



BOW MAR WATER & SANITATION DISTRICT
ANNUAL BUDGET
For the Year Ending December 31, 2026

ACCOUNTANT'S COMPILED 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, 2026, including estimated comparative information for the year ending December 31, 2025, and the actual comparative information for the year ending December 31, 2024, 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 15, 2025

BOW MAR WATER AND SANITATION DISTRICT
Assessed Valuation, Taxes and Mill Levy Information

PROPERTY TAXES	2024 ACTUAL	2025 ADOPTED	2026 ADOPTED
Assessed Valuation			
Arapahoe County	\$ 29,418,510	\$ 29,429,609	\$ 32,403,049
Jefferson County	\$ 12,276,483	\$ 12,291,150	\$ 12,400,300
Total Assessed Valuation	<u>\$ 41,694,993</u>	<u>\$ 41,720,759</u>	<u>\$ 44,803,349</u>
Mill Levy			
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>
Property Tax			
Arapahoe County	\$ 342,810	\$ 333,055	\$ 366,705
Jefferson County	142,705	139,099	140,334
Abatements	-	-	-
Total Property Tax	<u>\$ 485,515</u>	<u>\$ 472,154</u>	<u>\$ 507,039</u>
Specific Ownership Taxes			
Arapahoe County	\$ 19,602	\$ 21,649	\$ 22,000
Jefferson County	9,005	9,041	8,400
Total Specific Ownership Taxes	<u>\$ 28,607</u>	<u>\$ 30,690</u>	<u>\$ 30,400</u>
Treasurer's Fee			
(@ 1.5% statutory fee)	<u>\$ 7,291</u>	<u>\$ 7,100</u>	<u>\$ 7,600</u>

BOW MAR WATER AND SANITATION DISTRICT
ENTERPRISE FUND BUDGET
JANUARY 1, 2026 TO DECEMBER 31, 2026

	2024 ACTUAL	2025 ADOPTED BUDGET	2025 ESTIMATED	2026 ADOPTED BUDGET
BEGINNING FUND BALANCE	\$ 689,008	\$ 687,482	\$ 727,528	\$ 1,055,536
REVENUES:				
Service Charges				
WATER SALES	\$ 651,375	\$ 652,208	\$ 679,460	\$ 726,890
SEWER SERVICE FEES	72,060	73,838	77,005	81,240
LATE CHARGES	1,785	1,750	2,500	2,575
Tap Fee Revenues				
WATER TAP FEES	350	-	4,020	-
General Revenues				
PROPERTY TAX REVENUE	485,515	472,154	470,134	507,039
SPECIFIC OWNERSHIP TAX	28,607	30,690	26,962	30,400
INTEREST INCOME	35,171	22,400	33,850	26,250
MISCELLANEOUS REVENUES	159	-	725	-
TRANSFER FEES	1,200	1,500	1,200	1,200
INTERGOVERNMENTAL REVENUES	125,000	-	-	-
Total Estimated Revenues	1,401,222	1,254,540	1,295,856	1,375,594
Total Funds Available	2,090,230	1,942,022	2,023,384	2,431,130
EXPENDITURES:				
OPERATIONS & MAINTENANCE				
WATER				
WATER REPAIR & MAINTENANCE	67,831	31,865	44,195	86,500
WATER PURCHASES	634,354	683,366	634,865	660,260
PERMITS	175	200	175	200
SEWER				
SEWER REPAIR & MAINTENANCE	47,188	54,795	52,000	86,500
SEWER PROCESSING	74,188	78,956	75,200	78,960
GENERAL & ADMINISTRATIVE				
ACCOUNTING AND AUDIT	55,508	55,277	53,667	55,277
BANK CHARGES	6,175	6,292	6,500	6,695
CONTRACT MANAGEMENT FEE	19,538	27,932	24,969	26,217
DEPRECIATION	-	-	-	-
DUES AND MEMBERSHIPS	1,158	1,200	1,000	1,200
DIRECTOR FEES	2,500	3,000	2,600	3,000
ELECTIONS	-	-	-	-
INSURANCE	3,738	3,850	3,650	3,869
LEGAL FEE	5,138	6,413	6,520	6,720
OFFICE EXPENSE	5,504	7,085	6,550	6,750
PUBLICATION	96	500	100	500
TREASURERS FEE	7,291	7,100	7,287	7,600
MISCELLANEOUS	-	1,500	250	1,500
DEBT SERVICE				
PRINCIPAL	35,472	36,412	36,412	35,575
INTEREST EXPENSE	2,848	1,908	1,908	943
CAPITAL IMPROVEMENTS				
WATER SYSTEM	312,274	50,000	-	-
SEWER SYSTEM	61,592	20,000	10,000	384,000
INTERGOVERNMENTAL CONTRIBUTION	20,134	-	-	-
CONTINGENCY	-	25,000	-	25,000
Total Expenditures	1,362,702	1,102,651	967,848	1,477,266
Estimated Change in Fund Balance	38,520	151,889	328,008	(101,672)
Ending Fund Balance	\$ 727,528	\$ 839,371	\$ 1,055,536	\$ 953,864

BOW MAR WATER AND SANITATION DISTRICT
2026 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 2026 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.

With the passage of SB24-233 and HB24B-1001, the District is subject to a new property tax limit for budget year 2026. The new legislation limits the property tax revenues for local governments, excluding school districts, to the greatest amount of qualified property tax revenue collected by a local government in a previous property tax year, increased by no more than 10.5% during the reassessment cycle (two-year period).

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 2026 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 \$32,403,049, and property included within its boundaries residing in the County of Jefferson, Colorado with an assessed valuation of \$12,400,300. The District's combined 2025 assessed valuation is \$44,803,349 and the District has certified a net mill levy of 11.317 mills for 2026 collection. The District's total mill levy is expected to generate property tax revenues of approximately \$507,039 and specific ownership taxes of \$30,400 in 2026.

BOW MAR WATER AND SANITATION DISTRICT
2026 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

REVENUES (Continued)

The primary sources of revenue are water sales and sewer service fees. The District anticipates receiving \$726,890 of water sales revenue and \$81,240 of sewer service charges in 2026. Both water sales and sewer service fees are expected to increase based on 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.

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 \$660,260 for water purchases in 2026. 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 2026. The District has budgeted \$78,960 for sewer treatment and processing in 2026.

The District budgets capital replacement costs based on the District's Capital Replacement Plan, which is updated annually. Accordingly, the District has budgeted \$384,000 of sewer system improvements for 2026.

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
2026	\$ 35,574	\$ 943	\$ 36,517
	\$ 35,574	\$ 943	\$ 36,517

LEASE PURCHASE TRANSACTIONS

The District is not a party to any lease purchase agreements, nor does it contemplate entering any lease purchase transactions in 2026.

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.