LOUVIERS WATER AND SANITATION DISTRICT
Douglas County, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2025

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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, 2025, 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, 2025, 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.

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.

Grimm + Associates LLC

Fort Collins, Colorado
June 16, 2026

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, 2025. 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 2025 by $4,888,951. Total assets, liabilities, and deferred inflows of resources were $6,723,544, $1,661,953, and $172,640, respectively. Current assets increased due to higher cash and investments due to positive operating results during 2025, which was partially offset by a reduction in customer accounts receivable which was higher in 2024 as a result of a change in the District's billing system. Current liabilities increased from 2024 to 2025 due to higher capital spending at the end of 2025 than 2024, resulting in higher accounts payable and retainage payable levels as of the end of 2025. Capital assets increased because of 2025's capital asset additions being more than the offsetting 2025 depreciation expense. Long-term liabilities decreased due to the 2025 principal payments on the outstanding bonds and loans. 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

	2024	**$ Change**	**2025**
Current assets	$ 1,095,097	$ 56,349	$ 1,151,446
Noncurrent assets	99,530	(2,115)	97,415
Capital assets	4,204,738	1,269,945	5,474,683
Total Assets	5,399,365	1,324,179	6,723,544
Current liabilities	213,767	73,021	286,788
Long-term liabilities	1,437,833	(62,668)	1,375,165
Total Liabilities	1,651,600	10,353	1,661,953
Deferred revenues	173,512	(872)	172,640
Total deferred inflows of resources	173,512	(872)	172,640
Investment in capital assets	2,717,731	1,332,896	4,050,627
Restricted for:			
Debt service	38,224	(100)	38,124
Operations and maintenance reserve	61,291	2,106	63,397
Emergencies	1,070	165	1,235
Unrestricted	755,937	(20,369)	735,568
Total Net Position	$ 3,574,253	$ 1,314,698	$ 4,888,951

Changes in Net Position

As noted in the table below, the District's net position increased by $1,314,698. Operating and nonoperating revenues decreased slightly from 2024 levels. Capital contributions increased by $232,054 from 2024, as the District recognized total grant income of $1,338,913 related to ongoing capital asset additions projects. Overall operating expenses increased due to more ongoing activity and higher repairs and maintenance costs. Nonoperating expenses changed minimally from 2024.

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

	2024	$ Change	2025
Operating revenue	$ 292,993	$ (235)	$ 292,758
Nonoperating revenue	96,572	(3,928)	92,644
Total revenues	389,565	(4,163)	385,402
Operating expenses	350,223	35,013	385,236
Nonoperating expenses	25,093	(712)	24,381
Total expenses	375,316	34,301	409,617
Income (loss) before capital contributions	14,249	(38,464)	(24,215)
Capital contributions	1,106,859	232,054	1,338,913
Change in net position	1,121,108	193,590	1,314,698
Net Position - Beginning of Year	2,453,145	1,121,108	3,574,253
Net Position - End of Year	$ 3,574,253	$ 1,314,698	$ 4,888,951

BUDGETARY HIGHLIGHTS

The District's budget was not amended for the year ended December 31, 2025. For 2025, actual revenues were $1,365,881 less than budgeted primarily due to the District anticipated receiving grant income of $2,715,113, however $1,376,200 less was received as the related capital projects outlays were not as much as anticipated. Expenditures were under budget by $1,077,160. This was due to water and wastewater system improvements were anticipated for $2,465,118 and $12,000, respectively, however actual capital outlay for 2025 was $1,394,236 and $852, respectively, for a combined positive variance of $1,082,030. Additionally, the District budgeted a $20,000 contingency for 2025, 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:

Capital Assets Summary

	2024	$ Change	2025
Land	$ 75,303	$ -	$ 75,303
Construction in Progress	1,350,123	1,371,184	2,721,307
Total capital assets, not being depreciated	1,425,426	1,371,184	2,796,610
Water system and facilities, net	710,545	(43,588)	666,957
Wastewater system and facilities, net	2,068,767	(57,651)	2,011,116
Total capital assets being depreciated, net	2,779,312	(101,239)	2,678,073
Total capital assets, net	$ 4,204,738	$ 1,269,945	$ 5,474,683

During 2025, the District's main capital asset activity was the continuation of the radium treatment facility project which began in prior years, and for which the District incurred

$1,084,948 in 2025. Additionally, the District continued working on water meter replacements, the emergency water line connection and the water distribution system improvements, incurring $101,276, $3,917, and $204,095, respectively. All of these projects were still ongoing as of the end of 2025. During 2025, the District completed the improvements at the land application site, which had been started in 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

	2024	$ Change	2025
General obligation bond, Series 2009	$ 539,669	$ (12,810)	$ 526,859
2012 CWRPDA Loan	28,814	(15,264)	13,550
2019 CWRPDA Loan	823,039	(32,922)	790,117
2022 USDA Loan	95,485	(1,955)	93,530
Total long-term debt	$ 1,487,007	$ (62,951)	$ 1,424,056

During 2025, the District made the scheduled debt service payments on the outstanding bonds and loans, plus paid additional principal on the water related loan from property taxes levied for the payment.

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 2026, 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 to $3,617,490 for the taxes levied for collection in 2026. As a result, the taxes levied for collection in 2026 are $1,450 more than was collected in 2025. For 2026, the District elected not to increase the water base, sewer base, operations & improvements-water, and operations & improvement-sewer rates, maintaining the same rates as were in effect for 2025. Additionally, the tiered water usage rates and construction/bulk water rates also remained the same as 2025. However, the District did adopt an Ion Exchange Treatment Fee beginning February 1, 2026 of $1.65 per 1000 gallons of usage. The District's 2026 budget also anticipates incurring $1,160,000 of water capital expenditures related to the water distribution system, which are anticipated to be funded with grants. The 2026 budget anticipates total revenue of $1,563,511 and total expenditures of $1,619,974. The ending funds available is estimated to be $803,571.

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, 2025

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents - Unrestricted	$ 609,829
Cash and cash equivalents - Restricted	38,124
Due from county treasurer	476
Accounts receivable:	
Customers	87,969
Grants	328,666
Property taxes receivable	75,225
Prepaid expenses	11,157
Total current assets	1,151,446
NONCURRENT ASSETS	
Cell tower lease receivable	97,415
Total noncurrent assets	97,415
CAPITAL ASSETS	
Capital assets, not being depreciated	2,796,610
Capital assets, being depreciated	4,447,770
	7,244,380
Less accumulated depreciation and amortization	(1,769,697)
Total capital assets	5,474,683
TOTAL ASSETS	$ 6,723,544
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	$ 133,248
Retainage payable	98,685
Deposits	2,500
Accrued interest payable	3,464
Current portion of long-term debt	48,891
Total current liabilities	286,788
LONG-TERM LIABILITIES	
Long-term portion of long-term debt	1,375,165
Total long-term liabilities	1,375,165
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	75,225
Deferred cell tower lease revenue	97,415
Total deferred inflows of resources	172,640
NET POSITION	
Net investment in capital assets	4,050,627
Restricted for:	
Debt service	38,124
Operation and maintenance reserve	63,397
Emergencies	1,235
Unrestricted	735,568
Total net position	4,888,951
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 6,723,544

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, 2025

OPERATING REVENUE	
Water service charges	$ 141,596
Sewer service charges	149,968
Late fees and other charges	1,194
Total operating revenue	292,758
OPERATING EXPENSES	
Water and sewer operations	140,674
Administration expense	119,419
Depreciation	125,143
Total operating expenses	385,236
OPERATING LOSS	(92,478)
NONOPERATING REVENUE (EXPENSE)	
Property taxes	73,775
Specific ownership taxes	5,694
Cell tower lease income	2,116
Net investment income	11,059
County treasurer fees	(1,107)
Interest expense	(23,274)
Total nonoperating revenue (expense)	68,263
LOSS BEFORE CAPITAL CONTRIBUTIONS	(24,215)
CAPITAL GRANTS AND CONTRIBUTIONS	
Grant income	1,338,913
Total capital grants and contributions	1,338,913
CHANGE IN NET POSITION	1,314,698
NET POSITION - BEGINNING OF YEAR	3,574,253
NET POSITION - END OF YEAR	$ 4,888,951

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, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	362,048
Payments to vendors		(255,026)
Net cash provided by operating activities		107,022
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cell tower lease principal received		2,116
Property taxes		72,668
Specific ownership taxes		5,716
Net cash provided by noncapital financing activities		80,500
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of capital assets		(1,327,177)
Interest paid		(23,358)
Loan and bond principal paid		(62,951)
Grant received		1,360,865
Net cash required by capital financing activities		(52,621)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		11,059
Net cash provided by investing activities		11,059
NET DECREASE IN CASH AND CASH EQUIVALENTS		145,960
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		501,993
CASH AND CASH EQUIVALENTS - END OF YEAR	$	647,953
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Net income (loss) from operations	$	(92,478)
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation		125,143
Effects of changes in operating assets and liabilities:		
Accounts receivable		69,290
Prepaid expenses		(410)
Accounts payable		5,477
Net cash provided by operating activities	$	107,022

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

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.

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 financial statements, 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 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, 2025, the District had cash deposits with a bank balance of $468,586 and carrying balance of $468,586.

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, 2025, the District held the following investments:

Investment	Maturity	Carrying Value
COLOTRUST Plus+	Weighted average under 60 days	$ 179,367

COLOTRUST

As of December 31, 2025, 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+

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, 2025, as follows:

Cash and Cash Equivalents - Unrestricted	$	609,829
Cash and Cash Equivalents - Restricted		38,124
	$	647,953

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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NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025, follows:

	Balance December 31, 2024	Additions	Disposals/ Retirements	Balance December 31, 2025
Capital assets, not being depreciated:				
Land	$ 75,303	$ -	$ -	$ 75,303
Construction in progress	1,350,123	1,395,088	(23,904)	2,721,307
Total capital assets, not being depreciated	1,425,426	1,395,088	(23,904)	2,796,610
Capital assets, being depreciated:				
Water system and facilities	1,829,929	-	-	1,829,929
Wastewater system and facilities	2,593,937	23,904	-	2,617,841
Total capital assets being depreciated	4,423,866	23,904	-	4,447,770
Less accumulated depreciation for:				
Water system and facilities	(1,119,384)	(43,588)	-	(1,162,972)
Wastewater system and facilities	(525,170)	(81,555)	-	(606,725)
Total accumulated depreciation	(1,644,554)	(125,143)	-	(1,769,697)
Total capital assets being depreciated, net	2,779,312	(101,239)	-	2,678,073
Total capital assets, net	$ 4,204,738	$ 1,293,849	$ (23,904)	$ 5,474,683

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, 2025:

	Balance December 31, 2024	Additions	Retirements	Balance December 31, 2025	Due Within One Year
General Obligation Bond, Series 2009	$ 539,669	$ -	$ (12,810)	$ 526,859	$ 13,217
2012 CWRPDA Loan	28,814	-	(15,264)	13,550	774
2019 CWRPDA Loan	823,039	-	(32,922)	790,117	32,922
2022 USDA Loan	95,485	-	(1,955)	93,530	1,978
	$ 1,487,007	$ -	$ (62,951)	$ 1,424,056	$ 48,891

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 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. As of December 31, 2025, the amount of the reserve was $34,872. During 2025, the District paid interest on this bond in the amount of $22,128.

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 maintenance 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 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, 2025, the amount in the reserve account was $3,252. The loan is subject to prepayment by the District in whole or in part on any date upon payment of principal and accrued interest. During 2025, the District paid interest on this loan in the amount of $1,297.

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

Years Ending December 31,	Principal	Interest	Total
2026	$ 48,891	$ 22,929	$ 71,820
2027	49,530	22,290	71,820
2028	50,073	21,747	71,820
2029	50,761	21,059	71,820
2030	51,414	20,406	71,820
2031-2035	267,780	91,320	359,100
2036-2040	288,551	70,549	359,100
2041-2045	312,060	45,102	357,162
2046-2050	270,061	14,557	284,618
2051-2055	14,336	1,924	16,260
2056-2060	15,356	904	16,260
2061-2062	5,243	66	5,309
	$ 1,424,056	$ 332,853	$ 1,756,909

As of December 31, 2025, the District had authorized but unissued indebtedness of $680,000 for water system improvements and $540,481 for wastewater system improvements.

NOTE 6 – CELLULAR TOWER LEASE

One 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, 2025, the District received the annual lease payment of $6,221, consisting of $2,115 of principal, and $4,106 of interest. As of December 31, 2025, the remaining cell tower lease receivable and deferred cell tower lease revenue were $97,415.

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

Years Ending December 31,	Principal	Interest	Total
2026	$ 3,447	$ 4,018	$ 7,465
2027	3,589	3,876	7,465
2028	3,737	3,728	7,465
2029	3,891	3,574	7,465
2030	4,051	3,414	7,465
2031-2035	31,013	13,777	44,790
2036-2040	47,687	6,060	53,747
	$ 97,415	$ 38,447	$ 135,862

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, 2025, the District had invested in capital assets of $4,050,627.

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, 2025, restricted for the following purposes:

Restricted for:	
Debt service (Note 5)	$ 38,124
Operation and maintenance reserve (Note 5)	63,397
Emergencies (Note 9)	1,235
	$ 102,756

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, 2025. 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 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

Excessive Radium Levels

During 2018 through 2024 and continuing until mid-2025, 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 (EPA). As a result, the District was subject to a Compliance Advisory-Enforcement Order issued by the Colorado Department of Health & Environment on February 24, 2020. 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. During 2025, the District completed the construction and installation of the radium treatment facilities (which had been started in 2024) which went online in mid-2025. As of December 31, 2025, the total incurred for the radium treatment facility was $2,328,188, of which $1,084,948 was incurred during 2025.

Subsequent to the treatment facilities going online, the District has received test results for two consecutive quarters showing radium levels below the Combined Radium limit set by the EPA. In March 2026, the District received a letter from the Colorado Department of Public Health & Environment dated March 23, 2026, notifying the District it had fully responded and met the obligations of the enforcement order which had been issued on February 24, 2020, and that no further action was required by the district in response to the enforcement order.

This project has been funded by an American Rescue Plan Act (ARPA) grant provided by Douglas County under a Beneficiary Agreement and by grant funding provided by the Colorado Department of Public Health and Environment (CDPHE). As of December 31, 2025, the District had recognized ARPA grant revenue of $1,848,646 related to the project, with $1,069,548 being recognized in 2025. As of December 31, 2025, the District has recognized CDPHE grant revenue of $400,000 related to the project, with $15,400 being recognized in 2025.

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, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES			
Water service charges	$ 130,700	$ 141,596	$ 10,896
Sewer service charges	149,000	149,968	968
Late fees and other charges	2,000	1,194	(806)
Property taxes	73,982	73,775	(207)
Specific ownership taxes	5,179	5,694	515
Cell tower lease	2,116	2,116	-
Net investment income	12,106	11,059	(1,047)
Grant income	2,715,113	1,338,913	(1,376,200)
Total Revenues	3,090,196	1,724,315	(1,365,881)
EXPENDITURES			
Administration:			
Accounting and bookkeeping	20,500	26,724	(6,224)
Billing	-	2,614	(2,614)
Audit	7,000	7,100	(100)
District management	24,000	36,934	(12,934)
Directors fees and taxes	7,000	5,600	1,400
Bank charges	250	364	(114)
Computer software/support	3,000	-	3,000
Election	6,000	264	5,736
Insurance	8,500	10,808	(2,308)
Legal fees	20,000	23,988	(3,988)
Miscellaneous	-	26	(26)
Office supplies/expenditures	1,900	960	940
Postage	500	-	500
Memberships, dues and subscriptions	4,200	2,891	1,309
Utilities	1,000	1,146	(146)
County treasurer fees	1,109	1,107	2
Operations:			
Chemicals	6,000	4,451	1,549
Operations	26,000	24,000	2,000
Meter reading	630	2,170	(1,540)
Engineering and consulting	17,000	10,904	6,096
Repairs and maintenance	44,000	65,088	(21,088)
Utility locates	1,000	1,830	(830)
Testing - water and sewer	6,500	9,124	(2,624)
Utilities - infrastructure	14,300	17,655	(3,355)
Sewer cleaning	3,000	-	3,000
SCADA, fire and emergency monitoring	4,500	5,152	(652)
Mowing and weed control	1,000	-	1,000
Permits	700	300	400
Miscellaneous	1,000	-	1,000
GIS mapping	3,000	-	3,000

(continued)

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2025

(continued)

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Capital outlay:			
Water system improvements	2,465,118	1,394,236	1,070,882
Wastewater system improvements	12,000	852	11,148
Debt service:			
Bond and loan principal	62,923	62,951	(28)
Bond and loan interest	23,429	23,274	155
Contingency	20,000	-	20,000
Total expenditures	2,817,059	1,742,513	1,074,546
REVENUES OVER EXPENDITURES	273,137	(18,198)	(291,335)
FUNDS AVAILABLE - BEGINNING OF YEAR	908,837	856,522	(52,315)
FUNDS AVAILABLE - END OF YEAR	$ 1,181,974	$ 838,324	$ (343,650)

Funds available is computed as follows:	
Current assets	$ 1,151,446
Current liabilities	(286,788)
Deferred property tax revenue	(75,225)
Current portion of long-term debt	48,891
	$ 838,324

LOUVIERS WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2025

Revenue (budgetary basis)	$ 1,724,315
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position	1,724,315
Expenditures (budgetary basis)	1,742,513
Depreciation	125,143
Capital outlay	(1,395,088)
Bond and loan principal	(62,951)
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position	409,617
Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	$ 1,314,698

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF NET POSITION - WATER AND SEWER OPERATIONS
December 31, 2025

	Water	Sewer	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents - Unrestricted	$ 378,878	$ 230,951	$ 609,829
Cash and cash equivalents - Restricted	-	38,124	38,124
Due from county treasurer	237	239	476
Accounts receivable:			
Customers	43,188	44,781	87,969
Grants	328,666	-	328,666
Property taxes receivable	35,462	39,763	75,225
Prepaid expenses	5,686	5,471	11,157
Total current assets	792,117	359,329	1,151,446
NONCURRENT ASSETS			
Cell tower lease receivable	48,708	48,707	97,415
Total noncurrent assets	48,708	48,707	97,415
CAPITAL ASSETS			
Capital assets, not being depreciated:			
Land	16,438	58,865	75,303
Construction in progress	2,705,595	15,712	2,721,307
Capital assets, being depreciated:			
System and facilities	1,829,929	2,617,841	4,447,770
	4,551,962	2,692,418	7,244,380
Less accumulated depreciation and amortization	(1,162,972)	(606,725)	(1,769,697)
Total capital assets	3,388,990	2,085,693	5,474,683
TOTAL ASSETS	$ 4,229,815	$ 2,493,729	$ 6,723,544
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	$ 125,934	$ 7,314	$ 133,248
Retainage payable	98,685	-	98,685
Deposits	2,500	-	2,500
Accrued interest payable	-	3,464	3,464
Current portion of long-term debt	774	48,117	48,891
Total current liabilities	227,893	58,895	286,788
LONG-TERM LIABILITIES			
Long-term portion of long-term debt	12,776	1,362,389	1,375,165
Total long-term liabilities	12,776	1,362,389	1,375,165
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	35,462	39,763	75,225
Deferred cell tower lease income	48,708	48,707	97,415
Total deferred inflows of resources	84,170	88,470	172,640
NET POSITION			
Net investment in capital assets	3,375,440	675,187	4,050,627
Restricted for:			
Debt service	-	38,124	38,124
Operation and maintenance reserve	35,783	27,614	63,397
Emergencies	724	511	1,235
Unrestricted	493,029	242,539	735,568
Total net position	3,904,976	983,975	4,888,951
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 4,229,815	$ 2,493,729	$ 6,723,544

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - WATER AND SEWER OPERATIONS
Year Ended December 31, 2025

	Water	Sewer	Total
OPERATING REVENUE			
Service charges	$ 141,596	$ 149,968	$ 291,564
Late fees and other charges	597	597	1,194
Total operating revenue	142,193	150,565	292,758
OPERATING EXPENSES			
Operations expense:			
Chemicals	2,345	2,106	4,451
Operations	12,000	12,000	24,000
Meter reading	2,170	-	2,170
Engineering and consulting	5,452	5,452	10,904
Repairs and maintenance	31,505	33,583	65,088
Utility locates	915	915	1,830
Testing - water and sewer	8,857	267	9,124
Utilities - infrastructure	16,076	1,579	17,655
SCADA monitoring	5,152	-	5,152
Permits	300	-	300
Administration expense:			
Accounting	13,537	13,187	26,724
Billing	1,307	1,307	2,614
Audit	3,550	3,550	7,100
District management	18,467	18,467	36,934
Directors fees and taxes	2,800	2,800	5,600
Bank charges	218	146	364
Election	132	132	264
Insurance	5,404	5,404	10,808
Legal fees	11,994	11,994	23,988
Miscellaneous	13	13	26
Office supplies/expenses	480	480	960
Memberships, dues and subscriptions	246	2,645	2,891
Utilities	573	573	1,146
Depreciation	43,588	81,555	125,143
Total operating expenses	187,081	198,155	385,236
OPERATING INCOME (LOSS)	(44,888)	(47,590)	(92,478)
NONOPERATING REVENUE (EXPENSE)			
Property taxes	36,783	36,992	73,775
Specific ownership taxes	2,839	2,855	5,694
Cell tower lease income	1,058	1,058	2,116
Net investment income	5,214	5,845	11,059
County treasurer fees	(552)	(555)	(1,107)
Interest expense	-	(23,274)	(23,274)
Total nonoperating revenue (expense)	45,342	22,921	68,263
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	454	(24,669)	(24,215)
CAPITAL GRANTS AND CONTRIBUTIONS			
Grant income	1,338,271	642	1,338,913
Total capital grants and contributions	1,338,271	642	1,338,913
CHANGE IN NET POSITION	1,338,725	(24,027)	1,314,698
NET POSITION - BEGINNING OF YEAR	2,566,251	1,008,002	3,574,253
NET POSITION - END OF YEAR	$ 3,904,976	$ 983,975	$ 4,888,951

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF CASH FLOWS - WATER AND SEWER OPERATIONS
Year Ended December 31, 2025

	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 176,047	$ 186,001	$ 362,048
Payments to vendors	(138,644)	(116,382)	(255,026)
Net cash provided by operating activities	37,403	69,619	107,022
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cell tower lease principal received	1,058	1,058	2,116
Property taxes	36,231	36,437	72,668
Specific ownership taxes	2,850	2,866	5,716
Net cash provided by noncapital financing activities	40,139	40,361	80,500
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Purchases of capital assets	(1,319,977)	(7,200)	(1,327,177)
Interest paid	-	(23,358)	(23,358)
Loan and bond principal paid	(15,264)	(47,687)	(62,951)
Grants received	1,340,040	20,825	1,360,865
Net cash provided (required) by capital financing activities	4,799	(57,420)	(52,621)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5,214	5,845	11,059
Net cash provided by investing activities	5,214	5,845	11,059
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	87,555	58,405	145,960
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	291,323	210,670	501,993
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 378,878	$ 269,075	$ 647,953
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES			
Net income (loss) from operations	$ (44,888)	$ (47,590)	$ (92,478)
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	43,588	81,555	125,143
Effects of changes in operating assets and liabilities:			
Accounts receivable	33,854	35,436	69,290
Prepaid expenses	(205)	(205)	(410)
Accounts payable	5,054	423	5,477
Net cash provided by operating activities	$ 37,403	$ 69,619	$ 107,022

LOUVIERS WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes Levied	Total Property Taxes Collected Currently	Percent Collected to Levied
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%
2024	$ 3,564,870	20.795	$ 74,130	$ 76,182	102.8%
2025	$ 3,557,710	20.795	$ 73,982	$ 73,775	99.7%
Estimated for the year ending December 31, 2026	$ 3,617,490	20.795	$ 75,225		

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.

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2025

Year Ending	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		
December 31,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	$ 13,217	$ 21,655	$ 34,872	$ 774	$ -	$ 774	$ 32,922	$ -	$ 32,922	$ 1,978	$ 1,274	$ 3,252	$ 48,891	$ 22,929	$ 71,820
2027	13,828	21,044	34,872	774	-	774	32,922	-	32,922	2,006	1,246	3,252	49,530	22,290	71,820
2028	14,347	20,525	34,872	775	-	775	32,921	-	32,921	2,030	1,222	3,252	50,073	21,747	71,820
2029	15,003	19,869	34,872	774	-	774	32,922	-	32,922	2,062	1,190	3,252	50,761	21,059	71,820
2030	15,628	19,244	34,872	774	-	774	32,922	-	32,922	2,090	1,162	3,252	51,414	20,406	71,820
2031	16,279	18,593	34,872	775	-	775	32,921	-	32,921	2,119	1,133	3,252	52,094	19,726	71,820
2032	16,907	17,965	34,872	774	-	774	32,922	-	32,922	2,145	1,107	3,252	52,748	19,072	71,820
2033	17,662	17,210	34,872	774	-	774	32,922	-	32,922	2,178	1,074	3,252	53,536	18,284	71,820
2034	18,398	16,474	34,872	775	-	775	32,921	-	32,921	2,208	1,044	3,252	54,302	17,518	71,820
2035	19,165	15,707	34,872	774	-	774	32,922	-	32,922	2,239	1,013	3,252	55,100	16,720	71,820
2036	19,921	14,951	34,872	774	-	774	32,922	-	32,922	2,267	985	3,252	55,884	15,936	71,820
2037	20,794	14,078	34,872	775	-	775	32,921	-	32,921	2,301	951	3,252	56,791	15,029	71,820
2038	21,660	13,212	34,872	774	-	774	32,922	-	32,922	2,333	919	3,252	57,689	14,131	71,820
2039	22,563	12,309	34,872	774	-	774	32,922	-	32,922	2,365	887	3,252	58,624	13,196	71,820
2040	23,471	11,401	34,872	775	-	775	32,921	-	32,921	2,396	856	3,252	59,563	12,257	71,820
2041	24,482	10,390	34,872	774	-	774	32,922	-	32,922	2,431	821	3,252	60,609	11,211	71,820
2042	25,502	9,370	34,872	774	-	774	32,921	-	32,921	2,465	787	3,252	61,662	10,157	71,819
2043	26,565	8,307	34,872	387	-	387	32,921	-	32,921	2,499	753	3,252	62,372	9,060	71,432
2044	27,651	7,221	34,872	-	-	-	32,922	-	32,922	2,531	721	3,252	63,104	7,942	71,046
2045	28,824	6,048	34,872	-	-	-	32,921	-	32,921	2,568	684	3,252	64,313	6,732	71,045
2046	30,025	4,847	34,872	-	-	-	32,921	-	32,921	2,604	648	3,252	65,550	5,495	71,045
2047	31,277	3,595	34,872	-	-	-	32,922	-	32,922	2,640	612	3,252	66,839	4,207	71,046
2048	32,573	2,299	34,872	-	-	-	32,921	-	32,921	2,675	577	3,252	68,169	2,876	71,045
2049	31,117	940	32,057	-	-	-	32,921	-	32,921	2,714	538	3,252	66,752	1,478	68,230
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	-	-	-	-	-	-	-	-	-	2,043	14	2,057	2,043	14	2,057
	$ 526,859	$ 307,254	$ 834,113	$ 13,550	$ -	$ 13,550	$ 790,117	$ -	$ 790,117	$ 93,530	$ 25,599	$ 119,129	$ 1,424,056	$ 332,853	$ 1,756,909