



**BOW MAR WATER & SANITATION DISTRICT  
ANNUAL BUDGET**

**For the Year Ending December 31, 2024**

**ACCOUNTANT'S COMPILATION REPORT**

Board of Directors  
Bow Mar Water and Sanitation District  
Arapahoe and Jefferson Counties, Colorado

Management is responsible for the accompanying budget of estimated revenues, expenditures, and fund balances for the enterprise fund of Bow Mar Water and Sanitation District for the year ending December 31, 2024, including estimated comparative information for the year ending December 31, 2023, and the actual comparative information for the year ending December 31, 2022, and the related budget message and summary of significant assumptions in the format prescribed by C.R.S. §§ 29-1-103 and 29-1-105.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budgets, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budgets.

The budgeted results may not be achieved as there will generally be differences between the budgeted and actual results. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying budgets and this report were prepared for the purpose of estimating revenues, expenditures and fund balances as required by governmental entities within the State of Colorado in accordance with C.R.S. §§ 29-1-103 and 29-1-105, and should not be used for any other purpose. The accompanying budgets are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Bow Mar Water and Sanitation District.

*Morain Bakarich, CPAs*

Morain Bakarich, CPAs  
Golden, Colorado  
January 5, 2024

# BOW MAR WATER AND SANITATION DISTRICT

## Assessed Valuation, Taxes and Mill Levy Information

PROPERTY TAXES	2022 ACTUAL	2023 ADOPTED	2024 ADOPTED
<b>Assessed Valuation</b>			
Arapahoe County	\$ 24,673,313	\$ 24,010,535	\$ 29,418,510
Jefferson County	\$ 9,762,602	\$ 9,481,324	\$ 12,276,483
<b>Mill Levy</b>			
Arapahoe County	11.317	11.317	11.317
Abatements - Arapahoe County	0.000	0.000	0.000
Total Mill Levy - Arapahoe County	<u>11.317</u>	<u>11.317</u>	<u>11.317</u>
Jefferson County	11.317	11.317	11.317
Abatements - Jefferson County	0.000	0.000	0.000
Total Mill Levy - Jefferson County	<u>11.317</u>	<u>11.317</u>	<u>11.317</u>
<b>Property Tax</b>			
Arapahoe County	\$ 277,858	\$ 271,727	\$ 332,929
Jefferson County	110,287	107,300	138,933
Abatements	-	-	-
Total Property Tax	<u>\$ 388,145</u>	<u>\$ 379,027</u>	<u>\$ 471,862</u>
<b>Specific Ownership Taxes</b>			
Arapahoe County	\$ 18,117	\$ 20,000	\$ 21,640
Jefferson County	7,096	6,900	9,031
Total Specific Ownership Taxes	<u>\$ 25,213</u>	<u>\$ 26,900</u>	<u>\$ 30,671</u>
<b>Treasurer's Fee</b>	<u>\$ 5,829</u>	<u>\$ 3,629</u>	<u>\$ 7,100</u>
(@ 1.5% statutory fee)			

**BOW MAR WATER AND SANITATION DISTRICT**  
**ENTERPRISE FUND BUDGET**  
**JANUARY 1, 2024 TO DECEMBER 31, 2024**

	2022 ACTUAL	2023 ADOPTED BUDGET	2023 ESTIMATED	2024 ADOPTED BUDGET
<b>BEGINNING FUND BALANCE</b>	\$ 782,417	\$ 693,019	\$ 703,745	\$ 647,188
<b>REVENUES:</b>				
<b>Service Charges</b>				
WATER SALES	\$ 565,586	\$ 593,166	\$ 453,390	\$ 535,093
SEWER SERVICE FEES	66,134	69,762	62,060	65,784
LATE CHARGES	1,691	3,000	1,000	1,500
<b>Tap Fee Revenues</b>				
WATER TAP FEES	-	-	-	-
SEWER TAP FEES	-	-	-	-
<b>General Revenues</b>				
PROPERTY TAX REVENUE	388,145	379,027	379,027	471,862
SPECIFIC OWNERSHIP TAX	25,213	26,900	25,715	30,671
INTEREST INCOME	6,953	448	20,000	20,000
MISCELLANEOUS REVENUES	450	-	-	-
INTERGOVERNMENTAL REVENUES	-	-	-	125,000
<b>Total Estimated Revenues</b>	1,054,171	1,072,304	941,192	1,249,910
<b>Total Funds Available</b>	1,836,588	1,765,323	1,644,937	1,897,098
<b>EXPENDITURES:</b>				
<b>OPERATIONS &amp; MAINTENANCE</b>				
<b>WATER</b>				
WATER REPAIR & MAINTENANCE	51,132	77,274	75,000	85,000
WATER PURCHASES	565,988	587,413	442,671	520,139
PERMITS	-	-	110	125
<b>SEWER</b>				
SEWER REPAIR & MAINTENANCE	38,089	40,160	40,000	85,000
SEWER PROCESSING	71,420	62,677	72,000	75,600
<b>GENERAL &amp; ADMINISTRATIVE</b>				
ACCOUNTING AND AUDIT	36,179	34,941	55,000	45,000
BANK CHARGES	5,971	5,747	6,000	6,500
CONTRACT MANAGEMENT FEE	27,514	35,000	30,000	31,500
DEPRECIATION	-	-	-	-
DUES AND MEMBERSHIPS	882	-	872	1,000
DIRECTOR FEES	3,000	3,000	3,000	3,000
ELECTIONS	-	-	-	-
INSURANCE	3,166	3,150	3,208	4,000
LEGAL FEE	4,223	2,370	4,000	5,000
OFFICE EXPENSE	770	-	76	1,000
PUBLICATION	127	-	166	500
TREASURERS FEE	5,829	3,629	5,691	7,100
MISCELLANEOUS	3,415	970	1,500	1,500
<b>DEBT SERVICE</b>				
PRINCIPAL	33,665	33,665	34,557	35,473
INTEREST EXPENSE	4,656	4,656	3,763	2,848
<b>CAPITAL IMPROVEMENTS</b>				
WATER SYSTEM	256,684	230,304	200,000	702,000
SEWER SYSTEM	-	-	-	50,000
OTHER CAPITAL IMPROVEMENTS	-	-	-	-
INTERGOVERNMENTAL CONTRIBUTION	20,134	19,500	20,134	20,134
CONTINGENCY		25,000	-	25,000
<b>Total Expenditures</b>	1,132,843	1,169,456	997,749	1,707,419
<b>Estimated Change in Fund Balance</b>	(78,672)	(97,152)	(56,557)	(457,509)
<b>Ending Fund Balance</b>	\$ 703,745	\$ 595,867	\$ 647,188	\$ 189,679

**BOW MAR WATER AND SANITATION DISTRICT**  
**2024 BUDGET MESSAGE**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Disclosures contained in this summary as presented by the Directors, are those that are believed to be significant to the accompanying budgets but are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2024 annual budgets. Actual results may differ from the prospective and budgeted figures contained in the budgets.

**DISTRICT SERVICES**

Bow Mar Water and Sanitation District (the District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe and Jefferson Counties, Colorado, entirely within the Town of Bow Mar.

The District was established to provide water and sanitation services to approximately three hundred (300) households under a master meter contract with the Denver Water Department and transmission of sewage to various treatment facilities for households in the District.

The District electors, at an election held November 2, 1999, voted to exempt the District from article X Section 20 of the Colorado Constitution (the TABOR Amendment). At that election, the voters approved increasing the mill levy to 11.317 mills and to exempt the District from all revenue and spending limitations in that amendment. The electors at that election also approved exempting the District from the 5.5% limitation.

The District electors, at an election held November 4, 2008, approved a ballot measure authorizing a bond issue of \$1,150,000 and an additional mill levy of 4.457 mills to pay for the bonds. The bond issue has been paid off and the related mill levy is no longer certified.

**BUDGETARY ACCOUNTING METHODS**

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S 29-1-105. The District's 2024 budget includes projected revenues and expenditures for the District's water and sewer enterprise fund.

**REVENUES**

The District has property included within its boundaries residing within the County of Arapahoe, Colorado with an assessed valuation of \$29,418,510, and property included within its boundaries residing in the County of Jefferson, Colorado with an assessed valuation of 12,276,483. The District's combined 2023 assessed valuation is \$41,694,993 and the District has certified a mill levy of 11.317 mills for 2024 collection. The District's total mill levy is expected to generate property tax revenues of approximately \$471,862 and specific ownership taxes of \$30,671 in 2024.

The primary sources of revenue are water sales and sewer service fees. The District anticipates receiving \$535,093 of water sales revenue and \$65,784 of sewer service charges in 2024. Both water sales and sewer service fees are expected to increase based on previous years usage and anticipated cost increases imposed by Denver Water, the District's water supplier.

The District anticipates receiving intergovernmental revenues of \$125,000 from the Town of Bow Mar's to help offset District's proposed 2024 water system improvements. The intergovernmental contribution is an allocation of the Town of Bow Mar's funding under the American Rescue Plan Act ("ARPA").

**BOW MAR WATER AND SANITATION DISTRICT**  
**2024 BUDGET MESSAGE**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**EXPENDITURES**

The significant expenditures of the District include water purchases, water and sewer maintenance, sewer processing and capital improvements. The District anticipates increases in the cost of water purchased from Denver Water and has budgeted \$520,139 for water purchases in 2024. Water purchases are estimated based on historical usage and anticipated rate increases in 2024.

The District transmits sewage to various treatment facilities in the Denver Metro area and anticipates cost increases from all treatment facilities in 2024. The District has budgeted \$75,600 for sewer treatment and processing in 2024.

The District budgets capital replacement costs based on the District's Capital Replacement Plan, which is updated annually. Accordingly, the District has budgeted \$702,000 of water system improvements and \$50,000 of sewer system improvements for 2024.

**DEBT SERVICE**

**Promissory Note, Colorado Water Conservation Board**

The District has an outstanding loan from the Colorado Water Conservation Board was received by installments, with the final being received in November 2016. The note has a stated interest rate of 2.65% and is due in annual installments of \$38,320 in principal and interest, over 10 years, beginning November 1, 2017. Proceeds of the loan were used for capital projects that consisted of the replacement of the metering system.

Annual debt service requirement on the loan are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 35,473	\$ 2,847	\$ 38,320
2025	36,412	1,908	38,320
2026	35,574	943	36,517
	<u>\$ 142,016</u>	<u>\$ 9,461</u>	<u>\$ 151,477</u>

**LEASE PURCHASE TRANSACTIONS**

The District is not a party to any lease purchase agreements, nor does it contemplate entering any lease purchase transactions in 2024.

**EMERGENCY RESERVES**

As required by Section 20 of Article X of the Colorado Constitution ("TABOR"), the District has provided for an emergency reserve equal to 3% of the total fiscal year revenues.

# **BOW MAR WATER AND SANITATION DISTRICT**

## **RESOLUTION NO. 2023-12-01**

### **RESOLUTION ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS FOR 2024**

WHEREAS, the Board of Directors (“Board”) of Bow Mar Water and Sanitation District (“District”) has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on December 13, 2023, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than 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 provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Bow Mar Water and Sanitation District:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$	1,707,719
Total	\$	<u>1,707,719</u>

2. That estimated revenues are as follows:

<u>General Fund:</u>		
From unappropriated surpluses	\$	457,509
From sources other than general property tax	\$	778,048
From general property tax	\$	<u>471,862</u>
Total		<u>\$1,707,719</u>

3. That the budget, as submitted, amended and herein summarized by fund, including, but not limited to, any mill levy rate reduction, be, and the same hereby is, approved and adopted as the budget for the 2024 fiscal year.

In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section shall be deemed ratified by the Board.

4. That the budget, as hereby approved and adopted, subject to any adjustments due to final assessed valuation, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

## **TO SET MILL LEVIES**

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$471,862; and

WHEREAS, the District has no outstanding debt obligation; and

WHEREAS, the preliminary 2023 valuation for assessment of the District, as certified by the Arapahoe County Assessor, is \$29,418,510; and as certified by the Jefferson County Assessor, is \$12,276,483.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Bow Mar Water and Sanitation District:

1. That for the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a property tax of 11.317 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$471,862.

2. That the Accountant, Legal Counsel, Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe and Jefferson Counties, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

## **TO APPROPRIATE SUMS OF MONEY**

WHEREAS, the Board of Directors of the Bow Mar Water and Sanitation District has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bow Mar Water and Sanitation District that the following sums are hereby appropriated from the revenues of each fund for the purposes stated in the budget:

General Fund:	\$1,707,719
Total Sums Appropriated	<hr/> \$1,707,719




Adopted this 13<sup>th</sup> day of December, 2023.

BOW MAR WATER AND SANITATION  
DISTRICT

By:   
Scott Wagner, President

Attest:

  
Bryan Sperry, Director