

**Applewood Sanitation District**  
**Adopted Budget**  
**For Year Ending December 31, 2026**

MORAIN | BAKARICH  
CERTIFIED PUBLIC ACCOUNTANTS

**ACCOUNTANT'S COMPILATION REPORT**

Board of Directors  
Applewood Sanitation District  
Golden, Colorado

Management is responsible for the accompanying budgets of estimated revenues, expenditures, and fund balances for the general fund, sanitation enterprise fund, and capital improvements fund of Applewood Sanitation District for the year ending December 31, 2026, including estimated comparative information for the year ending December 31, 2025, and the actual comparative information for the year ending December 31, 2024, and the related budget message and summary of significant assumptions in the format prescribed by C.R.S. §§ 29-1-103 and 29-1-105.

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 audit or review the budgets, 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 the accompanying budgets.

The budgeted results may not be achieved as there will generally be differences between the budgeted and actual results. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying budgets and this report were prepared for the purpose of estimating revenues, expenditures and fund balances as required by governmental entities within the State of Colorado in accordance with C.R.S. §§ 29-1-103 and 29-1-105, and should not be used for any other purpose. The accompanying budgets are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Applewood Sanitation District.

*Morain Bakarich, CPAs*

Morain Bakarich, CPAs  
Golden, Colorado  
December 11, 2025

**APPLEWOOD SANITATION DISTRICT**  
**Assessed Valuation, Property Tax and Mill Levy Summary**

	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<b>ADOPTED BUDGET</b>	<b>ADOPTED BUDGET</b>	<b>ADOPTED BUDGET</b>
<b>ASSESSED VALUATION</b>	<b>\$ 93,624,383</b>	<b>\$ 96,452,202</b>	<b>\$ 109,523,274</b>
<b>Mill Levy</b>			
General Fund	2.077	5.203	5.203
Temporary Mill Levy Reduction	-	(3.126)	(3.244)
<b>Total Mill Levy</b>	<b>2.077</b>	<b>2.077</b>	<b>1.959</b>
<b>Property Taxes</b>			
General Fund	\$ 194,458	\$ 501,841	\$ 569,850
Temporary Mill Levy Reduction	-	(301,510)	(355,294)
<b>Total Budgeted Property Taxes</b>	<b>\$ 194,458</b>	<b>\$ 200,331</b>	<b>\$ 214,556</b>

**APPLEWOOD SANITATION DISTRICT  
2026 BUDGET - COMBINED FUNDS  
MODIFIED ACCRUAL BASIS**

	<b>2026 Budget</b>			
	General	Sanitation	Capital	Combined
	Fund	Enterprise Fund	Improvements Fund	Budget Totals
<b>REVENUES</b>				
<i>Taxes:</i>				
General Property Taxes	\$ 214,556	\$ -	\$ -	\$ 214,556
Specific Ownership Taxes	14,000	-	-	14,000
<i>Charges for Services:</i>				
Drainlayers Fees	-	1,500	-	1,500
Sewer Service Charges - Residential	-	666,250	-	666,250
Sewer Service Charges - Nonresidential	-	261,500	-	261,500
Sewer Service Charges - Multifamily	-	364,000	-	364,000
Sewer Connection Fees	-	231,147	-	231,147
Sewer Inspection Fees	-	5,000	-	5,000
Lien & Collection Fees	-	-	-	-
Transfer Fees	-	3,000	-	3,000
Interest Income	-	100	175,000	175,100
Contribution to Line Extension	-	-	150,000	150,000
<b>Total Revenues</b>	<b>228,556</b>	<b>1,532,497</b>	<b>325,000</b>	<b>2,086,053</b>
<b>EXPENDITURES</b>				
<i>Administrative Costs:</i>				
Accounting	78,500	-	-	78,500
Advertising & Legal Publications	500	-	-	500
Audit	8,500	-	-	8,500
Bank Charges	500	-	-	500
Office Rent & Phone, Supplies, Website	15,000	-	-	15,000
Directors Fees	6,500	-	-	6,500
Directors Bond & Insurance Premiums	9,000	-	-	9,000
District Management	80,000	-	-	80,000
Election Expense	-	-	-	-
Engineering Fees	75,000	-	-	75,000
Legal Fees	75,000	-	25,000	100,000
Secretarial Service - Board Meetings	1,800	-	-	1,800
Membership Dues	1,500	-	-	1,500
Miscellaneous	1,000	1,000	-	2,000
County Treasurer Collection Fee	3,220	-	-	3,220
<i>Operating and Maintenance Costs:</i>				
Connections and Observations	-	16,200	-	16,200
Depreciation	-	-	-	-
Engineering	-	5,500	-	5,500
Locates	-	60,000	-	60,000
Line Maintenance and Televising	-	119,000	-	119,000
<i>Sewer Treatment Charges:</i>				
Metro Wastewater	-	408,000	-	408,000
NWLSD (Net)	-	15,300	-	15,300
<i>Capital Improvements:</i>				
Line Extension	-	-	150,000	150,000
Line Renovation and Repair	-	-	955,000	955,000
Contingency	25,000	50,000	25,000	100,000
<b>Total Expenditures</b>	<b>381,020</b>	<b>675,000</b>	<b>1,155,000</b>	<b>2,211,020</b>
<b>Excess Revenues (Expenditures)</b>	<b>(152,464)</b>	<b>857,497</b>	<b>(830,000)</b>	<b>(124,967)</b>
<b>Other Sources (Uses)</b>				
Transfer From (To) Emergency Reserves	(500)	-	-	(500)
Transfers In - Sanitation Fund	-	-	830,000	830,000
Transfers-out to Capital Improvements Fund	-	(830,000)	-	(830,000)
<b>Total Other Uses</b>	<b>(500)</b>	<b>(830,000)</b>	<b>830,000</b>	<b>(500)</b>
<b>Net Change in Fund Balance</b>	<b>(152,964)</b>	<b>27,497</b>	<b>-</b>	<b>(125,467)</b>
<b>Fund Balances, Beginning of Year</b>	<b>283,537</b>	<b>3,950,309</b>	<b>645,057</b>	<b>4,878,903</b>
<b>Fund Balances, End of Year</b>	<b>\$ 130,573</b>	<b>\$ 3,977,806</b>	<b>\$ 645,057</b>	<b>\$ 4,753,436</b>

**APPLEWOOD SANITATION DISTRICT  
2026 GENERAL FUND BUDGET  
MODIFIED ACCRUAL BASIS**

	2024 ACTUAL	2025 ADOPTED BUDGET	2025 ESTIMATED	2026 ADOPTED BUDGET
<b>REVENUES</b>				
General Property Taxes	\$ 202,010	\$ 200,331	\$ 199,281	\$ 214,556
Specific Ownership Taxes	12,964	15,000	13,000	14,000
Net Investment Income	161	-	50	-
<b>Total Revenues</b>	<u>215,135</u>	<u>215,331</u>	<u>212,331</u>	<u>228,556</u>
<b>EXPENDITURES</b>				
<i>Administrative Costs:</i>				
Accounting	74,624	75,000	78,500	78,500
Advertising & Legal Publications	-	500	-	500
Audit	8,500	8,500	8,500	8,500
Bank Charges	-	150	325	500
Contingency	-	25,000	-	25,000
County Treasurer Collection Fee	3,033	3,005	2,990	3,220
Directors Bond & Insurance Premiums	5,718	7,500	5,000	9,000
Directors Fees	5,798	6,500	6,500	6,500
District Management	-	-	-	80,000
Election Expense	-	10,000	7,250	-
Engineering Fees	128,081	75,500	71,000	75,000
Legal Fees	63,789	70,000	100,000	75,000
Membership Dues	1,238	1,500	1,500	1,500
Miscellaneous	-	500	1,500	1,000
Office Expenses	13,561	15,000	12,500	15,000
Secretarial Service - Board Meetings	1,200	1,800	600	1,800
<b>Total Expenditures</b>	<u>305,542</u>	<u>300,455</u>	<u>296,165</u>	<u>381,020</u>
<b>Excess Revenues (Expenditures)</b>	<u>(90,407)</u>	<u>(85,124)</u>	<u>(83,834)</u>	<u>(152,464)</u>
<b>Other Sources (Uses)</b>				
Transfers-out to Sanitation Fund	-	-	-	-
Transfers-out to TABOR Reserve 3%	-	-	100	(500)
<b>Net Other Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>100</u>	<u>(500)</u>
<b>Net Change in Fund Balance</b>	<u>(90,407)</u>	<u>(85,124)</u>	<u>(83,734)</u>	<u>(152,964)</u>
<b>Fund Balances, Beginning of Year</b>	<u>457,678</u>	<u>370,952</u>	<u>367,271</u>	<u>283,537</u>
<b>Fund Balances, End of Year</b>	<u>\$ 367,271</u>	<u>\$ 285,828</u>	<u>\$ 283,537</u>	<u>\$ 130,573</u>
<b>FUND BALANCES:</b>				
Restricted For:				
TABOR 3% Emergency Reserve	\$ 6,500	\$ 6,500	\$ 6,400	\$ 6,900
Capital Improvement Fund	645,058	599,579	645,057	645,057
Sanitation Enterprise Fund	3,269,471	2,824,193	3,950,309	3,977,806
General Fund-Unrestricted	360,771	279,328	277,137	123,673
<b>Total Estimated Fund Balances</b>	<u>\$ 4,281,800</u>	<u>\$ 3,709,600</u>	<u>\$ 4,878,903</u>	<u>\$ 4,753,436</u>

**APPLEWOOD SANITATION DISTRICT  
2026 SANITATION ENTERPRISE FUND BUDGET  
MODIFIED ACCRUAL BASIS**

	<b>2024</b>	<b>2025</b>	<b>2025</b>	<b>2026</b>
	<b>ACTUAL</b>	<b>ADOPTED BUDGET</b>	<b>ESTIMATED</b>	<b>ADOPTED BUDGET</b>
<b>REVENUES</b>				
Drainlayer Fees	\$ 975	\$ 1,500	\$ 1,000	\$ 1,500
Sewer Service Charges - Residential	509,147	597,400	597,000	666,250
Sewer Service Charges - Nonresidential	244,529	139,000	205,000	261,500
Sewer Service Charges - Multifamily	214,726	324,800	324,800	364,000
Sewer Connection Fees	38,140	158,388	423,838	231,147
Sewer Inspection Fees	5,425	5,000	5,500	5,000
Lien & Collection Fees	9,850	3,500	500	-
Interest Income	203	100	100	100
Transfer Fees	3,000	1,500	4,000	3,000
<b>Total Revenues</b>	<b>1,025,995</b>	<b>1,231,188</b>	<b>1,561,738</b>	<b>1,532,497</b>
<b>EXPENDITURES</b>				
<i>Operating and Maintenance Costs:</i>				
Connections and Observations	-	20,000	12,000	16,200
Depreciation	-	75,000	-	-
Engineering	5,457	14,000	5,000	5,500
Line Maintenance and Televising	125,518	100,000	90,000	119,000
Locates	-	80,000	53,500	60,000
Miscellaneous	364	1,000	500	1,000
<i>Sewer Treatment Charges:</i>				
Metro Wastewater	232,242	286,000	285,500	408,000
NWLSD (Net)	14,400	15,300	14,400	15,300
Contingency	-	25,000	-	50,000
<b>Total Expenditures</b>	<b>377,981</b>	<b>616,300</b>	<b>460,900</b>	<b>675,000</b>
<b>Excess Revenues (Expenditures)</b>	<b>648,014</b>	<b>614,888</b>	<b>1,100,838</b>	<b>857,497</b>
<b>Other Sources (Uses)</b>				
Transfers out - Capital Improvements Fund	(650,000)	(850,000)	(420,000)	(830,000)
<b>Net Other Sources (Uses)</b>	<b>(650,000)</b>	<b>(850,000)</b>	<b>(420,000)</b>	<b>(830,000)</b>
<b>Net Change in Fund Balance</b>	<b>(1,986)</b>	<b>(235,112)</b>	<b>680,838</b>	<b>27,497</b>
<b>Fund Balances, Beginning of Year</b>	<b>3,271,457</b>	<b>3,059,305</b>	<b>3,269,471</b>	<b>3,950,309</b>
<b>Fund Balances, End of Year</b>	<b>\$ 3,269,471</b>	<b>\$ 2,824,193</b>	<b>\$ 3,950,309</b>	<b>\$ 3,977,806</b>

**APPLEWOOD SANITATION DISTRICT  
2026 CAPITAL IMPROVEMENTS FUND BUDGET  
MODIFIED ACCRUAL BASIS**

	<b>2024</b>	<b>2025</b>	<b>2025</b>	<b>2026</b>
	<b>ACTUAL</b>	<b>ADOPTED BUDGET</b>	<b>ESTIMATED</b>	<b>ADOPTED BUDGET</b>
<b>REVENUES</b>				
Contribution to Line Extension	\$ 147,061	\$ 175,000	\$ 175,000	\$ 150,000
Interest Income	244,783	200,000	180,000	175,000
<b>Total Revenues</b>	<b>391,844</b>	<b>375,000</b>	<b>355,000</b>	<b>325,000</b>
<b>EXPENDITURES</b>				
Legal Fees	-	25,000	-	25,000
Line Extensions	147,061	175,000	175,000	150,000
Line Renovation	1,314,305	1,000,000	600,000	955,000
Contingency	-	25,000	-	25,000
<b>Total Expenditures</b>	<b>1,461,366</b>	<b>1,225,000</b>	<b>775,000</b>	<b>1,155,000</b>
<b>Excess Revenues (Expenditures)</b>	<b>(1,069,522)</b>	<b>(850,000)</b>	<b>(420,000)</b>	<b>(830,000)</b>
<b>Other Sources (Uses)</b>				
Transfers In - Sanitation Fund	650,000	850,000	420,000	830,000
<b>Net Other Sources (Uses)</b>	<b>650,000</b>	<b>850,000</b>	<b>420,000</b>	<b>830,000</b>
<b>Net Change in Fund Balance</b>	<b>(419,522)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,064,579</b>	<b>599,579</b>	<b>645,057</b>	<b>645,057</b>
<b>Fund Balances, End of Year</b>	<b>\$ 645,057</b>	<b>\$ 599,579</b>	<b>\$ 645,057</b>	<b>\$ 645,057</b>

**APPLEWOOD SANITATION DISTRICT  
2026 BUDGET MESSAGE AND  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Applewood Sanitation District, (the "District") was formed in 1958 for the purpose of providing sewage collection and transmission services. The District provides service to over 1,000 connecting taps located in the District's service area in Jefferson County, Colorado. The District contracts with Metro Water Recovery for all sewage treatment services.

The 2026 budget was prepared in accordance with the Local Budget Law of Colorado. The budget reflects the projected spending plan for the 2026 fiscal year based on anticipated revenues. This budget provides for the general operation of the District, the collection and treatment of sewage, and the capital improvements to the sanitary collection system.

The District's 2025 net assessed value increased 13.55% to \$109,523,274 for the 2026 budget year. The District's net mill levy decreased to 1.959 mills, in accordance with the revenue limitations set forth in the TABOR amendment to the Colorado Constitution. The District's net mill levy is expected to generate approximately \$214,556 of property tax revenue in 2026. The District also anticipates receiving \$14,000 in specific ownership taxes in 2026.

**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's budget.

The District's general fund and capital improvement fund are considered governmental funds and are reported using the economic resources focus and the modified accrual basis of accounting. Property taxes are recognized as revenues in the year for which they are levied.

The District's sanitation enterprise fund is prepared under the full 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.

**Fund Summaries**

**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, and other expenditures related to statutory operations of a local government. The general fund's primary sources of revenue are property taxes and specific ownership taxes.

**Sanitation 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 a combination of user fees and charges. The District contracts for repair and maintenance services. Maintenance and repairs have been estimated by the District's engineer. The estimated expenditures include periodic cleaning and general maintenance of sanitary sewer collection system.

**Capital Improvement Fund** accounts for the capital assets and improvements of the District. The capital improvement fund receives transfers from the general fund and sanitation enterprise fund, to accumulate and fund additions, replacements, and improvements to the District's sanitary sewer system. Capital expenditures include estimated repairs and improvements determined by sewer system monitoring programs overseen by the District engineer.

**APPLEWOOD SANITATION DISTRICT  
2026 BUDGET MESSAGE AND  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt Service**

The District does not currently have any outstanding indebtedness and does not currently anticipate any borrowings during 2026.

**Lease Purchase Transactions**

The District is not a party to any lease purchase agreements, nor does it contemplate entering any lease purchase transactions in 2026.

**Emergency Reserve**

As required by Section 20 of Article X of the Colorado Constitution ("TABOR"), the District has provided for an emergency reserve equal to 3% of the total fiscal year spending of the general fund.