

MOUNTAIN WATER AND SANITATION DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

**MOUNTAIN WATER AND SANITATION DISTRICT
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31, 2026**

	Actual 2024	Estimated 2025	Budget 2026
Beginning Fund Balances	\$ 1,003,770	\$ 923,739	\$ 813,459
Revenues			
Property taxes	180,210	288,776	279,424
Specific ownership taxes	11,197	19,596	19,560
Water and wastewater fees	661,839	675,000	675,000
Availability fees	4,612	5,000	5,000
Grants	105,000	129,000	71,000
Interest income	28,916	25,000	30,000
Miscellaneous income	384	7,348	3,000
Total Revenues	<u>992,158</u>	<u>1,149,720</u>	<u>1,082,984</u>
 Total Funds Available	 <u>1,995,928</u>	 <u>2,073,459</u>	 <u>1,896,443</u>
Expenditures			
General Fund	132,737	230,000	200,000
Debt Service Fund	150,000	150,000	150,000
Capital Projects Fund	203,256	350,000	500,000
Enterprise Fund	586,196	530,000	675,000
Total Expenditures	<u>1,072,189</u>	<u>1,260,000</u>	<u>1,525,000</u>
 Total Expenditures and Transfers Out requiring appropriation	 <u>1,072,189</u>	 <u>1,260,000</u>	 <u>1,525,000</u>
Ending Fund Balances	 <u>\$ 923,739</u>	 <u>\$ 813,459</u>	 <u>\$ 371,443</u>
Emergency Reserve	 <u>\$ 2,100</u>	 <u>\$ 5,900</u>	 <u>\$ 5,800</u>
Total Reserve	 <u>\$ 2,100</u>	 <u>\$ 5,900</u>	 <u>\$ 5,800</u>

No assurance provided. See summary of significant assumptions.

**MOUNTAIN WATER AND SANITATION DISTRICT
PROPERTY TAX SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31, 2026**

	Actual 2024	Estimated 2025	Budget 2026
Assessed Valuation (4650)			
Vacant	\$ 813,473	\$ 813,472	\$ 1,034,861
Residential - Single Family	16,472,668	16,465,348	15,650,944
Residential - Multi Family	47,353	47,353	56,181
Commercial	1,864,083	1,855,909	1,729,267
Natural Resources	1	1	1
State Assessed	953	1,143	1,190
Personal Property	187,527	197,738	231,149
	<u>\$ 19,386,058</u>	<u>\$ 19,380,964</u>	<u>\$ 18,703,593</u>
Mill Levy (4650)			
General	1.410	7.400	7.400
Debt Service	7.500	7.500	7.500
Total Mill Levy	<u>8.910</u>	<u>14.900</u>	<u>14.900</u>
Property Taxes (4650)			
General	\$ 27,334	\$ 143,419	\$ 138,407
Debt Service	145,395	145,357	140,277
Adjustments	6,904	-	-
Budgeted Property Taxes	<u>\$ 179,633</u>	<u>\$ 288,776</u>	<u>\$ 278,684</u>
Assessed Valuation (4641)			
Residential - Single Family	\$ 76,957	\$ 76,957	\$ 98,633
	<u>\$ 76,957</u>	<u>\$ 76,957</u>	<u>\$ 98,633</u>
Mill Levy (4641)			
Debt Service	7.500	7.500	7.500
Total Mill Levy	<u>7.500</u>	<u>7.500</u>	<u>7.500</u>
Property Taxes (4641)			
Debt Service	\$ 577	\$ 577	\$ 740
Budgeted Property Taxes	<u>\$ 577</u>	<u>\$ 577</u>	<u>\$ 740</u>
Budgeted Property Taxes			
General	\$ 28,518	\$ 143,419	\$ 138,407
Debt Service	151,692	145,934	141,017
	<u>\$ 180,210</u>	<u>\$ 289,353</u>	<u>\$ 279,424</u>

No assurance provided. See summary of significant assumptions.

MOUNTAIN WATER AND SANITATION DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31, 2026

	Actual 2024	Estimated 2025	Budget 2026
Beginning Fund Balances	\$ 158,962	\$ 95,240	\$ 60,603
Revenues			
Interest income	28,916	25,000	30,000
Miscellaneous income	384	7,348	3,000
Property taxes	28,518	143,419	138,407
Specific ownership taxes	11,197	19,596	19,560
Total Revenues	69,015	195,363	190,967
Total Funds Available	227,977	290,603	251,570
Expenditures			
Accounting and auditing	18,763	44,000	44,000
County Treasurer's fees	2,705	4,332	4,191
Contingency	-	10,000	14,309
Directors Fees	11,100	11,000	12,000
Legal Fees	29,653	40,000	40,000
Insurance	33,081	33,803	35,000
Office Supplies	2,226	5,000	5,000
Office admin, maint. and clean	8,694	14,000	10,000
Postage	5,039	5,000	6,000
Subs and membership fees	2,249	4,000	4,000
Trash removal	1,994	2,100	2,500
Computer	6,023	15,000	10,000
Telephone	11,210	11,947	13,000
Xerox machine	-	9,153	-
Office deep clean	-	2,499	-
Office flooring	-	10,716	-
Office ventilation	-	7,450	-
Total Expenditures	132,737	230,000	200,000
Total Expenditures and Transfers			
Out requiring appropriation	132,737	230,000	200,000
Ending Fund Balances	\$ 95,240	\$ 60,603	\$ 51,570
Emergency Reserve	\$ 2,100	\$ 5,900	\$ 5,800
Total Reserve	\$ 2,100	\$ 5,900	\$ 5,800

No assurance provided. See summary of significant assumptions.

**MOUNTAIN WATER AND SANITATION DISTRICT
ENTERPRISE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31, 2026**

	Actual 2024	Estimated 2025	Budget 2026
Beginning Fund Balances	\$ -	\$ 75,643	\$ 220,643
Revenues			
Water and wastewater fees	661,839	675,000	675,000
Total Revenues	<u>661,839</u>	<u>675,000</u>	<u>675,000</u>
Total Funds Available	<u>661,839</u>	<u>750,643</u>	<u>895,643</u>
Expenditures			
Water Operations			
Other	35,071	-	1,000
Lab tests	8,523	22,220	15,000
Chemicals	1,683	2,000	3,000
Tools and supplies	12,044	20,000	15,000
Professional services	50,333	15,000	15,000
Electric	43,977	50,000	50,000
State permit fees	3,950	1,000	3,000
Repairs	3,099	30,000	33,000
Water meter subscription	4,728	4,780	5,000
Total Water Operations	<u>163,408</u>	<u>145,000</u>	<u>140,000</u>
Wastewater Operations			
Other	-	-	1,000
Main cleaning	2,000	21,137	20,000
Lab tests	1,137	4,000	4,000
Chemicals	16,112	15,000	15,000
Tools and supplies	573	1,500	3,000
Sludge disposal	30,015	35,448	40,000
State permit fees	-	1,500	3,000
Professional services	2,855	2,500	6,000
Natural gas	6,262	8,500	10,000
Truck gas	3,904	3,000	5,000
Truck repair	1,277	1,000	3,000
Repairs	699	6,415	30,000
Total Wastewater Operations	<u>64,834</u>	<u>100,000</u>	<u>140,000</u>
Personnel			
Payroll salaries and wages	275,211	220,000	290,000
Payroll taxes	39,740	36,000	50,000
Medical insurance	42,698	28,000	52,000
Employee uniforms	-	700	1,000
Training	305	300	2,000
Total Wastewater Operations	<u>357,954</u>	<u>285,000</u>	<u>395,000</u>
Total Expenditures and Transfers			
Out requiring appropriation	<u>586,196</u>	<u>530,000</u>	<u>675,000</u>
Ending Fund Balances	<u>\$ 75,643</u>	<u>\$ 220,643</u>	<u>\$ 220,643</u>

No assurance provided. See summary of significant assumptions.

**MOUNTAIN WATER AND SANITATION DISTRICT
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31, 2026**

	<u>Actual</u> <u>2024</u>	<u>Estimated</u> <u>2025</u>	<u>Budget</u> <u>2026</u>
Beginning Fund Balances	\$ 92,670	\$ 98,974	\$ 99,331
Revenues			
Availability fees	4,612	5,000	5,000
Property taxes	151,692	145,357	141,017
Total Revenues	<u>156,304</u>	<u>150,357</u>	<u>146,017</u>
Total Funds Available	<u>248,974</u>	<u>249,331</u>	<u>245,348</u>
Expenditures			
CWPA Loan - 2011	50,000	50,000	50,000
CWPA Loan - 2012	100,000	100,000	100,000
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Total Expenditures and Transfers			
Out requiring appropriation	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Ending Fund Balances	<u><u>\$ 98,974</u></u>	<u><u>\$ 99,331</u></u>	<u><u>\$ 95,348</u></u>

**MOUNTAIN WATER AND SANITATION DISTRICT
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31, 2026**

	Actual 2024	Estimated 2025	Budget 2026
Beginning Fund Balances	\$ 752,138	\$ 653,882	\$ 432,882
Revenues			
Grants	105,000	129,000	71,000
Total Revenues	<u>105,000</u>	<u>129,000</u>	<u>71,000</u>
Total Funds Available	<u>857,138</u>	<u>782,882</u>	<u>503,882</u>
Expenditures			
System improvements	7,697	250,000	150,000
Fire hydrant replacement	-	50,000	75,000
PRV upgrades	-	50,000	75,000
Unspecified projects - emergencies	-	-	200,000
Scada upgrade	27,756	-	-
Tank 1 repairs and coating	167,803	-	-
Total Expenditures	<u>203,256</u>	<u>350,000</u>	<u>500,000</u>
Total Expenditures and Transfers			
Out requiring appropriation	203,256	350,000	500,000
Ending Fund Balances	<u>\$ 653,882</u>	<u>\$ 432,882</u>	<u>\$ 3,882</u>

**MOUNTAIN WATER AND SANITATION DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Mountain Water and Sanitation District (the "District"), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court in Jefferson County, and is governed pursuant to the provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District's Service area is located in unincorporated Jefferson County, Colorado consisting of a residential subdivision and a small commercial development.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and to provide water and wastewater services to the residents that reside within the boundaries of the District. The District is governed by a five-member Board of Directors who are eligible electors of the District. Directors serve alternating four-year terms, and elections are held in May of odd-numbered years. The District employs a full time Water and a Wastewater Operator in Responsible Charge as support personnel to run the day-to-day operations of the District.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of §29-1-105, C.R.S. using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. For financial statements reporting under generally accepted accounting principles (GAAP), the District uses the full accrual basis of accounting. Consequently, the terminology of "Funds Available" is used in the budget to distinguish the difference from GAAP accounting for Fund Balance. Funds Available represents each fund's current assets less its current liabilities except for the current portion of long-term debt. In addition, the budget separates individual funds, which are included as one entity in the GAAP presentation.

The budget provides for the general operation of the District, the annual debt service on the District's general obligation debt, as well as for planned capital improvements.

**MOUNTAIN WATER AND SANITATION DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if paid in equal installments at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the property tax summary information page of the budget.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, and are primarily paid via vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Water and Wastewater Fees

The District bills its customers monthly for water and wastewater services. Revenue for water and wastewater service is comprised of billings to residential and commercial customers. Fees are based upon a combination of base fees and readings at established rates.

Availability Fees

The District anticipates collecting approximately \$5,000 in availability fees. Availability fees are imposed on properties in need of future services.

Grants

The District anticipates applying for and receiving \$71,000 in grant funding for the purpose of funding public infrastructure projects.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

**MOUNTAIN WATER AND SANITATION DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary for the general operation of the District including legal, accounting, insurance, membership dues, election and other administrative expenditures. These expenditures are detailed within the General Fund section of the budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections and reflected as expenditures within the General Fund section of the budget.

Operating and Maintenance Expenditures

Operating and maintenance expenditures are estimated expenditures including personnel costs, professional services, or any other costs related to the primary operations of the District, repair and maintenance of the District's water and wastewater infrastructure and systems, and providing water and wastewater services to the residents of the District. These expenditures are detailed within the Enterprise Fund section of the budget.

Debt Service

Principal and interest payments in 2024 are provided based on the amortization schedule of the \$1,000,000 Series 2011 Drinking Water Revolving Fund Direct Loan and the \$2,000,000 Series 2012 Water Pollution Control Revolving Fund Loan (discussed under Debt and Leases). These expenditures are detailed within the Debt Service Fund section of the budget.

Capital Outlay

The District anticipates construction activity during 2026, primarily for public infrastructure improvements with the District. These expenditures are detailed within the Capital Project Fund section of the budget.

**MOUNTAIN WATER AND SANITATION DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Series 2011 Drinking Water Revolving Fund Direct Loan

The District entered into a long term note with Colorado Water Resources and Power Development District, the Series 2011 Drinking Water Revolving Fund Direct Loan, on July 13, 2011, with a principal balance of \$1,000,000 and an interest rate of 0%. Payments in the amount of \$25,000 are due semi-annually through 2031. The note was secured by any and all monies available to the District.

Series 2012 Water Pollution Control Revolving Fund Loan

The District entered into a long term note with Colorado Water Resources and Power Development District, the Series 2012 Water Pollution Control Revolving Fund Loan, on November 19, 2012, with a principal balance of \$2,000,000 and an interest rate of 0%. Payments in the amount of \$50,000 are due semi-annually through 2032. The note was secured by any and all monies available to the District.

	Balance 12/31/2024	Additions*	Reductions*	Balance 12/31/2025*
Note Payable - Series 2011	\$ 325,000	\$ -	\$ 50,000	\$ 275,000
Note Payable - Series 2012	\$ 850,000	\$ -	\$ 100,000	\$ 750,000
Total Long-term Debt	\$ 1,175,000	\$ -	\$ 150,000	\$ 1,025,000

	Balance 12/31/2025*	Additions*	Reductions*	Balance 12/31/2026*
Note Payable - Series 2011	\$ 275,000	\$ -	\$ 50,000	\$ 225,000
Note Payable - Series 2012	\$ 750,000	\$ -	\$ 100,000	\$ 650,000
Total Long-term Debt	\$ 1,025,000	\$ -	\$ 150,000	\$ 875,000

*Estimated amounts

The District has no capital or operating leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish an emergency reserve. This reserve must be at least 3% of fiscal year spending.

This information is an integral part of the accompanying budget.