

## **BUDGET MESSAGE**

### Lookout Mountain Water District

The attached 2011 Budget for Lookout Mountain Water District includes these important features:

The District maintains an enterprise fund and a general fund. The enterprise fund contains the operational related revenue and operational expenses. The general fund contains property tax and ownership taxes which may be used to subsidize the enterprise fund or for cash reserves. The District continues to maintain its accounts on a modified accrual basis and its budget on a cash basis.

#### Enterprise Fund

Water revenue is estimated at \$20,830 per month and the minimum charge will increase in 2011 to support this. The water rates are structured in tiers to encourage greater conservation awareness on an ongoing basis.

Administrative expenses are for a normal year. Operations expenses are for normal operations. Capital expenditures have been budgeted for various treatment, and distribution system improvements.

Water revenue and other enterprise fund revenue is short of covering enterprise fund expenses (administration, operations, debt service, and capital improvements), so the shortfall is supplemented from the general fund.

#### General Fund

General fund revenue includes real property taxes and specific ownership taxes. The real property tax levy remains the same as last year at 17.7000.

Ending cash reserves are estimated at about \$158,440 (total for Enterprise and General funds), which is 16% of the sum for the year of budgeted operations, administration and debt service.

The services to be provided during the budget year are the following: Water service for residential, commercial and government customers, primarily residential. Total outstanding obligation to serve is 565 taps. Estimated to be in service by year end is 503 taps.