



Accounting Division
Department of Administrative Services

To: Honorable Faye Griffin, Chairman, Board of County Commissioners
Honorable John Odom, Board of County Commissioners
Honorable Don Rosier, Board of County Commissioners
Ralph Schell, County Administrator
Todd Leopold, Director of Administrative Services

From: Alan Boisvert, CPA, CISA
Director of Accounting

Alan Boisvert

Date: June 28, 2011

Subject: Fiscal Year 2010 Schedule of Compliance with TABOR

Please find attached the audited Schedules of Compliance with Article X, Section 20 of the Colorado Constitution (TABOR) for Jefferson County and the Jefferson County Law Enforcement Authority (LEA).

The requirements of TABOR are legal and are subject to interpretation. The County has made certain interpretations of the amendment, statutes, and case law in order to prepare this schedule. The County's financial activity for 2009 and 2010 provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

The Amendment excludes from its provisions "enterprises." Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the amendment. The County is of the opinion that the Jefferson County Airport qualifies for this exclusion. Additionally, the County has also excluded the Jefferson County Law Enforcement Authority and all joint ventures in which it participates from its compliance calculation. A separate calculation is prepared for the Jefferson County Law Enforcement Authority and is included with this report.

Fiscal year spending and property tax revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue at the next general election. State statute defines inflation as the Denver-Boulder-Greeley Consumer Price Index (CPI). Local growth is determined by the County Assessor in compliance with state statute and guidelines from the Colorado Department of Local Affairs.

The County is subject to two limitations by TABOR pertaining to the County's year-to-year revenue growth. The first is a limitation on the growth of property tax and the second is the limitation on growth of fiscal year spending (FYS). Property tax revenue is a subset of FYS since FYS includes all revenues of the County, except those revenues specifically excluded by TABOR, such as Federal moneys.

The allowable growth for the County's property taxes and other non-exempt revenues was 0.034 percent for 2010 over 2009. This amount consisted of -0.646 percent inflation and 0.680 percent for local growth.

The County's property tax collections for 2010 were \$173,833,686 which was \$8,574,628 below the TABOR limit of \$182,408,314. This was primarily due to a temporary mill reduction of 1.632 mills, which has kept the County property tax revenues below the TABOR limit by \$8.6 million for both 2009 and 2010.

The County's Fiscal Year Spending limitation was \$280,379,236. Actual TABOR non-exempt revenues were \$266,602,769. This was \$13,776,467 below the TABOR FYS limitation. Thus, the County is in compliance with both TABOR limitations and a refund, or an election to retain, is not required for Fiscal Year 2010.

Please note that the LEA exceeded their property tax limitation by \$408,995, and their FYS limitation by \$70,619. The constitution requires that the \$408,995 be refunded in the following fiscal year unless an election is held and the voters approve of retaining that amount.

Due primarily to inflation in 2010 the County's TABOR limitations for 2011 will increase by 2.160 percent for 2011 from the 2010 base amounts. However, since there was no change in the mill levy for 2011 over 2010, actual property tax revenues will be approximately \$13.6 million less than the TABOR limitation as the chart following the schedule exhibits.

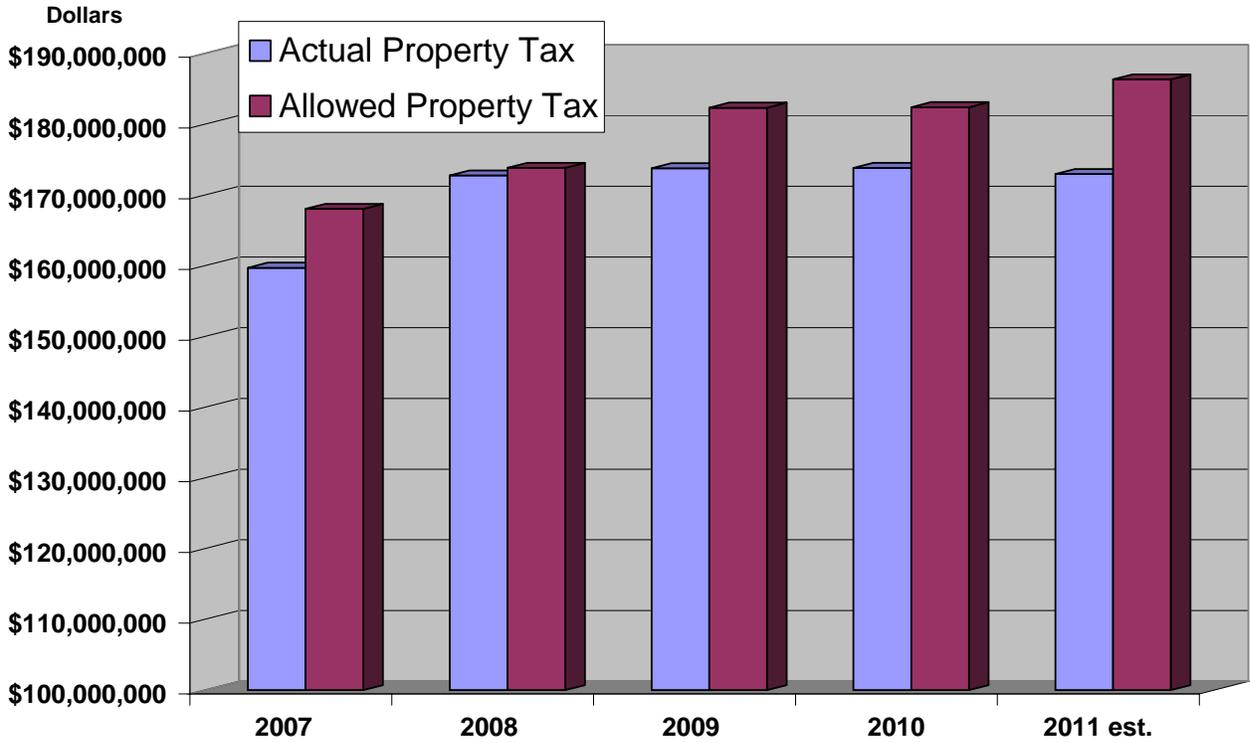
If there are any questions regarding this report please feel free to contact me at 303 271-8529.

cc: Ellen Wakeman, County Attorney
Accounting Division Web Page

**JEFFERSON COUNTY
SCHEDULE OF COMPLIANCE WITH ARTICLE X, SECTION 20
OF THE COLORADO CONSTITUTION
For the Year Ended December 31, 2010**

	Actual 2009	Actual 2010
<u>Revenues:</u>		
General property tax excluding LEA property tax	\$ 173,777,749	\$ 173,833,686
All other revenues including LEA property tax	441,348,431	334,809,943
Less voter approved revenues:		
Open Space	(37,196,296)	(45,027,563)
Southeast Jefferson County Improvement District	(5,019,711)	(7,255,562)
Conservation Trust Fund	(1,060,739)	(984,425)
Less exempt enterprise (Airport)	(8,088,711)	(4,644,322)
Less exempt revenues:		
Federal grants and contracts	(42,053,125)	(48,748,175)
Adjustment for Federal grants and contracts-audit entry	(32,290)	
U.S. Marshal's Office payments for detentions	(3,994,588)	(4,063,250)
(Increase) decrease in fair value of investments	1,158,394	452,589
Employee insurance premiums and donations	(7,096,861)	(8,010,510)
Sale of assets	(578,944)	(1,523,189)
Damage awards and recoveries	(484,312)	(365,351)
Prior year reimbursements	(425,785)	(175,432)
Proceeds of debt issuance	(147,295,172)	(22,162,091)
Intra-county transactions	(91,707,158)	(99,909,863)
Add back intra-county transactions from:		
Airport	464,491	376,284
Fiscal year spending	<u>\$ 271,715,373</u>	<u>\$ 266,602,769</u>
<u>Property tax limitation computation</u>		
Allowable growth		
Prior year Inflation		-0.646%
Prior year local growth		0.680%
Total allowable growth		<u>0.034%</u>
Property tax base times allowable growth	\$ 182,346,316	\$ 182,408,314
Actual property taxes	173,777,749	173,833,686
(Over) under TABOR limitation	<u>\$ 8,568,567</u>	<u>\$ 8,574,628</u>
Temporary mill levy reduction (Res 09-423)	1.632	1.632
Value of temporary mill levy reduction	\$ 11,783,686	\$ 12,005,646
Actual property taxes	173,777,749	173,833,686
Property taxes without reduction	<u>\$ 185,561,435</u>	<u>\$ 185,839,332</u>
Base for following year limit computation equals lower of TABOR limit or property taxes without reduction	\$ 182,346,316	\$ 182,408,314
<u>Fiscal year spending limitation computation</u>		
FYS limitation (base * allowable growth)	286,508,579	280,379,236
Less fiscal year spending	271,715,373	266,602,769
(Over) under TABOR limitation	<u>\$ 14,793,206</u>	<u>\$ 13,776,467</u>
Value of temporary mill levy reduction	\$ 8,568,567	\$ 8,574,628
Fiscal year spending	271,715,373	266,602,769
Fiscal year spending without property tax reduction	<u>\$ 280,283,940</u>	<u>\$ 275,177,397</u>
Base for 2009 and 2010 limit computation equals lower of TABOR FYS limit or actuals without reduction	\$ 280,283,940	\$ 275,177,397

TABOR ALLOWED GROWTH VS. ACTUAL PROPERTY TAX



**JEFFERSON COUNTY LAW ENFORCEMENT AUTHORITY
SCHEDULE OF COMPLIANCE WITH ARTICLE X, SECTION 20
OF THE COLORADO CONSTITUTION
For the Year Ended December 31, 2010**

	Actuals 2009	Actuals 2010
General property tax	\$ 9,368,084	\$ 9,368,396
Auto ownership tax	672,312	631,950
Penalties and interest	14,930	15,828
Fiscal year spending	<u>\$ 10,055,326</u>	<u>\$ 10,016,174</u>
 <u>Property tax limitation computation</u>		
Allowable growth		
Inflation		-0.646%
Local growth		<u>0.710%</u>
Total allowable growth		<u>0.064%</u>
Property tax times allowable growth	8,953,671	8,959,401
Actual property taxes	9,368,084	9,368,396
(Over) under TABOR limitation	<u>\$ (414,413)</u>	<u>\$ (408,995)</u>
Temporary mill levy reduction	0.023	0.023
Value of temporary mill levy reduction	\$ 67,742	\$ 68,255
Actual property taxes	9,368,084	9,368,396
Property taxes without reduction	<u>\$ 9,435,826</u>	<u>\$ 9,436,651</u>
Base for computation equals lower of TABOR limit or property taxes without reduction	\$ 8,953,671	\$ 8,959,401
Fiscal year spending limitation computation		
FYS limitation (prior year base * allowable growth)	9,939,193	9,945,555
Fiscal year spending	10,055,326	10,016,174
(Over) under TABOR limitation	<u>\$ (116,133)</u>	<u>\$ (70,619)</u>
Value of temporary mill levy reduction	\$ 67,742	\$ 68,255
Fiscal year spending	10,055,326	10,016,174
Fiscal year spending without property tax reduction	<u>\$ 10,123,068</u>	<u>\$ 10,084,429</u>
Base for limit computation equals lower of TABOR FYS limit or actuals without reduction	\$ 9,939,193	\$ 9,945,555