

ELBERT & HIGHWAY 86 METRO. DISTRICT  
FINANCIAL STATEMENTS

MARCH 31, 2010

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**Clifton  
Gunderson LLP**  
Certified Public Accountants & Consultants

### Accountant's Report

Board of Directors  
Elbert & Highway 86 Metro. District  
Elbert County, Colorado

We have compiled the accompanying balance sheet - governmental funds and schedule of capital assets and long-term debt (which is a presentation not in conformity with accounting principles generally accepted in the United States of America) of the Elbert & Highway 86 Metro. District as of March 31, 2010, and the related statement of revenue, expenditures and changes in fund balance - budget and actual for the period from January 1, 2010 through March 31, 2010, for the General Fund, and the accompanying supplemental information, which is presented only for additional analysis purposes, 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 and supplemental schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit the management discussion and analysis, the government-wide financial statements, the statement of revenue, expenditures and changes in fund balance - governmental funds, and substantially all of the disclosures required by generally accepted accounting principles. 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, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Elbert & Highway 86 Metro. District.

*Clifton Gunderson LLP*

Greenwood Village, Colorado  
May 10, 2010

**ELBERT & HIGHWAY 86 METRO. DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS AND SCHEDULE OF CAPITAL ASSETS**  
**AND LONG-TERM DEBT**  
**MARCH 31, 2010**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Schedule of Capital Assets and Long- Term Debt</u>
<b>ASSETS</b>					
Cash	\$ 4,932	\$ -	\$ 48,692	\$ 53,624	
Colotrust	9,985	87,807	9,532	107,324	
UMB - Capitalized Interest	-	25	-	25	
Due from other fund	-	-	30,000	30,000	
Receivable from County Treasurer	1,994	8,971	-	10,965	
CIP-Park and recreation	-	-	-	-	\$ 197,672
<b>TOTAL ASSETS</b>	<u>\$ 16,911</u>	<u>\$ 96,803</u>	<u>\$ 88,224</u>	<u>\$ 201,938</u>	<u>\$ 197,672</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Accounts payable	\$ 1,286	\$ -	\$ -	\$ 1,286	-
Due to other fund	30,000	-	-	30,000	-
<b>LONG -TERM LIABILITIES</b>					
Developer advance - Operations and maintenance	-	-	-	-	\$ 15,513
Bonds payable	-	-	-	-	5,500,000
Total liabilities	31,286	-	-	31,286	<u>\$ 5,515,513</u>
<b>FUND BALANCES</b>					
Fund balances	(14,375)	96,803	88,224	170,652	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 16,911</u>	<u>\$ 96,803</u>	<u>\$ 88,224</u>	<u>\$ 201,938</u>	

These financial statements should be read only in connection with the accompanying accountant's report.

**ELBERT & HIGHWAY 86 METRO. DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2010**

**GENERAL FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUE</b>			
Property taxes	\$ 38,500	\$ 11,220	\$ (27,280)
Specific ownership tax	5,775	1,304	(4,471)
Interest income	20	-	(20)
Developer advance	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
Total revenue	<u>47,295</u>	<u>12,524</u>	<u>(34,771)</u>
<b>EXPENDITURES</b>			
Accounting	14,000	2,102	11,898
Auditing	3,500	-	3,500
County Treasurer's fee	240	61	179
Dues and licenses	350	297	53
Election costs	3,000	41	2,959
Utilities	1,200	358	842
Insurance and bonds	1,800	1,604	196
Legal services	18,000	1,955	16,045
Miscellaneous	100	14	86
Landscape maintenance	5,000	-	5,000
Contingency	<u>810</u>	<u>-</u>	<u>810</u>
Total expenditures	<u>48,000</u>	<u>6,432</u>	<u>41,568</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(705)</b>	<b>6,092</b>	<b>6,797</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>(705)</b>	<b>6,092</b>	<b>6,797</b>
<b>FUND BALANCE - BEGINNING</b>	<u>3,264</u>	<u>(20,467)</u>	<u>(23,731)</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,559</u>	<u>\$ (14,375)</u>	<u>\$ (16,934)</u>

These financial statements should be read only in connection with the accompanying accountant's report.

**SUPPLEMENTAL INFORMATION**

**ELBERT & HIGHWAY 86 METRO. DISTRICT  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2010**

**DEBT SERVICE FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUE</b>			
Property taxes	\$ 173,600	\$ 50,488	\$ (123,112)
Specific ownership tax	26,040	5,867	(20,173)
Interest income	400	11	(389)
System development fees	<u>105,000</u>	<u>-</u>	<u>(105,000)</u>
Total revenue	<u>305,040</u>	<u>56,366</u>	<u>(248,674)</u>
<b>EXPENDITURES</b>			
County Treasurer's fee	1,110	276	834
Note principal	80,000	-	80,000
Interest expense - bonds	316,250	-	316,250
Paying agent / trustee fees	2,500	-	2,500
Contingency	<u>1,140</u>	<u>-</u>	<u>1,140</u>
Total expenditures	<u>401,000</u>	<u>276</u>	<u>400,724</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	(95,960)	56,090	152,050
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other fund	<u>105,000</u>	<u>-</u>	<u>(105,000)</u>
Total other financing sources (uses)	<u>105,000</u>	<u>-</u>	<u>(105,000)</u>
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	9,040	56,090	47,050
<b>FUND BALANCE - BEGINNING</b>	<u>74,000</u>	<u>40,713</u>	<u>(33,287)</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 83,040</u>	<u>\$ 96,803</u>	<u>\$ 13,763</u>

This schedule should be read only in only in connection with the accompanying accountant's report.

**ELBERT & HIGHWAY 86 METRO. DISTRICT  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2010**

**CAPITAL PROJECTS FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUE</b>			
Interest income	\$ -	\$ 2	\$ 2
System development fees	<u>105,000</u>	<u>-</u>	<u>(105,000)</u>
Total revenue	<u>105,000</u>	<u>2</u>	<u>(104,998)</u>
<b>EXPENDITURES</b>			
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>			
	105,000	2	(104,998)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other fund	<u>(105,000)</u>	<u>-</u>	<u>105,000</u>
Total other financing sources (uses)	<u>(105,000)</u>	<u>-</u>	<u>105,000</u>
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>			
	-	2	2
<b>FUND BALANCE - BEGINNING</b>	<u>41,733</u>	<u>88,222</u>	<u>46,489</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 41,733</u>	<u>\$ 88,224</u>	<u>\$ 46,491</u>

This schedule should be read only in only in connection with the accompanying accountant's report.