

W/J METROPOLITAN DISTRICT

January 15, 2021

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

VIA: Electronic Filing LGID# 65328

Attached is the 2021 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 27, 2020. 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 48.789 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 0.289 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$6,535,360, the total property tax revenue is \$316,964.96. 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

2021 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.

2021 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. 64 of the affordable home sites are constructed at this time with one vacant lot under construction. Two (2) of the free market home sites remains vacant.

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 2021 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 2021 AND ENDING ON THE LAST DAY OF DECEMBER 2021.

WHEREAS, the Board of Directors of the W/J Metropolitan District has appointed a budget committee to prepare and submit a proposed 2021 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 27, 2020, 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 AltaColorado Metropolitan District No.1 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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

RESOLUTIONS OF W/J METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2020, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE W/J METROPOLITAN DISTRICT, PITKIN COUNTY, COLORADO, FOR THE 2021 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 27, 2020 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$318,853.68 and;

WHEREAS, the W/J Metropolitan District finds that it shall temporarily lower the general operating mill levy to render a refund for \$1,888.72, 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 2020 valuation for assessment for the W/J Metropolitan District, as certified by the County Assessor is \$6,535,360.

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 2021 budget year, there is hereby levied a tax of 48.789 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2020.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2021 there is hereby levied a temporary tax credit/mill levy reduction of 0.289 mills.

Section 3. That for the purpose of meeting all capital expenditures of the W/J Metropolitan District during the 2021 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 2020.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

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 2021 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 2020.

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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

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 2021 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on October 27, 2020, 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	\$228,719
Capital Expenditures	<u>\$ 96,500</u>
TOTAL GENERAL FUND:	\$325,219

RESOLUTIONS OF W/J METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2021 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2021 budget, set the mill levies and to appropriate sums of money were adopted this 27th day of October, 2020.

Attest: Wayne Albridge

Title: Chairman

W/J METRO DISTRICT

GENERAL FUND

Printed: 1/11/2021

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

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

	2019 Unaudited Actual	2020 Adopted Budget	Variance Favorable (Unfav)	2020 Forecast	9 Months Ended 9/30/2020 Actual	9 Months Ended 9/30/2020 Budget	Variance Favorable (Unfavor)	2021 Prelim Budget	
ASSESSED VALUE									
Total Assessed Value	5,049,810	6,580,630		6,580,630				6,535,360	Final Cert 11-25-20
Percent Increase (Decrease)	-0.41%	30.31%						-0.69%	
MILL LEVIES									
Operating Mill Levy	48.500	48.785		48.785				48.789	Gallagherized Mill Levy
Debt Service Mill Levy	0	0		0				0	
Temporary Mill Levy Credit	0.000	(0.285)		(0.285)				(0.289)	Temp Levy Credit
Total Mill Levy	48.500	48.500		48.500				48.500	
Operating Property Taxes Levied	244,916	321,036	0	321,036				318,854	AV x Mills
Less Abatements									
Debt Service Property Tax Levied		0		0				0	
Temporary Mill Levy Credit		(1,875)		(1,875)				(1,889)	
Total Property Tax Levied	244,916	319,161		319,161				316,965	
Units									
Vacant Affordable	1	0		0				0	
Affordable	64	65		65				65	Added Lot 23
Free Market	5	5		5				5	
Vacant Free Market	1	1		1				1	Lot 3
	71	71	0	71				71	
Septic Replacements per Year	8	8		8				8	
Fees									
Service Fee - Deed Restricted	40.90	42.54		42.54				43.39	Incr by 2% Inflation, monthly rate
Service Fee - Free Market	122.71	127.63		127.63				130.18	Incr by 2% 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	244,916	319,161	0	319,161	319,160	316,607	2,553	316,965	Per Above
Specific Ownership (Automobile) Taxes	8,598	13,405	(2,234)	11,171	6,581	8,936	(2,355)	11,094	3.5% of Prop Tax
Water & Sewer Service Fees	41,141	42,370	0	42,370	31,774	31,777	(3)	43,217	2% Increase
Tap Fees-Water Connections	0	6,000	0	6,000	0	6,000	(6,000)	6,000	Parcel 2 or Lot 3
Tap Fees - Repl of Existing ISDS Systems	2,000	2,000	0	2,000	0	1,500	(1,500)	2,000	Assumes 1
Interest Income	13,678	9,564	(4,064)	5,500	5,257	7,173	(1,916)	5,500	Based on 2020 Forecast
Septic Inspection Fees	0	1,000	(1,000)	0	0	750	(750)	0	Homeowner not Metro
Other Income	2,412	0	0	0	180	0	180	0	None Budgeted
TOTAL REVENUE	312,744	393,499	(7,298)	386,201	362,953	372,744	(9,791)	384,776	

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

W/J METRO DISTRICT

GENERAL FUND

Printed: 1/11/2021

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

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

EXPENDITURES	2019	2020	Variance	2020	9 Months	9 Months	Variance	2021	Budget Explanation
	Unaudited Actual	Adopted Budget	Favorable (Unfav)	Forecast	Ended 9/30/2020 Actual	Ended 9/30/2020 Budget	Favorable (Unfavor)	Prelim Budget	
General and Administrative Expenses									
Accounting	7,123	8,000	0	8,000	5,653	6,000	348	8,000	Based on 2020 Budget
Bank Fees	62	65	0	65	41	49	8	66	Petty Cash Monthly Fee
Consulting - Accounting & Administration	8,561	10,300	(1,700)	12,000	10,563	7,491	(3,073)	10,500	Based on 2020 Budget
Election	21	1,500	650	850	821	1,125	304	0	None in 2021
Insurance	10,815	11,356	(0)	11,356	11,263	11,356	93	11,924	Based on '20 Forecast w/5% Incr
Legal	1,171	5,000	0	5,000	300	3,750	3,450	5,000	Based on 2020 Budget
Office Overhead/Dues & Memberships	738	2,000	0	2,000	562	1,500	938	2,000	Based on 2020 Budget
Treasurer's Fees	12,256	15,958	0	15,958	16,015	15,830	(185)	15,848	5% of Property Tax
Total General and Administrative Expenses	40,746	54,179	(1,050)	55,229	45,218	47,101	1,882	53,338	
Operations Expenses									
Reudi Water Rights Op, Mtce & Repl	303		(350)	350	0	0	0	361	Proportionate Share of Reudi O&M Costs
Landscape & Common Area Maintenance	1,948	3,000	0	3,000	2,905	3,000	95	3,250	Based on 2020 Budget
District Operations & Mgt (Zancanella)	8,667	10,300	0	10,300	4,191	7,725	3,534	10,000	Zanc Estimate
Engineering - General	929	0	(1,000)	1,000	715	0	(715)	0	Combine w/Dist Ops
Equipment Repairs and Maintenance	4,465	5,000	0	5,000	182	3,750	3,568	5,000	Based on 2020 Budget
Road Repairs and Maintenance	3,043	3,000	(500)	3,500	3,500	3,000	(500)	4,000	Annual Crack Seal
Septic System Repairs & Maintenance	4,271	32,782	12,782	20,000	7,149	24,586	17,437	20,000	Pumping & Minor Repairs
Septic Inspections	2,782	1,061	1,061	0	0	796	796	2,500	Required 72 Septic Insp every other year
Snow Removal	16,158	16,000	0	16,000	9,974	8,000	(1,974)	16,500	20 Forecast w/contingency
Trash Removal	15,182	15,000	(720)	15,720	11,150	11,250	100	15,120	\$1,260 per mo on avg
Dumpster Cleaning	1,680	1,750	0	1,750	1,260	1,313	53	1,750	Based on 2020 Budget
Water System Repairs and Maintenance	34,768	27,000	0	27,000	6,901	20,250	13,349	15,000	1st Year Estimate
Water System Operations	10,054	16,500	0	16,500	7,338	12,375	5,037	35,000	Per Zancanella Proposal
Weed Control	2,650	2,700	0	2,700	2,348	2,700	352	2,700	Based on 2020 Budget
Utilities-Electric	13,583	17,500	0	17,500	10,768	13,125	2,357	17,500	Based on 2020 Budget
Utilities-Natural Gas	222	700	0	700	156	525	369	700	Based on 2020 Budget
Utilities-Telephone	743	1,000	0	1,000	574	750	176	1,000	Based on 2020 Budget
Contingency	0	25,000	25,000	0	0	18,750	18,750	25,000	Based on 2020 Budget
Total Operations Expenses	121,448	178,293	36,273	142,020	69,111	131,895	62,784	175,381	
Total G&A and Operations Expenses	162,194	232,471	35,222	197,249	114,329	178,995	64,666	228,719	
Operating Surplus (Deficit)	150,551	161,027	27,924	188,952	248,624	193,749	54,875	156,057	4,500

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

W/J METRO DISTRICT

GENERAL FUND

Printed: 1/11/2021

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED MODIFIED ACCRUAL BA 9 Months

	2019	2020	Variance	2020	Ended	Ended	Variance	2021	
	Actual	Budget	(Unfav)	Forecast	9/30/2020	Ended	(Unfavor)	Prelim	Explanation
					Actual	Budget		Forecast	
CAPITAL EXPENDITURES									
ISDS Systems									
Repair/Replace ISDS Systems	21,077	26,416	0	26,416	6,348	26,416	20,069	35,000	Per Zanc est, all ISDS related Cap expense
Repair/Replace ISDS Leach Fields		8,487	0	8,487		8,487	8,487		
Roads			0				0		
Snow Plow	0		0		0	0	0		
Skidsteer			0			0	0		
Vehicle Equipment Storage	737	25,000	25,000	0	0	25,000	25,000	25,000	Equip Storage-Est Per Zanc
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									
Well #2 Replacement	0		0		0	0	0		
W/J River Pipeline	0		0		0	0	0		
Water Distribution System	0		0		0	0	0		
Water Storage Tank		50,000	50,000	0		50,000	50,000		
Fire Hydrants		0	0	0		0	0	0	
None Routine Testing	0				0	0	0		
Motors, Pumps and Controllers	0	0	0	0	0	0	0	35,000	PLC Controller Replacement
Lot 5 Waterline	0				0	0	0		
Water Rights									
Acquisition of BLM Water Rights						0	0		
Debt Financing for BLM Water Rights						0	0		
BLM Reudi Water Rights Principal	18,773		0		0	0	0		Paid off in 2019
BLM Reudi Water Rights Interest	925		0		0	0	0		Paid off in 2019
Augmentation Plan/Water Legal	0	1,500	0	1,500	363	1,125	762	1,500	Est for ongoing due diligence
TOTAL CAPITAL EXPENDITURES	41,512	111,404	75,000	36,404	6,710	111,029	104,318	96,500	0
TOTAL EXPENDITURES	203,705	343,875	110,222	233,653	121,039	290,024	168,985	325,219	
EXCESS REV OVER (UNDER) EXPEND	109,039	49,624	102,924	152,548	241,914	82,720	159,193	59,557	
Fund Balance-Beginning of Year	602,129	637,606	73,562	711,168	711,168	637,606	73,562	863,716	
Fund Balance-End of Year	711,168	687,230	176,487	863,716	953,082	720,326	232,755	923,273	
	=	=	=	=	=	=	=	=	
Components of Fund Balance									
Operating Reserve		232,471	(35,222)	197,249				228,719	0
Capital Replacement Reserve		454,759	211,709	666,467				694,554	0
Total		687,230	176,487	863,716				923,273	0

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

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:

\$ 6,535,360

(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:

\$ 6,535,360

(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: 12/10/2020
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2021.
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>48.789</u> mills	\$ 318,853.68
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.289)</u> mills	\$ (1,888.72)
SUBTOTAL FOR GENERAL OPERATING:	48.500 mills	\$ 316,964.96
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	\$ 316,964.96

Contact person: (print) 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)