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Mesa County Federal Mineral Lease District BUDGET MESSAGE 2016

The MESA COUNTY FML DISTRICT serves a mission to enhance positive social and economic impact in Mesa County from the development, processing and energy conversion of fuels and minerals leased under the Federal “Mineral Lands Leasing Act” through strategic grants, partnerships and leadership.

The Mesa County Federal Mineral Lease District (“the FML District”) was established on June 20, 2011 by the Mesa County Board of County Commissioners through Resolution MCM 2011-050. The FML District is an independent public body politic and corporate formed pursuant to the Colorado Federal Mineral Lease District Act, C.R.S., § 30-20-1301 et seq, (2011) and as amended by Colorado SB 12-31.

The FML District Board proposed to distribute, on an annual basis, all of the funding that the FML District receives from DOLA to areas within the district’s service area that are socially and economically impacted by the development, processing or energy conversion of fuels and minerals leased under the Federal “Mineral Lands Leasing Act” of February 25, 1920, as amended, and all applicable state laws.

The FML District is authorized by statute to distribute funds and provide services to communities impacted by the development of natural resources on federal lands within Mesa County. The FML District cannot levy or collect taxes and does not have the power of eminent domain.

Federal law limits how lease payments distributed to the Mesa County Federal Mineral Lease District can be used. The distribution may only be used by the state, or its political subdivisions, for (1) planning, (2) construction and maintenance of public facilities, or (3) provision of public services. See 30 U.S.C. §191.

Today, the FML District accomplishes its mission through an annual grant cycle, depending on fund availability.

The special district budget law of Colorado requires adoption of an annual budget by special districts. The basic purpose of this budget is to provide a complete financial plan, which reflects estimated revenues and proposed expenditures. The budget is a tool used to monitor revenues and to control expenditures. The budgetary basis of accounting used by the Mesa County Federal Mineral Lease District is modified accrual.

Fund financial statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the District’s governmental fund is to provide information on near-term inflows, outflows and balances of spendable resources.

The District has one major governmental fund, the General Fund. This is the operating fund for the District. The fund distributes revenues received from the Colorado Department of Local Affairs to areas within the District’s service area that are socially or economically impacted by the development of energy fuels.

General Fund Budgetary Highlights

The budget for the District was prepared using all aspects of State of Colorado statutes. On November 18, 2015 the Board of the District adopted and appropriated \$4,163,131 for General Fund expenditures for the 2016 year.

Economic Factors and the 2016 Budget

The 2016 operating budget is focused on fulfilling the mission of the District which is to distribute their funds to areas that are socially or economically impacted by the development, processing or energy conversion of fuels and minerals leased under the Federal Mineral Lands Leasing Act of February 1920, as amended.

Comments and inquiries relating to our financial statements or budget may be made to Christina Reddin, MBA, info@mesaFML.org or 970-712-5332.

Mesa County Federal Mineral Lease District

	2013		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Projected Actuals
Estimated Beginning Fund Balance	\$ 1,919,269.77	\$ 1,919,254.33	\$ 1,025,541.70	\$ 2,926,075.33	\$ 3,910,577.79	\$ 3,863,437.17
<i>Revenue</i>						
Federal Mineral Lease Receipt	1,600,000.00	1,023,425.00	1,000,000.00	1,753,780.05	1,200,000.00	1,174,507.39
Total Revenue	1,600,000.00	1,023,425.00	1,000,000.00	1,753,780.05	1,200,000.00	1,174,507.39
<i>Expenditures</i>						
Administrative	5,000.00	-	10,000.00	40.00	2,000.00	-
Audit	1,000.00	-	4,000.00	3,965.00	4,000.00	4,000.00
Contract labor	5,000.00	16,604.00	6,000.00	29,056.26	35,000.00	42,556.00
Insurance	-	-	2,500.00	2,159.00	2,500.00	2,159.00
Advertising	-	-	100.00	34.10	100.00	72.00
Grants	3,500,000.00	-	1,000,000.00	-	-	-
Grants-approved and paid	-	-	-	781,163.85	-	1,641,808.22
Grants-approved but unpaid	-	-	-	-	2,355,818.00	-
Grants-available to award	-	-	-	-	2,500,000.00	-
Total Expenditures	3,511,000.00	16,604.00	1,022,600.00	816,418.21	4,899,418.00	1,690,595.22
Estimated Ending Fund Balance	\$ 8,269.77	\$ 2,926,075.33	\$ 1,002,941.70	\$ 3,863,437.17	\$ 211,159.79	# \$ 3,347,349.34

2016
Budget
\$ 3,347,349.34
966,619.58
966,619.58
2,000.00
5,000.00
54,000.00
2,500.00
100.00
2,022,004.16
1,110,907.39
966,619.58
4,163,131.13
\$ 150,837.79

MESA COUNTY FEDERAL MINERAL LEASE DISTRICT

RESOLUTION NO. 2016-_____

A RESOLUTION APPROPRIATING SUMS OF MONEY AND SETTING

A BUDGET FOR THE 2016 BUDGET YEAR

1. The Board of the Mesa County Federal Mineral Lease District adopted its annual budget in accordance with Colorado Revised Statutes § 29-1-113 at a duly noticed public meeting of the Board held November 18, 2015, as evidenced by the Minutes of the Board, a true and correct copy of which is attached as Exhibit A.
2. At the November 18, 2015 Board meeting quorum was present and the Board unanimously approved the 2016 Budget, a true and correct copy of which is attached as Exhibit B.
3. Colorado Revised Statutes § 29-1-108 requires an enacting appropriations resolution for the ensuing fiscal year. Therefore, the Board hereby enacts this resolution, which confirms its prior actions.
4. The Board declares that no expenditures pursuant to this Budget shall exceed the appropriations authorized by the Board, except as may be adjusted by the Board from time to time pursuant to Colorado Revised Statutes § 29-1-109.
5. The Board appropriates the following monies for 2016:

Estimated Beginning Fund Balance: \$3,347,349.34

Revenue

Federal Mineral Lease Direct Payments

Colorado Department of Local Affairs: \$ 966,619.58

Expenditures

Administrative: \$ 2,000.00

Audit: \$ 5,000.00

Contract Labor, Services: \$ 54,000.00

Insurance: \$ 2,500.00

Advertising: \$ 100.00

Grants-approved and paid: \$ 2,022,004.16

Grants-approved and unpaid: \$ 1,110,907.39

Grants-available for award in 2016: \$ 966,619.58

Estimated Ending Fund Balance: \$ 150,837.79

Mesa County Federal Mineral Lease District

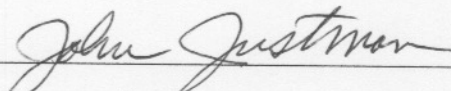
Budget Resolution, No. 2016-_____

Signature Page

The foregoing resolution was passed and adopted by action of the Board at a duly noticed public meeting of the Board at which quorum was present. Approved by the Board this _____ day of _____, 2016.

By:  _____

David Ludlam, Board Chairman

By:  _____
John Justman, Secretary

Attachments: Exhibits A, B