000                   | -                              |
| Interest Income                                       | 0                      | -                              | 5                         | -                              |
| Miscellaneous Income                                  | 168                    | -                              | -                         | -                              |
| <b>Total Revenue</b>                                  | <b>88,320</b>          | <b>68,999</b>                  | <b>187,700</b>            | <b>57,198</b>                  |
| <b>Total Funds Available</b>                          | <b>91,123</b>          | <b>68,999</b>                  | <b>193,376</b>            | <b>196,010</b>                 |
| <b>EXPENDITURES</b>                                   |                        |                                |                           |                                |
| Accounting  | 16,052                 | 11,000                         | 11,000                    | 11,000                         |
| District Management                                   | 22,897                 | 17,500                         | 15,000                    | 15,000                         |
| Audit   | 3,951                  | 5,000                          | 5,000                     | 4,250                          |
| Election  | 997                    | -                              | -                         | 1,500                          |
| Insurance/SDA Dues                                    | 3,047                  | 3,397                          | 3,532                     | 4,000                          |
| Legal   | 31,097                 | 18,000                         | 18,000                    | 15,000                         |
| Miscellaneous   | 6,871                  | 1,500                          | 1,500                     | 1,500                          |
| Treasurer's Fees                                      | 535                    | 532                            | 532                       | 825                            |
| Contingency   | -                      | 10,000                         | -                         | -                              |
| <b>Total Expenditures</b>                             | <b>85,447</b>          | <b>66,929</b>                  | <b>54,564</b>             | <b>53,075</b>                  |
| <b>Transfers and Other Uses</b>                       |                        |                                |                           |                                |
| Transfer to Capital Projects                          | -                      | -                              | -                         | -                              |
| Emergency Reserve                                     | -                      | 2,070                          | -                         | 1,716                          |
| <b>Total Expenditures Requiring<br/>Appropriation</b> | <b>85,447</b>          | <b>68,999</b>                  | <b>54,564</b>             | <b>54,791</b>                  |
| <b>ENDING FUND BALANCE</b>                            | <b>\$ 5,676</b>        | <b>\$ -</b>                    | <b>\$ 138,812</b>         | <b>\$ 141,219</b>              |

**ACC METROPOLITAN DISTRICT**

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

|   | <b>2018<br/>Actual</b> | <b>2019<br/>Adopted Budget</b> | <b>2019<br/>Estimated</b> | <b>2020<br/>Adopted Budget</b> |
|---|------------------------|--------------------------------|---------------------------|--------------------------------|
| BEGINNING FUND BALANCE                                | \$ 477,565             | \$ 531,371                     | \$ 521,952                | \$ 2,641,837                   |
| <b>REVENUE</b>  |                        |                                |                           |                                |
| Property Tax Revenue                                  | 178,324                | 177,477                        | 177,477                   | 290,298                        |
| Specific ownership tax                                | 16,181                 | 10,649                         | 10,649                    | 17,418                         |
| ARI Revenue   | 5,944                  | 5,944                          | 5,916                     | 9,592                          |
| Interest Income                                       | 379                    | 5,000                          | 300                       | 300                            |
| Loan Proceeds   |                        | 2,964,867                      | 2,964,867                 | -                              |
| <b>Total Revenue</b>                                  | <b>200,828</b>         | <b>3,163,937</b>               | <b>3,159,209</b>          | <b>317,608</b>                 |
| <b>Total Funds Available</b>                          | <b>678,393</b>         | <b>3,695,308</b>               | <b>3,681,161</b>          | <b>2,959,445</b>               |
| <b>EXPENDITURES</b>                                   |                        |                                |                           |                                |
| Note Principal  | 40,000                 | 50,000                         | -                         | -                              |
| Note Interest   | 72,807                 | 83,000                         | 30,445                    | -                              |
| Series 2019 Principal                                 | -                      | -                              | -                         | 25,000                         |
| Series 2019 Interest                                  | -                      | -                              | -                         | 249,974                        |
| Issuance Costs  | 35,000                 | -                              | -                         | -                              |
| Miscellaneous   | 15                     | -                              | -                         | -                              |
| Paying Agent Fees                                     | -                      | 300                            | 300                       | 2,500                          |
| ARTA - 1 mill levy                                    | 5,944                  | 5,855                          | 5,827                     | 9,448                          |
| Treasurer's Fees                                      | 2,674                  | 2,751                          | 2,751                     | 4,498                          |
| Contingency   | -                      | 500                            | -                         | 5,000                          |
| Transfer to Capital Projects                          | -                      | 957,594                        | 1,000,000                 | 600,000                        |
| <b>Total Expenditures</b>                             | <b>156,441</b>         | <b>1,100,000</b>               | <b>1,039,323</b>          | <b>896,420</b>                 |
| <b>Total Expenditures Requiring<br/>Appropriation</b> | <b>156,441</b>         | <b>1,100,000</b>               | <b>1,039,323</b>          | <b>896,420</b>                 |
| <b>ENDING FUND BALANCE</b>                            | <b>\$ 521,952</b>      | <b>\$ 2,595,307</b>            | <b>\$ 2,641,837</b>       | <b>\$ 2,063,026</b>            |

**ACC METROPOLITAN DISTRICT**

**CAPITAL PROJECTS FUND**

**2020 Adopted Budget**

with 2018 Actual, 2019 Adopted Budget and 2019 Estimated

|   | <b>2018<br/>Actual</b> | <b>2019<br/>Adopted Budget</b> | <b>2019<br/>Estimated</b> | <b>2020<br/>Adopted Budget</b> |
|---|------------------------|--------------------------------|---------------------------|--------------------------------|
| BEGINNING FUND BALANCE                                | \$ 4,746               | \$ 43,522                      | \$ -                      | \$ 1,030,802                   |
| <b>REVENUE</b>  |                        |                                |                           |                                |
| Developer Advance                                     | 318,129                | 414,512                        | 649,252                   | -                              |
| Transfer from General Fund                            | -                      | -                              | -                         | -                              |
| Interest Income                                       | 42                     | 125                            | 50                        | 100                            |
| 2019A Loan Proceeds                                   | -                      | 957,594                        | 1,000,000                 | 600,000                        |
| <b>Total Revenue</b>                                  | <b>318,170</b>         | <b>1,372,231</b>               | <b>1,649,302</b>          | <b>600,100</b>                 |
| <b>Total Funds Available</b>                          | <b>322,917</b>         | <b>1,415,753</b>               | <b>1,649,302</b>          | <b>1,630,902</b>               |
| <b>EXPENDITURES</b>                                   |                        |                                |                           |                                |
| Developer Advance Reimb                               | -                      | -                              | -                         | -                              |
| Management / Accounting                               | -                      | -                              | -                         | 15,000                         |
| Legal   | 16,883                 | 15,000                         | 15,000                    | 15,000                         |
| Engineering   | 250,409                | 440,659                        | 600,000                   | 600,000                        |
| Easements   | 50,000                 | -                              | -                         | -                              |
| Professional Services                                 | 5,625                  | -                              | -                         | -                              |
| Capital Outlay  | -                      | 541,841                        | 1,000                     | 1,500                          |
| Contingency   | -                      | 2,500                          | 2,500                     | 20,000                         |
| <b>Total Expenditures</b>                             | <b>322,917</b>         | <b>1,000,000</b>               | <b>618,500</b>            | <b>651,500</b>                 |
| <b>Total Expenditures Requiring<br/>Appropriation</b> | <b>322,917</b>         | <b>1,000,000</b>               | <b>618,500</b>            | <b>651,500</b>                 |
| ENDING FUND BALANCE                                   | \$ -                   | \$ 415,753                     | \$ 1,030,802              | \$ 979,402                     |