

**Bowles Metropolitan District
Financial Statements**

December 31, 2010

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Bowles Metropolitan District

We have compiled the accompanying Balance Sheet – Governmental Funds and Account Groups of the Bowles Metropolitan District as of December 31, 2010 and the related Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds for the then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, we 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.

Management 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.

Our responsibility is to conduct 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 the 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 has elected to omit the Statements of Net Assets, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. Accordingly, the accompanying financial statements are not intended to be used by readers who are not familiar with the District's financial affairs or informed about such matters that would be disclosed in complete financial statements.

We are not independent with respect to Bowles Metropolitan District because we performed certain accounting services that impaired our independence.

Simmons & Wheeler P.C.

January 21, 2011

Bowles Metropolitan District
 Combined Balance Sheet
 December 31, 2010

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Debt Service Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
Assets					
Current assets					
Cash in Checking	\$ 84,101	\$ -	\$ -	\$ -	\$ 84,101
Cash in COLOTRUST	158,595	-	-	-	158,595
Cash COLOTRUST - Conserv Trust	13,965	-	-	-	13,965
Cash in Money Market	247,753	-	-	-	247,753
Cash in Certificate of Deposit	248,264	-	-	-	248,264
Cash in Savings	101,791	-	-	-	101,791
Accounts receivable - taxes	10,358	-	-	-	10,358
Accounts receivable	-	-	-	-	-
Due from Other Funds	-	15,299	4,589	-	19,888
	<u>864,827</u>	<u>15,299</u>	<u>4,589</u>	<u>-</u>	<u>884,715</u>
Other assets					
Improvements	-	-	-	7,448,926	7,448,926
Amount available in debt service fund	-	-	-	23,100,000	23,100,000
Amount to be provided for retirement of debt	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,548,926</u>	<u>30,548,926</u>
	<u>\$ 864,827</u>	<u>\$ 15,299</u>	<u>\$ 4,589</u>	<u>\$ 30,548,926</u>	<u>\$ 31,433,641</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 15,061	\$ -	\$ -	\$ -	\$ 15,061
Due to Other Funds	19,888	-	-	-	19,888
	<u>34,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,949</u>
GO Bond Payable	-	-	-	23,100,000	23,100,000
Total liabilities	<u>34,949</u>	<u>-</u>	<u>-</u>	<u>23,100,000</u>	<u>23,134,949</u>
Fund Equity					
Investment in improvements	-	-	-	7,448,926	7,448,926
Fund balance	829,878	15,299	4,589	-	849,766
	<u>829,878</u>	<u>15,299</u>	<u>4,589</u>	<u>7,448,926</u>	<u>8,298,692</u>
	<u>\$ 864,827</u>	<u>\$ 15,299</u>	<u>\$ 4,589</u>	<u>\$ 30,548,926</u>	<u>\$ 31,433,641</u>

Bowles Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Twelve Months Ended December 31, 2010
General Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Variance Favorable (Unfavorable)	---Prior YTD---
Revenues				
Property taxes	\$ 968,003	\$ 968,059	\$ 56	\$ 947,451
Specific ownership taxes	149,565	134,072	(15,493)	141,887
Conservation Trust fund	-	13,942	13,942	19,474
HOA Contribution /Water/Landscape	111,700	159,292	47,592	117,340
Sub HOA Contribution/Irrigation	5,000	6,840	1,840	4,360
Miscellaneous Income	20,000	4,863	(15,137)	5,475
Interest Income	5,566	11,795	6,229	13,252
	<u>1,259,834</u>	<u>1,298,863</u>	<u>39,029</u>	<u>1,249,239</u>
Expenditures				
Accounting/audit	16,500	15,699	801	16,545
Directors Fees	6,000	6,700	(700)	5,900
Election expense	18,000	1,679	16,321	-
Insurance	13,000	8,737	4,263	8,303
Legal	30,000	23,471	6,529	10,766
Management	70,000	72,969	(2,969)	75,210
Office supplies/misc expense	8,000	3,534	4,466	4,715
SDA Dues/Conferences	6,000	2,082	3,918	3,604
Payroll Taxes	1,000	513	487	451
Snow Removal	25,000	5,015	19,985	10,535
Special/tree replacement	25,000	-	25,000	17,306
General tree maint/replacement	-	-	-	1,818
General landscape maintenance	240,000	261,868	(21,868)	235,980
Landscape maintenance-HOA	120,000	117,483	2,517	80,142
Open Space maintenance	11,500	16,662	(5,162)	4,057
Repairs/maintenance/other	65,000	70,960	(5,960)	32,459
Repairs/maintenance-HOA	7,500	7,201	299	9,132
Special events	3,000	2,600	400	2,600
Treasurer's fees	14,520	12,038	2,482	11,827
Telephone	3,500	2,642	858	2,658
Utilities	28,000	19,930	8,070	15,059
Storm Drainage Services	-	1,094	(1,094)	153
Water pump service	10,000	2,585	7,415	-
Water annual rental	70,000	43,492	26,508	41,467
Water annual assessment	50,000	42,150	7,850	30,000
Engineering (water)	40,000	15,363	24,637	48,476
Capital Outlay	16,000	8,657	7,343	-
Contingency	177,064	-	177,064	-
Operating transfers out	725,000	655,000	70,000	395,000
Working Capital Fund Balance	350,000	-	350,000	-
Emergency reserve (3%)	26,926	-	26,926	-
	<u>2,176,510</u>	<u>1,420,124</u>	<u>756,386</u>	<u>1,064,163</u>
Excess (deficiency) of revenues over expenditures	(916,676)	(121,261)	795,415	
Fund balance - beginning	<u>916,676</u>	<u>951,139</u>	<u>34,463</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ 829,878</u>	<u>\$ 829,878</u>	

Bowles Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Twelve Months Ended December 31, 2010
Capital Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Variance Favorable (Unfavorable)	---Prior YTD---
Revenues				
Interest Income	\$ -	\$ -	\$ -	\$ -
Jefferson county joint venture	-	-	-	-
Transfers from general fund	290,000	225,000	(65,000)	50,000
	<u>290,000</u>	<u>225,000</u>	<u>(65,000)</u>	<u>50,000</u>
Expenditures				
Water Shares	270,000	176,483	93,517	-
Capital Expense-Intersections	-	-	-	-
Capital Expense-Parks & Trails	-	-	-	-
Capital Expense-Fence	-	36,163	(36,163)	23,450
Capital Expense-Sunset bb court	-	-	-	31,937
Capital Expense-Sunset playground	-	-	-	16,664
Contingency	30,000	-	30,000	-
	<u>300,000</u>	<u>212,646</u>	<u>87,354</u>	<u>72,051</u>
Excess (deficiency) of revenues over expenditures	(10,000)	12,354	22,354	
Fund balance - beginning	<u>19,639</u>	<u>2,945</u>	<u>(16,694)</u>	
Fund balance (deficit) - ending	\$ <u>9,639</u>	\$ <u>15,299</u>	\$ <u>5,660</u>	

Bowles Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Twelve Months Ended December 31, 2010
Debt Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>---Prior YTD---</u>
Revenues				
Property taxes	\$ 1,168,632	1,168,700	\$ 68	\$ 1,143,970
Transfer from General Fund	435,000	430,000	(5,000)	345,000
Interest income	1,093	526	(567)	993
	<u>1,604,725</u>	<u>1,599,226</u>	<u>(5,499)</u>	<u>1,489,963</u>
Expenditures				
2003 Bonds-Principal	370,000	370,000	-	340,000
2003 Bonds-Interest	1,216,665	1,216,665	-	1,228,565
Treasurer fees	17,529	14,532	2,997	14,278
Trustee/paying agent fees	509	-	509	150
	<u>1,604,703</u>	<u>1,601,197</u>	<u>3,506</u>	<u>1,582,993</u>
Excess (deficiency) of revenues over expenditures	22	(1,971)	(1,993)	
Fund balance - beginning	<u>3,174</u>	<u>6,560</u>	<u>3,386</u>	
Fund balance (deficit) - ending	<u>\$ 3,196</u>	<u>\$ 4,589</u>	<u>\$ 1,393</u>	

**Bowles Metropolitan District
Cash Position Schedule
As of December 31, 2010**

Financial Institution	Account Type		Amount
<u>Wells Fargo</u>	Cash in Checking	0.0033%	\$ 84,101.00
<u>Colotrust</u>	General Account	0.1900%	\$ 158,595.48
	Conservation Trust Account	0.1900%	\$ 13,964.61
<u>1st Bank</u>	Liquid Asset	0.6980%	\$ 247,752.78
<u>Citywide Banks</u>	Citywide Certificate of Deposit Maturity 10/15/2011	1.1500%	\$ 248,264.30
<u>Solera Savings</u>	Savings Account	1.8860%	\$ 101,790.50
			\$ 854,468.67