



BOW MAR WATER & SANITATION DISTRICT
ANNUAL BUDGET
For the Year Ending December 31, 2025

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, 2025, including estimated comparative information for the year ending December 31, 2024, 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
Golden, Colorado
December 12, 2024

BOW MAR WATER AND SANITATION DISTRICT

Assessed Valuation, Taxes and Mill Levy Information

PROPERTY TAXES	2023 ACTUAL	2024 ADOPTED	2025 ADOPTED
Assessed Valuation			
Arapahoe County	\$ 24,010,535	\$ 29,418,510	\$ 29,429,609
Jefferson County	\$ 9,481,324	\$ 12,276,483	\$ 12,291,150
Mill Levy			
Arapahoe County	11.317	11.317	11.317
Abatements - Arapahoe County	0.000	0.000	0.000
Total Mill Levy - Arapahoe County	11.317	11.317	11.317
Jefferson County	11.317	11.317	11.317
Abatements - Jefferson County	0.000	0.000	0.000
Total Mill Levy - Jefferson County	11.317	11.317	11.317
Property Tax			
Arapahoe County	\$ 270,917	\$ 332,929	\$ 333,055
Jefferson County	106,862	138,933	139,099
Abatements	-	-	-
Total Property Tax	\$ 377,779	\$ 471,862	\$ 472,154
Specific Ownership Taxes			
Arapahoe County	\$ 17,805	\$ 21,640	\$ 21,649
Jefferson County	7,679	9,031	9,041
Total Specific Ownership Taxes	\$ 25,484	\$ 30,671	\$ 30,690
Treasurer's Fee			
(@ 1.5% statutory fee)	\$ 5,670	\$ 7,100	\$ 7,100

**BOW MAR WATER AND SANITATION DISTRICT
ENTERPRISE FUND BUDGET
JANUARY 1, 2025 TO DECEMBER 31, 2025**

	2023 ACTUAL	2024 ADOPTED BUDGET	2024 ESTIMATED	2025 ADOPTED BUDGET
BEGINNING FUND BALANCE	\$ 703,745	\$ 647,188	\$ 689,008	\$ 687,482
REVENUES:				
Service Charges				
WATER SALES	\$ 461,311	\$ 535,093	\$ 621,318	\$ 652,208
SEWER SERVICE FEES	66,962	65,784	69,169	73,838
LATE CHARGES	-	1,500	1,700	1,750
Tap Fee Revenues				
WATER TAP FEES	-	-	350	-
SEWER TAP FEES	-	-	-	-
General Revenues				
PROPERTY TAX REVENUE	377,779	471,862	471,862	472,154
SPECIFIC OWNERSHIP TAX	25,484	30,671	26,962	30,690
INTEREST INCOME	23,448	20,000	31,816	22,400
MISCELLANEOUS REVENUES	-	-	8,458	-
TRANSFER FEES	-	-	1,500	1,500
INTERGOVERNMENTAL REVENUES	-	125,000	125,000	-
Total Estimated Revenues	954,984	1,249,910	1,358,135	1,254,540
Total Funds Available	1,658,729	1,897,098	2,047,143	1,942,022
EXPENDITURES:				
OPERATIONS & MAINTENANCE				
WATER				
WATER REPAIR & MAINTENANCE	49,661	85,000	41,967	31,865
WATER PURCHASES	446,076	520,139	650,824	683,366
PERMITS	155	125	175	200
SEWER				
SEWER REPAIR & MAINTENANCE	29,274	85,000	27,740	54,795
SEWER PROCESSING	68,955	75,600	76,657	78,956
GENERAL & ADMINISTRATIVE				
ACCOUNTING AND AUDIT	65,409	45,000	53,667	55,277
BANK CHARGES	5,958	6,500	6,109	6,292
CONTRACT MANAGEMENT FEE	28,702	31,500	27,118	27,932
DEPRECIATION	-	-	-	-
DUES AND MEMBERSHIPS	872	1,000	1,158	1,200
DIRECTOR FEES	2,500	3,000	2,900	3,000
ELECTIONS	-	-	-	-
INSURANCE	3,214	4,000	3,738	3,850
LEGAL FEE	5,205	5,000	6,226	6,413
OFFICE EXPENSE	340	1,000	5,617	7,085
PUBLICATION	39	500	100	500
TREASURERS FEE	5,670	7,100	7,210	7,100
MISCELLANEOUS	437	1,500	-	1,500
DEBT SERVICE				
PRINCIPAL	34,557	35,473	35,473	36,412
INTEREST EXPENSE	3,763	2,848	2,848	1,908
CAPITAL IMPROVEMENTS				
WATER SYSTEM	-	702,000	325,000	50,000
SEWER SYSTEM	198,800	50,000	65,000	20,000
INTERGOVERNMENTAL CONTRIBUTION	20,134	20,134	20,134	-
CONTINGENCY	-	25,000	-	25,000
Total Expenditures	969,721	1,707,419	1,359,661	1,102,651
Estimated Change in Fund Balance	(14,737)	(457,509)	(1,526)	151,889
Ending Fund Balance	\$ 689,008	\$ 189,679	\$ 687,482	\$ 839,371

BOW MAR WATER AND SANITATION DISTRICT
2025 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 2025 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 2025 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 \$29,429,609, and property included within its boundaries residing in the County of Jefferson, Colorado with an assessed valuation of \$12,291,150. The District's combined 2024 assessed valuation is \$41,720,759 and the District has certified a mill levy of 11.317 mills for 2025 collection. The District's total mill levy is expected to generate property tax revenues of approximately \$472,154 and specific ownership taxes of \$30,690 in 2025.

The primary sources of revenue are water sales and sewer service fees. The District anticipates receiving \$652,208 of water sales revenue and \$73,838 of sewer service charges in 2025. 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 and the sewer treatment cost increases among the District's various sewer providers.

BOW MAR WATER AND SANITATION DISTRICT
2025 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 \$683,366 for water purchases in 2025. Water purchases are estimated based on historical usage and anticipated rate increases.

The District transmits sewage to various treatment facilities in the Denver Metro area and anticipates cost increases from all treatment facilities in 2025. The District has budgeted \$78,956 for sewer treatment and processing in 2025.

The District budgets capital replacement costs based on the District's Capital Replacement Plan, which is updated annually. Accordingly, the District has budgeted \$50,000 of water system improvements and \$20,000 of sewer system improvements for 2025.

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:

Year	Principal	Interest	Total
2025	\$ 36,412	\$ 1,908	\$ 38,320
2026	35,574	943	36,517
	<u>\$ 71,986</u>	<u>\$ 2,851</u>	<u>\$ 74,837</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 2025.

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.