

WOODMEN HILLS METROPOLITAN DISTRICT

El Paso County, Colorado

2021 Budget Assumptions

General

Woodmen Hills Metropolitan District is an independent governmental entity organized on November 8, 1995, under provisions of the Colorado Revised Statutes. It operates entirely within El Paso County but is not part of the County government. This District is governed by a Board of Directors that are elected by residents and property owners within the District.

This budget presents the activities of the District, which is legally separate and financially independent of other state and local governments. The Woodmen Hills Metropolitan District utilizes three separate financial categories of activities; one for the Park and Recreation Enterprise, and one for the Water Enterprise and one for the Wastewater Enterprise. Each of these, in turn, is segregated into operational and capital expenditures.

Together, these enterprises comprise the overall government-wide budget. The Park and Recreation Enterprise operates, maintains and improves public parks, trails, recreation centers and recreational programs, and funds the street lighting infrastructure. The Water Enterprise operates, maintains and improves a public water system, which includes provision of reusable water and performance of administration and environmental functions for the District service area. The Wastewater Enterprise operates, maintains and improves the public wastewater collection and treatment systems, storm water facilities, drainage facilities and related administration and environmental functions for the District service area, which includes Falcon Highlands Metropolitan District, and Paint Brush Hills Metropolitan District customers.

Management has forecasted, to the best of its ability, the budgetary figures for each enterprise. There have been unforeseen expenditures causing changes in the financial position of the District in the three previous years and it is expected that there may be unforeseen expenditures in budget year 2021.

The Governmental Accounting Standards Board (GASB) in Section 2100 of its Codification of Governmental Accounting and Financial Reporting Standards has specified the criteria to be used in defining a governmental entity for financial reporting purposes.

Budget Assumptions

In the 2021 budget, rate increases for water, sewer and recreation have been assumed at the following levels.

Park & Recreation Monthly Fee	0.0%
Park & Recreation Program Fees	0%
Water Monthly Base Rate	1.6%
Water Tiered Usage Rates	1.6%
Water Construction Usage Rate	0%
Water Commercial Usage Rate	1.6%
Water Outside-of-District Usage Rate	1.6%
Wastewater In-District Monthly Fee	3.0%
Wastewater Out-of-District Monthly Fee	3.0%

The rate and fee increases are based on observed increases in actual costs during the 2020 budget year. The budget is a cash budget and assumes an allocation to all three enterprises for general and administrative expenditures.

Fund Accounting

The District uses funds to report on its financial position and results of its operations. The proprietary funds (Enterprises) are used to account for their activities similar to those found in the private sector, where the determination of net revenue is necessary or useful to sound financial administration. Goods or services from such activities can be provided to outside parties (Enterprise Funds).

The District has elected, under the GASB Statement # 20 not to apply statements issued by the Financial Accounting Standards Board after November 30, 1989. New GASB pronouncements on accounting and financial reporting for proprietary activities will be followed.

Basis of Accounting

The financial statements are presented as an enterprise fund using the accrual method of accounting.

Encumbrances

The District does not utilize encumbrances accounting.

Inventories

Inventory is stated at cost.

Revenues

Residential water revenue is forecasted using 2,856 single-family equivalents. The base amount billed each month at \$17.92 per house plus the increased usage rate of \$0.30 per 100 gallons from 0 to 7,500 gallons of water, plus \$0.44 per 100 gallons of water from 7,501 to 10,000 gallons, \$1.30 per 100 gallons of water used from 10,001 gallons to 20,000 gallons, \$1.74 per 100 gallons of water used from 20,001 to 30,000 and \$2.15 per 100 gallons of water used for anything above 30,001 gallons of water. This is a tiered rate structure to promote water conservation. Commercial water revenue has been forecasted based upon various tap sizes for 30 taps and consumption occurring in prior years. The rate for commercial customers is \$1.00 per 100 gallons of water used for domestic and irrigation purposes. Out-of-District commercial customer rates are billed at a monthly base amount of \$56.03 per single family equivalent in each such commercial tap plus a usage rate of \$1.50 per 100 gallons used.

Residential Wastewater revenue is forecasted using 2,856 single-family equivalents billed each month at the increased flat monthly rate of \$45.69. Revenue for residential wastewater in the Falcon Highlands service area is forecasted using 361 homes being billed at the increased base rate of \$45.69 plus \$2.80 per 1,000 gallons of water, based on average water consumption for the months January, February and March of each year as set out in the existing intergovernmental agreement between the Districts. Revenue for residential wastewater in the Paint Brush Hills service area is forecasted at the increased flat monthly in-District rate of \$40.48 per month for wastewater treatment only.

Commercial Wastewater revenue is based on water consumption used during each month and is forecasted based on consumption that occurred in prior years, and will be billed at a rate of \$1.33 per 100 gallons of water used. Commercial Out-of-District wastewater is billed at a rate of \$1.99 per 100 gallons.

Other income results primarily from drainage fees for commercial accounts, parks and recreation program fees, water leasing fees, and street lighting fees.

Operating and Maintenance Expenses

Operating costs in general are based on recent operating expenditures for 2020 with an increase for known changes in operations. Explanations for some of the more significant operating expenditures are presented below:

Employee wages and benefits assume the employment of 20 full time employees and 50-66 part-time employees.

Professional fees assume legal and certain other professional fees including consulting, engineering and auditing services. As well as cost for the new wastewater treatment facility.

Water and Wastewater Operations are performed by the District.

Park and Recreation Operations are performed by the District; to include the operations of both the recreation centers.

Non-Operating Revenues and Expenses

Interest income results primarily from investment of reserved funds.

Tap fees for 2021 are forecasted assuming 30 taps at \$15,000 each with a system development fee of \$3,500 for water and wastewater, for one SFE, 0 taps at \$6,500 each for wastewater only in Falcon Highlands and 30 taps fees at \$2,000 per tap in Paint Brush Hills, in accordance with existing intergovernmental agreements with those districts.

Interest on principal expense forecasted for 2021 is composed of the following:

Purchase 1, Revenue Bonds, Series 2016	\$700,565
Purchase 2, Lease Purchase, Series 2016	<u>\$613,658</u>
Total	\$1,314,223

Principal expense forecasted for 2021 is comprised of the following:

Purchase 1 Revenue Bonds Series 2016	\$446,692
Purchase 2 Lease Purchase Series 2016	<u>\$613,658</u>
Total	\$1,060,350

BUDGET 2021		Audited	Budget	Budget
		2019	2020	2021
44000	Revenue			
44100	Park & Rec Enterprise Revenue	2,144,827	2,244,046	2,228,650
44300	Recreational Program Revenues	133,066	124,900	98,700
44900	44900 - Other Park & Rec Revenue	13,450	19,500	19,500
49000	Gen'l & Administrative Revenue	49,018	47,272	40,376
42000	Total Revenue	2,340,361	2,435,718	2,387,226
BUDGET 2021		Audited	Budget	Budget
		2019	2020	2021
70000	70000 - Expense			
70010	Accounting & Audit Fees	6,793	7,000	7,000
70050	Election Cost	0	7,500	0
70100	Auto, Vehicles & Truck	8,941	13,864	10,505
70120	Chemicals	17,104	22,500	19,000
70160	Employee Costs	25,035	22,500	36,100
70170	Employee Benefits	22,730	66,206	38,550
70180	Engineering	0	10,000	10,000
70190	G&A-Tele/Consulting/Fees/Dues	45,171	70,773	78,220
70195	Bond Marketing	1,950	1,950	2,000
70200	Insurance	34,974	50,605	107,135
70260	Legal Fees	25,666	108,000	108,000
70270	Licenses, Permits & Fees	540	1,249	1,950
70290	Community Relations/Public Relations	14,453	14,400	23,000
70330	Office Expenses	29,566	32,131	32,131
70340	Payroll Taxes	40,040	68,419	61,600
70370	Repairs & Maintenance	169,210	217,745	222,645
70400	Rent Expenses	1,311	68,934	80,000
70410	Salaries & Wages	600,086	770,712	854,328
70420	Security	3,097	2,882	5,400
70450	Utilities	300,039	279,000	333,000
74580	Contingency	0	20,000	35,000
70000	Total - O&M Expense	1,346,706	1,856,370	2,065,563
70350	Recreational Program Expenses	29,216	60,500	85,500
70210	Debt Service Expense	177,265	181,446	230,909
70195	Revenue Bond Expense	177,265	181,446	230,909
70000	Overall Total Expense	1,553,187	2,098,316	2,381,972
BUDGET 2021		Audited	Budget	Budget
SUMMARY		2019	2020	2021

44110	Park & Rec Assessment Fee Revenue	1,916,699	2,003,884	2,103,650
70000	Park & Rec Expense	1,247,148	1,757,370	1,965,563
	Net Revenue	669,551	246,514	138,086
	Street Lightning Revenue	228,128	240,162	125,000
	Street Lightning Expense	99,558	99,000	100,000
	Net Revenue	128,570	141,162	25,000
44300/44900	Recreational Program - Revenue	133,066	124,900	98,700
70350	Recreational Programs - Expense	29,216	60,500	85,500
	Net Revenue	103,851	64,400	13,200
44400	Recreational Facility Fee Revenue/Other	13,450	19,500	19,500
	Debt Service Expense	177,265	181,446	230,909
	Net Revenue	-163,815	-161,946	-211,409
49000	Gen'l & Administrative Revenue	49,018	47,272	40,376
	Over All			
	Total Revenue	2,340,361	2,435,718	2,387,226
	Total Expense	1,553,187	2,098,316	2,381,972
	Available Reserve Funds	787,175	337,402	5,253

2021 Budget

BUDGET 2021		Audited	Budget	Budget
		2019	2020	2021
42000	Revenue			
42100	Water Use Fees	2,089,529	2,076,463	1,991,656
42200	Water Resource Fees	2,610,442	1,325,124	1,329,316
42300	Water Tap Fees	286,790	232,500	232,500
49000	Gen'l & Administrative Revenue	58,105	54,982	44,973
42000	Total Revenue	5,044,866	3,689,069	3,598,445
BUDGET 2021		Audited	Budget	Budget
		2019	2020	2021
70000	70000 - Expense			
70010	Accounting & Audit Fees	7,925	8,000	8,000
70050	Election Cost	0	8,750	0
70100	Auto, Vehicles & Truck	11,257	22,114	19,170
70120	Chemicals	14,777	30,700	30,700
70122	Cherokee Water	62,563	335,233	335,233
70160	Employee Costs	12,006	20,972	26,700
70170	Employee Benefits	55,863	76,028	89,950
70180	Engineering	86,089	170,000	170,000
70190	G&A-Tele/Consulting/Fees/Dues	25,441	45,199	45,930
70195	Bond Marketing	2,275	2,275	2,275
70200	Insurance	39,302	53,277	109,215
70260	Legal Fees	106,839	276,000	208,000
70270	Licenses, Permits & Fees	2,370	26,250	27,250
70280	Locating Service	1,680	1,500	40,000
70290	Community Relations/Public Relations	16,861	21,800	21,800
70330	Office Expenses	21,473	24,320	28,000
70340	Payroll Taxes	28,670	25,670	32,500
70370	Repairs & Maintenance	191,130	178,000	200,000
70400	Rent Expenses	1,530	1,840	0
70410	Salaries & Wages	388,119	519,389	495,285
70420	Security	327	650	650
70440	Testing	20,104	14,500	22,000
70450	Utilities	323,869	241,200	342,000
70457	Well Monitoring	0	2,000	90,000
70460	Water Meters	19,985	15,000	30,000
70470	Woodmen Hills PFA Tap Fees	130,000	0	0
74580	Contingency	0	72,488	72,488
70000	Total - O&M Expense	1,570,456	2,195,430	2,449,421
BUDGET 2021		Audited	Budget	Budget
		2019	2020	2021
70240	Debt Service Expense	871,263	754,907	958,937

2021 Budget

	Revenue Bond Expense	374,582	393,561	505,481
70210	COP Lease Expense	496,681	361,346	453,456
70000	Overall Total Expense	2,441,720	2,950,337	3,408,357
	Summary			
	BUDGET 2021	Audited	Budget	Budget
		2019	2020	2021
42000	Total Water Use Income	2,089,529	2,076,463	1,991,656
70000	Total Water Use Expense	1,570,456	2,195,430	2,449,421
	Net Income	519,073	-118,967	-457,764
42300	Total Water Tap Fees	286,790	232,500	232,500
70210	Total Interest Expense	496,681	393,561	505,481
	Net Tap Fee Income	-209,891	-161,061	-272,981
42600	Total Water Resource Fees	2,610,442	1,325,124	1,329,316
70240	Total Lease/Interest Expense	374,582	361,346	453,456
	Net Water Resource Fees	2,235,860	963,778	875,860
49000	Gen'l & Administrative Revenue	58,105	54,982	44,973
	Over All			
	Total Revenue	5,044,866	3,689,069	3,598,445
	Total Expense	2,441,720	2,950,337	3,408,357
	Available Reserve Funds	2,603,146	738,732	190,088

2021 Budget

BUDGET 2021		Audited	Budget	Budget
		2019	2020	2021
43000	Revenue			
43100	Sewer Use Fees	2,507,713	2,562,659	2,759,930
43200	Sewer Tap Fees	615,458	332,500	292,500
49000	Gen'l & Administrative Revenue	66,986	130,228	63,000
43000	Total Revenue	3,190,156	3,025,387	3,115,430
BUDGET 2021		Audited	Budget	Budget
		2019	2020	2021
70000	70000 - Expense			
70010	Accounting & Audit Fees	7,925	8,000	8,000
70050	Election Cost	0	8,750	0
70100	Auto, Vehicles & Truck	21,391	39,586	25,077
70120	Chemicals	90,635	101,367	100,000
70160	Employee Costs	8,864	14,522	25,510
70170	Employee Benefits	45,852	64,200	58,792
70180	Engineering	37,742	85,000	85,000
70190	G&A-Tele/Consulting/Fees/Dues	27,102	52,265	45,466
70195	Bond Marketing	2,275	2,275	2,275
70200	Insurance	26,301	45,341	93,098
70250	Lease Expenses - Other	0	0	0
70260	Legal Fees	28,068	126,000	108,000
70270	Licenses, Permits & Fees	4,971	7,684	6,920
70280	Locating Service	1,680	2,200	40,000
70290	Community Relations/Public Relations	16,861	22,800	20,000
70330	Office Expenses	27,082	28,000	33,000
70340	Payroll Taxes	34,622	26,925	39,000
70370	Repairs & Maintenance	314,613	398,000	463,000
70400	Rent Expenses	1,530	1,900	0
70410	Salaries & Wages	462,708	495,428	510,285
70420	Security	327	700	700
70440	Testing	21,107	23,067	23,500
70450	Utilities	199,699	275,000	230,000
70470	Woodmen Hills PFA Tap Fees	130,000	0	0
74580	Contingency	0	68,667	70,000
70000	Total - O&M Expense	1,511,354	1,899,951	1,989,897
70210	Debt Service Expense	696,332	1,114,239	1,123,069
70195	Revenue Bond Expense	374,582	410,867	410,867
	COP Lease Expense	321,750	703,372	712,202
70000	Overall Total Expense	2,207,687	3,014,190	3,112,966
Summary		Audited	Budget	Budget
BUDGET 2021		2019	2020	2021

2021 Capital Improvements

	2021	2022
WATER		
Relocations	50,000.00	
New Well @ Guthrie Well Site	1,500,000.00	1,000,000.00
Paint 2MG Tank (Interior)	350,000.00	350,000.00
Replace Transfer Pump Station	2,500,000.00	2,500,000.00
Flooring at District	8,750.00	
Filter Plant 3 Upgrade	200,000.00	
SCADA	200,000.00	
Truck	40,000.00	
Water Acquisition	1,400,000.00	
Total	6,248,750.00	3,850,000.00
WASTEWATER		
Flooring at District	8,750.00	
Headworks	200,000.00	
SCADA	50,000.00	
Total	208,750.00	0.00

Woodmen Hills Parks and Recreation Department

2021 Capital/Budget Planning Worksheet

#	Item	2021	2022
1	CCW/RCE - Renovation	\$1,850,000.00	\$1,850,000.00
2	Redesign Front Lobby	\$15,000.00	
3	Outdoor Fitness Equipment	\$15,000.00	
4	Pickle Ball Court	\$7,500.00	
5	Flooring at District	\$7,500.00	
6	Bathroom Balcon	\$200,000.00	
Cost for 2020 Capital/Budget Planning Worl		\$2,095,000.00	\$1,850,000.00