

LOUVIERS WATER AND SANITATION DISTRICT

FINANCIAL STATEMENTS

For the Nine Month Period Ended September 30, 2011



SCHILLING & COMPANY, INC.

Certified Public Accountants

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Accountant's Report

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

We have compiled the accompanying statement of net assets of Louviers Water and Sanitation District (District) as of September 30, 2011 and the statement of revenues, expenses and changes in fund net assets for the nine month period ended September 30, 2011, and the accompanying supplemental information which is presented for additional analysis purposes only, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplemental schedules, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit the management discussion and analysis, the statement of cash flows, and substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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

SCHILLING & COMPANY, INC.

October 27, 2011

LOUVIERS WATER AND SANITATION DISTRICT
STATEMENT OF NET ASSETS
September 30, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents - Unrestricted	\$ 144,946
Cash and cash equivalents - Restricted	6,960
Due from county treasurer	108
Accounts receivable	51,292
Property taxes receivable	157
Other receivables	36
Prepaid expenses	51
Total current assets	203,550

CAPITAL ASSETS

Capital assets, not being depreciated	111,709
Capital assets, being depreciated	955,376
	1,067,085
Less accumulated depreciation and amortization	(63,457)
Total capital assets	1,003,628

OTHER ASSETS

Bond issue costs, net of accumulated amortization	10,256
Total other assets	10,256

TOTAL ASSETS

\$ 1,217,434

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 11,397
Deferred property tax revenue	157
Accrued interest payable	11,578
Current portion of long-term debt	3,515
Total current liabilities	26,647

LONG-TERM LIABILITIES

Long-term portion of long-term debt	665,920
Total long-term liabilities	665,920

NET ASSETS

Invested in capital assets	344,449
Restricted for:	
Debt service	6,960
Emergencies	630
Unrestricted	172,828
Total net assets	524,867

TOTAL LIABILITIES AND NET ASSETS

\$ 1,217,434

These financial statements should be read only in connection with
the accompanying accountant's report.

FINANCIAL STATEMENTS

LOUVIERS WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
For the Nine Month Period Ended September 30, 2011

OPERATING REVENUE	
Water service charges	\$ 78,306
Sewer service charges	32,389
Late fees and other charges	2,761
Total operating revenue	<u>113,456</u>
OPERATING EXPENSES	
Water operations	34,652
Sewer operations	18,270
Administration expense	25,173
Depreciation	24,831
Total operating expenses	<u>102,926</u>
OPERATING INCOME (LOSS)	<u>10,530</u>
NONOPERATING REVENUE (EXPENSE)	
Property taxes	20,159
Specific ownership taxes	1,017
Net investment income	344
Cell tower lease income	4,320
Interest expense	(21,010)
Bond issue cost amortization	(201)
Total nonoperating revenue (expense)	<u>4,629</u>
CHANGE IN NET ASSETS	15,159
NET ASSETS - BEGINNING OF PERIOD	<u>509,708</u>
NET ASSETS - END OF PERIOD	<u><u>\$ 524,867</u></u>

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the accompanying accountant's report.

SUPPLEMENTAL INFORMATION

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Nine Month Period Ended September 30, 2011

	Original Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Water service charges	\$ 82,300	\$ 78,306	\$ (3,994)
Sewer service charges	35,900	32,389	(3,511)
Late fees and other charges	1,800	2,761	961
Property taxes	20,315	20,159	(156)
Specific ownership taxes	1,625	1,017	(608)
Cell tower lease	3,600	4,320	720
Net investment income	700	344	(356)
Total Revenues	146,240	139,296	(6,944)
EXPENDITURES			
Administration:			
Accounting and bookkeeping	13,000	7,712	5,288
Audit	6,100	5,100	1,000
Bank charges	-	28	(28)
Computer software/support	850	884	(34)
Consultants	2,600	2,708	(108)
Insurance	4,200	4,013	187
Legal fees	2,400	748	1,652
Miscellaneous expense	500	110	390
Office supplies/expenses	2,200	933	1,267
Postage	-	344	(344)
Dues and subscriptions	2,000	1,378	622
Utilities	1,000	912	88
County treasurer fees	-	303	(303)
Operations:			
Chemical expense	2,500	838	1,662
Operations	9,600	7,200	2,400
Meter reading	1,200	1,535	(335)
Repairs and maintenance:			
Repairs and maintenance - infrastructure	10,000	458	9,542
Parts and minor equipment	2,000	-	2,000
Water valves	-	238	(238)
Water main breaks	10,000	9,027	973
Sewer main breaks	5,000	-	5,000
Miscellaneous repairs and maintenance	1,500	3,047	(1,547)
Utility locates	400	664	(264)
Testing - water and sewer	9,400	6,301	3,099
Utilities - infrastructure	9,700	6,271	3,429
Sewer cleaning	-	-	-
Water meters	2,500	6,096	(3,596)
Mowing and weed control	3,000	3,316	(316)
Miscellaneous	2,100	7,931	(5,831)

(continued)

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**LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Nine Month Period Ended September 30, 2011**

	Original Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
(continued)			
Capital outlay:			
Water system improvements	-	10,332	(10,332)
Debt service:			
Bond principal	7,183	3,593	3,590
Bond interest	27,665	21,010	6,655
Contingency	30,000	-	30,000
Total expenditures	168,598	113,030	55,568
REVENUES OVER (UNDER) EXPENDITURES	(22,358)	26,266	48,624
FUNDS AVAILABLE - BEGINNING OF PERIOD	96,515	154,152	57,637
FUNDS AVAILABLE - END OF PERIOD	\$ 74,157	\$ 180,418	\$ 106,261
Funds available is computed as follows:			
Current assets		\$ 203,550	
Current liabilities		(26,647)	
Current portion of long-term debt		3,515	
		\$ 180,418	

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the accompanying accountant's report.

**LOUVIERS WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Nine Month Period Ended September 30, 2011**

Revenue (budgetary basis)	\$	139,296
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Assets		139,296
Expenditures (budgetary basis)		113,030
Depreciation		24,831
Amortization of bond issue costs		201
Capital outlay		(10,332)
Bond principal		(3,593)
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Assets		124,137
Change in net assets per Statement of Revenues, Expenses and Changes in Fund Net Assets	\$	15,159

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LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF NET ASSETS - WATER AND SEWER OPERATIONS
September 30, 2011

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents - Unrestricted	\$ 119,343	\$ 25,603	\$ 144,946
Cash and cash equivalents - Restricted	-	6,960	6,960
Due from county treasurer	65	43	108
Accounts receivable	38,635	12,657	51,292
Property taxes receivable	94	63	157
Other receivables	36	-	36
Prepaid expenses	51	-	51
Total current assets	<u>158,224</u>	<u>45,326</u>	<u>203,550</u>
CAPITAL ASSETS			
Capital assets, not being depreciated:			
Land	16,438	58,865	75,303
Construction in progress	36,406	-	36,406
Capital assets, being depreciated:			
System and facilities	125,444	829,932	955,376
	<u>178,288</u>	<u>888,797</u>	<u>1,067,085</u>
Less accumulated depreciation and amortization	<u>(21,067)</u>	<u>(42,390)</u>	<u>(63,457)</u>
Total capital assets	<u>157,221</u>	<u>846,407</u>	<u>1,003,628</u>
OTHER ASSETS			
Bond issue costs, net of accumulated amortization	-	10,256	10,256
Total other assets	<u>-</u>	<u>10,256</u>	<u>10,256</u>
TOTAL ASSETS	<u>\$ 315,445</u>	<u>\$ 901,989</u>	<u>\$ 1,217,434</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 7,407	\$ 3,990	\$ 11,397
Deferred property taxes revenue	94	63	157
Accrued interest payable	-	11,578	11,578
Current portion of long-term debt	-	3,515	3,515
Total current liabilities	<u>7,501</u>	<u>19,146</u>	<u>26,647</u>
LONG-TERM LIABILITIES			
Long-term portion of long-term debt	-	665,920	665,920
Total long-term liabilities	<u>-</u>	<u>665,920</u>	<u>665,920</u>
NET ASSETS			
Invested in capital assets	157,221	187,228	344,449
Restricted for:			
Debt service	-	6,960	6,960
Emergencies	380	250	630
Unrestricted	<u>150,343</u>	<u>22,485</u>	<u>172,828</u>
Total net assets	<u>307,944</u>	<u>216,923</u>	<u>524,867</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 315,445</u>	<u>\$ 901,989</u>	<u>\$ 1,217,434</u>

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LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - WATER AND SEWER OPERATIONS
For the Nine Month Period Ended September 30, 2011

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUE			
Service charges	\$ 78,306	\$ 32,389	\$ 110,695
Late fees and other charges	1,599	1,162	2,761
Total operating revenue	<u>79,905</u>	<u>33,551</u>	<u>113,456</u>
OPERATING EXPENSES			
Operations expense:			
Chemical expense	243	595	838
Operations	3,600	3,600	7,200
Meter reading	1,535	-	1,535
Repairs and maintenance:			
Repairs and maintenance - infrastructure	458	-	458
Water valves/meter replacement	238	-	238
Water main breaks	9,027	-	9,027
Miscellaneous repairs and maintenance	2,401	646	3,047
Utility locates	332	332	664
Testing - water and sewer	1,738	4,563	6,301
Utilities - infrastructure	5,617	654	6,271
Water meters	6,096	-	6,096
Mowing and weed control	1,658	1,658	3,316
Miscellaneous	1,709	6,222	7,931
Administration expense:			
Accounting and bookkeeping	4,196	3,516	7,712
Audit	2,550	2,550	5,100
Bank charges	19	9	28
Computer software/support	442	442	884
Consultants	-	2,708	2,708
Insurance	2,006	2,007	4,013
Legal fees	378	370	748
Miscellaneous expense	55	55	110
Office supplies/expenses	467	466	933
Postage	172	172	344
Dues and subscriptions	1,189	189	1,378
Utilities	456	456	912
County treasurer fees	182	121	303
Depreciation	8,244	16,587	24,831
Total operating expenses	<u>55,008</u>	<u>47,918</u>	<u>102,926</u>
OPERATING INCOME (LOSS)	<u>24,897</u>	<u>(14,367)</u>	<u>10,530</u>
NONOPERATING REVENUE (EXPENSE)			
Property taxes	12,095	8,064	20,159
Specific ownership taxes	610	407	1,017
Net investment income	244	100	344
Cell tower lease income	2,160	2,160	4,320
Interest expense	-	(21,010)	(21,010)
Bond issue cost amortization	-	(201)	(201)
Total nonoperating revenue (expense)	<u>15,109</u>	<u>(10,480)</u>	<u>4,629</u>
CHANGE IN NET ASSETS	<u>40,006</u>	<u>(24,847)</u>	<u>15,159</u>
NET ASSETS - BEGINNING OF PERIOD	<u>267,938</u>	<u>241,770</u>	<u>509,708</u>
NET ASSETS - END OF PERIOD	<u>\$ 307,944</u>	<u>\$ 216,923</u>	<u>\$ 524,867</u>

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