

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


**Bow Mar Water &
Sanitation District**


For the Year Ending December 31, 2021



1221 W. Mineral Avenue, Suite 202
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To the Board of Directors
Bow Mar Water and Sanitation District
Arapahoe and Jefferson Counties, Colorado

Management is responsible for the accompanying projection of Bow Mar Water and Sanitation District, which comprises the forecasted budget and cash flows for the year ending December 31, 2021, and the forecasted 2020 results of operations, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a projection established by the American Institute of Certified Public Accountants (AICPA). 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 examine or review the projection 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 this projection.

The projected results may not be achieved, as there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying projection and this report are intended solely for the information and use of Bow Mar Water & Sanitation District and its management, and are not intended to be and should not be used by anyone other than these specified parties.

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

Haynie & Company

Littleton, Colorado
November 11, 2020

**Bow Mar Water and Sanitation District
Summary of Significant Forecast Assumptions
For the Year Ending December 31, 2021**

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 2019 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 2020 is \$29,192,284 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 0.75 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

2021 Forecasted Budget

	ACTUAL 2018	ACTUAL 2019	FORECASTED 2020	FORECASTED 2021
BEGINNING FUNDS AVAILABLE	452,354	490,479	632,681	767,860
REVENUES				
TAP FEES				
Water tap fees	-	-	-	-
Sewer tap fees	-	-	-	-
SERVICE CHARGES				
Water Sales	402,481	418,993	538,206	562,780
Sewer charges	58,841	62,258	63,565	63,565
INTEREST INCOME				
Interest income	3,069	3,193	1,392	1,434
TAXES				
Property - Operations	283,996	288,731	329,385	330,369
Debt Service	-	-	-	-
Specific Ownership	22,391	23,259	26,534	26,430
MISCELLANEOUS				
Late charges	3,120	3,040	659	3,000
Note issuance revenue	-	-	-	-
Other	70	-	-	-
TOTAL REVENUE	<u>773,968</u>	<u>799,474</u>	<u>959,741</u>	<u>987,578</u>
TOTAL REVENUE AND BEGINNING FUNDS	<u>1,226,322</u>	<u>1,289,953</u>	<u>1,592,422</u>	<u>1,755,438</u>

BOW MAR WATER AND SANITATION DISTRICT

2021 Forecasted Budget

	ACTUAL 2018	ACTUAL 2019	FORECASTED 2020	FORECASTED 2021
EXPENDITURES				
OPERATIONS & MAINTENANCE				
WATER				
General O & M	28,196	21,310	26,956	47,218
Water purchases	506,325	459,797	566,533	571,632
Meter purchases	-	-	-	-
Meter reading	155	155	-	-
Engineering/inspections	-	-	-	-
SEWER				
General O & M	31,246	7,358	23,931	44,407
Sewer processing	56,828	60,017	63,013	64,588
OFFICE EXPENSES				
Miscellaneous	3,469	5,390	3,777	3,891
PROFESSIONAL & CONSULTING				
Accounting & Audit	31,055	27,452	33,540	34,546
Legal	2,462	825	2,175	2,575
Contract Management Fees	23,527	20,656	25,076	30,000
INSURANCE				
General insurance expense	2,452	3,258	2,879	2,700
MISCELLANEOUS				
Director Fees	1,900	2,600	2,800	3,000
Treasurers' fees	4,263	4,334	4,891	5,038
Bank Charges	5,645	5,801	5,672	5,842
DEBT SERVICE				
Principal	30,321	31,123	31,949	32,795
Interest	7,999	7,196	6,371	5,525
Loan reserve	-	-	-	-
CAPITAL OUTLAY	-	-	-	75,900
VALLEY PAYMENT	-	-	20,000	20,000
CONTINGENCY	-	-	5,000	25,000
TOTAL EXPENDITURES	<u>735,843</u>	<u>657,272</u>	<u>824,562</u>	<u>974,657</u>
ENDING FUNDS AVAILABLE	<u>490,479</u>	<u>632,681</u>	<u>767,860</u>	<u>780,781</u>
RESTRICTED FUNDS				
Debt Service Property Tax	-	-	-	-
Restricted Funds - beginning	-	-	-	-
Debt Service Expenditures	-	-	-	-
Restricted Funds - ending	-	-	-	-
UNRESTRICTED FUNDS - ENDING	<u>490,479</u>	<u>632,681</u>	<u>767,860</u>	<u>780,781</u>

BOW MAR WATER AND SANITATION DISTRICT

2021 Forecasted Budget

	ACTUAL 2018	ACTUAL 2019	FORECASTED 2020	FORECASTED 2021
PROPERTY TAXES	TAX YEAR 2018	TAX YEAR 2019	TAX YEAR 2020	TAX YEAR 2021
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	7,829,547	8,080,902	7,806,374	7,889,221
Arapahoe County	<u>17,248,665</u>	<u>17,432,176</u>	<u>21,298,920</u>	<u>21,303,063</u>
TOTAL	<u>25,078,212</u>	<u>25,513,078</u>	<u>29,105,294</u>	<u>29,192,284</u>
PROPERTY TAX REVENUE				
Assessed				
General Operations	283,810	288,732	329,385	330,369
Tax Credits	-	-	-	-
Abatements	-	-	-	-
Debt Service	-	-	-	-
Total Property Taxes	<u>283,810</u>	<u>288,732</u>	<u>329,385</u>	<u>330,369</u>
PROPERTY TAX BY COUNTY				
Jefferson County				
General Operations	88,607	91,452	88,345	89,282
Tax Credits	-	-	-	-
Abatements	-	-	-	-
Debt Service	-	-	-	-
Total Jefferson County	<u>88,607</u>	<u>91,452</u>	<u>88,345</u>	<u>89,282</u>
Arapahoe County				
General Operations	195,203	197,280	241,040	241,087
Tax Credits	-	-	-	-
Abatements	-	-	-	-
Debt Service	-	-	-	-
Total Arapahoe County	<u>195,203</u>	<u>197,280</u>	<u>241,040</u>	<u>241,087</u>

Bow Mar Water and Sanitation District Budget Message 2021

The 2021 budget for Bow Mar Water and Sanitation District (the District) anticipates revenue of \$987,578. The largest component of revenue is water sales followed by property taxes, sewer charges, late charges, and interest income.

Expenditures of \$974,657 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 2021 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 2021 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
2021 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 |

Resolution 20-11-1

A resolution to adopt a budget for Bow Mar Water and Sanitation District for the calendar year beginning on the first day of January 2021 and ending on the last day of December 2021

“**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, 2021, and ending December 31, 2021, 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 11, 2020, 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 2021 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 aforesated 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 2021 in the amount of \$987,578 and total estimated expenditures for the fiscal year 2021 in the amount of \$974,657 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, 2021 and terminating on December 31, 2021.”

Adopted by the Board of Directors of the Bow Mar Water and Sanitation District this 11th day of November 2020.



President

Resolution 20-11-2


A resolution to appropriate sums of money for Bow Mar Water and Sanitation District for fiscal year 2021

“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 2021; 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 2021 of \$974,657.

“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 2021, totaling \$974,657 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 2021.”

Adopted by the Board of Directors of the Bow Mar Water and Sanitation District this 11th day of November 2020.



President

Resolution 20-11-3

A resolution levying general property taxes for the tax year 2020 to help defray the costs of government for the Bow Mar Water and Sanitation District, Colorado for the 2021 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 2021 in the amount of \$974,657. 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 11th day of November 2020.



President

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe, Colorado.

On behalf of the Bow Mar Water & Sanitation District,
(taxing entity)^A

the Board of Directors,
(governing body)^B


of the Water & Sanitation District,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 21,303,063 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 21,303,063 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 11-11-2020 for budget/fiscal year 2021.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	11.317 mills	\$ 241,087
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	11.317 mills	\$ 241,087
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	11.317 mills	\$241,087

Contact person: Bryan Sperry Daytime phone: (303)-795-2142
(print)
Signed:  Title: President

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).
Page 1 of 4 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.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Jefferson, Colorado.

On behalf of the Bow Mar Water & Sanitation District,
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Water & Sanitation District
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 7,889,221 assessed valuation of:
(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:
\$ 7,889,221
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 11-11-2020 for budget/fiscal year 2021.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>11.317</u> mills	\$ <u>89,282</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	11.317 mills	\$ 89,282
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	11.317 mills	\$89,282

Contact person: Bryan Sperry Daytime phone: (303)-795-2142
(print)

Signed: _____ Title: President

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).
 Page 1 of 4 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.