

**LOUVIERS WATER AND SANITATION
DISTRICT**

Douglas County, Colorado

**FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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David B. Green • CPA • LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Louviers Water and Sanitation District

We have audited the accompanying financial statements of Louviers Water and Sanitation District as of and for the years ended December 31, 2010 and 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Louviers Water and Sanitation District's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louviers Water and Sanitation District, as of December 31, 2010 and 2009, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages II through VI be presented to supplement the basic financial statements. Such information, 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.

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



Brighton, CO
May 24, 2011

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**LOUVIERS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2010 and 2009**

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 years ended December 31, 2010 and 2009. 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 Assets, 2) Statement of Revenues, Expenses and Changes in Fund Net Assets, and 3) Statement of Cash Flows. The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets are prepared using the economic resource measurement focus and the accrual basis of accounting.

The *Statement of Net Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. This statement provides useful information regarding the financial position of the District. Over time, increases and decreases in net assets 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 Assets* reports the changes that have occurred during the year to the District's net assets. All changes in net assets 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 Assets

2010

As noted earlier, net assets may serve as a useful indicator of the District's financial position. As noted in the table below, the District's assets exceed liabilities in 2010 by \$509,708. Total assets and liabilities were \$1,212,291 and \$702,583, respectively. Both the total assets and liabilities increased primarily due to the District imposing a property tax of 10.000 mills for

collection in 2011. The corresponding receivable and deferred revenue have been reflected in the statement of net assets at December 31, 2010.

2009

As noted in the table below, the District's assets exceed liabilities in 2009 by \$516,973. Total assets and liabilities were \$1,205,368 and \$688,395, respectively. These balances increased from the 2008 balances of \$-0-, due primarily to the 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.

Condensed Statement of Net Assets

	2008	\$ Change	2009	\$ Change	2010
Current and other assets	\$ -	\$ 180,207	\$ 180,207	\$ 13,956	\$ 194,163
Capital assets	-	1,025,161	1,025,161	(7,033)	1,018,128
Total Assets	-	1,205,368	1,205,368	6,923	1,212,291
Current liabilities	-	15,290	15,290	21,373	36,663
Long-term liabilities	-	673,105	673,105	(7,185)	665,920
Total Liabilities	-	688,395	688,395	14,188	702,583
Invested in capital assets	-	345,161	345,161	10,395	355,556
Restricted for debt service	-	-	-	6,955	6,955
Unrestricted	-	171,812	171,812	(24,615)	147,197
Total Net Assets	\$ -	\$ 516,973	\$ 516,973	\$ (7,265)	\$ 509,708

Changes in Net Assets

2010

As noted in the table below, the District's net assets decreased by \$7,265. For 2010 the District's operations encompassed the entire year of 2010 instead only two months as was noted in 2009. As a result, operating and nonoperating revenue and operating and nonoperating expenses increased from the balances noted in 2009. One key decrease from 2009 to 2010, was the decrease in capital and operating contributions of \$551,815. As noted in the discussions above and below, LMSC assigned and transferred all tangible and intangible assets to the District in 2009. No such activity occurred in 2010.

2009

As noted in the table below, the District's net assets increased by \$516,973. As noted above the key component of this increase was the contribution of all tangible and intangible assets from LMSC to the District. The operating revenue consisted of charges for water and sewer services to the District's customers for the months of November and December 2009. The operating expenses were primarily for the months of November and December 2009, however there were some costs incurred by the District to get the operations up and going.

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

	<u>2008</u>	<u>\$ Change</u>	<u>2009</u>	<u>\$ Change</u>	<u>2010</u>
Operating revenue	\$ -	\$ 20,720	\$ 20,720	\$ 115,254	\$ 135,974
Nonoperating revenue	-	60	60	9,058	9,118
Total revenues	<u>-</u>	<u>20,780</u>	<u>20,780</u>	<u>124,312</u>	<u>145,092</u>
Operating expenses	-	50,234	50,234	73,976	124,210
Nonoperating expenses	-	5,388	5,388	22,759	28,147
Total expenses	<u>-</u>	<u>55,622</u>	<u>55,622</u>	<u>96,735</u>	<u>152,357</u>
Income before capital contributions	-	(34,842)	(34,842)	27,577	(7,265)
Capital and operating contributions	-	551,815	551,815	(551,815)	-
Change in net assets	-	516,973	516,973	(524,238)	(7,265)
Net Assets - Beginning of Year	-	-	-	516,973	516,973
Net Assets - End of Year	<u>\$ -</u>	<u>\$ 516,973</u>	<u>\$ 516,973</u>	<u>\$ (7,265)</u>	<u>\$ 509,708</u>

BUDGETARY HIGHLIGHTS

The District's budget was not amended for the year ended December 31, 2010. Total budgeted revenues were \$177,300 and actual revenues were \$145,092, or \$32,208 under budget. Budgeted expenditures were \$244,672 and actual expenditures were \$152,028, or \$92,644 under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets at December 31, 2010 and 2009 is as follows:

Capital Assets Summary

	<u>2008</u>	<u>\$ Change</u>	<u>2009</u>	<u>\$ Change</u>	<u>2010</u>
Land	\$ -	\$ 75,303	\$ 75,303	\$ -	\$ 75,303
Construction in Progress	-	-	-	26,076	26,076
Total capital assets, not being depreciated	<u>-</u>	<u>75,303</u>	<u>75,303</u>	<u>26,076</u>	<u>101,379</u>
Water system and facilities, net	-	123,612	125,444	(12,823)	112,621
Wastewater system and facilities, net	-	826,246	829,932	(25,804)	804,128
Total capital assets being depreciated, net	<u>-</u>	<u>949,858</u>	<u>955,376</u>	<u>(38,627)</u>	<u>916,749</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ 1,025,161</u>	<u>\$ 1,030,679</u>	<u>\$ (12,551)</u>	<u>\$ 1,018,128</u>

2010

During 2010, the District incurred engineering and environmental assessment costs for the District's water system improvement project. These costs, in the amount of \$26,076, have been capitalized and reflected as construction in progress as of December 31, 2010.

2009

As noted above the District received contributed assets from LMSC. This included all the land, water system and sewer system assets owned by LMSC.

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

Long-Term Obligations

The District's long-term obligations at December 31, 2010 and 2009 are as follows:

Long-term Debt Summary						
	<u>2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>2009</u>	<u>Retirements</u>	<u>2010</u>
Construction loan	\$ -	\$ 672,841	\$ 672,841	\$ -	\$ -	\$ -
General obligation bond	-	680,000	-	680,000	6,972	673,028
Total long-term debt	\$ -	\$ 1,352,841	\$ 672,841	\$ 680,000	\$ 6,972	\$ 673,028

2010

During 2010, the District did not issue any new long-term obligations. The retirement noted above, reflects the principal portion of the scheduled debt service payments which were made in 2010 on the District's General Obligation Bond Series 2009.

2009

As noted above, the District entered into a Dissolution and Transfer Agreement and 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. These agreements also included the assumption of the liabilities of LMSC by the District. The District assumed a Rural Community Assistance Corporation construction loan in the amount of \$672,841 on October 30, 2009. On November 4, 2009 the District issued a General Obligation Bond, Series 2009 for \$680,000. The proceeds of this bond were used to retire the outstanding balance on the construction loan and to pay for costs of issuance of the bond.

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 2011, the District has not anticipated and rate increases for water and sewer services. However the District levied a property tax of 10.000 mills on the properties within the District's boundaries. The total assessed valuation on the property within the District's boundaries is \$2,031,490, which resulted in a \$20,315 of levied property taxes for collection in 2011. Anticipated 2011 revenues are \$146,240 and the Board of Directors appropriated expenditures of \$168,598. With these revenues and expenditures, the District is anticipating using \$22,358 of the accumulated funds available.

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, P.O. Box 632060 Highlands Ranch, CO 80163, (720) 348-1086.

BASIC FINANCIAL STATEMENTS

LOUVIERS WATER AND SANITATION DISTRICT
STATEMENTS OF NET ASSETS
December 31, 2010 and 2009

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - Unrestricted	\$ 119,169	\$ 129,712
Cash and cash equivalents - Restricted	6,955	-
Accounts receivable	36,390	39,771
Property taxes receivable	20,315	-
Prepaid expenses	878	-
Total current assets	183,707	169,483
CAPITAL ASSETS		
Capital assets, not being depreciated	101,379	75,303
Capital assets, being depreciated	955,376	955,376
	1,056,755	1,030,679
Less accumulated depreciation and amortization	(38,627)	(5,518)
Total capital assets	1,018,128	1,025,161
OTHER ASSETS		
Bond issue costs, net of accumulated amortization	10,456	10,724
Total other assets	10,456	10,724
TOTAL ASSETS	\$ 1,212,291	\$ 1,205,368
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 4,829	\$ 3,963
Deferred property tax revenue	20,315	-
Accrued interest payable	4,411	4,432
Current portion of long-term debt	7,108	6,895
Total current liabilities	36,663	15,290
LONG-TERM LIABILITIES		
Long-term portion of long-term debt	665,920	673,105
Total long-term liabilities	665,920	673,105
NET ASSETS		
Invested in capital assets, net of related debt	355,556	355,885
Restricted for debt service	6,955	-
Unrestricted	147,197	161,088
Total net assets	509,708	516,973
TOTAL LIABILITIES AND NET ASSETS	\$ 1,212,291	\$ 1,205,368

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

**LOUVIERS WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
Years Ended December 31, 2010 and 2009**

	2010	2009
OPERATING REVENUE		
Water service charges	\$ 94,059	\$ 12,159
Sewer service charges	43,132	7,192
Bad debt	(2,562)	-
Late fees and other charges	1,345	1,369
Total operating revenue	135,974	20,720
 OPERATING EXPENSES		
Water and sewer operations	52,127	32,198
Administration expense	38,974	12,518
Depreciation	33,109	5,518
Total operating expenses	124,210	50,234
 OPERATING LOSS	11,764	(29,514)
 NONOPERATING REVENUE (EXPENSE)		
Net investment income	468	60
Cell tower lease income	8,650	-
Interest expense	(27,879)	(5,120)
Bond issue cost amortization	(268)	(268)
Total nonoperating revenue (expense)	(19,029)	(5,328)
 INCOME BEFORE CAPITAL CONTRIBUTIONS	(7,265)	(34,842)
 CAPITAL AND OPERATING CONTRIBUTIONS		
Contribution from LMSC	-	551,815
	-	551,815
 CHANGE IN NET ASSETS	(7,265)	516,973
 NET ASSETS - BEGINNING OF YEAR	516,973	-
 NET ASSETS - END OF YEAR	\$ 509,708	\$ 516,973

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

LOUVIERS WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 139,355	\$ 64,278
Payments to vendors	(91,113)	(131,751)
Net cash provided (required) by operating activities	48,242	(67,473)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions from LMSC	-	201,636
Cell tower lease income received	8,650	-
Net cash provided by capital financing activities	8,650	201,636
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of capital assets	(26,076)	-
Bond issuance proceeds	-	680,000
Interest paid	(27,900)	(688)
Bond issuance costs paid	-	(10,993)
LMSC infrastructure reimbursement	-	(672,841)
Bond principal paid	(6,972)	-
Net cash required by capital financing activities	(60,948)	(4,522)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	468	71
Net cash provided by investing activities	468	71
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,588)	129,712
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	129,712	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 126,124	\$ 129,712
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Net Loss from operations	\$ 11,764	\$ (29,514)
Adjustments to reconcile (loss) from operations to net cash provided by operating activities:		
Depreciation	33,109	5,518
Vendor payments made by District for LMSC	-	(87,585)
Customer receipts received by District for LMSC	-	42,563
Effects of changes in operating assets and liabilities:		
Accounts receivable	3,381	995
Prepaid expenses	(878)	
Accounts payable	866	550
Net cash provided (required) by operating activities	\$ 48,242	\$ (67,473)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital assets contributed to District by LMSC	\$ -	\$ 1,030,679
Debt of LMSC assumed by District	\$ -	\$ (672,841)

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

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009

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 was not financially accountable for 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 as 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.

The District has elected to follow Governmental Accounting Standards Board pronouncements. Therefore, statements issued by the Financial Accounting Standards Board after November 30, 1989, are not applied.

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 service 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 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.

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash Equivalents

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

Capital Assets

Capital assets are recorded at cost except for those assets which have been contributed which are stated at estimated fair value at the date of contribution.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements 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.

Reclassifications

For comparability, certain 2009 amounts have been reclassified where appropriate to conform with the 2010 financial statement presentation.

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009

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.

At December 31, 2010, the District had cash deposits with a bank balance of \$125,390 and a carrying balance of \$126,124, including \$911 of cash on hand. At December 31, 2009, the District had cash deposits with a bank balance of \$133,560 and a carrying balance of \$129,712.

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

At December 31, 2009, the District held no investments.

Cash Deposits are reflected in the Statement of Net assets at December 31, 2010 and 2009 as follows:

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 3 - CASH AND INVESTMENTS (continued)

	2010	2009
Cash and Cash Equivalents - Unrestricted	\$ 119,169	\$ 129,712
Cash and Cash Equivalents - Restricted	6,955	-
	\$ 126,124	\$ 129,712

The cash and cash equivalents – restricted, in the amount of \$6,955, is restricted for the payment of debt service on the District’s General Obligation Bond, Series 2009.

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2010 follows:

	Balance at December 31, 2009	Additions	Disposals/ Retirements	Balance at December 31, 2010
Capital assets, not being depreciated:				
Land	\$ 75,303	\$ -	\$ -	\$ 75,303
Construction in progress	-	26,076	-	26,076
Total capital assets, not being depreciated	75,303	26,076	-	101,379
Capital assets, being depreciated:				
Water system and facilities	125,444	-	-	125,444
Wastewater system and facilities	829,932	-	-	829,932
Total capital assets being depreciated	955,376	-	-	955,376
Less accumulated depreciation for:				
Water system and facilities	(1,832)	(10,991)	-	(12,823)
Wastewater system and facilities	(3,686)	(22,118)	-	(25,804)
Total accumulated depreciation	(5,518)	(33,109)	-	(38,627)
Total capital assets being depreciated, net	949,858	(33,109)	-	916,749
Total capital assets, net	\$ 1,025,161	\$ (7,033)	\$ -	\$ 1,018,128

**LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE 4 - CAPITAL ASSETS (continued)

An analysis of the changes in capital assets for the year ended December 31, 2009 follows:

	<u>Balance at December 31, 2008</u>	<u>Additions</u>	<u>Disposals/ Retirements</u>	<u>Balance at December 31, 2009</u>
Capital assets, not being depreciated:				
Land	\$ -	\$ 75,303	\$ -	\$ 75,303
Total capital assets, not being depreciated	-	75,303	-	75,303
Capital assets, being depreciated:				
Water system and facilities	-	125,444	-	125,444
Wastewater system and facilities	-	829,932	-	829,932
Total capital assets being depreciated	-	955,376	-	955,376
Less accumulated depreciation for:				
Water system and facilities	-	(1,832)	-	(1,832)
Wastewater system and facilities	-	(3,686)	-	(3,686)
Total accumulated depreciation	-	(5,518)	-	(5,518)
Total capital assets being depreciated, net	-	949,858	-	949,858
Total capital assets, net	<u>\$ -</u>	<u>\$ 1,025,161</u>	<u>\$ -</u>	<u>\$ 1,025,161</u>

On October 30, 2009, LMSC transferred all capital assets to the District (see Note 1). The District recorded these capital assets at estimated fair value at the time of transfer.

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, 2010:

	<u>Balance at December 31, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2010</u>	<u>Due Within One Year</u>
General Obligation Bond, Series 2009	\$ 680,000	\$ -	\$ 6,972	\$ 673,028	\$ 7,108
	<u>\$ 680,000</u>	<u>\$ -</u>	<u>\$ 6,972</u>	<u>\$ 673,028</u>	<u>\$ 7,108</u>

**LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE 5 – LONG-TERM OBLIGATIONS (continued)

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2009:

	<u>Balance at December 31, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2009</u>	<u>Due Within One Year</u>
Rural Community Assistance Corporation Loan	\$ -	\$ 672,841	\$ 672,841	\$ -	\$ -
General Obligation Bond, Series 2009	-	680,000	-	680,000	6,895
	<u>\$ -</u>	<u>\$ 1,352,841</u>	<u>\$ 672,841</u>	<u>\$ 680,000</u>	<u>\$ 6,895</u>

Rural Community Assistance Corporation Loan

On October 30, 2009, the District assumed the construction loan payable to the Rural Community Assistance Corporation from LMSC (see Note 1). The original construction loan agreement bore an interest rate of 4.125%, with principal and interest payable over a 40 year period. An additional construction loan agreement was entered into for \$74,000. This additional loan bore an interest rate of 4.5% and was also payable over a 40 year period. On November 6, 2009 the District repaid the outstanding balance on this loan. Interest paid on the construction loan during 2009 was \$687.

General Obligation Bond, Series 2009

On November 4, 2009, the District issued a \$680,000 of 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. During 2010 the District paid interest on this bond in the amount of \$27,900. No interest was paid during 2009.

**LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE 5 – LONG-TERM OBLIGATIONS (continued)

The District's general obligation bonds will mature as follows:

Year(s) Ending December 31,	Principal	Interest	Total
2011	\$ 7,108	\$ 27,764	\$ 34,872
2012	7,405	27,467	34,872
2013	7,791	27,081	34,872
2014	8,115	26,757	34,872
2015	8,454	26,418	34,872
2016-2020	47,701	126,659	174,360
2021-2025	58,593	115,767	174,360
2026-2030	71,866	102,494	174,360
2031-2035	88,150	86,210	174,360
2036-2040	108,087	66,273	174,360
2041-2045	132,629	41,731	174,360
2046-2049	127,129	12,359	139,488
	<u>\$ 673,028</u>	<u>\$ 686,980</u>	<u>\$ 1,360,008</u>

As of December 31, 2010 and 2009 the District had authorized but unissued indebtedness of \$680,000 and \$760,000 for water system improvements and refunding outstanding debt, respectively.

NOTE 6 - NET ASSETS

The District has net assets consisting of three components – invested in capital assets, net of related debt, restricted and unrestricted.

Invested 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, 2010 and 2009 the District had invested in capital assets of \$355,556 and \$355,885, respectively.

Restricted assets include net assets 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 assets restricted for the payment of debt service on the District's General Obligation Bond, Series 2009 of \$6,955 and \$0 as of December 31, 2010 and 2009, respectively.

NOTE 7 - RISK MANAGEMENT

The District is 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 maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 8 – RELATED PARTY TRANSACTIONS

During 2010 and 2009, the District contracted for the operation of the District's water and sewer systems. The company providing the services is owned and operated by a member of the District's board of directors. During 2010 and 2009 the District incurred \$9,600 and \$1,600 of costs under the contract, including \$800 due and payable under the contract at December 31, 2010 and 2009.

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?

LOUVIERS WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS (continued)

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.

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.

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

SUPPLEMENTAL INFORMATION

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Water service charges	\$ 107,000	\$ 94,059	\$ (12,941)
Sewer service charges	47,300	43,132	(4,168)
Bad debt	-	(2,562)	(2,562)
Late fees and other charges	10,000	1,345	(8,655)
Cell tower lease	12,700	8,650	(4,050)
Net investment income	300	468	168
Total Revenues	177,300	145,092	(32,208)
EXPENDITURES			
Administration:			
Accounting and bookkeeping	7,500	12,776	(5,276)
Audit	5,000	7,040	(2,040)
Bank charges	300	348	(48)
Computer software/support	500	850	(350)
Consultants	2,000	3,534	(1,534)
Election	5,000	-	5,000
Insurance	4,000	4,024	(24)
Legal fees	20,000	2,659	17,341
Miscellaneous expense	-	257	(257)
Office supplies/expenses	2,200	2,062	138
Dues and subscriptions	2,400	2,391	9
Utilities	2,800	1,178	1,622
Property taxes	-	1,855	(1,855)
Operations:			
Chemical expense	1,200	1,665	(465)
Operations	20,000	9,600	10,400
Meter reading	1,500	1,200	300
Repairs and maintenance:			
Repairs and maintenance - infrastructure	10,000	2,636	7,364
Parts and minor equipment	2,000	1,897	103
Water valves	16,000	-	16,000
Fire hydrants	8,000	-	8,000
Water main breaks	10,000	7,050	2,950
Sewer main breaks	5,000	400	4,600
Miscellaneous repairs and maintenance	2,000	2,318	(318)
Utility locates	400	466	(66)
Testing - water and sewer	15,000	9,195	5,805
Utilities - infrastructure	7,000	8,935	(1,935)
Sewer cleaning	-	313	(313)
Water meters	5,000	1,264	3,736
Mowing and weed control	5,000	3,170	1,830
Miscellaneous	-	2,018	(2,018)

(continued)

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
(continued)			
Capital outlay:			
Water system improvements	-	26,076	(26,076)
Debt service:			
Bond interest	27,977	27,879	98
Bond principal	6,895	6,972	(77)
Contingency	50,000	-	50,000
Total expenditures	244,672	152,028	92,644
REVENUES OVER (UNDER) EXPENDITURES	(67,372)	(6,936)	60,436
FUNDS AVAILABLE - BEGINNING OF YEAR	96,515	161,088	64,573
FUNDS AVAILABLE - END OF YEAR	\$ 29,143	\$ 154,152	\$ 125,009
Funds available at December 31, 2010 is computed as follows:			
Current assets		\$ 183,707	
Current liabilities		(36,663)	
Current portion of long-term debt		7,108	
		\$ 154,152	

**LOUVIERS WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Year Ended December 31, 2010**

Revenue (budgetary basis)	\$	<u>145,092</u>
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Assets		<u>145,092</u>
Expenditures (budgetary basis)		152,028
Depreciation		33,109
Amortization of bond issue costs		268
Capital outlay		(26,076)
Bond principal		<u>(6,972)</u>
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Assets		<u>152,357</u>
Change in net assets per Statement of Revenues, Expenses and Changes in Fund Net Assets	<u>\$</u>	<u>(7,265)</u>

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF NET ASSETS - WATER AND SEWER OPERATIONS
December 31, 2010

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents - Unrestricted	\$ 89,819	\$ 29,350	\$ 119,169
Cash and cash equivalents - Restricted	-	6,955	6,955
Accounts receivable	25,233	11,157	36,390
Property taxes receivable	12,189	8,126	20,315
Prepaid expenses	878	-	878
Total current assets	<u>128,119</u>	<u>55,588</u>	<u>183,707</u>
CAPITAL ASSETS			
Capital assets, not being depreciated:			
Land	16,438	58,865	75,303
Construction in progress	26,076	-	26,076
Capital assets, being depreciated:			
System and facilities	125,444	829,932	955,376
	<u>167,958</u>	<u>888,797</u>	<u>1,056,755</u>
Less accumulated depreciation and amortization	<u>(12,823)</u>	<u>(25,804)</u>	<u>(38,627)</u>
Total capital assets	<u>155,135</u>	<u>862,993</u>	<u>1,018,128</u>
OTHER ASSETS			
Bond issue costs, net of accumulated amortization	-	10,456	10,456
Total other assets	<u>-</u>	<u>10,456</u>	<u>10,456</u>
TOTAL ASSETS	<u>\$ 283,254</u>	<u>\$ 929,037</u>	<u>\$ 1,212,291</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 3,127	\$ 1,702	\$ 4,829
Deferred property taxes revenue	12,189	8,126	20,315
Accrued interest payable	-	4,411	4,411
Current portion of long-term debt	-	7,108	7,108
Total current liabilities	<u>15,316</u>	<u>21,347</u>	<u>36,663</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	155,135	200,421	355,556
Restricted for debt service	-	6,955	6,955
Unrestricted	112,803	34,394	147,197
Total net assets	<u>267,938</u>	<u>241,770</u>	<u>509,708</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 283,254</u>	<u>\$ 929,037</u>	<u>\$ 1,212,291</u>

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - WATER AND SEWER OPERATIONS
Year Ended December 31, 2010

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUE			
Service charges	\$ 94,059	\$ 43,132	\$ 137,191
Bad debt	(1,281)	(1,281)	(2,562)
Late fees and other charges	705	640	1,345
Total operating revenue	<u>93,483</u>	<u>42,491</u>	<u>135,974</u>
OPERATING EXPENSES			
Operations expense:			
Chemical expense	524	1,141	1,665
Operations	4,800	4,800	9,600
Meter reading	1,200	-	1,200
Repairs and maintenance:	-	-	-
Repairs and maintenance - infrastructure	2,636	-	2,636
Parts and minor equipment	1,897	-	1,897
Water valves	-	-	-
Fire hydrants	-	-	-
Water main breaks	7,050	-	7,050
Sewer main breaks	-	400	400
Miscellaneous repairs and maintenance	1,179	1,139	2,318
Utility locates	233	233	466
Testing - water and sewer	1,346	7,849	9,195
Utilities - infrastructure	7,857	1,078	8,935
Sewer cleaning	-	313	313
Water meters	1,264	-	1,264
Mowing and weed control	1,713	1,457	3,170
Miscellaneous	1,887	131	2,018
Administration expense:			
Accounting and bookkeeping	6,288	6,488	12,776
Audit	3,010	4,030	7,040
Bank charges	174	174	348
Computer software/support	425	425	850
Consultants	1,322	2,212	3,534
Election	-	-	-
Insurance	2,012	2,012	4,024
Legal fees	1,396	1,263	2,659
Miscellaneous expense	154	103	257
Office supplies/expenses	1,031	1,031	2,062
Dues and subscriptions	1,513	878	2,391
Utilities	589	589	1,178
Property taxes	672	1,183	1,855
Depreciation	10,991	22,118	33,109
Total operating expenses	<u>63,163</u>	<u>61,047</u>	<u>124,210</u>
OPERATING INCOME (LOSS)	<u>30,320</u>	<u>(18,556)</u>	<u>11,764</u>
NONOPERATING REVENUE (EXPENSE)			
Net investment income	281	187	468
Cell tower lease income	5,190	3,460	8,650
Interest expense	-	(27,879)	(27,879)
Bond issue cost amortization	-	(268)	(268)
Total nonoperating revenue (expense)	<u>5,471</u>	<u>(24,500)</u>	<u>(19,029)</u>
CHANGE IN NET ASSETS	35,791	(43,056)	(7,265)
NET ASSETS - BEGINNING OF YEAR	232,147	284,826	516,973
NET ASSETS - END OF YEAR	<u>\$ 267,938</u>	<u>\$ 241,770</u>	<u>\$ 509,708</u>

LOUVIERS WATER AND SANITATION DISTRICT
SCHEDULE OF CASH FLOWS - WATER AND SEWER OPERATIONS
Year Ended December 31, 2010

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 96,090	\$ 43,265	\$ 139,355
Payments to vendors	(52,604)	(38,509)	(91,113)
Net cash provided by operating activities	<u>43,486</u>	<u>4,756</u>	<u>48,242</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cell tower lease income received	5,190	3,460	8,650
Net cash provided by capital financing activities	<u>5,190</u>	<u>3,460</u>	<u>8,650</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Purchases of capital assets	(26,076)	-	(26,076)
Interest paid	-	(27,900)	(27,900)
Bond principal paid	-	(6,972)	(6,972)
Net cash required by capital financing activities	<u>(26,076)</u>	<u>(34,872)</u>	<u>(60,948)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	281	187	468
Net cash provided by investing activities	<u>281</u>	<u>187</u>	<u>468</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,881	(26,469)	(3,588)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>66,938</u>	<u>62,774</u>	<u>129,712</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 89,819</u>	<u>\$ 36,305</u>	<u>\$ 126,124</u>
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES			
Net Loss from operations	\$ 30,320	\$ (18,556)	\$ 11,764
Adjustments to reconcile (loss) from operations to net cash provided by operating activities:			
Depreciation	10,991	22,118	33,109
Effects of changes in operating assets and liabilities:			
Accounts receivable	2,607	774	3,381
Prepaid expenses	(878)	-	(878)
Accounts payable	446	420	866
Net cash provided by operating activities	<u>\$ 43,486</u>	<u>\$ 4,756</u>	<u>\$ 48,242</u>

**LOUVIERS WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2010**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Tax Levy</u>	<u>Mills Levied</u>	<u>Total Property Taxes Levied</u>	<u>Collected Currently</u>	<u>Percent Collected to Levied</u>
Estimated for the year ending December 31, 2011	\$ 2,031,490	10.000	\$ 20,315		Not Applicable

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.