

**LOUVIERS WATER AND SANITATION
DISTRICT**

Douglas County, Colorado

**FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Louviers Water and Sanitation District

Opinions

We have audited the accompanying financial statements of Louviers Water and Sanitation District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Louviers Water and Sanitation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Louviers Water and Sanitation District as of December 31, 2023, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Louviers Water and Sanitation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Louviers Water and Sanitation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Louviers Water and Sanitation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Louviers Water and Sanitation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Louviers Water and Sanitation District's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Fort Collins, Colorado
September 24, 2024

**LOUVIERS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2023**

Our discussion and analysis of Louviers Water and Sanitation District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the District's basic financial statements which begin on page 1.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Required statements for proprietary funds are: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Fund Net Position, and 3) Statement of Cash Flows. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position are prepared using the economic resource measurement focus and the accrual basis of accounting.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows of resources, with the difference being reported as net position. This statement provides useful information regarding the financial position of the District. Over time, increases and decreases in net position can serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Nonfinancial factors should also be considered to assess the overall financial position of the District.

The *Statement of Revenues, Expenses and Changes in Fund Net Position* reports the changes that have occurred during the year to the District's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported for some items that will only result in cash flows in the subsequent years.

The *Statement of Cash Flows*, as its name implies, is concerned solely with flows of cash and cash equivalents. Only transactions that affect the District's cash position are reflected in this statement. Transactions are segregated into four sections on the statement: 1) cash flows from operating activities, 2) cash flows from capital financing activities, 3) cash flows from noncapital financing activities, and 4) cash flows from investing activities.

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplemental information*, as listed in the table of contents, which has been included for additional analysis and legal compliance.

FINANCIAL SUMMARY AND ANALYSIS

Net Position

As noted earlier, net position may serve as a useful indicator of the District's financial position. As noted in the table below, the District's assets exceed liabilities and deferred inflows of resources in 2023 by \$2,453,145. Total assets, liabilities, and deferred inflows of resources were \$4,341,166, \$1,622,379, and \$265,642, respectively. Current assets increased due higher grants receivable as of the end of 2023 than in 2022, which was offset by a reduction in cash and cash equivalents due to capital spending during 2023. Current liabilities increased from

**LOUVIERS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2023**

2022 to 2023 due to higher capital spending at the end of 2023 than 2022, resulting in higher accounts payable levels as of the end of 2023. Deferred revenues increased due to the District receiving an advance on the ARPA grant funding during 2023, of which \$89,950 remained unspent as of the end of 2023. Capital assets increased because of 2023's capital asset additions being more than the offsetting 2023 depreciation expense. Long-term liabilities decreased due to the 2023 principal payments exceeding the 2023 loan issuances. Additional information on capital assets and long-term debt is located below in the Capital Assets and Debt Administration section.

Condensed Statement of Net Position

	<u>2022</u>	<u>\$ Change</u>	<u>2023</u>
Current assets	\$ 893,947	\$ 193,258	\$ 1,087,205
Capital assets	2,668,490	585,471	3,253,961
Total Assets	<u>3,562,437</u>	<u>778,729</u>	<u>4,341,166</u>
Current liabilities	72,759	49,231	121,990
Long-term liabilities	1,512,898	(12,509)	1,500,389
Total Liabilities	<u>1,585,657</u>	<u>36,722</u>	<u>1,622,379</u>
Deferred revenues	172,743	92,899	265,642
Total deferred inflows of resources	<u>172,743</u>	<u>92,899</u>	<u>265,642</u>
Investment in capital assets	1,106,164	598,112	1,704,276
Restricted for:			
Debt service	35,008	2,382	37,390
Operations and maintenance reserve	56,125	36,460	92,585
Emergencies	1,208	(17)	1,191
Unrestricted	605,532	12,171	617,703
Total Net Position	<u>\$ 1,804,037</u>	<u>\$ 649,108</u>	<u>\$ 2,453,145</u>

Changes in Net Position

As noted in the table below, the District's net position increased by \$649,108. Operating and nonoperating revenue both increased minimally from 2022 levels. Capital contributions increased as the District recognized grant income of \$679,551 related to ongoing capital asset additions projects. Overall operating expenses increased due to overall higher operating costs as well as periodic sewer line cleaning occurring in 2023. Nonoperating expenses decreased by 12% due to incurring additional loan issuance costs for the USDA loan and grant agreement entered into during 2022, while not having any similar expenses in 2023.

**LOUVIERS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2023**

Condensed Statement of Revenues, Expenses and Changes in Fund Net Position

	<u>2022</u>	<u>\$ Change</u>	<u>2023</u>
Operating revenue	\$ 256,579	\$ 1,206	\$ 257,785
Nonoperating revenue	85,812	4,089	89,901
Total revenues	<u>342,391</u>	<u>5,295</u>	<u>347,686</u>
Operating expenses	339,409	13,817	353,226
Nonoperating expenses	37,488	(12,585)	24,903
Total expenses	<u>376,897</u>	<u>1,232</u>	<u>378,129</u>
Loss before capital contributions	<u>(34,506)</u>	<u>4,063</u>	<u>(30,443)</u>
Capital contributions	43,698	635,853	679,551
Change in net position	9,192	639,916	649,108
Net Position - Beginning of Year	<u>1,794,845</u>	<u>9,192</u>	<u>1,804,037</u>
Net Position - End of Year	<u>\$ 1,804,037</u>	<u>\$ 649,108</u>	<u>\$ 2,453,145</u>

BUDGETARY HIGHLIGHTS

The District's budget was not amended for the year ended December 31, 2023. For 2023, actual revenues were \$1,362,385 less than budgeted primarily due to the District anticipated receiving grant income and loan proceeds of \$1,875,500 and \$208,080, respectively, however significantly less was received as the related capital projects didn't occur as quickly as anticipated. Expenditures were under budget by \$1,380,678. This was due to water and wastewater system improvements were anticipated for \$1,500,000 and \$450,000 respectively, however actual capital outlay for 2023 was \$222,118 and \$530,822, respectively, for a combined positive variance of \$1,197,060. Additionally, the District budgeted a \$20,000 contingency for 2023, which offsets other budget line items which exceeded the anticipated amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The changes in the District's investment in capital assets are as follows:

	<u>2022</u>	<u>\$ Change</u>	<u>2023</u>
Land	\$ 75,303	\$ -	\$ 75,303
Construction in Progress	79,573	743,890	823,463
Total capital assets, not being depreciated	<u>154,876</u>	<u>743,890</u>	<u>898,766</u>
Water system and facilities, net	915,731	(102,690)	813,041
Wastewater system and facilities, net	1,597,883	(55,729)	1,542,154
Total capital assets being depreciated, net	<u>2,513,614</u>	<u>(158,419)</u>	<u>2,355,195</u>
Total capital assets, net	<u>\$ 2,668,490</u>	<u>\$ 585,471</u>	<u>\$ 3,253,961</u>

**LOUVIERS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2023**

During 2023, the District's main capital asset activity was related to the design and planning for the radium treatment project and emergency water line connection project. Additionally, the District continued the replacement of a wastewater collection line as well as the connection of several sewer service lines to the District's sewer main. Both of these projects were still ongoing as of the end of 2023, but completed in early 2024.

Additional information on the District's capital assets can be found in Note 4 of this report.

Long-Term Obligations

The changes in the District's long-term obligations are as follows:

	Long-term Debt Summary		
	<u>2022</u>	<u>\$ Change</u>	<u>2023</u>
General obligation bond, Series 2009	\$ 563,589	\$ (11,747)	\$ 551,842
2012 CWRPDA Loan	58,801	(14,324)	44,477
2019 CWRPDA Loan	888,882	(32,922)	855,960
2022 USDA Loan	51,054	46,352	97,406
Total long-term debt	<u>\$ 1,562,326</u>	<u>\$ (12,641)</u>	<u>\$ 1,549,685</u>

During 2023, the District made the scheduled debt service payments on the outstanding bond and loans, plus paid additional principal on the water related loan from property taxes levied for the payment. Additionally, the District recognized the final loan proceeds on the USDA loan agreement which was entered into during 2022, which was used to fund a portion of the sewer system improvements which began in 2022 and continued into 2023.

Additional information on the District's long-term obligations can be found in Note 5 of this report.

ECONOMIC FACTORS NEXT YEAR'S BUDGET AND RATES

In adopting the District's budget for 2024, the District continued to levy property tax of 10.000 mills on the properties within the District's boundaries for operations and 10.795 mills to pay a portion of the debt service on the District's outstanding long-term debt, resulting in a total mill levy of 20.795 mills. The District's total assessed valuation on the property within the District's boundaries increased 7.1% to \$3,564,870 for the taxes levied for collection in 2024. As a result, the taxes levied for collection in 2024 are \$4,900 more than was collected in 2023. For 2024, the District increased the water base, sewer base, operations & improvements-water, and operations & improvement-sewer rates by 5%. Additionally, the tiered water usage rates and construction/bulk water rates were also increased by 5%. The District's 2024 budget also anticipates incurring \$1,706,221 of water capital expenditures related to radium issues in the water distribution system and an emergency water line connection, both of which are anticipated to be funded with grants, and the replacement of the District's water meters and billing software, which is expected to be partially funded by a grant. The 2024 budget also anticipates \$207,448 of sewer system improvements and possible connection to another sewer service provider's system. Most of these sewer projects are anticipated to be funded with grants. The 2024

**LOUVIERS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2023**

budget anticipates total revenue of \$2,223,162 and total expenditures of \$2,245,213. The ending funds available is expected to end the year at \$731,068.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Louviers Water and Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Accountant, Neil Schilling, CPA, Schilling & Company, Inc., P.O. Box 632060 Highlands Ranch, CO 80163 or by phone at (720) 348-1086.

BASIC FINANCIAL STATEMENTS

LOUVIERS WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents - Unrestricted	\$ 521,182
Cash and cash equivalents - Restricted	37,390
Due from county treasurer	415
Accounts receivable:	
Customers	54,536
Grants	290,012
Property taxes receivable	74,130
Prepaid expenses	7,978
Cell tower lease receivable	101,562
Total current assets	1,087,205

CAPITAL ASSETS

Capital assets, not being depreciated	898,766
Capital assets, being depreciated	3,824,859
	4,723,625
Less accumulated depreciation and amortization	(1,469,664)
Total capital assets	3,253,961

TOTAL ASSETS

\$ 4,341,166

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$ 66,566
Deposits	2,500
Accrued interest payable	3,628
Current portion of long-term debt	49,296
Total current liabilities	121,990

LONG-TERM LIABILITIES

Long-term portion of long-term debt	1,500,389
Total long-term liabilities	1,500,389

DEFERRED INFLOWS OF RESOURCES

Deferred property tax revenue	74,130
Deferred grant revenues	89,950
Deferred cell tower lease revenue	101,562
Total deferred inflows of resources	265,642

NET POSITION

Net investment in capital assets	1,704,276
Restricted for:	
Debt service	37,390
Operation and maintenance reserve	92,585
Emergencies	1,191
Unrestricted	617,703
Total net position	2,453,145

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

\$ 4,341,166

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**LOUVIERS WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2023**

OPERATING REVENUE	
Water service charges	\$ 114,405
Sewer service charges	140,210
Late fees and other charges	3,170
Total operating revenue	<u>257,785</u>
 OPERATING EXPENSES	
Water and sewer operations	104,860
Administration expense	80,897
Depreciation	167,469
Total operating expenses	<u>353,226</u>
 OPERATING LOSS	 <u>(95,441)</u>
 NONOPERATING REVENUE (EXPENSE)	
Property taxes	69,231
Specific ownership taxes	6,420
Cell tower lease income	1,950
Net investment income	12,300
County treasurer fees	(1,039)
Interest expense	(23,864)
Total nonoperating revenue (expense)	<u>64,998</u>
 LOSS BEFORE CAPITAL CONTRIBUTIONS	 <u>(30,443)</u>
 CAPITAL GRANTS AND CONTRIBUTIONS	
Grant income	679,551
Total capital grants and contributions	<u>679,551</u>
 CHANGE IN NET POSITION	 649,108
 NET POSITION - BEGINNING OF YEAR	 <u>1,804,037</u>
 NET POSITION - END OF YEAR	 <u><u>\$ 2,453,145</u></u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

LOUVIERS WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 246,888
Payments to vendors	<u>(190,642)</u>
Net cash provided by operating activities	<u>56,246</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cell tower lease principal received	1,950
Property taxes	68,192
Specific ownership taxes	<u>6,454</u>
Net cash provided by noncapital financing activities	<u>76,596</u>
 CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchases of capital assets	(705,028)
Interest paid	(23,939)
Loan and bond principal paid	(61,431)
Grant received	495,867
Loan proceeds received	<u>100,000</u>
Net cash required by capital financing activities	<u>(194,531)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>12,300</u>
Net cash provided by investing activities	<u>12,300</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(49,389)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>607,961</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 558,572</u></u>
 RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	
Net income (loss) from operations	\$ (95,441)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	167,469
Effects of changes in operating assets and liabilities:	
Accounts receivable	(10,897)
Prepaid expenses	(6,411)
Accounts payable	1,526
Net cash provided by operating activities	<u><u>\$ 56,246</u></u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – DEFINITION OF REPORTING ENTITY

Louviers Water and Sanitation District (District), was created on November 20, 2008, as a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado. The District purpose is to provide public water and sanitary sewer services to the citizens of the District. The District is governed by an elected Board of Directors.

The District has no employees, and all operations and administrative functions are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District and Louviers Mutual Service Company (LMSC), a Colorado nonprofit organization, entered into a Dissolution and Transfer Agreement dated May 28, 2009, providing, among other things, for the assignment and transfer by LMSC to the District, of all tangible and intangible assets of LMSC, owned by LMSC at the time of dissolution. Effective October 30, 2009, the District entered into a Bill of Sale and Assignment and Assumption Agreement with LMSC to assign and transfer all tangible and intangible assets owned by LMSC to the District and for the District to assume all liabilities of LMSC.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to generally accepted accounting principles applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received.

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

Operating Revenues and Expenses

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating revenues consist of charges to customers for services provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

Property Taxes

Property taxes are levied by the District 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 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

Capital Assets

Capital assets are recorded at cost except for those assets which have been contributed which are stated at estimated fair value at the date of contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements, exceeding \$5,000, are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation and

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

amortization expense has been computed using the straight-line method over the estimated economic useful lives:

Water system and facilities	5-20 years
Wastewater system and facilities	5-40 years

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Tap Fees and Contributed Capital Assets

Tap fees are recorded as capital contributions when received. Capital assets contributed to the District are recorded as capital contributions and additions to the systems at estimated fair market value when received.

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 3 - CASH AND INVESTMENTS

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators.

Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2023, the District had cash deposits with a bank balance of \$398,764 and carrying balance of \$401,062.

**LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023**

Investments

Credit Risk

The District has not adopted a formal investment policy, however, the District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to three to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirement.

Concentration of Credit Risk

The District does not have a policy that addresses limitations on the amount that can be invested in any one issuer however, the District invests primarily in local government investment pools, which are not subject to concentration of credit risk.

As of and for the year ending December 31, 2023, the District held the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
COLOTRUST Plus+	Weighted average under 60 days	<u>\$ 157,510</u>

COLOTRUST

As of December 31, 2023, the District has invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST and/or the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST Plus+

LOUVIERS WATER AND SANITATION DISTRICT
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and COLOTRUST Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAM by Standard and Poor's and the EDGE portfolio is rated AAAf/S1 by Fitch Ratings. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotrust.com.

Investment Valuation

The District's investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a \$10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

Cash Deposits and Investments are reflected in the Statement of Net Position as of December 31, 2023, as follows:

Cash and Cash Equivalents - Unrestricted	\$ 521,182
Cash and Cash Equivalents - Restricted	<u>37,390</u>
	<u><u>\$ 558,572</u></u>

The cash and cash equivalents – restricted, is restricted for the payment of debt service on the District's General Obligation Bond, Series 2009 and the 2022 United States Department of Agriculture Loan.

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**LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023**

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

	<u>Balance December 31, 2022</u>	<u>Additions</u>	<u>Disposals/ Retirements</u>	<u>Balance December 31, 2023</u>
Capital assets, not being depreciated:				
Land	\$ 75,303	\$ -	\$ -	\$ 75,303
Construction in progress	79,573	743,890	-	823,463
Total capital assets, not being depreciated	<u>154,876</u>	<u>743,890</u>	<u>-</u>	<u>898,766</u>
Capital assets, being depreciated:				
Water system and facilities	1,829,929	-	-	1,829,929
Wastewater system and facilities	1,985,880	9,050	-	1,994,930
Total capital assets being depreciated	<u>3,815,809</u>	<u>9,050</u>	<u>-</u>	<u>3,824,859</u>
Less accumulated depreciation for:				
Water system and facilities	(914,198)	(102,690)	-	(1,016,888)
Wastewater system and facilities	(387,997)	(64,779)	-	(452,776)
Total accumulated depreciation	<u>(1,302,195)</u>	<u>(167,469)</u>	<u>-</u>	<u>(1,469,664)</u>
Total capital assets being depreciated, net	<u>2,513,614</u>	<u>(158,419)</u>	<u>-</u>	<u>2,355,195</u>
Total capital assets, net	<u>\$ 2,668,490</u>	<u>\$ 585,471</u>	<u>\$ -</u>	<u>\$ 3,253,961</u>

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2023:

	<u>Balance December 31, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2023</u>	<u>Due Within One Year</u>
General Obligation Bond, Series 2009	\$ 563,589	\$ -	\$ 11,747	\$ 551,842	\$ 12,173
2012 CWRPDA Loan	58,801	-	14,324	44,477	2,281
2019 CWRPDA Loan	888,882	-	32,922	855,960	32,921
2022 USDA Loan	51,054	48,790	2,438	97,406	1,921
	<u>\$ 1,562,326</u>	<u>\$ 48,790</u>	<u>\$ 61,431</u>	<u>\$ 1,549,685</u>	<u>\$ 49,296</u>

General Obligation Bond, Series 2009

On November 4, 2009, the District issued a \$680,000 General Obligation Bond dated November 4, 2009. The bond was issued to the United States of America Rural Utilities Service which is administered by the United States Department of Agriculture, Office of Rural Development. The bond bears interest at 4.125% and requires \$17,436 semiannual payments of principal and interest on May 4 and November 4, commencing on May 4, 2010, with the final payment due on November 4, 2049. The bond is subject to redemption prior to maturity as a whole or any portion thereof, on any date, upon the payment of par and accrued interest, without redemption

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

premium. The proceeds of the bond were used to retire the outstanding balance of the Rural Community Assistance Corporation loan. The District was required to fund a debt service reserve in the amount of \$3,487 annually, until the balance in the debt service reserve account is \$34,872, which has been achieved. During 2023, the District paid interest on this bond in the amount of \$23,125.

2012 Colorado Water Resources and Power Development Authority Loan

The District has entered into a Loan Agreement of a net \$139,650 (\$1,139,650 loan commitment with \$1,000,000 loan principal forgiveness at loan closing) with the Colorado Water Resources and Power Development Authority (CWRPDA) dated October 19, 2012. The net loan bears an interest rate of 0%. The loan requires semi-annual principal only payments on May 1 and November 1 which began on November 1, 2013, and continuing through May 1, 2043. The loan was entered into to fund capital improvements consisting of drilling a new well for redundancy, new disinfection system at the water treatment plant, replacing distribution lines, and chlorine contact piping.

Security for the loan is provided by a pledge of the net revenue of the District, excluding certain revenues as defined in the loan agreement. Additionally the District has covenanted to establish and collect such rates, fees and charges, together with other available revenues will be at least sufficient to pay the sum of: a) operation and maintenance expenses, b) 110% of the debt services on the loan, c) the amount, if any, to be paid into any debt service reserve account in connection with any obligations secured by a lien on the net revenue which lien is on a parity with the lien of this loan agreement on the net revenue, d) a sum equal to the debt service on any obligations secured by a lien on the net revenue which lien is subordinate to the lien of this loan agreement on the net revenue, and e) amounts necessary to pay and discharge all charges and liens or other indebtedness not described above and payable out of the gross revenue of the District. The District is also required to maintain an operation and maintenance reserve equal to three months of operation and maintenances expenses, excluding depreciation, of the water system.

2019 Colorado Water Resources and Power Development Authority Loan

The District has entered into a Loan Agreement with the Colorado Water Resources and Power Development Authority in the amount of \$1,100,000 dated May 7, 2019. The loan proceeds are to be used for collection system improvements, replacement, and/or relocation of lines. The loan term is for 30 years at an interest rate of 0.00%. However, at the discretion of the CWRPDA, and if such funds are available and the District is deemed eligible, the loan may be forgiven in an amount of up to 100% of the principal amount of the loan. The loan requires semi-annual principal payments on May 1 and November 1 of each year, beginning on May 1, 2020, and continuing through November 1, 2049. During 2019 the District expended and recognized \$981,016 of loan proceeds. Subsequent to yearend, the District expended and recognized an additional \$8,503 of loan proceeds. It was determined that the District would not need the entire \$1,100,000 of loan authorization and requested that \$110,481 of loan authorization be rescinded. Effective March 24, 2020, the CWRPDA rescinded the requested amount, leaving a loan balance of \$989,519.

Security for the loan is provided by a pledge of the net revenue of the District, excluding certain revenues as defined in the loan agreement. Additionally the District has covenanted to

**LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023**

establish and collect such rates, fees and charges, together with other available revenues will be at least sufficient to pay the sum of: a) operation and maintenance expenses, b) 110% of the debt services on the loan, c) the amount, if any, to be paid into any debt service reserve account in connection with any obligations secured by a lien on the net revenue which lien is on a parity with the lien of this loan agreement on the net revenue, d) a sum equal to the debt service on any obligations secured by a lien on the net revenue which lien is subordinate to the lien of this loan agreement on the net revenue, and e) amounts necessary to pay and discharge all charges and liens or other indebtedness not described above and payable out of the gross revenue of the District. The District is also required to maintain an operation and maintenance reserve equal to three months of operation and maintenances expenses, excluding depreciation, of the water system.

2022 United States Department of Agriculture Loan

On June 8, 2022, the District entered into a loan agreement with the United States Department of Agriculture (USDA) in the amount of \$185,000 and an associated grant for \$100,000. The loan and grant proceeds are to be used for certain sewer system collection line improvements. The loan requires monthly payments consisting of principal and interest, at 1.375%, of \$271 for 40 years, maturing on July 11, 2062. The loan requires the District to accumulate a debt service reserve of 10% of the annual debt service payments, over 10 years, until a full year of debt service payments has been accumulated in the reserve account. As of December 31, 2023, the amount in the reserve account was \$2,518. The loan is subject to prepayment by the District in whole or in part on any date upon payment of principal and accrued interest.

The District's long-term obligations will mature as follows:

Years Ending December 31,	Principal	Interest	Total
2024	\$ 49,296	\$ 24,030	\$ 73,326
2025	49,898	23,429	73,327
2026	50,455	22,871	73,326
2027	51,037	22,290	73,327
2028	51,579	21,747	73,326
2029-2033	268,084	98,550	366,634
2034-2038	287,297	79,336	366,633
2039-2043	309,605	55,885	365,490
2044-2048	327,971	27,256	355,227
2049-2053	78,007	3,247	81,254
2054-2058	14,940	1,320	16,260
2059-2062	11,516	297	11,813
	<u>\$ 1,549,685</u>	<u>\$ 380,258</u>	<u>\$ 1,929,943</u>

As of December 31, 2023, the District had authorized but unissued indebtedness of \$680,000 for water system improvements and \$540,481 for wastewater system improvements.

**LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023**

NOTE 6 – CELLULAR TOWER LEASE

On June 23, 2010, the District entered into the Second Amendment to PCS Site Agreement with STC FIVE LLC. With this second amendment, the District assumed the original lease agreement, as amended, dated June 12, 1996, between the Louviers Mutual Service Company and Sprint Spectrum LLC. The original lease, as amended, was due to expire on June 11, 2021. The Second Amendment acknowledged that the first and second five-year renewal periods were exercised, leaving six more five-year renewal terms, with the agreement ending on June 11, 2041. The original annual lease payment was set at \$2,500 per year, and upon each five-year renewal period, the lease payment increases by 20% for the next five years. For the year ended December 31, 2023, the District received the annual lease payment of \$6,221, consisting of \$1,951 of principal, and \$4,270 of interest. As of December 31, 2023, the remaining cell tower lease receivable and deferred cell tower lease revenue were \$101,562.

The future payments due to the District under the lease are as follows:

Years Ending December 31,	Principal	Interest	Total
2024	\$ 2,031	\$ 4,190	\$ 6,221
2025	2,115	4,106	6,221
2026	3,447	4,018	7,465
2027	3,589	3,876	7,465
2028	3,737	3,728	7,465
2029-2033	25,794	16,010	41,804
2034-2038	40,611	9,553	50,164
2039-2040	20,238	1,261	21,499
	<u>\$ 101,562</u>	<u>\$ 46,742</u>	<u>\$ 148,304</u>

NOTE 7 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

The net investment in capital assets, consists of capital assets, net of accumulated depreciation and if applicable reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had invested in capital assets of \$1,704,276.

Restricted net position includes net amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had net position as of December 31, 2023, restricted for the following purposes:

Debt service (Note 5)	\$ 37,390
Operation and maintenance reserve (Note 5)	92,585
Emergencies (Note 9)	1,191
	<u>\$ 131,166</u>

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, as amended from time to time, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2023. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for property, liability, public officials' liability, boiler and machinery and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

On November 4, 2008, a majority of the District's voters approved the following ballot questions:

Shall Louviers Water and Sanitation District taxes be increased \$25,000 in fiscal year 2009 and by whatever tax revenues are generated in each fiscal year thereafter by an ad valorem property tax mill levy not to exceed ten (10.000) mills, or by such lesser amount as necessary to pay the District's administration and operations and maintenance expenses and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2010 and in each fiscal year thereafter for as long as the District continues in existence, such authorization to constitute a voter-approved revenue change which may be collected, retained and spent by the District without regard to any spending, revenue-raising, or other limitation contained in Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Shall Louviers Water and Sanitation District be authorized to collect, retain, and spend the full amount of all taxes, tax increment revenues, system development fees, park fees, facility fees, service charges, inspection charges, administrative charges, grants or any other fee, rate, toll, penalty, or charge authorized by law or contract to be imposed, collected or received by the District during 2008 and each fiscal year thereafter, such amounts to constitute a voter-approved revenue change and be collected, retained and spent by the District without regard to any spending, revenue-raising, or other limitation

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

contained in Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any subsequent year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, and without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

On November 6, 2018, a majority of the District's voters approved the following ballot question:

Shall Louviers Water and Sanitation District debt be increased up to \$1.5 million, with a maximum repayment cost of up to \$2 million, but with no increase in taxes, such debt to consist of a loan agreement, bond, note or other multiple fiscal year financial obligation entered into with a state authority or other entity, or combination thereof, for the purpose of paying, reimbursing, or financing all or any part of the costs of the replacement and or relocation of sewer lines and other sewer collection system improvements, with such debt, which will be paid from the revenues, fees and charges derived from the operation of the District's sewer facilities or properties, to bear interest at a maximum net effective interest rate not to exceed 3.5% per annum and be issued at such time and in such manner and containing such terms, not inconsistent herewith, as the Board of Directors may determine?

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District is of the opinion that its water and sewer operations, and all activities related thereto are carried on as an Enterprise within the meaning of TABOR and the Enterprise Act, C.R.S. 37-45.;1-01, et seq. The District's annual budget and financial statements are deemed by the District to be the annual budget and financial statements of the Enterprise.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and many of the provisions, including the calculation of fiscal year spending limits, growth factors, and qualification as an Enterprise, may require judicial interpretation.

NOTE 10 – CONTINGENCY

Potential BNSF Railroad Land Condemnation

In 2015, the District received notification from Douglas County, Colorado (County) that the BNSF Railroad is proposing condemnation of a 138-acre parcel of land owned by the County.

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

The District has a license agreement with the County to use 20 acres of this 138 acres parcel of land for the District's land application site for its sewer treatment operations. The District has incurred debt and constructed significant capital facilities related to the land application site. The County has communicated certain concerns regarding the proposed condemnation to the BNSF Railroad. The potential impact of the proposed condemnation on the District's operations cannot be determined with certainty at this time. However, if the condemnation goes forward and is successful, the District may have to obtain an alternate site for land application purposes or find some other method for disposing of its treated sludge, the cost of which could be significant. The District has not received any further written communication regarding this matter since receiving the initial notification from Douglas County or BNSF Railroad.

Excessive Radium Levels

During 2018 through 2023 and continuing in 2024, the District's drinking water exceeded the maximum contaminate level for Combined Radium of 5 pCi/L as set by the United States Environmental Protection Agency. Radium is a naturally occurring element common in Colorado and many of the ground water supplies along the Front Range detect some levels of radium in the water. The District is evaluating several treatment options and is in discussion with various entities regarding providing renewable water to the District. The engineering estimates for the cost of these options range from approximately \$900,000 to about \$6,500,000. The District is exploring possible grant and loan funding to assist the District with addressing the elevated Combined Radium levels. The resolution of this matter may take several years. This District has received strong support from Douglas County (County), several funding agencies, and neighboring water providers in exploring solutions to this issue.

On April 11, 2023, the District entered into a Beneficiary Agreement with the County whereby County has committed \$1,600,000 of American Rescue Plan Act (ARPA) funding for the District to use for a radium treatment system and to establish physical connection to a regional water line capable of delivering renewable water supplies. Additionally, the County and a Dominion Water and Sanitation District (Dominion), entered into an Intergovernmental Agreement (IGA) whereby the County will provide Dominion with ARPA funding, a portion of which is to be used by Dominion for the construction of a water line to provide the District with emergency water supply.

The District has been designing a radium treatment option for the District and its portion of the emergency water line connection. Through December 31, 2023 the District has incurred costs of \$196,433 and \$23,496 for the radium treatment and emergency water line projects, respectively. These cost have been capitalized and added to the District's capital assets as construction in progress. At this time, the full financial impact on the District cannot be determined because of the multiplicity and uncertainty of the various factors involved.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES			
Water service charges	\$ 127,969	\$ 114,405	\$ (13,564)
Sewer service charges	140,052	140,210	158
Late fees and other charges	4,000	3,170	(830)
Property taxes	69,231	69,231	-
Specific ownership taxes	6,280	6,420	140
Cell tower lease	6,220	1,950	(4,270)
Net investment income	1,080	12,300	11,220
Grant income	1,875,500	679,551	(1,195,949)
Loan proceeds	208,080	48,790	(159,290)
Total Revenues	<u>2,438,412</u>	<u>1,076,027</u>	<u>(1,362,385)</u>
EXPENDITURES			
Administration:			
Accounting and bookkeeping	17,000	20,512	(3,512)
Audit	6,000	6,050	(50)
District management	36,000	20,492	15,508
Directors fees and taxes	7,600	4,638	2,962
Bank charges	250	265	(15)
Computer software/support	5,000	1,950	3,050
Election	5,000	870	4,130
Insurance	7,000	7,420	(420)
Legal fees	10,000	12,134	(2,134)
Miscellaneous	200	346	(146)
Office supplies/expenditures	800	1,158	(358)
Postage	950	242	708
Memberships, dues and subscriptions	1,400	3,696	(2,296)
Utilities	800	1,124	(324)
County treasurer fees	1,039	1,039	-
Operations:			
Chemicals	4,100	2,281	1,819
Operations	22,800	23,846	(1,046)
Meter reading	2,000	1,860	140
Engineering and consulting	23,500	13,381	10,119
Repairs and maintenance	166,000	23,289	142,711
Utility locates	400	1,176	(776)
Testing - water and sewer	7,000	6,847	153

(continued)

**LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2023**

(continued)

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Utilities - infrastructure	13,500	12,105	1,395
Sewer cleaning	1,500	12,690	(11,190)
SCADA, fire and emergency monitoring	4,000	4,165	(165)
Mowing and weed control	1,200	-	1,200
Permits	700	630	70
Miscellaneous	1,600	1,130	470
GIS mapping	3,000	1,460	1,540
Capital outlay:			
Water system improvements	1,500,000	222,118	1,277,882
Wastewater system improvements	450,000	530,822	(80,822)
Debt service:			
Bond and loan principal	60,878	61,431	(553)
Bond interest	24,492	23,864	628
Contingency	20,000	-	20,000
Total expenditures	<u>2,405,709</u>	<u>1,025,031</u>	<u>1,380,678</u>
REVENUES OVER EXPENDITURES	32,703	50,996	18,293
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>605,510</u>	<u>697,873</u>	<u>92,363</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 638,213</u>	<u>\$ 748,869</u>	<u>\$ 110,656</u>
Funds available is computed as follows:			
Current assets		\$ 1,087,205	
Current liabilities		(121,990)	
Deferred inflows of resources		(265,642)	
Current portion of long-term debt		49,296	
		<u>\$ 748,869</u>	

**LOUVIERS WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2023**

Revenue (budgetary basis)	\$ 1,076,027	
Loan proceeds	(48,790)	
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position		1,027,237
 Expenditures (budgetary basis)	 1,025,031	
Depreciation	167,469	
Capital outlay	(752,940)	
Bond and loan principal	(61,431)	
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position		378,129
 Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	 \$ 649,108	

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF NET POSITION - WATER AND SEWER OPERATIONS
December 31, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents - Unrestricted	\$ 462,433	\$ 58,749	\$ 521,182
Cash and cash equivalents - Restricted	-	37,390	37,390
Due from county treasurer	207	208	415
Accounts receivable:			
Customers	24,494	30,042	54,536
Grants	116,892	173,120	290,012
Property taxes receivable	36,960	37,170	74,130
Prepaid expenses	4,089	3,889	7,978
Cell tower lease receivable	50,781	50,781	101,562
Total current assets	<u>695,856</u>	<u>391,349</u>	<u>1,087,205</u>
CAPITAL ASSETS			
Capital assets, not being depreciated:			
Land	16,438	58,865	75,303
Construction in progress	222,647	600,816	823,463
Capital assets, being depreciated:			
System and facilities	1,829,929	1,994,930	3,824,859
	<u>2,069,014</u>	<u>2,654,611</u>	<u>4,723,625</u>
Less accumulated depreciation and amortization	(1,016,888)	(452,776)	(1,469,664)
Total capital assets	<u>1,052,126</u>	<u>2,201,835</u>	<u>3,253,961</u>
TOTAL ASSETS	<u>\$ 1,747,982</u>	<u>\$ 2,593,184</u>	<u>\$ 4,341,166</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	\$ 20,245	\$ 46,321	\$ 66,566
Deposits	2,500	-	2,500
Accrued interest payable	-	3,628	3,628
Current portion of long-term debt	2,281	47,015	49,296
Total current liabilities	<u>25,026</u>	<u>96,964</u>	<u>121,990</u>
LONG-TERM LIABILITIES			
Long-term portion of long-term debt	42,196	1,458,193	1,500,389
Total long-term liabilities	<u>42,196</u>	<u>1,458,193</u>	<u>1,500,389</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	36,960	37,170	74,130
Deferred grant revenues	89,950	-	89,950
Deferred cell tower lease income	50,781	50,781	101,562
Total deferred inflows of resources	<u>177,691</u>	<u>87,951</u>	<u>265,642</u>
NET POSITION			
Net investment in capital assets	1,007,649	696,627	1,704,276
Restricted for:			
Debt service	-	37,390	37,390
Operation and maintenance reserve	66,017	26,568	92,585
Emergencies	695	496	1,191
Unrestricted	428,708	188,995	617,703
Total net position	<u>1,503,069</u>	<u>950,076</u>	<u>2,453,145</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 1,747,982</u>	<u>\$ 2,593,184</u>	<u>\$ 4,341,166</u>

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - WATER AND SEWER OPERATIONS
Year Ended December 31, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUE			
Service charges	\$ 114,405	\$ 140,210	\$ 254,615
Late fees and other charges	1,585	1,585	3,170
Total operating revenue	<u>115,990</u>	<u>141,795</u>	<u>257,785</u>
OPERATING EXPENSES			
Operations expense:			
Chemicals	1,628	653	2,281
Operations	11,923	11,923	23,846
Meter reading	1,860	-	1,860
Engineering and consulting	6,558	6,823	13,381
Repairs and maintenance	17,416	5,873	23,289
Utility locates	588	588	1,176
Testing - water and sewer	4,087	2,760	6,847
Utilities - infrastructure	10,804	1,301	12,105
Sewer cleaning	-	12,690	12,690
SCADA monitoring	4,165	-	4,165
Permits	75	555	630
GIS Mapping	730	730	1,460
Miscellaneous	607	523	1,130
Administration expense:			
Accounting and billing	10,256	10,256	20,512
Audit	3,025	3,025	6,050
District management	10,246	10,246	20,492
Directors fees and taxes	2,319	2,319	4,638
Bank charges	202	63	265
Computer software/support	975	975	1,950
Election	435	435	870
Insurance	3,710	3,710	7,420
Legal fees	7,130	5,004	12,134
Miscellaneous	16	330	346
Office supplies/expenses	579	579	1,158
Postage	121	121	242
Memberships, dues and subscriptions	3,377	319	3,696
Utilities	562	562	1,124
Depreciation	102,690	64,779	167,469
Total operating expenses	<u>206,084</u>	<u>147,142</u>	<u>353,226</u>
OPERATING INCOME (LOSS)	<u>(90,094)</u>	<u>(5,347)</u>	<u>(95,441)</u>
NONOPERATING REVENUE (EXPENSE)			
Property taxes	34,517	34,714	69,231
Specific ownership taxes	3,201	3,219	6,420
Cell tower lease income	975	975	1,950
Net investment income	5,811	6,489	12,300
County treasurer fees	(518)	(521)	(1,039)
Interest expense	-	(23,864)	(23,864)
Total nonoperating revenue (expense)	<u>43,986</u>	<u>21,012</u>	<u>64,998</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(46,108)</u>	<u>15,665</u>	<u>(30,443)</u>
CAPITAL GRANTS AND CONTRIBUTIONS			
Grant income	220,267	459,284	679,551
Total capital grants and contributions	<u>220,267</u>	<u>459,284</u>	<u>679,551</u>
CHANGE IN NET POSITION	<u>174,159</u>	<u>474,949</u>	<u>649,108</u>
NET POSITION - BEGINNING OF YEAR	<u>1,328,910</u>	<u>475,127</u>	<u>1,804,037</u>
NET POSITION - END OF YEAR	<u>\$ 1,503,069</u>	<u>\$ 950,076</u>	<u>\$ 2,453,145</u>

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF CASH FLOWS - WATER AND SEWER OPERATIONS
Year Ended December 31, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 112,361	\$ 134,527	\$ 246,888
Payments to vendors	(108,241)	(82,401)	(190,642)
Net cash provided by operating activities	<u>4,120</u>	<u>52,126</u>	<u>56,246</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cell tower lease principal received	975	975	1,950
Property taxes	33,999	34,193	68,192
Specific ownership taxes	3,218	3,236	6,454
Net cash provided by noncapital financing activities	<u>38,192</u>	<u>38,404</u>	<u>76,596</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Purchases of capital assets	(207,460)	(497,568)	(705,028)
Interest paid	-	(23,939)	(23,939)
Loan and bond principal paid	(14,324)	(47,107)	(61,431)
Grants received	193,325	302,542	495,867
Loan proceeds received	-	100,000	100,000
Net cash required by capital financing activities	<u>(28,459)</u>	<u>(166,072)</u>	<u>(194,531)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5,811	6,489	12,300
Net cash provided by investing activities	<u>5,811</u>	<u>6,489</u>	<u>12,300</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,664	(69,053)	(49,389)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>442,769</u>	<u>165,192</u>	<u>607,961</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 462,433</u>	<u>\$ 96,139</u>	<u>\$ 558,572</u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES			
Net income (loss) from operations	\$ (90,094)	\$ (5,347)	\$ (95,441)
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	102,690	64,779	167,469
Effects of changes in operating assets and liabilities:			
Accounts receivable	(3,629)	(7,268)	(10,897)
Prepaid expenses	(2,841)	(3,570)	(6,411)
Accounts payable	(2,006)	3,532	1,526
Net cash provided by operating activities	<u>\$ 4,120</u>	<u>\$ 52,126</u>	<u>\$ 56,246</u>

**LOUVIERS WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2023**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Tax Levy</u>	<u>Mills Levied</u>	<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
			<u>Levied</u>	<u>Collected Currently</u>	
2011	\$ 2,031,490	10.000	\$ 20,315	\$ 20,315	100.0%
2012	\$ 1,615,070	10.000	\$ 16,151	\$ 16,151	100.0%
2013	\$ 1,609,720	12.873	\$ 20,722	\$ 20,722	100.0%
2014	\$ 1,564,960	14.873	\$ 23,276	\$ 23,276	100.0%
2015	\$ 1,608,050	16.322	\$ 26,246	\$ 26,288	100.2%
2016	\$ 1,965,360	16.795	\$ 33,009	\$ 33,009	100.0%
2017	\$ 1,965,160	18.795	\$ 36,936	\$ 36,936	100.0%
2018	\$ 2,266,040	20.795	\$ 47,122	\$ 47,122	100.0%
2019	\$ 2,259,580	20.795	\$ 46,988	\$ 46,708	99.4%
2020	\$ 2,770,290	20.795	\$ 57,608	\$ 57,609	100.0%
2021	\$ 2,773,940	20.795	\$ 57,684	\$ 57,684	100.0%
2022	\$ 3,401,210	20.795	\$ 70,728	\$ 70,728	100.0%
2023	\$ 3,329,220	20.795	\$ 69,231	\$ 69,231	100.0%
Estimated for the year ending December 31, 2024	\$ 3,564,870	20.795	\$ 74,130		

NOTES:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

LOUVERS WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
 December 31, 2023

Year Ending December 31,	General Obligation Bond Series 2009 Principal and 4.125% Interest Due May 4 and November 4			2012 Colorado Water Resources and Power Development Authority Loan Principal and 0.000% Interest Due May 1 and November 1			2019 Colorado Water Resources and Power Development Authority Loan Principal and 0.000% Interest Due May 1 and November 1			2022 United States Department of Agriculture Principal and 1.375% Interest Due Monthly on the 11th of Each Month			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 12,173	\$ 22,699	\$ 34,872	\$ 2,281	\$ -	\$ 2,281	\$ 32,922	\$ -	\$ 32,922	\$ 1,921	\$ 1,331	\$ 3,252	\$ 49,296	\$ 24,030	\$ 73,326
2025	12,744	22,128	34,872	2,281	-	2,281	32,922	-	32,922	1,951	1,301	3,252	49,898	23,429	73,327
2026	13,275	21,597	34,872	2,281	-	2,281	32,921	-	32,921	1,978	1,274	3,252	50,455	22,871	73,326
2027	13,828	21,044	34,872	2,281	-	2,281	32,922	-	32,922	2,006	1,246	3,252	51,037	22,290	73,327
2028	14,347	20,525	34,872	2,281	-	2,281	32,921	-	32,921	2,030	1,222	3,252	51,579	21,747	73,326
2029	15,002	19,870	34,872	2,281	-	2,281	32,922	-	32,922	2,062	1,190	3,252	52,267	21,060	73,327
2030	15,627	19,245	34,872	2,281	-	2,281	32,922	-	32,922	2,090	1,162	3,252	52,920	20,407	73,327
2031	16,279	18,593	34,872	2,281	-	2,281	32,922	-	32,922	2,119	1,133	3,252	53,601	19,726	73,327
2032	16,906	17,966	34,872	2,281	-	2,281	32,921	-	32,921	2,145	1,107	3,252	54,253	19,073	73,326
2033	17,662	17,210	34,872	2,281	-	2,281	32,922	-	32,922	2,178	1,074	3,252	55,043	18,284	73,327
2034	18,398	16,474	34,872	2,281	-	2,281	32,921	-	32,921	2,208	1,044	3,252	55,808	17,518	73,326
2035	19,164	15,708	34,872	2,281	-	2,281	32,922	-	32,922	2,239	1,013	3,252	56,606	16,721	73,327
2036	19,921	14,951	34,872	2,281	-	2,281	32,922	-	32,922	2,267	985	3,252	57,391	15,936	73,327
2037	20,793	14,079	34,872	2,281	-	2,281	32,922	-	32,922	2,301	951	3,252	58,297	15,030	73,327
2038	21,660	13,212	34,872	2,281	-	2,281	32,921	-	32,921	2,333	919	3,252	59,195	14,131	73,326
2039	22,563	12,309	34,872	2,281	-	2,281	32,922	-	32,922	2,365	887	3,252	60,131	13,196	73,327
2040	23,470	11,402	34,872	2,281	-	2,281	32,921	-	32,921	2,396	856	3,252	61,068	12,258	73,326
2041	24,481	10,391	34,872	2,280	-	2,280	32,922	-	32,922	2,431	821	3,252	62,114	11,212	73,326
2042	25,501	9,371	34,872	2,280	-	2,280	32,921	-	32,921	2,465	787	3,252	63,167	10,158	73,325
2043	26,564	8,308	34,872	1,140	-	1,140	32,922	-	32,922	2,499	753	3,252	63,125	9,061	72,186
2044	27,650	7,222	34,872	-	-	-	32,921	-	32,921	2,531	721	3,252	63,102	7,943	71,045
2045	28,823	6,049	34,872	-	-	-	32,922	-	32,922	2,568	684	3,252	64,313	6,733	71,046
2046	30,025	4,847	34,872	-	-	-	32,921	-	32,921	2,604	648	3,252	65,550	5,495	71,045
2047	31,276	3,596	34,872	-	-	-	32,922	-	32,922	2,640	612	3,252	66,838	4,208	71,046
2048	32,572	2,300	34,872	-	-	-	32,921	-	32,921	2,675	577	3,252	68,168	2,877	71,045
2049	31,138	935	32,073	-	-	-	32,921	-	32,921	2,714	538	3,252	66,773	1,473	68,246
2050	-	-	-	-	-	-	-	-	-	2,751	501	3,252	2,751	501	3,252
2051	-	-	-	-	-	-	-	-	-	2,789	463	3,252	2,789	463	3,252
2052	-	-	-	-	-	-	-	-	-	2,827	425	3,252	2,827	425	3,252
2053	-	-	-	-	-	-	-	-	-	2,867	385	3,252	2,867	385	3,252
2054	-	-	-	-	-	-	-	-	-	2,906	346	3,252	2,906	346	3,252
2055	-	-	-	-	-	-	-	-	-	2,947	305	3,252	2,947	305	3,252
2056	-	-	-	-	-	-	-	-	-	2,987	265	3,252	2,987	265	3,252
2057	-	-	-	-	-	-	-	-	-	3,029	223	3,252	3,029	223	3,252
2058	-	-	-	-	-	-	-	-	-	3,071	181	3,252	3,071	181	3,252
2059	-	-	-	-	-	-	-	-	-	3,113	139	3,252	3,113	139	3,252
2060	-	-	-	-	-	-	-	-	-	3,156	96	3,252	3,156	96	3,252
2061	-	-	-	-	-	-	-	-	-	3,200	52	3,252	3,200	52	3,252
2062	\$ 551,842	\$ 362,031	\$ 903,873	\$ 44,477	\$ -	\$ 44,477	\$ 855,960	\$ -	\$ 855,960	\$ 2,047	\$ 10	\$ 2,057	\$ 1,549,685	\$ 380,258	\$ 1,929,943