



EAST BOULDER COUNTY WATER DISTRICT

BUDGET MESSAGE – 2015 BUDGET YEAR

Debt Service Fund:

East Boulder County Water District accounts for its financial operations as a proprietary fund. Assets, liabilities, revenues and expenses are recognized on the accrual basis. Under the accrual basis, revenues are recognized in the accounting period in which they become measurable; expenses are recognized in the period incurred, if measurable.

East Boulder County Water District has \$1,005,000 in outstanding General Obligation Bonds with interest rates from 2.5 % to 3.25% as of January 1, 2015. The bonds will be completely retired in 2020.

Bond Principal of \$150,000 will be retired on December 1, 2015. Interest payments totaling \$30,569 will be made on June 1, 2015 and December 1, 2015. A transfer of \$9,497 from appropriated Debt Service funds plus a mill levy of 17.878 on the assessed valuation of \$9,586,950 will be used to satisfy these Debt Service requirements.

Water Enterprise Fund:

East Boulder County Water District accounts for its financial operations as a proprietary fund. Assets, liabilities, revenues and expenses are recognized on the accrual basis. Under the accrual basis, revenues are recognized in the accounting period in which they become measurable; expenses are recognized in the period incurred, if measurable.

East Boulder County Water District was established in 2000 to provide water to homes in unincorporated Boulder County that had previously been served by private wells or community wells. The District now provides water service to 132 homes. The primary source of revenue is the sale of water. Pre-treated water is purchased from The City of Lafayette and distributed through District-owned lines and meters. Each customer is charged a monthly fee over and above their water usage, which is used to pay operating expenses. There is no property tax levy for operations.

The District contracts out the bookkeeping duties, meter reading, operations and maintenance. The only facilities owned by the District are a pump house and underground storage tanks.

No major constructions or maintenance projects are planned for 2015. Our water supplier, The City of Lafayette, has increased their water rates by 5% per year for the years 2011 through 2015. The District has adjusted their rates each year to account for the added expense.