

**Bowles Metropolitan District
Financial Statements**

September 30, 2010

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 September 30, 2010 and the related Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental funds for the nine months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

Since the Board of Directors does not require financial statements prepared in conformity with generally accepted accounting practices to manage the affairs of the District on a monthly basis, determination has been made not to include the Statement of Net Assets, the Statement of Net Activities, Cash Flow where applicable, the Management Discussion and Analysis and disclosure footnotes to the statements. Accordingly, the accompanying financials 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.

Simmons & Wheeler P.C.

October 27, 2010

Bowles Metropolitan District
 Combined Balance Sheet
 September 30, 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	\$ 81,262	\$ -	\$ -	\$ -	\$ 81,262
Cash in COLOTRUST	1,344,047	-	-	-	1,344,047
Cash COLOTRUST - Conserv Trust	13,958	-	-	-	13,958
Cash in Money Market	247,442	-	-	-	247,442
Cash in Certificate of Deposit	247,607	-	-	-	247,607
Cash in Savings	101,453	-	-	-	101,453
Accounts receivable - taxes	14,796	-	3,677	-	18,473
Accounts receivable	-	-	-	-	-
Due from Other Funds	-	27,439	547,980	-	575,419
	<u>2,050,565</u>	<u>27,439</u>	<u>551,657</u>	<u>-</u>	<u>2,629,661</u>
Other assets					
Improvements	-	-	-	7,448,926	7,448,926
Amount available in debt service fund	-	-	-	23,470,000	23,470,000
Amount to be provided for retirement of debt	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,918,926</u>	<u>30,918,926</u>
	<u>\$ 2,050,565</u>	<u>\$ 27,439</u>	<u>\$ 551,657</u>	<u>\$ 30,918,926</u>	<u>\$ 33,548,587</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 204,981	\$ -	\$ -	\$ -	\$ 204,981
Due to Other Funds	575,419	-	-	-	575,419
	<u>780,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>780,400</u>
GO Bond Payable	-	-	-	23,470,000	23,470,000
Total liabilities	<u>780,400</u>	<u>-</u>	<u>-</u>	<u>23,470,000</u>	<u>24,250,400</u>
Fund Equity					
Investment in improvements	-	-	-	7,448,926	7,448,926
Fund balance	1,270,165	27,439	551,657	-	1,849,261
	<u>1,270,165</u>	<u>27,439</u>	<u>551,657</u>	<u>7,448,926</u>	<u>9,298,187</u>
	<u>\$ 2,050,565</u>	<u>\$ 27,439</u>	<u>\$ 551,657</u>	<u>\$ 30,918,926</u>	<u>\$ 33,548,587</u>

Bowles Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ended September 30, 2010
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Actual	Variance Favorable (Unfavorable)	<u>—Prior YTD—</u>
Revenues				
Property taxes	\$ 968,003	\$ 967,062	\$ (941)	\$ 943,745
Specific ownership taxes	149,565	101,988	(47,577)	107,932
Conservation Trust fund	-	13,942	13,942	14,473
HOA Contribution /Water/Landscape	111,700	128,510	16,810	55,883
Sub HOA Contribution/Irrigation	5,000	4,603	(397)	2,996
Miscellaneous Income	20,000	4,558	(15,442)	1,396
Interest income	5,566	10,034	4,468	8,863
	<u>1,259,834</u>	<u>1,230,697</u>	<u>(29,137)</u>	<u>1,135,288</u>
Expenditures				
Accounting/audit	16,500	14,030	2,470	13,900
Directors Fees	6,000	5,200	800	4,900
Election expense	18,000	1,679	16,321	-
Insurance	13,000	8,737	4,263	8,303
Legal	30,000	19,202	10,798	6,577
Management	70,000	55,145	14,855	54,327
Office supplies/misc expense	8,000	3,484	4,516	3,450
SDA Dues/Conferences	6,000	2,082	3,918	3,604
Payroll Taxes	1,000	398	602	375
Snow Removal	25,000	5,015	19,985	5,440
Special/tree replacement	25,000	-	25,000	18,233
General tree maint/replacement	-	-	-	968
General landscape maintenance	240,000	229,196	10,804	190,655
Landscape maintenance-HOA	120,000	116,752	3,248	51,238
Open Space maintenance	11,500	12,503	(1,003)	4,056
Repairs/maintenance/other	65,000	66,812	(1,812)	31,363
Repairs/maintenance-HOA	7,500	6,195	1,305	3,132
Special events	3,000	2,600	400	2,600
Treasurer's fees	14,520	12,024	2,496	11,779
Telephone	3,500	2,033	1,467	2,064
Utilities	28,000	14,716	13,284	12,050
Storm Drainage Services	-	125	(125)	153
Water pump service	10,000	-	10,000	-
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	14,444	25,556	45,022
Capital Outlay	16,000	8,657	7,343	-
Contingency	177,064	-	177,064	-
Operating transfers out	725,000	225,000	500,000	10,000
Working Capital Fund Balance	350,000	-	350,000	-
Emergency reserve (3%)	26,926	-	26,926	-
	<u>2,176,510</u>	<u>911,671</u>	<u>1,264,839</u>	<u>555,656</u>
Excess (deficiency) of revenues over expenditures	(916,676)	319,026	1,235,702	
Fund balance - beginning	<u>916,676</u>	<u>951,139</u>	<u>34,463</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,270,165</u>	<u>\$ 1,270,165</u>	

Bowles Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Nine Months Ended September 30, 2010
Capital Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>--Prior YTD--</u>
Revenues				
Interest Income	\$ -	\$ -	\$ -	\$ -
Jefferson county joint venture	-	-	-	17,200
Transfers from general fund	290,000	225,000	(65,000)	10,000
	<u>290,000</u>	<u>225,000</u>	<u>(65,000)</u>	<u>27,200</u>
Expenditures				
Water Shares	270,000	171,543	98,457	-
Capital Expense-Intersections	-	-	-	-
Capital Expense-Parks & Trails	-	-	-	-
Capital Expense-Fence	-	28,963	(28,963)	4,799
Capital Expense-Sunset bb court	-	-	-	12,280
Capital Expense-Sunset playground	-	-	-	1,908
Contingency	30,000	-	30,000	-
	<u>300,000</u>	<u>200,506</u>	<u>99,494</u>	<u>18,987</u>
Excess (deficiency) of revenues over expenditures	(10,000)	24,494	34,494	
Fund balance - beginning	<u>19,639</u>	<u>2,945</u>	<u>(16,694)</u>	
Fund balance (deficit) - ending	<u>\$ 9,639</u>	<u>\$ 27,439</u>	<u>\$ 17,800</u>	

Bowles Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Nine Months Ended September 30, 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	1,167,497	\$ (1,135)	\$ 1,139,496
Transfer from General Fund	435,000	-	(435,000)	-
Interest income	1,093	449	(644)	778
	<u>1,604,725</u>	<u>1,167,946</u>	<u>(436,779)</u>	<u>1,140,274</u>
Expenditures				
2003 Bonds-Principal	370,000	-	370,000	-
2003 Bonds-Interest	1,216,665	608,333	608,332	614,283
Treasurer fees	17,529	14,516	3,013	14,220
Trustee/paying agent fees	509	-	509	75
	<u>1,604,703</u>	<u>622,849</u>	<u>981,854</u>	<u>628,578</u>
Excess (deficiency) of revenues over expenditures	22	545,097	545,075	
Fund balance - beginning	<u>3,174</u>	<u>6,560</u>	<u>3,386</u>	
Fund balance (deficit) - ending	<u>\$ 3,196</u>	<u>\$ 551,657</u>	<u>\$ 548,461</u>	

Bowles Metropolitan District
Cash Position Schedule
As of September 30, 2010

Financial Institution	Account Type		Amount
<u>Wells Fargo</u>	Cash in Checking	0.0033%	\$ 81,262.09
<u>Colotrust</u>	General Account	0.2200%	\$ 1,344,046.56
	Conservation Trust Account	0.2200%	\$ 13,957.89
<u>1st Bank</u>	Liquid Asset	0.6980%	\$ 247,442.04
<u>Citywide Banks</u>	Citywide Certificate of Deposit Maturity 10/15/2010	2.5000%	\$ 247,606.98
<u>Solera Savings</u>	Savings Account	1.8860%	\$ 101,452.64
			<u>\$ 2,035,768.20</u>