

W/J METROPOLITAN DISTRICT

December 9, 2019

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

VIA: Electronic Filing LGID# 65328

Attached is the 2020 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 November 12, 2019. 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 48.785 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 0.285 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$6,580,630, the total property tax revenue is \$319,160.55. 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

2020 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 no employees and all 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.

2020 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 remaining. One (1) of the free market home sites remains vacant and one (1) is being used for commercial operations.

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 2020 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 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board of Directors of the W/J Metropolitan District has appointed a budget committee to prepare and submit a proposed 2020 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 November 12, 2019, 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 District for the year stated above.

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 2019, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE W/J METROPOLITAN DISTRICT, PITKIN COUNTY, COLORADO, FOR THE 2020 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 November 12, 2019 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$321,036.03 and;

WHEREAS, the W/J Metropolitan District finds that it shall temporarily lower the general operating mill levy to render a refund for \$1,875.48, 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 2019 valuation for assessment for the W/J Metropolitan District, as certified by the County Assessor is \$6,580,630.

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 2020 budget year, there is hereby levied a tax of 48.785 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2020 there is hereby levied a temporary tax credit/mill levy reduction of 0.285 mills.
- Section 3. That for the purpose of meeting all capital expenditures of the W/J Metropolitan District during the 2020 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

(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 2020 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

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 2020 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 12, 2019, 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	\$232,471
Capital Expenditures	<u>\$111,404</u>
TOTAL GENERAL FUND:	\$343,875

RESOLUTIONS OF W/J METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2020 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2020 budget, set the mill levies and to appropriate sums of money were adopted this 12th day of November, 2019.

Attest: Wayna Elthridge

Title: Chairman

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: \$ 6,580,630
(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: \$ 6,580,630
(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: 12/9/2019 for budget/fiscal year 2020
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>48.785</u> mills	<u>\$ 321,036.03</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.285)</u> mills	<u>\$ (1,875.48)</u>
SUBTOTAL FOR GENERAL OPERATING:	<u>48.500</u> mills	<u>\$ 319,160.55</u>
3. General Obligation Bonds and Interest ^J	<u>0.000</u> mills	<u>\$ -</u>
4. Contractual Obligations ^K	<u>0.000</u> mills	<u>\$ -</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	<u>\$ -</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	<u>\$ -</u>
7. Other ^N (specify): _____	<u>0.000</u> mills	<u>\$ -</u>
	<u>0.000</u> mills	<u>\$ -</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>48.500</u> mills	<u>\$ 319,160.55</u>

Contact person: Kenneth J Marchetti Daytime phone: (970) 926-6060
(print)
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)

W/J METRO DISTRICT

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

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

	2018 Unaudited Actual	2019 Adopted Budget	Variance Favorable (Unfav)	2019 Forecast	9 Months Ended 9/30/2019 Actual	9 Months Ended 9/30/2019 Budget	Variance Favorable (Unfavor)	With Gallagher Adjustment 2020 Adopted Budget	
ASSESSED VALUE									
Total Assessed Value	5,070,580	5,049,810		5,049,810	5,049,810			6,580,630	Amended Cert 11-26-19
Percent Increase (Decrease)	3.49%	-0.41%						30.31%	
MILL LEVIES									
Operating Mill Levy	48.500	48.500		48.500				48.785	Gallagherized Mill Levy
Debt Service Mill Levy	0	0		0				0	
Temporary Mill Levy Credit	0.000	0.000		0.000				(0.285)	
Total Mill Levy	48.500	48.500		48.500	0			48.500	
Operating Property Taxes Levied	245,923	244,916	0	244,916				321,036	AV x Mills
Less Abatements								0	
Debt Service Property Tax Levied		0		0				0	
Temporary Mill Levy Credit		0		0				(1,875)	
Total Property Tax Levied	245,923	244,916		244,916	0			319,161	
Units									
Vacant Affordable	0	1		1	1			0	
Affordable	65	64		64	64			65	Added Lot 23
Free Market	5	5		5	5			5	
Vacant Free Market	1	1		1	1			1	Lot 3
	71	71	0	71	71			71	
Septic Replacements per Year		8		8				8	
Fees									
Service Fee - Affordable	40.10	41.31		41.31	41.31			42.54	Incr by 3% Inflation, monthly rate
Service Fee - Free Market	120.31	123.92		123.92	123.92			127.63	Incr by 3% Inflation, monthly rate
Tap Fees - Affordable	2,000	2,000		2,000	2,000			2,000	Same as previous
Tap Fees - Free Market	6,000	6,000		6,000	6,000			6,000	Same as previous
REVENUE		0							
Property Taxes for General Operations	244,730	244,916	0	244,916	244,916	242,956	1,959	319,161	Per Above
Specific Ownership (Automobile) Taxes	10,372	8,450	1,837	10,286	5,787	5,633	153	13,405	4.2% of Prop Tax
Water & Sewer Service Fees	39,649	41,140	0	41,140	30,856	30,855	1	42,370	3% Increase
Tap Fees-Water Connections	2,431	2,000	(2,000)	0	0	2,000	(2,000)	6,000	Parcel 2 or Lot 3
Tap Fees - Repl of Existing ISDS Systems	0	2,000	0	2,000	0	1,500	(1,500)	2,000	Assumes 1
Interest Income	11,425	9,769	4,231	14,000	10,813	7,327	3,486	9,564	1.5% of Fund Balance
Septic Inspection Fees	0	1,030	(1,030)	0	0	773	(773)	1,000	Assumes 1
Other Income	559	0	2,250	2,250	2,248	0	2,248	0	None Budgeted
TOTAL REVENUE	309,166	309,304	5,288	314,592	294,619	291,044	3,575	393,499	

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

W/J METRO DISTRICT

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

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

	2018 Unaudited Actual	2019 Adopted Budget	Variance Favorable (Unfav)	2019 Forecast	9 Months Ended 9/30/2019 Actual	9 Months Ended 9/30/2019 Budget	Variance Favorable (Unfavor)	2020 Adopted Budget	Budget Explanation
EXPENDITURES									
General and Administrative Expenses									
Accounting	6,451	8,000	0	8,000	5,320	6,000	680	8,000	Based on 2019 Budget
Administration	0	0	0	0	0	0	0	0	Based on 2019 Budget
Bank Fees	62	52	(14)	65	57	39	(18)	65	Based on 2019 Budget
Consulting - Accounting & Administration	8,301	10,300	0	10,300	7,003	7,491	488	10,300	Based on 2019 Budget
Election	10,690	0	0	0	0	0	0	1,500	Based on Prior Years Assumes Cancelled
Insurance	10,954	10,807	(8)	10,815	10,815	10,807	(8)	11,356	Based on 19 Budget w/5% Incr
Legal	7,833	5,000	0	5,000	61	3,750	3,689	5,000	Based on 2019 Budget
Office Overhead/Dues & Memberships	1,304	2,000	0	2,000	511	1,500	990	2,000	Based on 2019 Budget
Treasurer's Fees	12,324	12,246	0	12,246	12,256	12,148	(108)	15,958	5% of Property Tax
Total General and Administrative Expenses	57,918	48,404	(22)	48,426	36,022	41,734	5,712	54,179	
Operations Expenses									
Landscape & Common Area Maintenance	2,628	3,090	0	3,090	1,948	2,318	370	3,000	Based on 2019 Budget
District Operations & Mgt (Zancanella)	2,277	5,000	(5,000)	10,000	7,358	3,750	(3,608)	10,300	Based on 2019 Budget
Engineering - General	13,901	5,000	4,850	150	142	3,750	3,608	0	Combine w/Dist Ops
Equipment Repairs and Maintenance	2,338	5,000	0	5,000	3,827	3,750	(77)	5,000	Based on 2019 Budget
Road Repairs and Maintenance	431	1,545	(1,455)	3,000	0	1,545	1,545	3,000	Based on 19 Crack Sealing
Septic System Repairs & Maintenance	22,311	31,827	21,827	10,000	3,941	23,870	19,929	32,782	Based on Prior Years
Septic Inspections	0	1,030	(1,970)	3,000	2,782	773	(2,010)	1,061	Based on 2019 Budget
Snow Removal	13,293	13,000	(3,000)	16,000	11,995	8,667	(3,329)	16,000	Based on 19 Forecast
Trash Removal	20,879	25,200	10,200	15,000	11,192	18,900	7,708	15,000	Based on 2019 Forecast
Dumpster Cleaning	1,846	1,750	0	1,750	1,260	1,313	53	1,750	Based on 2019 Budget
Water System Repairs and Maintenance	20,856	26,523	(8,478)	35,000	33,140	19,892	(13,248)	27,000	Based on 2019 Budget
Water System Operations	9,948	16,480	0	16,480	7,155	12,360	5,205	16,500	Based on 2019 Budget
Weed Control	2,600	7,828	5,128	2,700	2,650	7,828	5,178	2,700	Based on 2019 Forecast
Utilities-Electric	15,500	17,000	0	17,000	10,264	12,750	2,486	17,500	Based on 2019 Budget
Utilities-Natural Gas	257	690	0	690	167	518	351	700	Based on 2019 Budget
Utilities-Telephone	685	984	0	984	555	738	183	1,000	Based on 2019 Budget
Contingency	0	25,000	0	25,000	0	18,750	18,750	25,000	Based on 2019 Budget
Total Operations Expenses	129,750	186,947	22,103	164,844	98,376	141,470	43,094	178,293	
Total G&A and Operations Expenses	187,668	235,351	22,081	213,270	134,397	183,204	48,807	232,471	
Operating Surplus (Deficit)	121,498	73,953	27,369	101,322	160,221	107,839	52,382	161,027	

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

W/J METRO DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED MODIFIED ACCRUAL BASIS

2

	2018 <u>Actual</u>	2019 <u>Budget</u>	Variance <u>(Unfav)</u>	2019 <u>Forecast</u>	9 Months <u>Ended Actual</u>	9 Months <u>Ended Budget</u>	Variance <u>(Unfavor)</u>	2020 <u>Adopted Budget</u>	<u>Explanation</u>
CAPITAL EXPENDITURES									
ISDS Systems									
Repair/Replace ISDS Tanks	0	25,647	25,647	0	0	25,647	25,647	26,416	Per Cap Replace Schedule
Repair/Replace ISDS Leach Fields		8,240	(11,760)	20,000		8,240	8,240	8,487	Per Cap Replace Schedule
Roads									
Snow Plow	0		0		0	0	0		
Skidsteer			0			0	0		
Vehicle Equipment Storage		50,000	25,000	25,000	308	50,000	49,692	25,000	Equip Storage-Est Per Zanc
Asphalt Overlay Engineering Report						0	0		
Repair of Stevens Way - Yr 7			0			0	0		
Repair of Lower Bullwinkle - Yr 10			0			0	0		
Repair of Upper Bullwinkle - Yr 10			0			0	0		
Repair of Free Market Road - Yr 10			0			0	0		
Asphalt Overlays	0	0		0	0	0	0	0	
Asphalt Overlay of Lower Bullwinkle - Yr 20			0			0	0		
Asphalt Overlay of Upper Bullwinkle - Yr 20			0			0	0		
Repair of Free Market Road - Yr 20			0			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		0		50,000	50,000	50,000	
Fire Hydrants		0		0		0	0	0	
None Routine Testing	0				0	0	0		
Motors, Pumps and Controllers	0	0	0	0	0	0	0	0	
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	18,218	18,773	0	18,773	18,773	18,773	0		Paid off in 2019
BLM Reudi Water Rights Interest	1,351	572	0	572	925	572	(353)		Paid off in 2019
Augmentation Plan/Water Legal	7,313	1,500	0	1,500	0	1,125	1,125	1,500	Est for ongoing due diligence
TOTAL CAPITAL EXPENDITURES	26,882	154,732	38,887	65,845	20,006	154,357	134,351	111,404	0
TOTAL EXPENDITURES	214,550	390,083	60,968	279,115	154,403	337,561	183,158	343,875	
EXCESS REV OVER (UNDER) EXPEND	94,616	(80,778)	66,256	35,477	140,216	(46,517)	186,733	49,624	
Fund Balance-Beginning of Year	507,513	558,230	43,899	602,129	602,129	558,230	43,899	637,606	
Fund Balance-End of Year	602,129	477,452	110,155	637,606	742,345	511,713	230,632	687,230	
	=	=	=	=	=	=	=	=	