



**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

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### **Accountant's Compilation Report**

Board of Directors  
Louviers Water and Sanitation District  
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and funds available of Louviers Water and Sanitation District (District), for the year ending December 31, 2021, including the estimate of comparative information for the year ending December 31, 2020, and the actual comparative information for the year ending December 31, 2019, in the format required by Colorado Revised Statutes 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The actual comparative information for the year ending December 31, 2019 is presented for comparative purposes as required by Colorado Revised Statutes 29-1-105. Such information is taken from the audited financial statements of the District for the year ended December 31, 2019. Green & Associates LLC audited the financial statements for the year ended December 31, 2019, whose report was dated September 9, 2020.

The budget is presented in accordance with the requirements of Colorado Revised Statutes 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Louviers Water and Sanitation District.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
December 11, 2020

**LOUVIERS WATER AND SANITATION DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET AS ADOPTED  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<b>ACTUAL 2019</b>	<b>ESTIMATED 2020</b>	<b>ADOPTED BUDGET 2021</b>
<b>Assessed Valuation</b>			
Douglas County	\$ 2,259,580	\$ 2,770,290	\$ 2,773,940
<b>Mill Levy</b>			
General Operating - Water	6.000	6.000	6.000
General Operating - Sanitation	4.000	4.000	4.000
Debt Service - Water Loan	4.368	4.368	4.368
Debt Service - Sanitation Bond	6.427	6.427	6.427
Total Mill Levy	<u>20.795</u>	<u>20.795</u>	<u>20.795</u>
<b>Tax Revenue Levied</b>			
General Operating - Water	\$ 13,558	\$ 16,622	\$ 16,644
General Operating - Sanitation	9,038	11,081	11,095
Debt Service - Water Loan	9,870	12,101	12,117
Debt Service - Sanitation Bond	14,522	17,805	17,828
Total Levied Tax Revenue	<u>46,988</u>	<u>57,609</u>	<u>57,684</u>
Adjustments to actual/rounding	(280)	-	-
Actual or budgeted property taxes	<u>\$ 46,708</u>	<u>\$ 57,609</u>	<u>\$ 57,684</u>
<b>Property Taxes by Function</b>			
Water	\$ 23,288	\$ 28,723	\$ 28,761
Sanitation	23,420	28,886	28,923
Total	<u>\$ 46,708</u>	<u>\$ 57,609</u>	<u>\$ 57,684</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**LOUVIERS WATER AND SANITATION DISTRICT  
SUMMARY WATER AND SANITATION OPERATIONS  
2021 BUDGET AS ADOPTED  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<b>ACTUAL 2019</b>	<b>ESTIMATED 2020</b>	<b>ADOPTED BUDGET 2021</b>
<b><u>SUMMARY</u></b>			
<b>BEGINNING FUNDS AVAILABLE</b>	\$ 355,605	\$ 565,457	\$ 613,541
<b>REVENUE</b>			
Operating Revenue - Water	90,908	110,474	120,179
Operating Revenue - Sanitation	117,437	119,839	129,451
Non-operating Revenue - Water	31,905	34,389	539,726
Non-operating Revenue - Sanitation	1,125,047	43,201	268,402
<b>TOTAL REVENUE</b>	<b>1,365,297</b>	<b>307,903</b>	<b>1,057,758</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>1,720,902</b>	<b>873,360</b>	<b>1,671,299</b>
<b>EXPENDITURES</b>			
Administrative expenditures - Water	29,649	56,169	58,601
Administrative expenditures - Sanitation	35,059	40,313	38,404
Operations expenditures - Water	41,059	38,554	58,828
Operations expenditures - Sanitation	23,596	25,120	35,400
Capital Outlay - Water	-	-	500,000
Capital Outlay - Sanitation	980,357	8,959	402,000
Debt Service - Water	9,785	11,920	11,935
Debt Service - Sanitation	35,940	78,784	67,794
Contingency - Water	-	-	10,000
Contingency - Sanitation	-	-	10,000
<b>TOTAL EXPENDITURES REQUIRING APPROPRIATION</b>	<b>1,155,445</b>	<b>259,819</b>	<b>1,192,962</b>
<b>ENDING FUNDS AVAILABLE</b>	<b>\$ 565,457</b>	<b>\$ 613,541</b>	<b>\$ 478,337</b>
<b>FUNDS AVAILABLE BREAKDOWN</b>			
<b>Water</b>	\$ 368,296	\$ 406,516	\$ 427,057
<b>Sanitation</b>	197,161	207,025	51,280
	<b>\$ 565,457</b>	<b>\$ 613,541</b>	<b>\$ 478,337</b>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**LOUVIERS WATER AND SANITATION DISTRICT  
WATER OPERATIONS  
2021 BUDGET AS ADOPTED  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<b>ACTUAL 2019</b>	<b>ESTIMATED 2020</b>	<b>ADOPTED BUDGET 2021</b>
<b><i>WATER OPERATIONS</i></b>			
<b>BEGINNING FUNDS AVAILABLE</b>	\$ 325,976	\$ 368,296	\$ 406,516
<b>REVENUE</b>			
Operating Revenue - Water:			
Water usage fees	31,360	49,856	54,094
Water base charge	30,215	30,980	33,149
Operations and improvements	28,337	29,006	31,036
Late charges	585	-	900
Other income and permit fees	411	632	1,000
Non-operating Revenue - Water:			
Property taxes	13,477	16,622	16,644
Property taxes - debt service	9,811	12,101	12,117
Specific ownership taxes	2,336	2,370	2,373
Cell tower lease	2,592	2,592	2,592
Investment income	3,689	704	3,500
Grant revenue	-	-	502,500
<b>TOTAL REVENUE</b>	<u>122,813</u>	<u>144,863</u>	<u>659,905</u>
<b>TOTAL FUNDS AVAILABLE</b>	<u>448,789</u>	<u>513,159</u>	<u>1,066,421</u>
<b>EXPENDITURES</b>			
Administrative expenditures - Water:			
Director wages and payroll taxes	2,960	2,907	3,200
Accounting and billing	6,024	6,020	6,800
District manager - contracted	-	3,785	8,000
Audit	2,400	3,750	3,500
Bank charges	178	170	170
Computer software/support	625	656	700
Consultants/engineering	8,702	20,580	20,000
LWSD conceptual master plan	-	6,749	-
Election	-	70	-
Insurance	3,452	3,300	3,500
Legal fees	669	3,736	8,000
Miscellaneous	100	12	100
Office supplies/expenditures	912	1,001	1,000
Postage	443	251	300
Memberships, dues and subscriptions	2,379	2,394	2,500
Utilities - telephone	455	357	400
County treasurer fees	350	431	431
Operations expenditures - Water:			
Chemicals	875	360	1,000
Operations	8,582	10,500	11,500
Meter reading	1,980	1,960	2,000
Repairs and maintenance:			
Infrastructure	2,223	-	-
Unscheduled:			
Water main breaks	6,314	5,053	18,000
Fire hydrant testing, repairs, replacement	1,300	-	-
Water valves/meter replacement	1,482	-	1,000
Tank evaluation and maintenance	2,381	1,136	-
Miscellaneous	711	1,809	2,000
Utility locates	1,036	168	300
Testing - Water	2,088	1,806	2,000
Utilities - infrastructure	9,329	12,552	13,000
Water meters	207	-	2,000
Mowing and weed control	726	585	700
Miscellaneous	-	800	800
Permit fees	75	75	100
Wellhouse fire/emergency monitoring	-	-	1,128
GIS mapping	-	-	1,500
SCADA monitoring	1,750	1,750	1,800
Capital Outlay - Water			
Water distribution system - Radium	-	-	500,000
Debt Service - Water			
2012 CWRPDA Loan principal	9,785	11,920	11,935
Contingency - Water			
Contingency	-	-	10,000
<b>TOTAL EXPENDITURES</b>	<u>80,493</u>	<u>106,643</u>	<u>639,364</u>
<b>ENDING FUNDS AVAILABLE</b>	<u>\$ 368,296</u>	<u>\$ 406,516</u>	<u>\$ 427,057</u>

(Continued)

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**LOUVIERS WATER AND SANITATION DISTRICT  
SANITATION OPERATIONS  
2020 BUDGET AS ADOPTED  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,  
(Continued)**

	<b>ACTUAL 2019</b>	<b>ESTIMATED 2020</b>	<b>ADOPTED BUDGET 2021</b>
<b>SANITATION OPERATIONS</b>			
<b>BEGINNING FUNDS AVAILABLE</b>	\$ 29,629	\$ 197,161	207,025
<b>REVENUE</b>			
Operating Revenue - Wastewater:			
Wastewater fees	17,307	17,744	18,986
Operations and improvements	99,134	101,463	108,565
Late charges	585	-	900
Other income and permit fees	411	632	1,000
Non-operating Revenue - Wastewater			
Property taxes	8,984	11,081	11,095
Property taxes - debt service	14,436	17,805	17,828
Specific ownership taxes	2,349	2,384	2,387
Cell tower lease	2,592	2,592	2,592
Investment income	2,470	836	3,200
Grant revenue	113,200	-	2,500
USDA Loan Proceeds	981,016	8,503	228,800
<b>TOTAL REVENUE</b>	<u>1,242,484</u>	<u>163,040</u>	<u>397,853</u>
<b>TOTAL FUNDS AVAILABLE</b>	<u>1,272,113</u>	<u>360,201</u>	<u>604,878</u>
<b>EXPENDITURES</b>			
Administrative expenditures - Wastewater:			
Director wages and payroll taxes	2,960	2,907	3,200
Accounting and billing	6,782	6,020	6,800
District manager - contracted	-	3,785	8,000
Audit	2,400	3,750	3,500
Bank charges	118	113	170
Computer software/support	625	656	700
Consultants/engineering	1,480	749	6,000
LWSD conceptual master plan	-	6,750	-
Election	-	70	-
Insurance	3,452	3,301	3,500
Legal fees	1,026	4,438	4,000
Miscellaneous	-	12	100
Office supplies/expenditures	912	1,001	1,000
Postage	362	251	300
Memberships, dues and subscriptions	204	219	300
Utilities - telephone	455	356	400
County treasurer fees	352	434	434
Wastewater loan issuance costs	13,931	5,501	-
Operations expenditures - Wastewater:			
Chemicals	763	2,010	2,500
Operations	7,800	10,500	11,500
Repairs and maintenance:			
Infrastructure	3,755	195	-
Unscheduled:			
Sewer main breaks	-	-	5,000
Miscellaneous	203	2,508	2,500
Utility locates	1,036	168	300
Testing - Sewer	6,171	4,170	4,500
Utilities - infrastructure	2,386	1,325	1,500
Sewer cleaning	-	3,689	4,000
Mowing and weed control	827	-	700
Miscellaneous	100	-	800
GIS mapping	-	-	1,500
Permit fees	555	555	600
Capital Outlay - Wastewater:			
Wastewater infrastructure improvements	980,357	8,959	402,000
Debt Service - Wastewater:			
2009 Bond principal	11,150	8,866	10,814
2009 Bond interest	24,790	35,124	24,058
2019 CWRPA Loan principal	-	34,794	32,922
Contingency - Wastewater:			
Contingency	-	-	10,000
<b>TOTAL EXPENDITURES</b>	<u>1,074,952</u>	<u>153,176</u>	<u>553,598</u>
<b>ENDING FUNDS AVAILABLE</b>	<u>\$ 197,161</u>	<u>\$ 207,025</u>	<u>\$ 51,280</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**LOUVIERS WATER AND SANITATION DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Disclosures contained in this summary as presented by management, are those that are believed to be significant as of the date of the compilation report and are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2021 annual budget. Actual results may differ from the prospective results contained in the budget.

**SERVICES PROVIDED**

The District was organized in 2008 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado. The District was organized to provide water and wastewater services to the District's residents.

The District obtained voter approval to retain and spend any excess revenues collected under Article X, Section 20 of the Colorado Constitution.

The District prepares its budget on the modified accrual basis of accounting.

**REVENUE**

*Water and Sanitation Fees*

District residents are charged bi-monthly for water and sewer service. The water charges consist of base fees plus a fee per 1,000 gallons of water used. Sewer charges consist of base fees. The District also has operations and maintenance base fees for both water and sewer. The 2021 budget has been prepared with a 7% rate increase for most water and sewer fees, except for water usage rates for usages in excess of 20000 which and construction/bulk water which have been budgeted with a 10% increase.

*Property Taxes*

For 2021 the District is levying a property tax mill levy of 10.000 mills upon all taxable property within Louviers Water and Sanitation District to be used to defray the operational costs of the District and a mill levy of 10.795 to be used for the payment of debt service on the Sanitation Bond and the Water Loan.

*Specific Ownership Taxes*

This revenue is based on a sharing of the collection of vehicle ownership taxes pooled by the County.

*Other Revenues*

The District receives income on the investment of District funds. Interest income is based on historical interest earnings (2021 rates are expected to be comparable to 2020) and cash balances.

The District has entered into a master lease agreement to lease space on the District's water tank for use by cellular service providers. The District's base rental revenue is \$5,184 per year plus a percentage of additional rental payments when the cellular providers are using the water tank for cellular towers. As there are no current cellular providers using the space, the revenue has been budgeted at the base annual rental revenue.

**LOUVIERS WATER AND SANITAION DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**EXPENDITURES**

District expenditures are forecasted based on prior years' amounts expended adjusted for known variations. The District has budgeted inflationary increases for 2021 with no significant changes in the level of services provided.

*Capital Outlay*

The District anticipates it will begin working on water system improvements during 2021 to address high radium levels in the District's drinking water which will be financed through a combination of grant revenue and debt financing and therefore has budgeted for both capital outlay and grant/loan proceeds during 2021. The District also anticipates completing a sewer collection line project which was partially completed in 2019. It is anticipated this project will be financed through a combination of debt financing and use of accumulated District funds available.

*Debt Service*

Debt service payments have been budgeted based on the scheduled debt service requirements on the respective debt obligations outstanding.

**DEBT AND LEASES**

The District issued \$680,000 of General Obligation Bonds, Series 2009 during 2009. The Bonds require semi-annual principal and interest payments on May 4 and November 4 in the amount of \$17,436 through November 4, 2049.

During 2012, the District entered into a Loan Agreement with the Colorado Water Resources and Power Development Authority for \$1,139,650, with \$1,000,000 of the loan principal being forgiven at loan closing. The remaining loan principal of \$139,650 bears interest at 0% with a 30 year repayment term. The loan requires semi-annual debt service payments in the amount of \$1,879.11 consisting of principal only, on each May 1 and November 1 through May 1, 2043. The District, however has budgeted to make additional principal payments of \$10,056 in 2021.

During 2019, the District entered into a Loan Agreement with the Colorado Water Resources and Power Development Authority for \$1,100,000 to assist in financing sewer collection system improvements. At this time the District has the total amount of financing that will requested at \$1,100,000. The bears interest at 0% with a 30 year repayment term. The loan requires semi-annual debt service payments in the amount of \$16,460.78, consisting of principal only, on each May 1 and November 1 through November 1, 2049.

The District anticipates entering into another financing agreement during 2021 to provide funding for the completion of Phase 1 of the sewer collection system improvements.

The District has no leases outstanding.

This information is an integral part of the accompanying budget.

