

# ROBERTSON & MARCHETTI, P.C.

*Certified Public Accountants*

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## Accountant's Compilation Report

June 10, 2011

Board of Directors  
Edwards Metropolitan District  
Edwards, Colorado

I have compiled the accompanying balance sheet of Edwards Metropolitan District as of May 31, 2011 and the related statement of revenues, expenditures and changes in fund balance with budgets for the five month period then ended. I also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2011 and the preliminary budget for calendar year 2012, in accordance with standards established by the American Institute of Certified Public Accountants.

I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, I participate in the financial management of the District. Management (with my participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. I have prepared these financial statements in my capacity as a consulting financial manager for the District.

My responsibility includes conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with my participation) has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

I also compiled the accompanying 2010 historical financial statements of the District and my report thereon stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management had elected to omit substantially all disclosures and if these omissions had been included, they might influence the user's conclusions about the District's 2010 financial position and results of operations. Accordingly, the 2010 financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Edwards Metropolitan District because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.



Eric Weaver, CPA

Vice President

**EDWARDS METROPOLITAN DISTRICT  
COMBINED BALANCE SHEET**

May 31, 2011

Printed: 06/10/11

	GENERAL FUND	WATER FUND	FIXED ASSETS & LT DEBT	TOTAL
<b>ASSETS</b>				
CASH - ALPINE BANK CHECKING	861			861
CASH - ALPINE BANK M M .02%	21,030			21,030
CASH - COLOTRUST 0.12%	511,463			511,463
CD (11-12-09) - ALPINE BK 2.40%	0			0
CD (06-30-10) - ALPINE BK 2.05%	0			0
CD (07-01-10) - ALPINE BK 2.40%	0			0
CD (12/15/11) - CO STATE BK 1.65%	759,705			759,705
CD (12-31-10) - MILLENNIUM 2.15%	0			0
CD (12-29-11) - MILLENNIUM .75%	767,803			767,803
CD (06-27-09) - AMER NATL BK 3.75%	0			0
POOLED CASH	(29,948)	29,948		0
DUE FROM COUNTY TREASURER	0			0
PROPERTY TAXES RECEIVABLE	121,404			121,404
NOTES RECEIVABLE - CVC	0			0
NOTES RECEIVABLE - ECCA	0			0
NOTES RECEIVABLE - CARING HOUS	0			0
ACCOUNTS RECEIVABLE-MISC	0			0
ACCOUNTS RECEIVABLE-UTILTIY FUND				0
A/R EDWDS CIVIC IMPROVEMENT	0			0
BRETT RANCH LAND			383,773	383,773
PARK DECLARK LAND			118,102	118,102
WATER RIGHTS			207,781	207,781
<b>TOTAL ASSETS</b>	<b>2,152,318</b>	<b>29,948</b>	<b>709,655</b>	<b>2,891,921</b>
<b>LIABILITIES AND FUND EQUITY</b>				
ACCOUNTS PAYABLE	19,901	0		19,901
FICA PAYABLE	160			160
DIRECTORS PENSION PAYABLE	0			0
B&B RETAINAGE - ECO TRAILS	0			0
DEFERRED PROPERTY TAX REVENUE	121,404			121,404
DEFERRED REVENUE - PARK DECLA	11			11
DEFERRED REVENUE - CVC NOTE	0			0
DEFERRED REVENUE - ECCA	0			0
DEFERRED REVENUE - CARING HOU	0			0
BONDS PAYABLE - POWER AUTHORITY			0	0
BONDS PAYABLE - SERIES 2002			0	0
<b>TOTAL LIABILITIES</b>	<b>141,476</b>	<b>0</b>	<b>0</b>	<b>141,476</b>
<b>NET ASSETS</b>				
INVESTMENT IN CAPITAL ASSETS NET OF RELATED DEBT			709,655	709,655
FUND BALANCE	2,010,842	29,948		2,040,789
<b>TOTAL NET ASSETS</b>	<b>2,010,842</b>	<b>29,948</b>	<b>709,655</b>	<b>2,750,444</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,152,318</b>	<b>29,948</b>	<b>709,655</b>	<b>2,891,921</b>

See Accompanying Accountant's Report

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**EDWARDS METROPOLITAN DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

Actual, Budget and Forecast for the Periods Indicated

Printed: 06/10/11

Modified Accrual Basis

<b>GENERAL FUND</b>	<b>12/31/10 Unaudited Actual</b>	<b>2011 Adopted Budget</b>	<b>Variance Favorable (Unfavor)</b>	<b>2011 Forecast</b>	<b>5 Months Ended 05/31/11 Actual</b>	<b>5 Months Ended 05/31/11 Budget</b>	<b>Variance Favorable (Unfavor)</b>	<b>2012 Prelim Budget</b>
<b>REVENUES:</b>								
Assessed Value	195,296,890	194,738,700		194,738,700				148,761,491
Increase	12%	0%		0%				0%
Mill Levy Rate	1.691	1.691		1.691				1.691
Temporary Mill Levy Credit	(0.176)	(0.176)		(0.176)				
Net Mill Levy Rate	1.515	1.515		1.515				1.691
<b>Property Taxes Levied</b>	<b>295,875</b>	<b>295,029</b>		<b>295,029</b>				<b>251,556</b>
Property Taxes	294,426	295,029	0	295,029	170,337	212,421	(42,084)	251,556
Specific Ownership Tax	9,786	11,801	0	11,801	3,227	3,934	(707)	11,320
Interest Income	39,223	20,129	(114)	20,015	8,693	8,387	306	17,745
Reimbursement of Mosquito Exp	10,538	10,854	0	10,854	10,854	10,854	0	10,854
Other	129	0	0	0	0	0	0	0
Tap Fees		0	0	0		0	0	0
Cancer Caring House Tap Fee	2,313		0			0	0	
CVC Note-Interest	4,989		0			0	0	
CVC Note-Principal	55,000		0			0	0	
<b>TOTAL REVENUE</b>	<b>416,404</b>	<b>337,813</b>	<b>(114)</b>	<b>337,699</b>	<b>193,111</b>	<b>235,595</b>	<b>(42,484)</b>	<b>291,474</b>
<b>OPERATING EXPENDITURES:</b>								
Accounting & Administration	31,825	36,000	0	36,000	15,614	15,000	(614)	36,000
Legal	13,457	20,000	0	20,000	6,192	8,333	2,141	20,000
Audit	0	0	0	0	0	0	0	0
Insurance	1,923	2,400	0	2,400	411	400	(11)	2,400
County Treasurer's Fees	8,868	8,851	0	8,851	5,214	6,373	1,159	7,547
Mosquito Control	14,050	14,472	0	14,472	5,789	5,789	0	14,472
Edwards Community Authority	22,222	28,890	0	28,890	28,889	28,890	1	28,890
Elections	726		0		0	0	0	3,000
Directors' Expenses	321	1,000	0	1,000	92	417	325	1,000
Directors' Fees	4,200	6,000	0	6,000	1,200	2,500	1,300	6,000
Miscellaneous Other	0	0	0	0	0	0	0	0
Office Supplies	2,582	3,000	0	3,000	691	1,250	559	3,000
General Property Maintenance	0	20,000	0	20,000	180	6,000	5,820	20,000
Open Space	0		(4,500)	4,500	4,492	0	(4,492)	1,000
Trail Maintenance	10,000	18,000	0	18,000	0	3,600	3,600	18,000
Colorado Water & Power Loan Prin	110,000		0		0	0	0	
Colorado Water & Power Loan Int	93		0		0	0	0	
Water Cost Recovery - CVC		0	0	0		0	0	0
Water Cost Recovery - Homestead	0	0	0	0	0	0	0	0
Contingency	0	10,000	0	10,000	0	0	0	10,000
<b>TOTAL OPERATING EXPEND</b>	<b>220,268</b>	<b>168,612</b>	<b>(4,500)</b>	<b>173,112</b>	<b>68,762</b>	<b>78,551</b>	<b>9,789</b>	<b>171,308</b>

**EDWARDS METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
LONG RANGE FINANCIAL PLAN**

Actual, Budget and Forecast for the Periods Indicated

Printed: 06/10/11 Modified Accrual Basis

<b>GENERAL FUND (CONTINUED)</b>	<b>12/31/10 Unaudited Actual</b>	<b>2011 Adopted Budget</b>	<b>Variance Favorable (Unfavor)</b>	<b>2011 Forecast</b>	<b>5 Months Ended 05/31/11 Actual</b>	<b>5 Months Ended 05/31/11 Budget</b>	<b>Variance Favorable (Unfavor)</b>	<b>2012 Prelim Budget</b>
<b>CAPITAL EXPENDITURES:</b>								
Capital Outlay - General		20,000	0	20,000		0	0	120,000
Spur Road Landscape	5,765	237,600	(52,273)	289,873	290,373	237,600	(52,773)	
Recreation Projects	0		0		0	0	0	
Pedestrian & Bike Paths & Sidewalks		84,000	39,000	45,000		0	0	
Roads - Other (Spur Rd Ph II)						0	0	
Formation of New District		50,000	28,273	21,727		0	0	50,000
Transportation	0				0	0	0	
Eagle River Restoration	15,000	15,000	0	15,000	0	0	0	
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>20,765</b>	<b>406,600</b>	<b>15,000</b>	<b>391,600</b>	<b>290,373</b>	<b>237,600</b>	<b>(52,773)</b>	<b>170,000</b>
<b>TOTAL EXPENDITURES</b>	<b>241,033</b>	<b>575,212</b>	<b>10,500</b>	<b>564,712</b>	<b>359,135</b>	<b>316,151</b>	<b>(42,984)</b>	<b>341,308</b>
<b>EXCESS REVENUE OVER (UNDER) EXPENDITURES</b>	<b>175,371</b>	<b>(237,400)</b>	<b>10,386</b>	<b>(227,014)</b>	<b>(166,025)</b>	<b>(80,556)</b>	<b>(85,468)</b>	<b>(49,834)</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Operating Transfers in (out)	0	0	0	0	0	0	0	0
<b>TOTAL OTHER FINANCING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL SOURCES OVER USES</b>	<b>175,371</b>	<b>(237,400)</b>	<b>10,386</b>	<b>(227,014)</b>	<b>(166,025)</b>	<b>(80,556)</b>	<b>(85,468)</b>	<b>(49,834)</b>
FUND BALANCE - BEGINNING OF YEAR	2,001,495	2,012,873	(11,377)	2,001,495	2,176,866	2,012,873	163,994	1,774,482
<b>FUND BALANCE - END OF YEAR</b>	<b>2,176,866</b>	<b>1,775,473</b>	<b>(991)</b>	<b>1,774,482</b>	<b>2,010,842</b>	<b>1,932,316</b>	<b>78,525</b>	<b>1,724,648</b>

See Accompanying Accountant's Report

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**EDWARDS METROPOLITAN DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

Actual, Budget and Forecast for the Periods Indicated

Printed: 06/10/11

Modified Accrual Basis

<b>RESTRICTED WATER CAPITAL RESERVE FUND</b>								
	<b>12/31/10 Unaudited Actual</b>	<b>2011 Adopted Budget</b>	<b>Variance Favorable (Unfavor)</b>	<b>2011 Forecast</b>	<b>5 Months Ended 05/31/11 Actual</b>	<b>5 Months Ended 05/31/11 Budget</b>	<b>Variance Favorable (Unfavor)</b>	<b>2012 Prelim Budget</b>
<b>REVENUES:</b>								
Water Charges	0		0		0	0	0	
Tap Fees	25,669	30,000	0	30,000	3,869	12,500	(8,631)	30,000
Interest Income	340	0	260	260	70	0	70	263
<b>TOTAL REVENUES</b>	<b>26,009</b>	<b>30,000</b>	<b>260</b>	<b>30,260</b>	<b>3,939</b>	<b>12,500</b>	<b>(8,561)</b>	<b>30,263</b>
<b>EXPENDITURES:</b>								
Cost Rec - CVC	0	9,000	0	9,000	0	0	0	9,000
Cost Rec - Homestead	0	6,000	0	6,000	0	0	0	6,000
Water Projects		15,000	0	15,000		0		15,000
Contingency	0		0		0	0	0	
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,000</b>
<b>OPERATING INCOME (LOSS)</b>	<b>26,009</b>	<b>0</b>	<b>260</b>	<b>260</b>	<b>3,939</b>	<b>12,500</b>	<b>(8,561)</b>	<b>263</b>
<b>OPERATING TRANSFERS IN (OUT)</b>								
Transfer to General Fund	0		0		0	0	0	
<b>FUND BALANCE - BEGINNING</b>	<b>0</b>	<b>0</b>	<b>26,009</b>	<b>26,009</b>	<b>26,009</b>	<b>0</b>	<b>26,009</b>	<b>26,269</b>
<b>FUNDS AVAILABLE - END</b>	<b>26,009</b>	<b>0</b>	<b>26,269</b>	<b>26,269</b>	<b>29,948</b>	<b>12,500</b>	<b>17,448</b>	<b>26,532</b>
		=	=	=	=	=	=	
<b>All Funds Total Ending Fund Balance</b>	<b>2,202,875</b>	<b>1,775,473</b>	<b>25,278</b>	<b>1,800,751</b>	<b>2,040,789</b>	<b>1,944,816</b>	<b>95,973</b>	<b>1,751,180</b>

See Accompanying Accountant's Report