

Budget Book 2023

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Board of Directors

Troy Stinson

President

Seated through 2025

Sherry Ringen

Vice President

Seated through 2025

Neil Erickson

Secretary

Seated through 2023

Stacey Popovich

Treasurer

Seated through 2025

Jonathan Martin

Director

Seated through 2023

District Personnel by Enterprise

<i>Parks & Recreation</i>	<i>Water</i>	<i>Wastewater</i>	<i>Finance & Administration</i>
Open- Director	JD Shivers- Director	Walter Eaves- Director	Carter Bullion- Director
Stephanie Vols- Asst Director	Sean Delladio- Supervisor	Greg Thomas- Supervisor	Kimberly McIntyre- Staff Accountant- Accounts Payable
Craig Gerlach- Office Manager	Cody Ritter- Inspector	Lukas Leary- Operator	Kaylyn Wood- Billing Coordinator
William Bryan- Maintenance Supervisor	Rafael Esparza- Operator	Benjamin Chapin- Operator	Rebecah Vetrano- Accounts Receivable & HR Generalist
Allison Horn- Fitness Instructor	James Reinicke- Operator	John Moss- Operator	Kim Serrano- Admin Assistant
Chris Von Luther- Maintenance Tech	Alan Weiss- Operator	Cameron Titus- Operator	
Brayden Hall- Staff Member	Nathan Titus- Operator		
Tyler Dillahunty- Staff Member			

Budget Message

This 2023 Budget Book has been prepared to allow the District Board of Directors, citizens, and staff understand the finances of the District. This document is designed to answer most questions related to the budget from a policymaker and citizen perspective. Budget direction is provided by the Board of Directors. Over the last several years, the District has been re-investing in infrastructure, updating existing structures, and expanding our multi-use parks. This year, the District will continue to focus on infrastructure specifically for our Water Enterprise.

The major highlights of the 2023 budget include:

- Rate increases across all enterprises
 - Parks & Recreation
 - Base Rate: 9.70% increase or \$5.98
 - Street Lighting: No change
 - Water
 - Base Rate: No change
 - Water Resource Fee: 5% increase or \$1.87
 - Consumption: \$0.02 increase across all tiers
 - Tap Fee/System Dev. Charge: 27% increase
 - Wastewater
 - Base Rate: 11% increase or \$5.05
 - Tap Fee/System Dev. Charge: 27% increase
 - Impact to Monthly Minimum
 - Current: \$166.35
 - FY23 Proposed: \$179.25
 - Delta: 7.75% Increase or \$12.90
- Major Water Enterprise Infrastructure Projects
 - Completion of Theriot Water Treatment Plant
 - Upgrade to Theriot water tank to a new larger capacity tank
 - EP2 upgrade

Finally, the District has a strong financial position but due to inflationary increases, supply chain issues, and changes to labor laws, the District was required to raise monthly rates. While these rate increases are above typically inflationary increases of 3%, they are in-line with industry standards, and below the current CPI Index for the Denver-Aurora-Lakewood area. Which is the CPI Index that the District uses as the basis for changes in inflationary expenses.

2023 Budget Overview

General

Woodmen Hills Metropolitan District is an independent quasi-government 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. The 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: the Parks and Recreation Enterprise, the Water Enterprise, and the Wastewater Enterprise. Each of these, in turn, is segregated into operational and capital expenditures. Inclusive of each of the enterprises is the Finance and Administration department.

Together, these enterprises comprise the overall government-wide budget. The Park and Recreation Enterprise operates, maintains, and improves public parks, trails, recreation centers, recreational programs, storm water drainage, and street lighting. 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 system, which includes collection, treatment, storm water facilities, and performance of administration and environmental functions for the District service area. For Wastewater the District service area also includes Falcon Metropolitan District and Paint Brush Hills Metropolitan District. The Finance and Administration department operates the District's finance, accounting, human resources, and District administrative responsibilities.

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 for the last several years and it is expected that there may be unforeseen expenditures in budget year 2023.

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 government entity for financial reporting purposes.

Budget Assumptions

In the 2023 budget, there will be the following rate increases for parks & recreation, water, and wastewater.

Parks & Recreation Monthly Fee	9.70%
Street Lighting	0.00%
Water Monthly Base Rate	0.00%
Water Resource Fee	5.00%
Water Tiered Usage Rates	\$0.02 increase per tier
Water Construction Usage Rate	0.00%
Water Commercial Usage Rate	0.00%
Water Out-of-District Usage Rate	0.00%
Wastewater In-District Monthly Fee	11.00%
Wastewater Out-of-District Monthly Fee	11.00%

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 like 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 encumbrance accounting.

Inventories

Inventory is stated at cost.

Revenues

All base rate revenue streams for each of the three enterprises are forecasted using 3,100 single-family equivalents. This accounts for the bulk of the district's monthly revenue which it uses to fund the operation and maintenance of each enterprise. Additional revenue streams for the district include commercial water/wastewater usage, irrigation usage, commercial drainage, wastewater treatment and collection, tap fees, and system development charges.

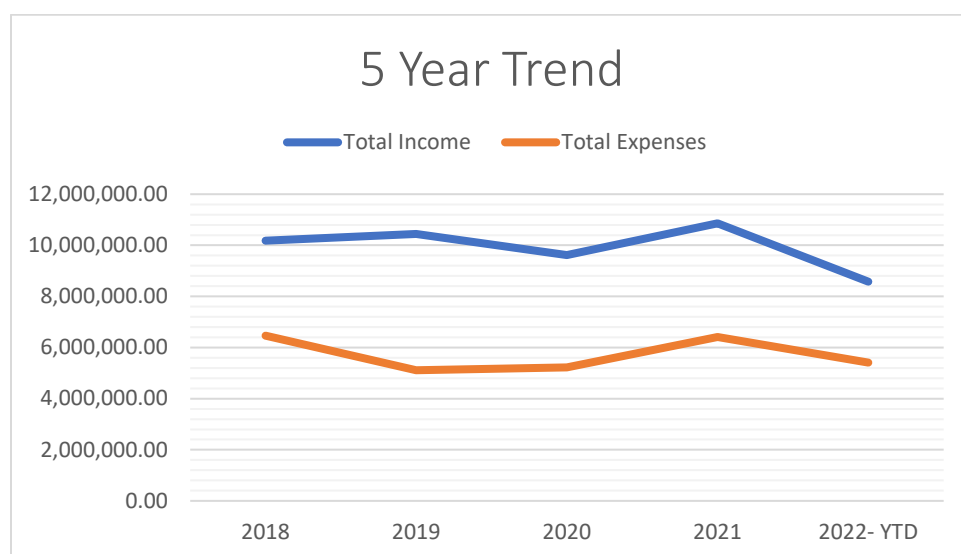
Revenues for all three enterprises are expected to increase by an average of 22%. This increase is a combination of increases to fees and charges as well as a conservative growth rate of new residents. Over the last several years, the District has seen a growth rate that has far outpaced the national average. The District expects its growth rate to reduce to more conservative levels starting with 2023.

Operating and Maintenance Expenses

Operating costs in general are based on recent operating expenditures for 2022 with an increase for known charges in operations. Explanations for some of the more significant operating expenditures are presented below:

- Utility costs are forecasted to increase by an average of 26%
- Employee wages and benefits are forecasted to increase by 13%
- Auto, Vehicles & Truck expenses are forecasted to increase by 100%
- G&A- Tele/Consulting Fees/Dues expenses are forecasted to increase by 45%

Revenue & Expense Trends



WHMD 2023 Rate Sheet

Residential Water

Water Usage Base Rate Fee:	\$17.92
Water Resource Fee:	\$39.22

Residential Sewer

Sewer Base Rate Fee:	\$50.72
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Other Fees

Park & Rec Charges:	\$67.62
Street Lighting:	\$3.75

TOTAL MONTHLY MINIMUM \$179.23

Water consumption will be billed at the following tier rates:

0-7,500 gallons	\$0.32 per hundred gallons
7,501-10,00 gallons	\$0.44 per hundred gallons
10,001-20,000 gallons	\$1.32 per hundred gallons
20,001-30,000 gallons	\$1.76 per hundred gallons
Over 30,000 gallons	\$2.17 per hundred gallons

Paint Brush Hills Sewer Treatment: \$44.93 per month

Falcon Highlands Sewer Treatment: \$50.72 + \$0.28 per hundred gallons (average from Jan-March)

WHMD FY23 Budget	
Income	Budget
Park & Rec Enterprise Revenue	3,034,974.00
Water Use Fees	2,217,275
Water Resource Fees	2,258,891
Water Tap Fees	933,450
Sewer Use Fees	3,310,921
Sewer Tap Fees	1,805,300
Gen'l & Administrative Revenue	85,000.00
Total Income	13,645,810.78
Expense	Budget
Accounting & Audit Fees	23,000
Election Cost	28,000
Auto, Vehicles & Truck	100,085
Chemicals	157,000
Locating Service	90,000
Water Meters	50,000
Well Monitoring	2,000
Cherokee Water	345,000
Testing	73,000
Sludge Hauling	120,000
Employee Costs	97,710
Employee Benefits	219,239
Engineering	290,000
G&A-Tele/Consulting/Fees/Dues	142,617
Bond Marketing	7,165
Insurance	275,386
Legal Fees	250,000
Licenses, Permits & Fees	38,570
Community Relations/Public Relations	61,800
Office Expenses	160,430
Payroll Taxes	147,000
Repairs & Maintenance	1,060,800
Rent Expenses	60,000
Salaries & Wages	2,409,417
Security	3,600
Drainage	75,000
Utilities	1,037,500
Recreational Program Expenses	100,000
Debt Service	1,940,724
Contingency	205,000
Total Expense	9,570,043
Net Income	4,075,767.96