

BMR METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2009 and 2008

with

Independent Auditors' Report

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Independent Auditor's Report

Board of Directors
BMR Metropolitan District

We have audited the accompanying financial statements of the business-type activities of BMR Metropolitan District as of and for the years ended December 31, 2009 and 2008, which collectively comprise the District's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the BMR Metropolitan District's management. Our responsibility is to express opinions on these financial statements based on our audits.

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 the District, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The District has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the respective financial position of BMR Metropolitan District as of and for the years ended December 31, 2009 and 2008, and the respective 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.

Our audit was made for the purpose of forming an opinion on the financial statements of BMR Metropolitan District. The supplemental information as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of BMR Metropolitan District. Such information has been subjected to the auditing procedures applied in the audit 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.

L. Paul Goedecke P.C.

L. Paul Goedecke, P.C.
February 15, 2010

BMR METROPOLITAN DISTRICT

STATEMENT OF NET ASSETS Years Ending December 31, 2009 and 2008

ASSETS	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and investments	\$ 149,808	\$ 4,821
Accounts receivable	<u>46,490</u>	<u>53,218</u>
Total Current Assets	<u>196,298</u>	<u>58,039</u>
CAPITAL ASSETS		
Water system	2,507,563	2,478,623
Less accumulated depreciation	<u>(690,985)</u>	<u>(628,658)</u>
Net Capital Assets	<u>1,816,578</u>	<u>1,849,965</u>
Total Assets	<u>2,012,876</u>	<u>1,908,004</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	<u>75,463</u>	<u>66,265</u>
Total Current Liabilities	<u>75,463</u>	<u>66,265</u>
NONCURRENT LIABILITIES		
Subordinate obligations - operating	<u>36,206</u>	<u>267,200</u>
Total Noncurrent Liabilities	<u>36,206</u>	<u>267,200</u>
Total Liabilities	<u>111,669</u>	<u>333,465</u>
NET ASSETS		
Invested in capital assets	1,816,578	1,849,965
Unrestricted (deficit)	<u>84,629</u>	<u>(275,426)</u>
Total Net Assets	<u>\$ 1,901,207</u>	<u>\$ 1,574,539</u>

The notes to the financial statements are an integral part of these statements.

BMR METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND AND CHANGES IN NET ASSETS WATER ENTERPRISE FUND

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
OPERATING REVENUES		
Water service and usage fees	\$ 516,516	\$ 366,535
Water availability fee	<u>2,520</u>	<u>1,260</u>
 Total Operating Revenues	 <u>519,036</u>	 <u>367,795</u>
 OPERATING EXPENSES		
Accounting/audit	9,876	10,091
Bank charges	-	135
Election expense	-	190
Landscape maintenance	825	725
Advertising	-	39
System operator	47,620	32,441
Legal	28,986	40,068
District management	33,835	35,282
Meter installation/inspection	6,280	10,656
Chlorine	7,129	6,321
Chemical testing/iron removal	42,525	61,389
Director fees	-	900
Utilities	52,754	73,688
Water testing	5,483	6,957
Insurance	4,114	7,046
Maintenance	60,937	72,770
Repairs	1,769	17,689
Engineering	6,760	2,053
Water billing service	24,353	12,968
Telephone	1,118	1,243
Miscellaneous	1,811	1,440
Depreciation	<u>62,327</u>	<u>61,430</u>
 Total Operating Expenses	 <u>398,502</u>	 <u>455,521</u>
 INCOME (LOSS) FROM OPERATIONS	 <u>120,534</u>	 <u>(87,726)</u>
 NONOPERATING REVENUES AND (EXPENSES)		
HOA note repayment - interest	(1,406)	-
Developer contribution	206,150	-
Other income	<u>1,390</u>	<u>2,131</u>
 Total Nonoperating Revenues (Expenses)	 <u>206,134</u>	 <u>2,131</u>
 NET INCOME (LOSS) - CHANGE IN ASSETS	 326,668	 (85,595)
 NET ASSETS, BEGINNING OF YEAR	 <u>1,574,539</u>	 <u>1,660,134</u>
 NET ASSETS, END OF YEAR	 <u>\$ 1,901,207</u>	 <u>\$ 1,574,539</u>

The notes to the financial statements are an integral part of these statements.

BMR METROPOLITAN DISTRICT

STATEMENT OF CASH FLOWS For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 525,764	\$ 359,067
Payment for operating expenses	<u>(326,977)</u>	<u>(377,845)</u>
Net Cash Provided (Required) by Operating Activities	<u>198,787</u>	<u>(18,778)</u>
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES:		
Proceeds from subordinate obligations - HOA note	61,050	58,761
Repayment - HOA - principal	(24,844)	-
Repayment - HOA - interest	(1,406)	-
Repayment - developer	(61,050)	-
Other non-operating revenue	<u>1,390</u>	<u>2,131</u>
Net Cash Provided (Required) by Noncapital Financing Activities	<u>(24,860)</u>	<u>60,892</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Water system capital expenditures	<u>(28,940)</u>	<u>(42,824)</u>
Net Cash Provided (Required) by Investing Activities	<u>(28,940)</u>	<u>(42,824)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	144,987	(710)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,821</u>	<u>5,531</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 149,808</u>	<u>\$ 4,821</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES		
Net income (loss) from operations	<u>\$ 120,534</u>	<u>\$ (87,726)</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES		
Depreciation	62,327	61,430
Changes in Assets and Liabilities:		
Accounts receivable	6,728	(8,728)
Accounts payable	<u>9,198</u>	<u>16,246</u>
Net Adjustments	<u>78,253</u>	<u>68,948</u>
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	<u>\$ 198,787</u>	<u>\$ (18,778)</u>

The notes to the financial statements are an integral part of these statements.

BMR METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2009 and 2008

Note 1: Summary of Significant Accounting Policies

The accounting policies of the BMR Metropolitan District, located in Douglas County, Colorado, conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on August 7, 1985 and is a quasi-municipal corporation and political subdivision of the State of Colorado established under the State of Colorado Special District Act. The District was established to provide water for its inhabitants. The District's primary revenues are from water usage charges. The District is governed by an elected Board of Directors.

The District was originally part of the Bell Mountain Ranch Phase II Metropolitan District. On January 1, 1999 the assets of the water enterprise contained within the Phase II District were transferred to the Master District and retitled the BMR Metropolitan District.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District has no component units as defined by the Governmental Accounting Standards Board (GASB), Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization.

BMR METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2009 and 2008

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Presentation

The accompanying financial statements are presented per GASB No. 34.

The government-wide financial statements (i.e. the statement of net assets) report information on all of the nonfiduciary activities of the District.

The statement of net assets reports all financial and capital resources of the District. The difference between the assets and liabilities of the District is reported as net assets.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are shown as increases in assets.

The District reports the following major proprietary funds:

Water Enterprise Fund - The Water Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's ongoing operations. Operating revenues consist of charges to customers for services provided. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

The District has elected to follow Governmental Accounting Standards Board pronouncements. Therefore, statements issued by the Financial Accounting Standards Board after November 30, 1989 are not applied. In 2004, the District implemented the requirements of GASB Statement No. 34.

BMR METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2009 and 2008

Note 1: Summary of Significant Accounting Policies (continued)

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end.

Statement of Cash Flows

For purposes of the statement of cash flows, the District considers cash deposits with a maturity of three months or less to be cash equivalents. During 2009, the District incurred no noncash activities.

Assets, Liabilities, and Net Assets

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2009 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The District follows the practice of pooling cash and investments to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BMR METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2009 and 2008

Note 1: Summary of Significant Accounting Policies (continued)

Long-Term Obligations

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities in the statement of net assets.

Capital Assets

Capital assets, which include water system components, are reported in the Water Enterprise Fund in the government-wide financial statements. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the assets are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method.

Property, plant and equipment are depreciated using the "straight-line" method over the following estimated useful lives:

Water System	40 years
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Note 2: Cash and Investments

As of December 31, 2009, cash and investments are classified in the accompanying financial statements as follows:

	<u>2009</u>	<u>2008</u>
Statement of net assets:		
Cash and equivalents	\$ <u>149,808</u>	\$ <u>4,821</u>

Cash and investments as of December 31, 2009 consist of the following:

	<u>2009</u>	<u>2008</u>
Deposits with financial institutions	\$ <u>149,808</u>	\$ <u>4,821</u>

BMR METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2009 and 2008

Note 2: Cash and Investments (continued)

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of the December 31, 2009, the District's cash deposits had a bank balance of \$153,759 and a carrying balance of \$149,808.

The District does not have a formal policy for deposits. None of the District's deposits was exposed to custodial credit risk.

Investments

Credit Risk

The District investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

At December 31, 2009, the District had no investments.

Note 3: Long-term Obligations

Operation Funding Agreement

The District entered into an operation funding agreement with the Developer, whereby the Developer funded shortfalls of available revenue and operating expenses.

The Agreement provides for the District to repay the developer advances from surplus revenues, after the payment of debt service obligations and payment of operations and maintenance expenses, which repayment is subject to annual budget and appropriation. During 2009, the District and the Developer agreed to a payment of \$61,050 and the forgiveness of the balance of \$206,150. The amount forgiven has been reflected as a developer contribution.

BMR METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2009 and 2008

Note 3: Long-term Obligations (continued)

Annual Appropriation Promissory Note

The District entered into an Annual Appropriation Promissory Note (“Note”) with the Bell Mountain Ranch Homeowners Association, Inc. (“HOA”) on April 10, 2009. The principal amount of the Note is \$61,050. The Note matures on July 1, 2010 and accrues interest at 4.00% per annum. The Note is to be repaid using revenues from the District’s water system and other revenues legally available but only after payment of all reasonable and necessary operations and maintenance expenses. The obligation constitutes a currently budgeted expenditure of the District for the current fiscal year only.

The total amount due under these Agreements at December 31, 2009 is \$36,206 as follows:

	<u>Balance</u> <u>01-01-09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-09</u>	<u>Current</u> <u>Portion</u>
Subordinate Obligations -					
Operating	\$ 267,200	\$ -	\$ 267,200	\$ -	\$ -
HOA note	<u>-</u>	<u>61,050</u>	<u>24,844</u>	<u>36,206</u>	<u>-</u>
Total	<u>\$ 267,200</u>	<u>\$ 61,050</u>	<u>\$ 292,044</u>	<u>\$ 36,206</u>	<u>\$ -</u>

The total amount due under these Agreements at December 31, 2008 was \$267,200 as follows:

	<u>Balance</u> <u>01-01-08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-08</u>	<u>Current</u> <u>Portion</u>
Subordinate Obligations -					
Operating	<u>\$ 208,439</u>	<u>\$ 58,761</u>	<u>\$ -</u>	<u>\$ 267,200</u>	<u>\$ -</u>

Debt Authorization

As of December 31, 2009, the District had remaining voted debt authorization of approximately \$3,000,000. The District has not budgeted to issue any additional debt in 2010.

BMR METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2009 and 2008

Note 4: Capital Assets

An analysis of changes in capital assets for the year ended December 31, 2009 follows:

	<u>Balance</u> <u>01-01-09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-09</u>
<u>Capital assets being depreciated:</u>				
Water system	\$ 2,478,623	\$ 28,940	\$ -	\$ 2,507,563
	2,478,623	28,940	-	2,507,563
Accumulated Depreciation	<u>(628,658)</u>	<u>(62,327)</u>	<u>-</u>	<u>(690,985)</u>
Business type assets, net	<u>\$ 1,849,965</u>	<u>\$ (33,387)</u>	<u>\$ -</u>	<u>\$ 1,816,578</u>

Depreciation expense for the year ended December 31, 2009 was charged to water operations in the amount of \$62,327.

An analysis of changes in capital assets for the year ended December 31, 2008 follows:

	<u>Balance</u> <u>01-01-08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-08</u>
<u>Capital assets being depreciated:</u>				
Water system	\$ 2,435,799	\$ 42,824	\$ -	\$ 2,478,623
	2,435,799	42,824	-	2,478,623
Accumulated Depreciation	<u>(567,228)</u>	<u>(61,430)</u>	<u>-</u>	<u>(628,658)</u>
Business type assets, net	<u>\$ 1,868,571</u>	<u>\$ (18,606)</u>	<u>\$ -</u>	<u>\$ 1,849,965</u>

Depreciation expense for the year ended December 31, 2008 was charged to water operations in the amount of \$61,430.

BMR METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2009 and 2008

Note 5: Related Party

Until November of 2008 all of the Board of Directors were employees, owners or are otherwise associated with the Developer or owned an indirect interest in the developers' general partnership and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 6: Tax Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an Enterprise will require judicial interpretation. Internally, the District maintains its records in one fund – the Water Enterprise Fund.

BMR METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2009 and 2008

Note 7: Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; error or omissions; injuries to personnel, or natural disasters.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded the commercial insurance coverage limits in any of the past three fiscal years.

SUPPLEMENTAL INFORMATION

BMR METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 WATER ENTERPRISE FUND
 For the Year Ended December 31, 2009

	<u>Original & Final</u>		<u>Variance -</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
REVENUES			
Water usage charge	\$ 210,000	\$ 158,991	\$ (51,009)
Water service charge	362,400	357,525	(4,875)
HOA note	-	61,050	61,050
Water availability charge	-	2,520	2,520
Other income	<u>1,000</u>	<u>1,390</u>	<u>390</u>
Total Revenues	<u>573,400</u>	<u>581,476</u>	<u>8,076</u>
EXPENDITURES			
System operator	40,000	47,620	(7,620)
District management	22,500	33,835	(11,335)
Accounting/audit	9,000	9,876	(876)
Legal	14,000	28,986	(14,986)
Miscellaneous	2,000	1,810	190
Insurance	8,000	4,114	3,886
Directors fees	600	-	600
Landscape maintenance	-	825	(825)
Meter purchase/inspection	8,000	6,280	1,720
Chlorine	9,000	7,129	1,871
Iron removal	96,000	42,525	53,475
Water testing	7,000	5,483	1,517
Utilities	75,000	52,754	22,246
WTP maintenance	75,000	60,937	14,063
Water system repairs	30,000	1,769	28,231
Engineering	5,000	6,760	(1,760)
Water billing service	14,500	24,353	(9,853)
Telephone	1,200	1,118	82
Extraordinary repairs, replacement & capital expenditures	75,000	28,940	46,060
HOA note repayment - principal	-	24,844	(24,844)
HOA note repayment - interest	-	1,406	(1,406)
Developer note repayment - principal	-	61,050	(61,050)
Contingency	100,722	-	100,722
Water service reserves	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>592,522</u>	<u>452,414</u>	<u>140,108</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(19,122)</u>	<u>129,062</u>	<u>148,184</u>
FUNDS AVAILABLE, BEGINNING OF YEAR	<u>19,122</u>	<u>(8,227)</u>	<u>(27,349)</u>
FUNDS AVAILABLE, END OF YEAR	<u>\$ -</u>	<u>\$ 120,835</u>	<u>\$ 120,835</u>
Funds available are defined as follows:			
Current assets		\$ 196,298	
Less current liabilities		<u>75,463</u>	
Funds available		<u>\$ 120,835</u>	

BMR METROPOLITAN DISTRICT

RECONCILIATION OF REVENUES AND EXPENDITURES BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2009

The following is a reconciliation of the budgetary basis, as presented, to generally accepted accounting principals (GAAP), the basis on which the financial statements were prepared.

Revenue - Water Enterprise Fund (Budgetary Basis)	\$ 581,476
Developer contribution	206,150
Subordinated debt refunding	<u>(61,050)</u>
 Total revenue per Statement of Revenues, Expenditures and Changes in Net Assets	 <u>726,576</u>
 Expenditures - Water Enterprise Fund (Budgetary Basis)	 452,415
Depreciation	62,327
Repayment - HOA note principal	(24,844)
Repayment - developer principal	(61,050)
Capital assets expenditures	<u>(28,940)</u>
 Total expenses per Statement of Revenues, Expenditures and Changes in Net Assets	 <u>399,908</u>
 Changes in Net Assets per Statement Revenues, Expenditures and Changes in Net Assets	 <u>\$ 326,668</u>