

**Forecasted Budget and
Accountant's Compilation Report**


**Bow Mar Water &
Sanitation District**


For the Year Ending December 31, 2022



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

 303-734-4800

 303-795-3356

 www.HaynieCPAs.com

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

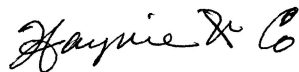
We have compiled the accompanying forecasted budget and cash flows of Bow Mar Water and Sanitation District for the year ending December 31, 2022, and the forecasted 2021 results of operations in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecast period. Accordingly, this forecast is not designed for those who are not informed about such matters.

The accompanying historical financial statements for the years ended December 31, 2020 and 2019, were audited by other accountants, whose reports thereon, dated September 21, 2021 and July 16, 2019, were unmodified opinions.

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



Littleton, Colorado
November 10, 2021

**Bow Mar Water and Sanitation District
Summary of Significant Forecast Assumptions
For the Year Ending December 31, 2022**

This financial forecast presents, to the best of management's knowledge and belief, the District's results of operations for the forecast period. Accordingly, the forecast reflects its judgment, as of the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected and those differences may be material. The comparative historical information for 2020 is extracted from the District's financial statements for that year. Those financial statements should be read for additional information.

Summary of Significant Forecast Assumptions

Proposed Budget

1. The assessed valuation for 2021 is \$34,435,915 as certified by the Arapahoe and Jefferson County assessors.
2. Interest income is based on the balance of ending cash of the previous year yielding a rate of return equivalent to interest rates that approximate 0.5 percent.
3. Water sales and costs are estimated based on prior years usage and anticipated cost increases imposed by the District supplier.
4. Future capital replacement costs are computed based on the District's Capital Replacement Plan. The plan is updated periodically.
5. The mill levy, 11.317 mills for general operations, was approved at an election held in 1999.

BOW MAR WATER AND SANITATION DISTRICT

2022 Forecasted Budget

| | ACTUAL 2019 | ACTUAL 2020 | FORECASTED 2021 | FORECASTED 2022 |
|-----------------------------------|----------------|----------------|--------------------|--------------------|
| BEGINNING FUNDS AVAILABLE | 490,479 | 632,681 | 746,803 | 817,653 |
| REVENUES | | | | |
| TAP FEES | | | | |
| Water tap fees | - | - | - | - |
| Sewer tap fees | - | - | - | - |
| SERVICE CHARGES | | | | |
| Water Sales | 418,993 | 545,936 | 516,227 | 556,900 |
| Sewer charges | 62,258 | 63,734 | 64,264 | 66,835 |
| INTEREST INCOME | | | | |
| Interest income | 3,193 | 2,677 | 1,803 | 1,857 |
| TAXES | | | | |
| Property - Operations | 288,731 | 328,929 | 330,369 | 389,711 |
| Debt Service | - | - | - | - |
| Specific Ownership | 23,259 | 23,684 | 23,788 | 28,061 |
| MISCELLANEOUS | | | | |
| Late charges | 3,040 | 659 | 2,085 | 3,000 |
| Note issuance revenue | - | - | - | - |
| Other | - | - | - | - |
| TOTAL REVENUE | 799,474 | 965,619 | 938,536 | 1,046,364 |
| TOTAL REVENUE AND BEGINNING FUNDS | 1,289,953 | 1,598,300 | 1,685,339 | 1,864,016 |
| EXPENDITURES | | | | |
| OPERATIONS & MAINTENANCE | | | | |
| WATER | | | | |
| General O & M | 21,310 | 26,653 | 42,569 | 49,945 |
| Water purchases | 459,797 | 589,304 | 507,390 | 529,208 |
| Meter purchases | - | - | - | - |
| Permits | 155 | 155 | 155 | - |
| Engineering/inspections | - | - | - | - |
| SEWER | | | | |
| General O & M | 7,358 | 34,722 | 57,264 | 62,541 |
| Sewer processing | 60,017 | 62,417 | 66,384 | 67,712 |
| OFFICE EXPENSES | | | | |
| Miscellaneous | 5,390 | 4,456 | 3,507 | 3,768 |
| PROFESSIONAL & CONSULTING | | | | |
| Accounting & Audit | 27,452 | 33,550 | 32,049 | 33,010 |
| Legal | 825 | 1,631 | 573 | 590 |
| Contract Management Fees | 20,656 | 23,884 | 25,994 | 35,000 |
| INSURANCE | | | | |
| General insurance expense | 3,258 | 2,872 | 2,946 | 3,034 |
| MISCELLANEOUS | | | | |
| Director Fees | 2,600 | 2,300 | 2,700 | 3,000 |
| Treasurers' fees | 4,334 | 4,942 | 4,854 | 5,000 |
| Bank Charges | 5,801 | 5,616 | 5,085 | 5,237 |
| DEBT SERVICE | | | | |
| Principal | 31,123 | 32,361 | 32,795 | 31,949 |
| Interest | 7,196 | 7,292 | 5,525 | 6,371 |
| Loan reserve | - | - | - | - |
| CAPITAL OUTLAY | - | - | 33,531 | 342,481 |
| INTERGOVERNMENTAL CAPITAL | - | 19,342 | 19,366 | 20,000 |
| CONTINGENCY | - | - | 25,000 | 25,000 |
| TOTAL EXPENDITURES | 657,272 | 851,497 | 867,687 | 1,223,846 |
| ENDING FUNDS AVAILABLE | 632,681 | 746,803 | 817,653 | 640,171 |

BOW MAR WATER AND SANITATION DISTRICT

2022 Forecasted Budget

| | ACTUAL 2019 | ACTUAL 2020 | FORECASTED 2021 | FORECASTED 2022 |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| RESTRICTED FUNDS | | | | |
| Debt Service Property Tax | - | - | - | - |
| Restricted Funds - beginning | - | - | - | - |
| Debt Service Expenditures | - | - | - | - |
| Restricted Funds - ending | - | - | - | - |
| UNRESTRICTED FUNDS - ENDING | <u>632,681</u> | <u>746,803</u> | <u>817,653</u> | <u>640,171</u> |
| PROPERTY TAXES | | | | |
| | TAX YEAR 2019 | TAX YEAR 2020 | TAX YEAR 2021 | TAX YEAR 2022 |
| MILL LEVY | | | | |
| General Operations | 0.011317 | 0.011317 | 0.011317 | 0.011317 |
| Tax Credits | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| Abatements | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| Debt Service | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| TOTAL MILL LEVY | <u>0.011317</u> | <u>0.011317</u> | <u>0.011317</u> | <u>0.011317</u> |
| ASSESSED VALUATION | | | | |
| Jefferson County | 8,080,902 | 7,806,374 | 7,889,221 | 9,762,602 |
| Arapahoe County | <u>17,432,176</u> | <u>21,298,920</u> | <u>21,303,063</u> | <u>24,673,313</u> |
| TOTAL | <u>25,513,078</u> | <u>29,105,294</u> | <u>29,192,284</u> | <u>34,435,915</u> |
| PROPERTY TAX REVENUE | | | | |
| Assessed | | | | |
| General Operations | 288,732 | 329,385 | 330,369 | 389,711 |
| Tax Credits | - | - | - | - |
| Abatements | - | - | - | - |
| Debt Service | - | - | - | - |
| Total Property Taxes | <u>288,732</u> | <u>329,385</u> | <u>330,369</u> | <u>389,711</u> |
| PROPERTY TAX BY COUNTY | | | | |
| Jefferson County | | | | |
| General Operations | 91,452 | 88,345 | 89,282 | 110,483 |
| Tax Credits | - | - | - | - |
| Abatements | - | - | - | - |
| Debt Service | - | - | - | - |
| Total Jefferson County | <u>91,452</u> | <u>88,345</u> | <u>89,282</u> | <u>110,483</u> |
| Arapahoe County | | | | |
| General Operations | 197,280 | 241,040 | 241,087 | 279,228 |
| Tax Credits | - | - | - | - |
| Abatements | - | - | - | - |
| Debt Service | - | - | - | - |
| Total Arapahoe County | <u>197,280</u> | <u>241,040</u> | <u>241,087</u> | <u>279,228</u> |

BOW MAR WATER AND SANITATION DISTRICT

Cash Flow Forecast

For the years ended

| | 12/31/2019 | 12/31/2020 | 12/31/2021 | 12/31/2022 |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Forecasted</u> | <u>Forecasted</u> |
| Water Revenues | | | | |
| Water sales | 418,993 | 545,936 | 516,227 | 556,900 |
| Property Tax Reduction | - | - | - | - |
| Total Water Revenue | <u>418,993</u> | <u>545,936</u> | <u>516,227</u> | <u>556,900</u> |
| Water Expenses | | | | |
| Water Purchases | 459,797 | 589,304 | 507,390 | 529,208 |
| Water main maintenance | 21,310 | 26,653 | 42,569 | 49,945 |
| Meter purchases | - | - | - | - |
| Permits | 155 | 155 | 155 | - |
| Total Water Expense | <u>481,262</u> | <u>616,112</u> | <u>550,114</u> | <u>579,153</u> |
| Net Water Gain (Loss) | <u>-62,269</u> | <u>-70,176</u> | <u>-33,887</u> | <u>-22,253</u> |
| Sewer Revenue | | | | |
| Sewer charges | 62,258 | 63,734 | 64,264 | 66,835 |
| Sewer Expenses | | | | |
| Sewer processing | 60,017 | 62,417 | 66,384 | 67,712 |
| Sewer Maintenance | 7,358 | 34,722 | 57,264 | 62,541 |
| Total Sewer Expense | <u>67,375</u> | <u>97,139</u> | <u>123,648</u> | <u>130,253</u> |
| Net Sewer Gain (Loss) | <u>-5,117</u> | <u>-33,405</u> | <u>-59,384</u> | <u>-63,418</u> |
| Miscellaneous Revenues | | | | |
| Property taxes | 288,731 | 328,929 | 330,369 | 389,711 |
| Debt Service | - | - | - | - |
| Specific ownership | 23,259 | 23,684 | 23,788 | 28,061 |
| Interest income | 3,193 | 2,677 | 1,803 | 1,857 |
| Misc. | - | - | - | - |
| Water tap fees | - | - | - | - |
| Late Charges | 3,040 | 659 | 2,085 | 3,000 |
| Total Miscellaneous revenue | <u>318,223</u> | <u>355,949</u> | <u>358,045</u> | <u>422,629</u> |
| Miscellaneous Expenses | | | | |
| General and Administrative | | | | |
| Accounting & Audit | 27,452 | 33,550 | 32,049 | 33,010 |
| Insurance | 3,258 | 2,872 | 2,946 | 3,034 |
| Legal | 825 | 1,631 | 573 | 590 |
| Contract management | 20,656 | 23,884 | 25,994 | 35,000 |
| Director Fees | 2,600 | 2,300 | 2,700 | 3,000 |
| Treasurer's fees | 4,334 | 4,942 | 4,854 | 5,000 |
| Bank Charges | 5,801 | 5,616 | 5,085 | 5,237 |
| Office Expense | 5,390 | 4,456 | 3,507 | 3,768 |
| Total G & A Expense | <u>70,316</u> | <u>79,251</u> | <u>77,708</u> | <u>88,639</u> |
| Net Gain (Loss) | <u>180,521</u> | <u>173,117</u> | <u>187,067</u> | <u>248,319</u> |
| Capital outlay | - | - | 33,531 | 342,481 |
| Intergovernmental capital - Valley | - | 19,342 | 19,366 | 20,000 |
| Contingency | - | - | 25,000 | 25,000 |
| Debt Service | | | | |
| Principal | 31,123 | 32,361 | 32,795 | 31,949 |
| Interest | 7,196 | 7,292 | 5,525 | 6,371 |
| Reserve Funding | - | - | - | - |
| Beginning Funds (Jan 1) | <u>490,479</u> | <u>632,681</u> | <u>746,803</u> | <u>817,653</u> |
| Ending Funds (Dec 31) | <u><u>632,681</u></u> | <u><u>746,803</u></u> | <u><u>817,653</u></u> | <u><u>640,171</u></u> |

Bow Mar Water and Sanitation District Budget Message 2022

The 2022 budget for Bow Mar Water and Sanitation District (the District) anticipates revenue of \$1,046,364. The largest component of revenue is water sales followed by property taxes, sewer charges, late charges, and interest income.

Expenditures of \$1,223,846 are budgeted. The largest expenditure category is water purchases followed by construction costs, sewer processing, professional and consulting fees and general operation and management costs.

The budgetary basis of accounting used for the 2022 budget is the modified accrual basis. Revenue is recognized in the accounting period in which it becomes available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred and measurable except for interest on long-term debt, which is recognized when due.

Services to be delivered by the District in 2022 include providing potable water to approximately 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.

**Schedule of Lease-Purchase Agreements
Bow Mar Water and Sanitation District
2022 Budget**

- | | | |
|----|---|------|
| A. | The total amount to be expended during the ensuing fiscal year for payment obligations under all lease-purchase agreements involving real property | \$ 0 |
| B. | The total maximum payment liability of the local government under all lease-purchase agreements involving real property over the entire terms of such agreements, including all optional renewal terms | \$ 0 |
| C. | The total amount to be expended during the ensuing fiscal year for payment obligations under all lease-purchase agreements other than those involving real property | \$ 0 |
| D. | The total maximum payment liability of the local government under all lease-purchase agreements other than those involving real property over the entire terms of such agreements, including all optional renewal terms | \$ 0 |

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Form DLG 70 (rev 6/16)

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^j:

1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____
2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^k:

3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____
4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Resolution 21-11-1

A resolution to adopt a budget for Bow Mar Water and Sanitation District for the calendar year beginning on the first day of January 2022 and ending on the last day of December 2022

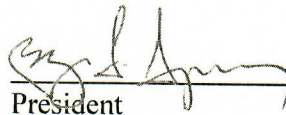
“Whereas, a proposed budget reflecting the anticipated total income and expenses for the Bow Mar Water and Sanitation District, Arapahoe and Jefferson Counties, Colorado, for the fiscal year beginning January 01, 2022, and ending December 31, 2022, has been presented to the Board of Directors of the District, and the same has been timely and fully reviewed and considered; and

“Whereas, notice of this budget meeting, prepared in substantial conformity with the requirements of the statutes of the State of Colorado, has been published in a newspaper of general circulation within the Bow Mar Water and Sanitation District; and further, the proposed budget has been available for review at the District's office located at 1221 West Mineral Avenue, Suite 202, Littleton, Colorado, and copies of the budget have been made available and have been in the possession of members of the Board of Directors of the District, and the record reflects that a public hearing was held on November 10, 2021, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and,

“Whereas, a copy of the proposed and ultimately adopted budget for the Bow Mar Water and Sanitation District for the fiscal year 2022 is attached hereto and made a part hereof,

“Now, therefore, be it resolved, by the Board of Directors of the Bow Mar Water and Sanitation District, that the adoption of the aforestated budget, which is affixed hereto, is necessary and required for the public health, convenience and welfare of the inhabitants of the District and that the same is necessary for the District to provide adequate water and sanitary sewer services to the inhabitants of the District and to make timely payment of the obligations anticipated to be incurred by the District in its various business activities and the Board of Directors of the District does **hereby and by these presents adopt, accept, approve and ratify** the attached budget, reflecting total estimated revenues for the fiscal year 2022 in the amount of \$1,046,364 and total estimated expenditures for the fiscal year 2022 in the amount of \$1,223,846 all as defined and itemized in said budget, as the official, approved and adopted budget of the Bow Mar Water and Sanitation District Arapahoe and Jefferson Counties, Colorado for the fiscal year commencing January 01, 2022 and terminating on December 31, 2022.”

Adopted by the Board of Directors of the Bow Mar Water and Sanitation District this 10th day of November 2021.



President

Resolution 21-11-2

A resolution to appropriate sums of money for Bow Mar Water and Sanitation District for fiscal year 2022

“Whereas, the Board of Directors of the Bow Mar Water and Sanitation District has heretofore formally adopted an official budget for the said District for the fiscal year 2022; and,

“Whereas, a copy of said adopted and approved budget, which is attached hereto, anticipates and reflects expenditures by the District during said fiscal year 2022 of \$1,223,846.

“Now therefore, be it resolved by the Board of Directors of the Bow Mar Water and Sanitation District, Arapahoe and Jefferson Counties, Colorado, that all monies and anticipated items of expense as set forth in the District's formally adopted budget for the fiscal year 2022, totaling \$1,223,846 are hereby appropriated in the amounts and for the uses and purposes as identified in the said budget, and this Resolution is the official and formal appropriation Resolution of the said District, appropriating monies necessary and contemplated for expenditures in the District's previously formally adopted budget for the fiscal year 2022.”

Adopted by the Board of Directors of the Bow Mar Water and Sanitation District this 10th day of November 2021.



President

Resolution 21-11-3

A resolution levying general property taxes for the tax year 2022 to help defray the costs of government for the Bow Mar Water and Sanitation District, Colorado for the 2022 budget year

“Whereas, the Bow Mar Water and Sanitation District, acting through its Board of Directors, has formally adopted a budget and formally appropriated monies to accommodate anticipated expenditures for the fiscal year 2022 in the amount of \$1,223,846. The foregoing budget contemplates funding a portion of said anticipated expenditures from the certification of a 11.317 mill levy allocated as follows, to wit:

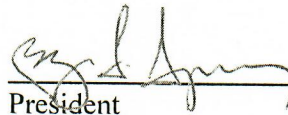
General Operating expense—11.317 mills.

“Now, therefore, be it resolved by the Board of Directors of the Bow Mar Water and Sanitation District to obtain a portion of anticipated revenue to accommodate anticipated expenses as set forth in the adopted budget by the certification of a mill levy for the tax year 2020 in the amount of 11.317 mills against all taxable property located within the District; and

“It is therefore further resolved by the Board of Directors of the Bow Mar Water and Sanitation District that a tax levy, certified pursuant to and in conformity with the statutes of the State of Colorado so made and provided, upon every dollar of assessed valuation of taxable property located within the said District and being situated in the Counties of Arapahoe and Jefferson for the tax year 2020 is, and the same shall be assessed, certified and levied at the rate of 11.317 mills against and upon all of said taxable property within the District, said mill levy being allocated 11.317 mills for maintenance and operations.

“The District’s Certified Public Accountant is hereby instructed and directed to certify a 11.317 mill levy to the appropriate officers of the Counties of Arapahoe and Jefferson in the State of Colorado for the ultimate extension of said levy upon all taxable property within the District, and the collection of revenues thereby generated, all pursuant to the appropriate taxing statutes of the State of Colorado.”

Adopted by the Board of Directors of the Bow Mar Water and Sanitation District this 10th day of November 2021.



President