

SECTION 14 METROPOLITAN DISTRICT

2019 Budget Message

Introduction

Section 14 Metropolitan District (the “District”) was formed in 1987 for the purpose of providing streets, associated safety protection facilities, storm drainage and irrigation facilities, sanitary sewer and water facilities, and landscaping improvements. All services are provided for property owners located within District boundaries.

The District consists of approximately 177 acres located in Jefferson County, City and County of Denver, and the City of Lakewood.

Under agreement with various jurisdictions, a majority of improvements have been dedicated to the respective jurisdictions.

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 General Obligation Debt as well as the general operation of the District and reimbursement of capital expenses.

Current District

The District’s assessed value of non-excluded property decreased 0.5% to \$50,470,902 in 2019. The District’s overall mill levy stayed the same at 23.669 mills with 7.519 mills dedicated to the General Fund and 16.150 mills dedicated to the Debt Service Fund for tax collected in the 2019 fiscal year. The District has passed a ballot question authorizing the increase of the General Fund operations mill levy up to 10 mills.

Exclusions

The District has excluded four parcels of real property from its boundaries (“Excluded Parcels”). The Excluded Parcels are responsible for servicing debt on the Series 2000 General Obligation Variable Rate Refunding Bonds. The mill levies for the Excluded Parcels are adjusted annually based on each exclusion’s responsible share of the annual debt service. The Westlake/Fairmark and Jefferson 1994 Exclusions have a mill levy of 5.819 and the Villages at Raccoon Creek and Grant Ranch Cove Exclusions have a mill levy of 16.150 mills.

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

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government. The District retains the services of a contract administrator to provide the on-going management of the District. No change in the level of services from the current year is proposed. In 1999, the District began contributing to the landscape maintenance responsibilities and anticipates that the level of service will continue to increase in the years ahead. The District contributes for maintenance of monuments and landscape improvements.

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 obligations. Below is a consolidated summary of the District's remaining General Obligation long-term debt.

Bonds Principal and Interest Maturing in the Year(s) Ending	\$ 5,995,000 Series 2000 GO Variable Rate Refunding Bonds		
	Principal	Interest	Total
2019	995,000	49,750	1,044,750
Total	\$ 995,000	\$ 49,750	\$ 1,044,750

The **Capital Projects Fund** is used to account for revenues and expenditures for reimbursement of capital projects. In 2019, the Board budgeted for a developer reimbursement in the amount of \$382,725 for capital projects, pursuant to the Project Funding and Reimbursement Agreement.

Emergency Reserve

As required by Section 20 of Article X of 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.

SECTION 14 METROPOLITAN DISTRICT
Assessed Value, Property Tax and Mill Levy Information

	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Assessed Valuation			
Jefferson County	\$ 37,534,351	\$ 42,757,296	\$ 41,154,972
Denver County	8,443,000	9,583,720	9,315,930
Sub Total Assessed Valuation	45,977,351	52,341,016	50,470,902
Assessed Valuation Exclusions			
Jefferson Exclusions:			
Jefferson-1994	4,220,332	4,886,852	4,915,422
Grant Ranch Cove-04	3,546,470	3,672,778	3,689,155
Denver Exclusions:			
Westlake (Fairmark)	4,150,630	4,806,530	4,598,240
Villages at Raccoon Creek	3,506,510	3,762,240	3,592,890
Sub Total Assessed Valuations Exclusions	15,423,942	17,128,400	16,795,707
TOTAL ASSESSED VALUATIONS	\$ 61,401,293	\$ 69,469,416	\$ 67,266,609
Mill Levy			
General Fund	5.110	9.857	7.519
Temporary Mill Levy Reduction	0.000	0.000	0.000
Refunds and Abatements			
Denver	0.000	0.000	0.000
Denver - Villages at Raccoon Creek	0.000	0.000	0.000
Jefferson	0.000	0.000	0.134
Jefferson - Exclusion 1994	0.000	0.000	0.000
Jefferson - Grant Ranch Cove	0.000	0.000	0.000
Debt Service Fund			
Denver	18.559	13.812	16.150
Denver - Westlake aka Fairmark	6.687	4.976	5.819
Denver - Villages at Raccoon Creek	18.559	13.812	16.150
Jefferson	18.559	13.812	16.150
Jefferson - Exclusion 1994	6.687	4.976	5.819
Jefferson - Exclusion Grant Ranch Cove	18.559	13.812	16.150
Combined Total Mill Levy-Jefferson/Denver ONLY	23.669	23.669	23.669
Property Taxes			
General Fund	\$ 234,945	\$ 515,926	\$ 379,490
Debt Service Fund	853,294	722,934	815,105
Debt Service Fund Exclusions	186,872	150,926	172,965
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	1,685	5,515
Actual/Budgeted Property Taxes	\$ 1,275,111	\$ 1,391,471	\$ 1,373,075

SECTION 14 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	\$ 300,061	\$ 88,776	\$ 463,606	\$ 566,388
REVENUE				
Property Taxes - Denver	43,144	94,467	94,467	70,046
Property Taxes - Jeff. Cty.	190,844	421,459	421,459	309,444
Specific Ownership Taxes	117,015	86,608	86,608	86,608
Interest Income	5,219	5,000	14,000	5,000
Miscellaneous Income	40,000	-	-	-
Total Revenue	396,222	607,534	616,534	471,098
Total Funds Available	696,283	696,310	1,080,140	1,037,487
EXPENDITURES				
Accounting	10,881	11,220	11,200	11,500
District Management	8,515	9,017	9,000	9,400
Audit	4,667	6,000	5,685	6,000
Director's Fees	1,400	1,500	800	1,600
Dues & Subscriptions	475	600	-	600
Election Expense	-	1,000	970	-
Insurance	5,001	6,284	5,740	6,900
Legal	8,136	14,280	14,000	14,500
Legal Publications	-	100	100	100
Miscellaneous Expenses	104	1,000	1,000	1,000
C&C of Denver Annual Fee	3,000	3,000	3,000	3,000
Payroll Taxes	107	115	62	122
Treasurer's Fees	3,296	7,739	7,739	5,692
Utilities	101,912	90,000	90,000	90,000
Landscape Maintenance	85,185	95,000	95,000	95,000
Contingency	-	81,230	81,230	85,000
Emergency Reserves	-	18,225	18,225	14,133
Total Expenditures	232,678	346,310	343,751	344,548
Transfers and Other Uses				
Transfer to Capital	-	350,000	170,000	380,000
Transfer to Debt Service				2,042
Total Expenditures Requiring Appropriation	232,678	696,310	513,751	726,590
ENDING FUND BALANCE	\$ 463,605	\$ -	\$ 566,388	\$ 310,897

SECTION 14 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	\$ 226,074	\$ 230,726	\$ 229,836	\$ 65,467
REVENUE				
Property Taxes - Denver	156,694	132,370	132,370	150,452
Property Taxes - Jeff. Cty.	693,124	591,505	591,505	670,168
PrtY Taxes - Ex Denver	92,627	75,881	75,881	84,782
PrtY Taxes - Ex Jeff. Cty.	93,779	75,758	75,758	88,183
Interest Income	8,576	-	13,000	2,380
Transfer from General Fund				2,042
Total Revenue	1,044,799	875,514	888,514	998,007
Total Funds Available	1,270,873	1,106,240	1,118,350	1,063,474
EXPENDITURES				
Bond Principal 2000	885,000	940,000	940,000	995,000
Bond Interest 2000	138,788	96,750	96,750	49,750
Trustee/Paying Agent Fees	2,750	4,000	3,000	3,821
Treasurer's Fees	14,499	13,133	13,133	14,904
Total Expenditures	1,041,036	1,053,883	1,052,883	1,063,475
Total Expenditures Requiring Appropriation	1,041,036	1,053,883	1,052,883	1,063,475
ENDING FUND BALANCE	\$ 229,836	\$ 52,357	\$ 65,467	\$ -

SECTION 14 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	\$ 1,762	\$ 201,769	\$ 1,769	\$ 4,494
REVENUE				
Interest Income	7	-	12	-
Transfer from General Fund	-	350,000	170,000	380,000
Total Revenue	7	350,000	170,012	380,000
Total Funds Available	1,769	551,769	171,781	384,494
EXPENDITURES				
Reimbrse developer- cap. proj.	-	550,000	167,287	382,725
Contingency	-	1,769	-	1,769
Total Expenditures	-	551,769	167,287	384,494
Total Expenditures Requiring Appropriation	-	551,769	167,287	384,494
ENDING FUND BALANCE	\$ 1,769	\$ -	\$ 4,494	\$ -