

NORTHWEST LAKEWOOD SANITATION DISTRICT

2016 Budget Message

Introduction

Northwest Lakewood Sanitation District, the “District” provides sewage collection and transmission services to approximately 4,400 connecting taps in the service area which is located in Jefferson County. The District discontinued operation of its sewage treatment facility on September 30, 2004, with Metro Wastewater Reclamation District providing treatment.

The District has entered into Intergovernmental Agreements with College Park Water and Sanitation District, Applewood Sanitation District and Westridge Sanitation District to provide collection and transmission services to approximately 500 connecting taps within the service area of College Park Water and Sanitation District, Applewood Sanitation District, and Westridge Sanitation District.

The 2016 budget was prepared in accordance with the Local Budget Law of Colorado. The budget reflects the projected spending plan for the 2016 fiscal year based on available revenues. This budget provides for the general operation of the District, and a business like enterprise for the collection of sewage, and capital repair to the collection system.

The District’s assessed value increased 16% to \$190,485,375 in 2015 for the 2016 budget year. The District’s mill levy decreased 0.825 mills due to the limitations of the TABOR amendment to the Colorado Constitution.

Budgetary Basis of Accounting

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget. The District’s General Fund is considered a Governmental Fund and is reported using the economic resources focus and the accrual basis of accounting. The District’s Sanitation Enterprise Fund is also reported using the economic resources focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Summaries

General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, treatment charges and other expenses related to statutory operations of a local government. The General Fund’s primary sources of revenue are property taxes and specific ownership taxes.

Sanitation Enterprise Fund accounts for the operations that are financed and operated in a manner similar to private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through a combination user charges. The District contracts for repair and maintenance services. Maintenance and repairs have been estimated by the District's engineer. The estimated expenditures include periodic cleaning of certain mains. Capital outlay expenditures in the enterprise fund include repairs to the system which was constructed approximately 40 years ago. In 2009, the District initiated an annual Facilities Renovation and Services Fee which is expected to result in \$1,288,800 in revenue in 2016. In 2016 this fee has been increased to \$250 per single family residential equivalent unit from \$225. The majority of the proceeds from this fee will be used to continue to repair older infrastructure.

Emergency Reserve

As required by Section 20 of Article X of the Colorado Constitution ("TABOR"), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenue in the General Fund.

NORTHWEST LAKEWOOD SANITATION DISTRICT
Assessed Value, Property Tax and Mill Levy Information

	2014 Actual	2015 Adopted Budget	2016 Adopted Budget
Assessed Valuation	\$ 165,527,807	\$ 164,757,771	\$ 190,485,375
Mill Levy			
General Fund	7.696	7.696	7.696
Debt Service Fund	-	-	-
Temporary Mill Levy Reduction	(0.449)	-	(0.856)
Refunds and Abatements	0.038	0.007	0.038
Total Mill Levy	<u>7.285</u>	<u>7.703</u>	<u>6.878</u>
Property Taxes			
General Fund	\$ 1,273,902	\$ 1,267,976	\$ 1,465,975
Debt Service Fund	-	-	-
Temporary Mill Levy Reduction	(74,322)	-	(163,055)
Refunds and Abatements	6,290	1,153	7,238
Actual/Budgeted Property Taxes	<u>\$ 1,205,870</u>	<u>\$ 1,269,129</u>	<u>\$ 1,310,158</u>

NORTHWEST LAKEWOOD SANITATION DISTRICT

GENERAL FUND

2016 Adopted Budget

with 2014 Actual, 2015 Budget, and 2015 Estimated Budget

	2014 YTD Actual	2015 Adopted Budget	2015 Estimated Budget	2016 Adopted Budget
1-501 BEGINNING FUND BALANCE	\$ 582,619	\$ 607,944	\$ 630,664	\$ 736,488
REVENUE				
1-510 Property Tax	1,197,171	1,269,129	1,265,000	1,310,158
1-515 Specific Ownership Tax	93,889	85,000	90,069	92,000
Total Revenue	1,291,060	1,354,129	1,355,069	1,402,158
Total Funds Available	1,873,679	1,962,073	1,985,733	2,138,646
EXPENDITURES				
Administration				
1-612 Accounting	20,749	26,000	24,000	26,520
1-614 Administration	34,013	27,000	29,000	29,580
1-615 Audit	5,363	5,500	6,084	6,000
1-616 Billing	23,218	33,200	35,000	35,700
1-618 Bank Charges	0	125	75	125
1-620 Director's Fees	5,800	6,000	4,300	6,000
1-630 Dues & Subscriptions	1,136	1,200	1,238	1,250
1-635 Election and Publication	512	0	950	5,000
1-670 Insurance and Bonds	14,140	15,000	24,120	26,532
1-675 Legal	16,006	25,000	25,000	25,000
1-677 Website	0	6,000	2,500	5,000
1-679 Statutory Compliance	425	500	400	500
1-685 Miscellaneous Expenses	200	500	2,000	500
1-690 Office Supplies	8,646	7,500	7,500	7,500
1-693 Payroll Taxes-Directors	521	459	456	456
1-700 Treasurer's Fees	17,972	19,037	18,975	19,652
Total Administrative	148,701	173,021	181,598	195,315
Operations and Maintenance				
1-720 Treatment Charges	1,020,934	1,012,046	1,012,047	935,378
1-745 Engineering	68,217	50,000	50,000	50,000
1-765 Utilities	4,448	5,600	5,600	5,600
1-795 Contingency	0	55,963	-	60,000
Total Operations and Maintenance	1,094,314	1,123,609	1,067,647	1,050,978
Total Expenditures	1,243,015	1,296,630	1,249,245	1,246,293
Transfers and Other (Uses)				
1-895 Emergency Reserve	-	39,470	-	42,065
Total Expenditures Requiring Appropriation	1,243,015	1,336,100	1,249,245	1,288,358

NORTHWEST LAKEWOOD SANITATION DISTRICT

GENERAL FUND

2016 Adopted Budget

with 2014 Actual, 2015 Budget, and 2015 Estimated Budget

	2014 YTD Actual	2015 Adopted Budget	2015 Estimated Budget	2016 Adopted Budget
ENDING FUND BALANCE	\$ 630,664	\$ 625,973	\$ 736,488	\$ 850,288

NORTHWEST LAKEWOOD SANITATION DISTRICT

ENTERPRISE FUND

2016 Adopted Budget

with 2014 Actual, 2015 Adopted Budget, and 2015 Estimated Budget

	2014 Actual	2015 Adopted Budget	2015 Estimated Actual	2016 Adopted Budget
4-501 BEGINNING FUND BALANCE	\$ 320,749	\$ 1,749,772	\$ 915,710	\$ 170,008
REVENUE				
4-520 Service Agreement-Westridge	2,458	2,058	2,058	1,902
4-525 Service Agreement-Applewood	7,776	7,774	7,774	7,185
4-535 Treatment Chgs-College Park	219,820	219,772	219,772	203,123
4-536 Maintenance-College Park	0	0	-	-
4-539 Facilities Renovation Fees	1,110,876	1,216,260	1,200,000	1,288,800
4-540 Service Fees-Commercial	20,888	24,000	24,000	24,000
4-545 Connection Fee	164,510	0	15,990	-
4-557 Grease Trap Inspection	11,361	18,100	16,500	17,000
4-560 Interest Income	7,430	6,500	4,500	4,500
4-570 Transfer Service Fee	12,571	7,500	11,000	14,000
4-575 Miscellaneous Income	-215	0	215	-
4-590 Denver Water Service Agreement	2,540	7,000	5,000	4,000
Total Revenue	1,560,015	1,508,964	1,506,809	1,564,510
Total Funds Available	1,880,764	3,258,736	2,422,519	1,734,518
EXPENDITURES				
Administrative				
4-675 Legal	43,605	36,000	36,000	36,000
4-685 Miscellaneous Expenses	0	500	500	500
4-700 Treasurer's Fees	454	-	450	450
Total Administrative	44,059	36,500	36,950	36,950
Operations and Maintenance				
4-721 NWLSD Treatment Chg-College Pk	211,127	219,772	219,772	203,123
4-722 NWSD Treatment Chgs-Westridge	2,064	2,058	2,058	1,902
4-723 NWSD Treatment Chgs-Applewood	7,797	7,774	7,774	7,185
4-725 Treatment Charges-Westridge	10,762	10,800	11,325	11,000
4-726 Treatment Charges-Applewood	1,144	1,200	1,200	1,200
4-730 Tap Fees-Metro's Portion	89,120	-	15,840	-
4-735 Landscaping-Plant Site	1,400	7,000	2,500	2,500
4-736 Depreciation	227,786	-	-	-
4-740 Repairs & Maintenance-Lines	17,206	12,000	5,870	7,000
4-741 COS-Grease Trap	6,878	8,000	9,000	9,500
4-742 COS-Locates	44,216	60,000	60,000	65,000
4-746 COS-Collection System Oversight	57,000	57,000	58,425	60,000
4-747 COS-Daily Operations	19,210	16,000	12,000	16,000
4-748 COS-Emergency Service	6,293	10,000	10,000	10,000
4-749 COS-Maintenance	132,944	170,000	165,000	95,000
4-750 COS-Mineral Removal	0	75,000	-	75,000
4-774 Backup Clean & Sanitize	1,620	-	2,531	-
4-778 Sump Pump Inspections	2,325	60,000	4,500	-
Total Operations and Maintenance	838,892	716,604	587,795	564,410

NORTHWEST LAKEWOOD SANITATION DISTRICT

ENTERPRISE FUND

2016 Adopted Budget

with 2014 Actual, 2015 Adopted Budget, and 2015 Estimated Budget

Capital Outlay					
4-810	Sewer Lines/Eng./Observ.	6,101	400,000	581,050	400,000
4-825	Quail Street Parallel Line	0	150,000	281,730	-
4-826	Northwest Interceptor	0	64,986	64,986	77,986
4-827	Kipling Street Project C	76,002	700,000	471,220	21,000
	Overhills Road Full Lining/Remove & Replace			228,780	
4-880	Other Capital Projects	0	1,190,646	-	634,172
	Total Capital Outlay	82,103	2,505,632	1,627,766	1,133,158

Total Expenditures Requiring Appropriation	965,054	3,258,736	2,252,511	1,734,518
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ENDING FUND BALANCE	\$ 915,710	\$ -	\$ 170,008	\$ -
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