

W/J METROPOLITAN DISTRICT

January 23, 2023

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

VIA: Electronic Filing LGID# 65328

Attached is the 2023 Budget for the W/J Metropolitan District in Pitkin County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on October 24, 2022. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, telephone number 970-926-6060.

The mill levy certified to the County Commissioners of Pitkin County is 50.197 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and 1.697 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$5,909,400, the total property tax revenue is \$286,605.90. A copy of the certification of mill levies sent to the County Commissioners for Pitkin County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Pitkin County, Colorado.

Sincerely,



Kenneth J Marchetti
District Accountant

Enclosure(s)

W/J METROPOLITAN DISTRICT

2023 BUDGET MESSAGE

W/J Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to supply the necessary services of water, wastewater treatment and disposal, roads and road maintenance, pedestrian trails, trash collection, landscaping, lighting, and traffic and safety protection.

The District has one seasonal employee for snowplowing and all other operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2023 BUDGET STRATEGY

The District was formed in late 2004 and began operating in early 2005. The District is comprised of approximately 65 affordable home sites and six free market sites and is completely built out.

The primary services the District will provide are treatment and delivery of potable water, maintenance and replacement when necessary of individual sewage disposal systems (septic systems), maintenance of the roads and trash collection. The District will provide certain other related services such as maintenance of landscaping and open space, etc.

The District will have three primary sources to fund its budgetary needs:

1. Service fees to be imposed upon the constituents in the District to pay for a portion of the services rendered.
2. In 2006, the District began collecting property taxes to pay for a portion of the services provided by the District and to pay debt service on the District's borrowings.
3. Proceeds from bonds or other forms of indebtedness to be used for construction of water, street and sanitary sewer improvements. The District has no outstanding debt at this time.

The District anticipates that service fees will pay for a portion of the operating expenses and currently the remainder of the funds to pay for operating expenses and capital replacements will be paid from property taxes. Additionally, the District does not anticipate borrowing funds at this time for capital projects.

RESOLUTIONS OF W/J METROPOLITAN DISTRICT

TO ADOPT 2023 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE W/J METROPOLITAN DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors of the W/J Metropolitan District has appointed a budget committee to prepare and submit a proposed 2023 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on October 24, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the W/J Metropolitan District, Pitkin County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the W/J Metropolitan for the year stated above, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent capital or significant operating expenditures forecasted for the current year are anticipated to be extended into the following year, the expenditures and offsetting change in the budgeted beginning fund balance shall be updated to reflect management's best estimate at the time the budget is to be filed with the Colorado Division of Local Affairs.

Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

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RESOLUTIONS OF W/J METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2022, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE W/J METROPOLITAN DISTRICT, PITKIN COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors of the W/J Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on October 24, 2022 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$296,634.15 and;

WHEREAS, the W/J Metropolitan District finds that it shall temporarily lower the general operating mill levy to render a refund for \$10,028.25, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$0.00, and;

WHEREAS, the 2022 valuation for assessment for the W/J Metropolitan District, as certified by the County Assessor is \$5,909,400.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the W/J METROPOLITAN DISTRICT, PITKIN COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the W/J Metropolitan District during the 2023 budget year, there is hereby levied a tax of 50.197 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2023 there is hereby levied a temporary tax credit/mill levy reduction of 1.697 mills.
- Section 3. That for the purpose of meeting all capital expenditures of the W/J Metropolitan District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

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RESOLUTIONS OF W/J METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

Section 4. That for the purpose of meeting all payments for bonds and interest of the W/J Metropolitan District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

Section 5. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Pitkin County, Colorado, the mill levies for the W/J Metropolitan District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Pitkin County, Colorado, the mill levies for the W/J Metropolitan District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF W/J METROPOLITAN DISTRICT (CONTINUED)

TO APPROPRIATE SUMS OF MONEY
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE W/J METROPOLITAN DISTRICT, PITKIN COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on October 24, 2022, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE W/J METROPOLITAN DISTRICT, PITKIN COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND:	
Current Operating Expenses	\$287,679
Capital Expenditures	<u>\$ 158,487</u>
TOTAL GENERAL FUND:	\$446,166

RESOLUTIONS OF W/J METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2023 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2023 budget, set the mill levies and to appropriate sums of money were adopted this 24th day of October, 2022.

Attest: Wayne Ehridge

Title: Chairman

W/J METRO DISTRICT

GENERAL FUND

Printed: 12/2/2022

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED MODIFIED ACCRUAL BASIS

	2021	2022	Variance	2022	9 Months	9 Months	Variance	2023	
	Unaudited Actual	Adopted Budget	Favorable (Unfav)		Forecast	Ended 9/30/2022 Actual	Ended 9/30/2022 Budget	Favorable (Unfavor)	
ASSESSED VALUE									
Total Assessed Value	6,535,360	6,349,080		6,349,080				5,909,400	Fnal AV 11-23-22
Percent Increase (Decrease)		-2.85%		-2.85%				-6.93%	Due to Decr in Residential Rate
MILL LEVIES									
Operating Mill Levy	48.789	48.810		48.810				50.197	SB21-293 & 22-238 Will affect this
Debt Service Mill Levy	0	0		0				0	
Temporary Mill Levy Credit	(0.289)	(0.310)		(0.310)				(1.697)	Temporaty Mill Levy Credit
Total Mill Levy	48.500	48.500		48.500				48.500	
Operating Property Taxes Levied	318,854	309,899	0	309,899				296,634	AV x Mills
Less Abatements									
Debt Service Property Tax Levied	0	0		0				0	
Temporary Mill Levy Credit	(1,889)	(1,968)		(1,968)				(10,028)	
Total Property Tax Levied	316,965	307,930		307,930				286,606	
Units									
Vacant Affordable	0	0		0				0	
Affordable	65	65		65				65	
Free Market	5	5		5				6	
Vacant Free Market	1	1		1				0	
	71	71	0	71				71	
Septic Replacements per Year	8	8		8				8	
Fees									
Service Fee - Deed Restricted	43.39	45.56		45.56		3.65		49.20	Incr by 8% Inflation, monthly rate
Service Fee - Free Market	130.18	136.69		136.69		10.94		147.63	Incr by 8% Inflation, monthly rate
Tap Fees - Deed Restricted	2,000	2,000		2,000				2,000	Same as previous
Tap Fees - Free Market	6,000	6,000		6,000				6,000	Same as previous
REVENUE									
Property Taxes for General Operations	316,965	307,930	0	307,930	306,997	305,467	1,530	286,606	Per Above
Specific Ownership (Automobile) Taxes	11,561	12,933	(616)	12,317	7,589	8,622	(1,033)	11,464	4% of Prop Tax
Water & Sewer Service Fees	43,217	45,379	0	45,379	34,034	34,034	(0)	49,009	8% Increase
Tap Fees-Water Connections	11,806	6,000	3,000	9,000	9,000	6,000	3,000	0	Fully Built Out
Tap Fees - Repl of Existing ISDS Systems	0	2,000	(2,000)	0	0	2,000	(2,000)	2,000	Assumes 1
Interest Income	670	500	12,000	12,500	6,654	375	6,279	23,130	2% of Fund Balance
Septic Inspection Fees	0	0	0	0	0	0	0	0	Homeowner not Metro
Other Income	598	0	300	300	343	0	343	0	None Budgeted
TOTAL REVENUE	384,817	374,742	12,684	387,427	364,616	356,498	8,118	372,209	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

W/J METRO DISTRICT

GENERAL FUND

Printed: 12/2/2022

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED MODIFIED ACCRUAL BASIS

	2021	2022	Variance	2022	9 Months	9 Months	Variance	2023	Budget Explanation
	Unaudited Actual	Adopted Budget	Favorable (Unfav)		Forecast	Ended 9/30/2022 Actual	Ended 9/30/2022 Budget	Favorable (Unfavor)	
EXPENDITURES									
General and Administrative Expenses									
Accounting	6,724	9,120	0	9,120	5,540	6,840	1,300	9,850	2022 Forecast + 8% Incr
Administration	0	0	0	0	0	0	0	0	
Bank Fees	25	69	0	69	65	52	(13)	70	
Consulting - Accounting & Administration	10,734	11,025	0	11,025	6,025	8,018	1,994	11,907	2022 Forecast + 8% Incr
Election	153	5,000	3,500	1,500	977	3,750	2,773	5,000	May 2023 Directors assumes cancel
Insurance	11,765	13,116	116	13,000	12,803	13,116	314	14,950	2022 Forecast + 15% Incr per Pool
Legal	544	5,000	0	5,000	0	3,750	3,750	5,400	Very little anticipated
Office Overhead/Dues & Memberships	1,231	2,000	0	2,000	891	1,500	609	2,160	2022 Forecast w5% incr
Treasurer's Fees	15,861	15,397	0	15,397	15,358	15,273	(85)	16,629	5% of Prop Tax Collections
Total General and Administrative Expense	47,038	60,727	3,616	57,111	41,659	52,300	10,641	65,965	
Operations Expenses									
Reudi Water Rights Op, Mtce & Repl	319	361	0	361	0	0	0	390	Proportionate Share of Reudi O&M Cc
Landscape & Common Area Maintenance	1,084	3,250	750	2,500	808	3,250	2,442	2,500	Based on '22 Forecast
District Operations & Mgt (Zancanella)	4,536	10,000	0	10,000	10,548	7,500	(3,048)	10,800	Per Zancanella
Engineering - General	511	0	0	0	0	0	0	18,500	Per Zancanella
Equipment Repairs and Maintenance	4,507	5,250	0	5,250	971	3,938	2,966	5,670	Truck & Skidsteer
Road Repairs and Maintenance	4,765	4,200	4,200	0	0	4,200	4,200	5,718	Annual Crack Seal w/20% Incr
Septic System Repairs & Maintenance	18,665	20,000	0	20,000	1,263	15,000	13,738	21,600	Per Zancanella
Septic Inspections	0	0	0	0	0	0	0	3,000	Req 72 Septic Insp every other yr
Snow Removal	14,548	17,325	0	17,325	9,803	8,663	(1,141)	20,000	Estimate
Trash Removal	17,088	17,400	(3,600)	21,000	15,653	13,050	(2,603)	22,680	Avg \$1,750 per month w/8% Incr
Dumpster Cleaning	1,435	1,750	0	1,750	1,155	1,313	158	1,750	Based on 2022 Forecast
Water System Repairs and Maintenance	24,947	21,000	0	21,000	12,676	15,750	3,074	26,000	Include prep for State Sanitary
Water System Operations	23,416	26,250	0	26,250	14,018	19,688	5,669	28,350	22 Forecast w/8% Incr
Weed Control	5,695	3,491	(1,509)	5,000	5,169	3,491	(1,678)	5,500	2022 Forecast w/10% Incr
Utilities-Electric	15,661	17,500	0	17,500	12,325	13,125	800	18,900	22 Forecast w/8% Incr
Utilities-Natural Gas	352	700	0	700	338	525	187	756	22 Forecast w/8% Incr
Utilities-Internet	762	1,000	0	1,000	193	750	557	2,600	Comcast internet
Contingency	0	25,000	0	25,000	0	18,750	18,750	27,000	Based on '22 Budget w8% Incr
Total Operations Expenses	138,290	174,477	(159)	174,636	84,921	128,991	44,070	221,714	
Total G&A and Operations Expenses	185,328	235,204	3,458	231,747	126,580	181,291	54,711	287,679	
Operating Surplus (Deficit)	199,489	139,538	16,142	155,680	238,036	175,207	62,829	84,529	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

W/J METRO DISTRICT

GENERAL FUND

1/0/1900

Printed: 12/2/2022

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED MODIFIED ACCRUAL BASIS

	2021			2022			9 Months			2023	Explanation
	Unaudited Actual	Adopted Budget	Variance (Unfav)	2022 Forecast	Ended 9/30/2022 Actual	Ended Budget	Variance (Unfavor)	Adopted			
CAPITAL EXPENDITURES											
ISDS Systems											
Repair/Replace ISDS Systems	0	24,900	900	24,000	0	24,900	24,900	25,647	Per Zanc est, all ISDS related Cap exj		
Repair/Replace ISDS Leach Fields		8,000	0	8,000		8,000	8,000	8,240	Per Long Range Plan		
Roads											
Snow Plow	5,312		0		0	0	0				
Skidsteer			0			0	0				
Vehicle Equipment Storage	0			0	0	0	0				
Asphalt Overlay Engineering Report						0	0				
Asphalt Overlays	0	0	0	0	0	0	0	0			
Asphalt Overlay of Lower Bullwinkle - Yr 20						0	0				
Asphalt Overlay of Upper Bullwinkle & Byers - Yr 20						0	0				
Repair of Free Market Road - Yr 20						0	0				
Asphalt Overlay Stevens Street											
Other											
Upper Bullwinkle Trail	0		0		0	0	0				
Trash Enclosure & Gate	0	0	0	0	0	0	0	0			
Water Systems											
Wellhouse Electrical Upgrades								95,000	Electrical Upgrades & Water System		
Home Water Meter Installation									Electric Saving Programming		
Well #2 Replacement	0		0		0	0	0				
W/J River Pipeline	0		0		0	0	0				
Water Distribution System	0	50,000	50,000	0	0	0	0				
Water Storage Tank			0	0		0	0				
Fire Hydrants		0	0	0		0	0	0			
None Routine Testing	0				0	0	0	28,100	Investigate & repair 20gpm leak,		
Motors, Pumps and Controllers	584	36,750	(8,250)	45,000	4,703	36,750	32,048		State Sanitary Survey Testing		
Lot 5 Waterline	0										
Water Rights											
Acquisition of BLM Water Rights											
Debt Financing for BLM Water Rights											
BLM Reudi Water Rights Principal	0		0		0	0	0		Paid off in 2019		
BLM Reudi Water Rights Interest	0		0		0	0	0		Paid off in 2019		
Augmentation Plan/Water Legal	1,004	1,500	(8,500)	10,000	8,452	1,125	(7,327)	1,500	Est for ongoing due diligence		
TOTAL CAPITAL EXPENDITURES	6,900	121,150	34,150	87,000	13,154	70,775	57,621	158,487			
TOTAL EXPENDITURES	192,227	356,354	37,608	318,747	139,735	252,066	112,331	446,166			
EXCESS REV OVER (UNDER) EXPEND	192,589	18,388	50,292	68,680	224,881	104,432	120,449	(73,958)			
Fund Balance-Beginning of Year	895,217	952,174	135,633	1,087,806	1,087,806	952,174	135,632	1,156,487			
Fund Balance-End of Year	1,087,806	970,562	185,925	1,156,487	1,312,688	1,056,607	256,081	1,082,529			
Components of Fund Balance											
Operating Reserve		235,204		231,747				287,679			
Capital Replacement Reserve		735,358		924,740				794,850			
Total		970,562		1,156,487				1,082,529			

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Pitkin County, Colorado.

On behalf of the W/J Metropolitan District

(taxing entity)^A

the Board of Directors

(governing body)^B

of the W/J Metropolitan District

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 5,909,400

(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 5,909,400

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/009/2022
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2023.
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>50.197</u> mills	\$ <u>296,634.15</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(1.697)</u> mills	\$ <u>(10,028.25)</u>
SUBTOTAL FOR GENERAL OPERATING:	48.500 mills	\$ 286,605.90
3. General Obligation Bonds and Interest ^J	<u>0.000</u> mills	\$ -
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ -
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ -
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ -
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	48.500 mills	\$ 286,605.90

Contact person: Kenneth J Marchetti Daytime phone: (970) 926-6060
 Signed: Kj Marchetti Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation). DLG70 (Rev.6/16)