

DEER CREEK WATER DISTRICT

2022 Budget Message

Introduction

Deer Creek Water District, the (“District”) was organized in 2008 to provide for the planning, acquisition, financing, extension, operation and maintenance of the water system serving the District.

The 2022 budget was prepared in accordance with the Local Budget Law of Colorado. The budget reflects the projected spending plan for the 2022 fiscal year based on available revenues. This budget provides for the annual debt service on the District’s General Obligation Debt, the general operation of the District, and a business-like enterprise for the distribution of treated water.

In 2008, the Electors of the District authorized mill levy rate adjustments for revenue stabilization.

The District’s 2021 assessed value increased to \$12,738,310 from \$12,037,790 the year before. The District’s mill levy was maintained at 8.881 mills for taxes collected in the 2022 fiscal year, and all revenues from the mill levy are designated to the General Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget. The District’s General Fund is considered a governmental fund and is reported using the economic resources focus and the modified accrual basis of accounting. The District’s Water Enterprise Fund is also reported using the economic resources focus and the modified accrual basis of accounting. Revenues are recorded when earned and expenses recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, landscape maintenance, snow removal and other expenses related to statutory operations of a local government. The General Fund’s primary sources of revenue are property taxes and specific ownership taxes.

The **Debt Service Fund** is used to pay the fiscal year’s debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. The District has budgeted to pay \$312,549 in principal, interest and related-costs in fiscal year 2022.

Deer Creek Water District			
General Obligation Tax Bonds, Series 2009			
Coupon Rate 4.45%			
Payment Date	Principal	Interest	Balance
2022	84,000	31,328	620,000
2023	88,000	27,590	532,000
2024	92,000	23,674	440,000
2025	96,000	19,580	344,000
2026	100,000	15,308	244,000
2027	105,000	10,858	139,000
2028	139,000	6,186	-
	\$ 785,000	\$ 169,456	

Drinking Water Revolving Fund			
Loan Date 8/16/2019		Interest Rate 2.50%	
Payment Date	Principal	Interest	Balance
2022	102,054	58,544	2,265,059
2023	104,621	55,977	2,160,438
2024	107,253	53,345	2,053,185
2025	109,951	50,647	1,943,234
2026	112,717	47,881	1,830,517
2027	115,553	45,045	1,714,965
2028	118,459	42,138	1,596,505
2029	121,439	39,158	1,475,066
2030	124,494	36,103	1,350,572
2031	127,626	32,972	1,222,945
2032	130,837	29,761	1,092,109
2033	134,128	26,470	957,980
2034	137,502	23,095	820,478
2035	140,961	19,636	679,517
2036	144,507	16,090	535,009
2037	148,143	12,455	386,867
2038	151,869	8,728	234,997
2039	155,690	4,908	79,308
2040	79,308	991	0
Total	\$ 2,466,663	\$ 664,993	

The **Water Enterprise Fund** accounts for the operations that are financed and operated in a manner similar to private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through user charges.

Emergency Reserve

As required by Section 20 of Article X of the Colorado Constitution (“TABOR”), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenue in the General Fund.

DEER CREEK WATER DISTRICT
Assessed Value, Property Tax and Mill Levy Information

	2020 Actual	2021 Adopted Budget	2022 Adopted Budget
Assessed Valuation	\$ 12,014,500	\$ 12,037,790	\$ 12,738,310
Mill Levy			
General Fund	8.000	8.000	8.000
Debt Service Fund	0.000	0.000	0.000
Temporary Mill Levy Reduction	0.000	0.000	0.000
Refunds and Abatements	0.100	0.000	0.000
Gallagher Adjustment	0.906	0.881	0.881
Total Mill Levy	9.006	8.881	8.881
Property Taxes			
General Fund	\$ 96,116	\$ 96,302	\$ 101,906
Debt Service Fund	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	1,201	-	-
Gallagher Adjustment	10,885	10,605	11,222
Actual/Budgeted Property Taxes	\$ 108,202	\$ 106,907	\$ 113,128

DEER CREEK WATER DISTRICT

GENERAL FUND

2022 Adopted Budget

with 2020 Actual, 2021 Year-to-Date & 2021 Estimated

	2020 Actual	01/21-09/21 YTD Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
BEGINNING FUND BALANCE	\$ 1,296	\$ 1,586	\$ 8,377	\$ 1,586	\$ 498
REVENUE					
Property Taxes	108,203	106,568	106,907	106,907	113,128
Specific Ownership Tax	18,846	12,573	12,000	12,500	12,000
Interest Income	150	164	-	-	-
Total Revenue	127,198	119,305	118,907	119,407	125,128
Total Funds Available	128,494	120,891	127,284	120,993	125,626
EXPENDITURES					
Treasurer's Fees	3,189	3,143	3,207	3,207	3,394
Election Fees	-	-	-	-	3,000
Total Expenditures	3,189	3,143	3,207	3,207	6,394
Transfers and Other Uses					
Transfer To Debt Service	123,719	113,276	120,510	117,288	115,168
Emergency Reserve	-	-	3,567	-	3,567
Total Expenditures Requiring Appropriation	126,908	116,419	127,284	120,495	125,129
ENDING FUND BALANCE	\$ 1,586	\$ 4,472	\$ -	\$ 498	\$ 498

DEER CREEK WATER DISTRICT

DEBT SERVICE FUND

2022 Adopted Budget

with 2020 Actual, 2021 Year-to-Date & 2021 Estimated

	2020 Actual	01/21-09/21 YTD Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
BEGINNING FUND BALANCE	\$ 73,137	\$ 30,721	\$ 75,884	\$ 30,721	\$ -
REVENUE					
Interest Income	32	399	408	408	450
Total Revenue	32	399	408	408	450
Total Funds Available	73,169	31,120	76,292	31,129	450
EXPENDITURES					
BOK Lease Purchase #1 Prncple	13,274	(887)	13,651	13,651	13,651
BOK Lease Purchase #1 Interest	1,264	887	887	887	887
BOK Lease Purchase #2 Prncple	11,088	(692)	11,383	11,383	11,383
BOK Lease Purchase #2 Interest	986	692	541	692	692
Debt Service -System Upgrade	8,010	80,299	160,598	160,598	102,054
Debt Service - Sys Upgrade Int	5,156	-	-	-	58,544
Bond Interest	38,359	17,466	34,933	34,933	31,328
Bond Principal	77,000	-	81,000	81,000	84,000
Bank Service Fees	9	10	3,500	10	10
Contingency					10,000
Total Expenditures	155,147	97,775	306,493	303,154	312,549
Transfers and Other Uses					
Transfer From General Fund	123,719	113,276	120,510	117,288	115,168
Transfer From Enterprise Fund	8,500	-	109,691	7,331	119,691
Trfr from Cap Projects Fund	13,166	80,299	-	147,406	77,240
Transfer to Enterprise Fund	(32,686)	-	-	-	-
Total Expenditures Requiring Appropriation	187,833	97,775	306,493	303,154	312,549
ENDING FUND BALANCE	\$ 30,721	\$ 126,921	\$ -	\$ -	\$ -

DEER CREEK WATER DISTRICT

CAPITAL PROJECTS FUND

2022 Adopted Budget

with 2020 Actual, 2021 Year-to-Date & 2021 Estimated

	2020 Actual	01/21-09/21 YTD Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
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BEGINNING FUND BALANCE	\$ 145,798	\$ 254,634	\$ 437,763	\$ 254,634	\$ -
REVENUE					
Enterprise Fees	165,843	124,652	165,000	165,000	165,000
Water System Upgrade Loan	2,474,673	-	-	-	-
Interest Income	1,210	31	15	15	15
Total Revenue	2,641,726	124,684	165,015	165,015	165,015
Total Funds Available	2,787,524	379,318	602,778	419,649	165,015
EXPENDITURES					
Capital Projects-Engineering	160,342	34,502	10,000	34,502	-
Cap Proj - Water System Impr	2,193,341	189,518	300,000	189,518	-
Capital Projects - Other	198	48,223	140,000	48,223	-
Total Expenditures	2,353,881	272,244	450,000	272,243	-
Transfers and Other Uses					
Transfer to Enterprise Fund	165,843	19,643	-	-	-
Transfer to Debt Service Fund	13,166	80,299	-	147,406	77,240
Total Expenditures Requiring Appropriation	2,532,890	372,186	450,000	419,649	77,240
ENDING FUND BALANCE	\$ 254,634	\$ 7,132	\$ 152,778	\$ -	\$ 87,775

DEER CREEK WATER DISTRICT

ENTERPRISE FUND

2022 Adopted Budget

with 2020 Actual, 2021 Year-to-Date & 2021 Estimated

	2020 Actual	01/21-09/21 YTD Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
BEGINNING FUND BALANCE	\$ 119,816	\$ 225,418	\$ 48,946	\$ 225,418	\$ 178,906
REVENUE					
Water Usage Fees-Other	143,041	115,772	148,000	148,000	148,000
Fixed Fees	54,156	40,703	54,912	54,912	54,912
Enterprise Fee	-	-	168,168	-	-
Transfer Fee	250	-	100	-	-
Tap Fees	-	18,158	-	-	-
Late Fees	270	-	-	-	-
Interest Income	285	78	170	100	100
Miscellaneous Income	39	1,161	-	1,161	3,595
Total Revenue	198,001	175,872	371,350	204,173	206,607
Total Funds Available	317,818	401,290	420,296	429,591	385,513
EXPENDITURES					
Administration					
Customer Payment Processing	16,168	8,235	9,000	11,000	11,000
Accounting	26,110	17,010	14,000	22,000	22,000
Audit	10,730	11,000	12,000	11,000	11,000
Billing Postage	4,091	1,481	1,750	1,750	1,750
Dues	1,075	612	475	612	612
Election	1,225	-	-	-	-
Insurance & Bonds	8,507	-	4,600	4,600	4,600
Legal	6,949	1,933	6,000	6,000	6,000
Management	20,100	8,332	15,000	15,000	15,000
Consultants	3,550	140	4,000	140	140
Office Supplies	501	-	1,200	-	-
Administrative Expense - Other	-	-	-	-	-
Water Usage Fee	280	219	-	220	220
Miscellaneous Fees	9,322	2,856	2,500	3,250	3,250
Non-Billing Postage & Supplies	-	136	250	250	250
Software Maintenance - Admin	311	8,411	300	8,411	500
Operations & Maintenance					
Tools & Equipment	-	-	500	-	500
Contract Operator	17,719	9,411	12,000	14,000	14,000
Chemicals	2,557	1,701	2,400	2,400	2,400
Electricity	22,384	19,670	22,000	24,000	24,000
Lab Fees	7,679	1,475	5,500	5,500	5,500
Operating Supplies	-	619	500	619	500
Propane	390	2,412	600	2,802	3,000
Septic Pumping	-	-	800	-	400
Security System	503	-	500	-	-
Telephone	2,035	1,800	2,000	2,200	2,200
Operating Expense - Other	1,497	1,775	1,250	1,775	2,000
Maintenance - Reserve	40,935	-	1,000	1,000	1,000
Maintenance - Repairs	-	16,945	25,000	25,000	25,000
Maintenance & Repairs - Equipment	-	18,811	5,000	20,000	20,000
Maintenance - Software	3,026	1,825	1,200	1,825	2,000
Maintenance - Supplies	272	1,352	750	2,000	2,000
Maintenance & Repair - Distribution	3,925	7,913	25,000	25,000	50,000
Maintenance & Repair - Meters	47,532	6,793	25,000	25,000	25,000
Maintenance Expenses - Other	23,055	3,270	20,000	6,000	10,000
Total Expenditures	282,428	156,137	222,075	243,354	265,822
Transfers and Other Uses					
Transfer from Debt Service	32,686	-	-	-	-
Trfr from Capita Projects Fund	165,843	19,643	-	-	-
Transfer to Debt Fund	(8,500)	-	(109,691)	7,331	119,691
Total Expenditures Requiring Appropriation	282,428	156,137	331,766	250,685	385,513
ENDING FUND BALANCE	\$ 225,418	\$ 264,796	\$ 88,530	\$ 178,906	\$ -