

Report  
On The Audit Of

PINE BROOK  
WATER DISTRICT  
Boulder, Colorado

For the Years Ended  
December 31, 2007 and 2006

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INDEPENDENT AUDITOR'S REPORT

March 19, 2008

Board of Directors  
Pine Brook Water District  
Boulder, Colorado

We have audited the accompanying basic financial statements of the Pine Brook Water District as of and for the years ended December 31, 2007, as listed in the Table of Contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Pine Brook Water District as of and for the year ended December 31, 2006 were audited by other auditors whose report dated February 28, 2007 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 the Pine Brook Water District at December 31, 2007, and its changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-6 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements. The other supplemental information listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Watkins & Schommer, Inc.  
Certified Public Accountants

## **BASIC FINANCIAL STATEMENTS**

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Statements of Net Assets  
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	194,240	163,491
Accounts Receivable	31,001	16,546
Property Tax	357,059	356,703
Inventory	14,150	14,297
Prepaid Insurance	13,403	13,227
	<u>609,853</u>	<u>564,264</u>
<u>Total Current Assets</u>		
<u>Non-Current Assets</u>		
<u>Capital Assets</u>		
Water Rights	607,259	607,259
Construction in Progress	-	171,518
Pine Brook Dam/Reservoir	5,243,825	5,185,610
Well and Water System	3,065,370	3,031,737
Transportation Equipment	67,174	50,575
Firehouse	137,437	137,437
Office and Field Equipment	111,552	111,552
	<u>9,232,617</u>	<u>9,295,688</u>
<u>Total</u>	9,232,617	9,295,688
Less: Accumulated Depreciation	(1,676,871)	(1,530,869)
	<u>7,555,746</u>	<u>7,764,819</u>
<u>Total Capital Assets</u>		
<u>Other Assets</u>		
Bonds Costs, Net of Amortization	131,007	135,212
Lease Finance Charges, Net of Amortization	7,679	8,629
	<u>138,686</u>	<u>143,841</u>
<u>Total Non-Currents Assets</u>	<u>7,694,432</u>	<u>7,908,660</u>
<u>Total Assets</u>	<u>8,304,285</u>	<u>8,472,924</u>

The accompanying notes are an integral part of these financial statements.

Exhibit 1

	<u>2007</u>	<u>2006</u>
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Current Portion of Long-Term Liabilities	195,189	188,409
Accounts Payable	87,254	180,794
Payroll Taxes Payable	2,011	3,773
Accrued Expenses:		
Interest	88,609	90,749
Wages	11,282	10,724
Compensated Absences	4,020	4,192
Deferred Property Taxes	357,059	356,703
<u>Total Current Liabilities</u>	<u>745,424</u>	<u>835,344</u>
<u>Non-Current Liabilities</u>		
Lease Payable, Net of Current Portion	372,681	417,870
General Obligation Bonds Payable		
Net of Current Portion	<u>4,825,000</u>	<u>4,975,000</u>
<u>Total Non-Current Liabilities</u>	<u>5,197,681</u>	<u>5,392,870</u>
<u>Total Liabilities</u>	<u>5,943,105</u>	<u>6,228,214</u>
<u>NET ASSETS</u>		
<u>Net Assets</u>		
Invested in Capital Assets,		
Net of Related Debt	2,162,876	2,183,540
Unrestricted	198,304	61,170
<u>Total Net Assets</u>	<u>2,361,180</u>	<u>2,244,710</u>

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Statements of Revenues, Expenses and Changes in Net Assets  
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Operating Revenues</u>		
Water Sales	280,454	252,114
	<hr/>	<hr/>
<u>Total Operating Revenues</u>	280,454	252,114
	<hr/>	<hr/>
<u>Operating Expenses</u>		
Administrative and General	70,782	63,222
Water Operating Expenses	243,858	196,758
Depreciation	146,002	136,278
	<hr/>	<hr/>
<u>Total Operating Expenses</u>	460,642	396,258
	<hr/>	<hr/>
<u>Operating Loss</u>	(180,188)	(144,144)
	<hr/>	<hr/>
<u>Nonoperating Revenues (Expenses)</u>		
Property Taxes	378,639	372,589
Interest Income-Savings	5,363	43,569
Donations	16,974	2,625
Miscellaneous Income	-	768
Net Increase (Decrease) in Market Value of Investment	-	(1,242)
Interest Expense	(227,005)	(272,932)
Loss or Asset Disposal	-	(124,843)
Amortization of Bond Premium	(5,155)	(29,143)
Paying Agent Fees	(500)	(1,350)
Special Legal Fees	-	(650)
	<hr/>	<hr/>
<u>Total Non-Operating Revenues (Expenses)</u>	168,316	(10,609)
	<hr/>	<hr/>
<u>Income (Loss) Before Contributions</u>	(11,872)	(154,753)
	<hr/>	<hr/>
<u>Capital Contributions</u>	128,342	23,226
	<hr/>	<hr/>
<u>Change in Net Assets</u>	116,470	(131,527)
	<hr/>	<hr/>
<u>Net Assets at Beginning of Year</u>	2,244,710	2,376,237
	<hr/>	<hr/>
<u>Net Assets at End of Year</u>	2,361,180	2,244,710
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.



PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Statements of Cash Flows  
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Cash Flows From Operating Activities</u>		
Cash Received From Customers	(146,127)	254,408
Cash Paid to Suppliers	-	(173,040)
Cash Paid to Employees	-	(91,509)
	<u>(146,127)</u>	<u>(10,141)</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>		
Capital Contributions	128,342	23,226
Property Taxes Received	378,639	372,479
Proceeds from Lease Payable	-	509,500
Negotiated Settlement with Contractor		
Previously included in Capital Asset Additions	93,303	-
Acquisition and Construction of Capital Assets	(30,233)	(3,086,598)
Principal Paid on Long-Term Debt	(188,409)	(193,506)
Interest and Paying Agent Fees Paid	(227,103)	(230,425)
Fees Paid on Lease Purchase	-	(9,500)
	<u>154,539</u>	<u>(2,614,824)</u>
<u>Net Cash Provided (Used) by Capital and Related Financing Activities</u>		
	<u>154,539</u>	<u>(2,614,824)</u>
<u>Cash Flows From Investing Activities</u>		
Donations	16,974	2,625
Miscellaneous Income	-	100,768
Interest Income	5,363	43,569
Proceeds from Investments	-	2,782,616
Purchases of Investments	-	(2,286,511)
	<u>22,337</u>	<u>643,067</u>
<u>Net Cash Provided by Investing Activities</u>		
	<u>22,337</u>	<u>643,067</u>
<u>Net Change in Cash and Cash Equivalents</u>	30,749	(1,981,898)
<u>Cash and Cash Equivalents at Beginning of Year</u>	163,491	2,145,389
<u>Cash and Cash Equivalents at End of Year</u>	<u>194,240</u>	<u>163,491</u>

Exhibit 3 (Continued)

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Statements of Cash Flows  
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Loss	(180,188)	(144,144)
Adjustments to Reconcile Operating Income		
(Loss) to Net Cash Provided (Used) by		
<u>Operating Activities:</u>		
Depreciation	146,002	136,278
<u>Changes in Assets and Liabilities:</u>		
Receivables	(14,856)	1,205
Inventory	147	1,749
Prepaid Expenses	(176)	(1,923)
Accounts Payable	(93,540)	(1,634)
Water Lease	-	4,250
Payroll Taxes	(1,762)	(7,523)
Accrued Expenses	(1,754)	1,601
	<u>(146,127)</u>	<u>(10,141)</u>
<u>Net Cash Used by Operating Activities</u>	<u>(146,127)</u>	<u>(10,141)</u>

Supplemental Cash Flow Information

The District paid on a cash basis interest in the amount of \$229,145 and \$228,425 during 2007 and 2006 respectively.

Noncash Investing, Capital and Financing Activities:

The District recorded as an expense on the Statement of Revenues, Expenses and Changes in Net Assets, the amortization of bond issuance costs and discounts in the amounts of \$5,155 and \$29,143 during 2007 and 2006 respectively.

The accompanying notes are an integral part of these financial statements.

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Notes to Financial Statements  
December 31, 2007

Note 1 - Summary of Significant Accounting Policies

The financial statements of Pine Brook Water District have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

Form of Organization

Pine Brook Water District (the District) is organized under the provisions of Section 32-1-305(6) C.R.S. It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof which included the power to levy taxes against property within the District.

Financial Reporting Entity

For financial reporting purposes, management has considered all potential component units. The District meets the criteria of an "other stand alone government" as defined in GASB NO. 14.

Basic Financial Statements

The District is a special-purpose government engaged only in business-type activities. For these governments, only enterprise fund financial statements are presented.

Basis of Accounting

The District accounts for its financial operations as a proprietary fund recognizing assets, liabilities, revenues and expenses on the accrual basis of accounting. Accordingly, revenues and expenses are recognized in the period earned or incurred.

Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the Board of Directors in accordance with the State Statutes. The budget is prepared on a basis consistent with generally accepted accounting principles except that capital asset additions and principal payments are budgeted as expenditures and debt proceeds are budgeted as revenues.

1. On or about October 15, the Water District staff submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at regular Board meetings to obtain taxpayer comments.
3. Prior to December 15, the budget is legally adopted by the Board of Directors.

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Notes to Financial Statements  
December 31, 2006

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting (Continued)

4. Unused appropriations lapse at the end of each year.

The total appropriated expenditures for the District was \$1,009,294 and there was no supplemental appropriations for 2007.

Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

The District's investments are carried at fair value plus accrued interest with net appreciation or depreciation on investments included in earnings on investments.

Inventories

Inventories consisting primarily of operating supplies for water meter repair and installation have been valued at cost.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost. Expenditures for maintenance and repairs are charged to operations as incurred. Property replacements and improvements, which extend the lives of assets, are capitalized and subsequently depreciated. Contributed assets are reported at their fair market value at the date received. Additions to capital assets during 2007 include no capitalized interest.

The provision for depreciation is computed using the straight-line method over the estimated useful lives of the assets. The lives used are as follows:

	<u>Years</u>
Facilities	40
Transmission and Distribution System	10 to 50
Vehicles and Field Equipment	5 to 10
Other	5 to 20
Dam and Reservoir	00

Depreciation expense total \$146,002 and \$136,278 for the years ended December 31, 2007 and 2006 respectively.

Intangible Assets

Issuance costs and discounts related to the Series 2004A General Obligation bonds, have been capitalized and are being amortized over the various lives of the loans using the straight-line method based upon the amount of principal retired each year. Amortization of such fees totaled \$5,156 and \$29,143 for the years ended December 31, 2007 and 2006 respectively.

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Notes to Financial Statements  
December 31, 2006

Note 1 - Summary of Significant Accounting Policies (Continued)

Accrued Employee Compensated Absences

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits and overtime, which will be paid to employees upon separation from the District service. A liability of \$4,020 and \$4,192 for accrued benefits at December 31, 2007 and 2006, respectively, has been recorded on the balance sheets representing the District's commitment to fund such costs.

Contributions in Aid of Construction

Contributions of cash, transmission lines and water rights to Pine Brook Water District by developers, customers or by agreements with others are treated as capital contributions on the District's statement of revenues, expenses and changes in net assets.

Note 2 - Cash and Investments

The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust.

State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2007, the District had no deposits exposed to custodial credit risk.

Credit Risk - The Water District's investment policy follows Colorado Revised State Statutes. The District's investments are concentrated in 100% in Colotrust accounts.

Investments for the District are reported at market value. The District had no investments at December 31, 2007 or 2006.

Interest Rate Risk - Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The District has no investments exposed to interest rate risk at December 31, 2007.

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Notes to Financial Statements  
December 31, 2007

Note 3 - Capital Assets

The following is a summary of Capital Assets as of December 31, 2006:

	Capital Assets <u>12/31/06</u>	<u>Additions</u>	Deletions/ <u>Adjustments</u>	Capital Assets <u>12/31/07</u>
Capital Assets, Not Being				
Depreciated:				
Water Rights	607,259	-	-	607,259
Construction in Progress	171,518	-	(171,518)	-
Total Capital Assets, Not	<u>778,777</u>	<u>-</u>	<u>(171,518)</u>	<u>607,259</u>
Being Depreciated				
Capital Assets, Being				
Depreciated:				
Reservoir	5,185,610	58,215	-	5,243,825
Wells & Water Systems	3,031,737	33,633	-	3,065,370
Firehouse	137,437	-	-	137,437
Meter-Read Equipment	82,254	-	-	82,254
Transportation	50,575	16,599	(29,990)	37,184
Office Equipment	29,298	-	-	29,298
Total Capital Assets, Being	<u>8,516,911</u>	<u>108,447</u>	<u>(29,990)</u>	<u>8,595,368</u>
Depreciated				
Less Accumulated				
Depreciation for:				
Reservoir	(49,862)	(52,380)	-	(102,242)
Well & Water Systems	(1,298,002)	(84,800)	-	(1,382,802)
Firehouse	(30,250)	(4,363)	-	(34,613)
Meter-Read Equipment	(82,254)	-	-	(82,254)
Transportation	(47,793)	(1,980)	29,990	(19,783)
Office Equipment	(22,708)	(2,479)	-	(25,187)
Total Accumulated	<u>(1,530,869)</u>	<u>(146,002)</u>	<u>29,990</u>	<u>(1,646,881)</u>
Depreciation				
Total Capital Assets,	<u>6,986,042</u>	<u>(37,555)</u>	<u>-</u>	<u>6,948,487</u>
Being Depreciated, Net				
Capital Assets, Net	<u><u>7,764,819</u></u>	<u><u>(37,555)</u></u>	<u><u>(171,518)</u></u>	<u><u>7,555,746</u></u>

At December 31, 2006 the District reflected a payable to the contractor in the amount of \$171,518 which was also shown as construction in progress at that time. During 2008 the District negotiated with the contractor and reduced the above amount to \$78,215, the difference of \$93,303 is shown in the above table as an adjustment to the construction in progress account.

Note 4 - Bonds Payable

The property owners of Pine Brook Water District, on May 4, 2004, approved a \$5,400,000 bond issue for construction of a water reservoir and related facilities. The District is authorized to collect up to \$420,000 annually for the purpose of paying the costs of the District debt issued for the water reservoir purposes. The mill levy shall be increased in any year without limitation as to rate, but only in an amount sufficient to pay the principal and interest of such debt and refunding debt. The mill levy was increased to 13.37 for such purpose.

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Notes to Financial Statements  
December 31, 2007

Note 4 - Bonds Payable (Continued)

On September 15, 2004, the District issued \$5,000,000 in Series 2004A General Obligation bonds, with an average interest rate of 4% to finance the construction of Pine Brook Reservoir. The net proceeds of \$4,810,753 (after payment of \$189,247 in underwriting and issuance costs) will be used to fund the construction of a reservoir and related facilities within the District.

The annual requirements to amortized all bonds outstanding, excluding accrued compensated absences as of December 31, 2006, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	150,000	205,808	355,808
2009	155,000	202,207	357,207
2010	160,000	198,023	358,023
2011	165,000	193,302	358,302
2012	170,000	188,105	358,105
2013-2017	935,000	847,010	1,782,010
2018-2022	1,150,000	639,750	1,789,750
2023-2027	1,425,000	356,513	1,781,513
2028-2029	665,000	46,481	711,481
<u>Total</u>	<u>4,975,000</u>	<u>2,877,199</u>	<u>7,852,199</u>

A summary of changes in debt is as follows:

<u>Outstanding Bonds</u>	<u>Balance 12-31-06</u>	<u>Additions</u>	<u>Debt Retired</u>	<u>Balance 12-31-07</u>	<u>Due Within One Year</u>
2004 A	5,000,000	-	(25,000)	4,975,000	150,000
2004 B	120,000	-	(120,000)	-	-
<u>Totals</u>	<u>5,120,000</u>	<u>-</u>	<u>(145,000)</u>	<u>4,975,000</u>	<u>150,000</u>

Note 5 - Risk Management

The District is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for all risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeds commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

Note 6 - Related Parties

In October 2001, the District purchased a vehicle. An employee recognizes income for personal use of this vehicle. The Board of directors approved the use of this vehicle by the employee.

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Notes to Financial Statements  
December 31, 2006

Note 7 - Lease Payable

In February 2006, the District entered into a lease purchase agreement with Wells Fargo Brokerage Services, LLC to purchase a new water treatment facility. The amount financed was \$509,500 and is to be paid in 10 annual installments through November 1, 2015 at an annual interest rate of 4.1%.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2008	45,189	17,133
2009	47,042	15,280
2010	48,971	13,351
2011	50,978	11,344
2012	53,069	9,253
2013-2015	<u>172,621</u>	<u>14,344</u>
<u>Totals</u>	<u>417,870</u>	<u>80,705</u>

A summary of changes in the capital lease is as follows:

<u>Lease Date</u>	<u>Balance 12/31/06</u>	<u>Additions</u>	<u>Debt Retired</u>	<u>Balance 12/31/07</u>	<u>Due Within One Year</u>
Feb. 28, 2006	461,279	-	43,409	417,870	45,189

The Assets acquired through capital lease are as follows:

	<u>2007</u>	<u>2006</u>
Assets:		
Water Treatment Facility	509,500	509,500
Less: Accumulated Depreciation	<u>(16,325)</u>	<u>3,261</u>
<u>Total</u>	<u>493,175</u>	<u>512,761</u>

Note 8 - TABOR Compliance

In November 1992, Colorado voter passed an amendment (Amendment One) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt.

Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. The amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the amendment, excludes economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District is an Enterprise Fund and has no TABOR revenues and therefore has not set aside any monies for emergencies as defined by TABOR.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.



**OTHER SUPPLEMENTARY INFORMATION**

PINE BROOK WATER DISTRICT  
Boulder, Colorado

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2007  
With Comparative Actual Amounts For Year Ended December 31, 2006

	<u>2007</u>		Variance with Final Budget Positive (Negative)	2006 <u>Actual</u>
	Original and Final <u>Budget</u>	<u>Actual</u>		
<u>Revenues</u>				
Water Sales	360,000	280,454	(79,546)	252,114
Property Taxes, Net of Fees	356,694	354,064	(2,630)	353,236
Specific Ownership Taxes, Net of Fees	5,500	24,576	19,076	19,353
Interest Income	-	5,363	5,363	43,569
Miscellaneous Income	-	16,974	16,974	(99,466)
Capital Contributions	60,000	128,342	68,342	-
Transfer From Prior Years Reserves	227,100	-	(227,100)	-
<u>Total Revenues</u>	<u>1,009,294</u>	<u>809,773</u>	<u>(199,521)</u>	<u>568,806</u>
<u>Expenditures</u>				
Water Operating Expenses	284,400	243,858	(40,542)	196,758
Administrative and General Expenses	75,600	70,782	(4,818)	63,222
Debt Service and Related Expenditures				
Bond Principal	145,000	145,000	-	140,000
Interest Expenses	210,344	210,233	(111)	214,293
Paying Agent Fees	1,350	500	(850)	1,350
Vehicle Note Payments		-	-	5,316
Lease Payments	62,322	62,322	-	62,322
Capital Expenditures System	25,000	30,233	5,233	621,988
Improvements/Replacements				
Equipment-Office & Tools	13,000	-	(13,000)	2,959
Special Legal	-	-	-	650
Reservoir	50,000	-	(50,000)	2,067,335
Reserves	142,278	-	(142,278)	-
<u>Total Expenditures</u>	<u>1,009,294</u>	<u>762,928</u>	<u>(246,366)</u>	<u>3,376,193</u>
<u>Excess of Revenues Over Expenditures</u>	<u>-</u>	<u>46,845</u>	<u>46,845</u>	<u>(2,807,387)</u>
<u>Reconciling Items</u>				
Capital Expenditures		30,233		2,692,282
Depreciation and Amortization		(151,157)		(165,421)
Bond Principal		145,000		140,000
Lease Principal		43,409		48,221
Debt Service		-		5,285
Interest Accrual		2,140		(44,507)
<u>Change in Net Assets GAAP Basis</u>		<u>116,470</u>		<u>(131,527)</u>

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Schedule of Water Operating and Administrative General Expenses  
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>		<u>2006</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Water Operating Expenses</u>				
Operating Supplies	2,800	0.89	1,793	0.69
Repairs and Maintenance	42,245	13.43	44,006	16.92
Reservoir Maintenance	5,612	1.78	-	-
Other Water Operating Expense	756	0.24	3,321	1.28
Professional Fees	7,400	2.35	-	-
Salaries	132,474	42.10	93,110	35.81
Small Equipment	2,821	0.90	-	-
Utilities	41,952	13.33	42,731	16.44
Water Storage Fee	<u>7,798</u>	<u>2.48</u>	<u>11,797</u>	<u>4.54</u>
<u>Total Water Operating Expenses</u>	<u>243,858</u>	<u>77.50</u>	<u>196,758</u>	<u>75.68</u>
<u>Administrative &amp; General Expenses</u>				
Auditing and Accounting	4,850	1.54	5,000	1.92
Bank Charges	175	0.06	393	0.15
Employee Benefits	24,498	7.79	26,460	10.18
Employee Training	1,181	0.38	2,722	1.05
Insurance	20,869	6.63	19,941	7.67
Legal	-	-	190	0.07
Office Supplies and Expenses	6,757	2.15	5,213	2.01
Other	1,956	0.62	-	-
Taxes-Payroll	<u>10,496</u>	<u>3.33</u>	<u>3,303</u>	<u>1.27</u>
<u>Total Administrative and General Expenses</u>	<u>70,782</u>	<u>22.50</u>	<u>63,222</u>	<u>24.32</u>

PINE BROOK WATER DISTRICT  
Boulder, Colorado  
Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected  
For the Sixteen Years Ended December 31, 2007

<u>Year Ended</u> <u>December 31</u>	<u>Prior</u> <u>Year Assessed</u> <u>Valuation for</u> <u>Current Year</u> <u>Tax Levy</u>	<u>Mill Levied</u> <u>(All Funds)</u>	<u>Total Property Taxes</u>		
			<u>Levied</u>	<u>Collected</u> <u>Currently</u>	<u>Percent</u> <u>Collected</u> <u>To Levied</u>
2007	25,281,930	14.109	356,703	356,703	100.00
2006	25,334,650	14.00	354,685	353,236	99.59
2005	24,160,870	13.37	322,910	322,694	99.93
2004	24,111,540	5.80	139,726	139,439	99.79
2003	23,013,540	5.82	133,939	133,323	99.54
2002	22,957,920	6.11	140,273	138,163	98.50
2001	18,573,210	7.80	144,871	145,135	100.18
2000	18,573,270	7.49	139,114	139,062	99.96
1999	16,514,970	7.70	127,149	127,326	100.14
1998	16,427,650	8.38	137,664	139,583	101.39
1997	16,459,510	8.86	146,794	146,776	99.99
1996	16,442,720	8.86	145,682	145,551	99.91
1995	13,429,730	11.00	147,727	147,727	100.00
1994	13,164,770	7.42	97,730	97,635	99.90
1993	11,892,650	7.42	88,279	88,197	99.91
1992	11,554,090	7.42	85,697	85,627	99.92