



## Accountants' Compilation Report

November 6, 2015

Board of Directors  
Ruedi Shores Metropolitan District  
Basalt, Colorado

We have compiled the accompanying balance sheet of Ruedi Shores Metropolitan District as of September 30, 2015 and the related statement of revenues, expenditures and changes in fund balance with budgets for the nine month period then ended. We also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2015 and the preliminary budget for calendar year 2016, in accordance with standards established by the American Institute of Certified Public Accountants.

We 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.

We serve in a dual role with the District, as a consulting financial manager and as an external accountant. Management (with our 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. We have prepared these financial statements in our capacity as a consulting financial manager for the District.

As an external accountant our 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 our 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. We 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. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

We also compiled the accompanying 2014 historical financial statements of the District and our report thereon stated that we did not audit or review those financial statements and, accordingly, expressed no opinion or any 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 2014 financial position and results of operations. Accordingly, the 2014 financial statements are not designed for those who are not informed about such matters.

We are not independent from and accounting and auditing perspective with respect to Ruedi Shores Metropolitan District because we perform certain accounting services that impair our independence.

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**RUEDI SHORES METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**As of September 30, 2015**

ASSETS	Fixed Assets &			Total
	General Fund	Debt Service Fund	Long-Term Debt	
<b>Cash</b>				
Operating Account	324,728			324,728
Bond Payment Fund		5,009		5,009
Bond Payment Fund CD Maturing 1/3/2016		71,793		71,793
Debt Reserve Fund- CD Maturing 1/3/2016		180,137		180,137
Pooled Cash	(99,281)	99,281		-
<b>Total Cash in Bank</b>	<b>225,446</b>	<b>356,220</b>	<b>-</b>	<b>581,667</b>
<b>Accounts Receivable &amp; Other Current Assets</b>				
Accounts Receivable - Customers	10,672			10,672
Accounts Receivable - HOA	-			-
Due From County Treasurer	-	-		-
Property Taxes Receivable	797	5,153		5,950
Prepaid Expenses	-			-
<b>Total A/R &amp; Other Current Assets</b>	<b>11,468</b>	<b>5,153</b>	<b>-</b>	<b>16,621</b>
<b>Fixed Assets:</b>				
Water System			1,802,732	1,802,732
Accumulated Depreciation			(327,144)	(327,144)
<b>Total Property &amp; Equipment</b>	<b>-</b>	<b>-</b>	<b>1,475,588</b>	<b>1,475,588</b>
<b>TOTAL ASSETS</b>	<b>236,915</b>	<b>361,373</b>	<b>1,475,588</b>	<b>2,073,876</b>
<b>LIAB, DEF INFLOWS, &amp; NET POSITION</b>				
<b>Liabilities &amp; Deferred Inflows:</b>				
Accounts Payable	2,428			2,428
Directors Fees Payable	-			-
PR Tax Liabilities- Medicare	-			-
PR Tax Liabilities- FICA	31			31
Deferred Property Taxes	797	5,153		5,950
Bonds Payable			1,764,000	1,764,000
<b>Total Liabilities</b>	<b>3,255</b>	<b>5,153</b>	<b>1,764,000</b>	<b>1,772,408</b>
<b>Net Position</b>				
Investment in Fixed Assets			1,475,588	1,475,588
Amt To Be Provided For Debt			(1,764,000)	(1,764,000)
Restricted For Debt Service		356,220		356,220
Restricted For Emergencies	1,555			1,555
Assigned For Capital Replacements	160,000			160,000
Unassigned	72,105			72,105
<b>Total Net Assets</b>	<b>233,660</b>	<b>356,220</b>	<b>(288,412)</b>	<b>301,468</b>
<b>Total Liab, Def. Inflows, &amp; Net Pos</b>	<b>236,915</b>	<b>361,373</b>	<b>1,475,588</b>	<b>2,073,876</b>
See accompanying accountant's report.	=	=	=	=
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**RUEDI SHORES METRO DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED**

**MODIFIED ACCRUAL BASIS**

<b>COMBINED FUND STATEMENTS</b>	<b>2014 Unaudited Actual</b>	<b>2015 Adopted Budget</b>	<b>Variance Favorable (Unfavor)</b>	<b>2015 Forecast</b>	<b>9 Month Ended 9/30/15 Actual</b>	<b>9 Month Ended 9/30/15 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2016 Prelim Budget</b>	<b>BUDGET ASSUMPTIONS</b>
<b>ASSESSED VALUE</b>									
Assessed Value	1,665,650	1,665,990		1,665,990				1,924,390	Per August Prelim AV
<b>MILL LEVIES</b>									
Operating Mill Levy, Net of Temporary Redu	17.000	15.000		15.000				15.000	
Debt Service Mill Levy	98.000	97.000		97.000				83.500	
Total Mill Levy	115.000	112.000		112.000				98.500	
<b>REVENUES</b>									
Property Taxes - General Operations	28,316	24,990	-	24,990	24,193	24,740	(547)	28,866	Per mills above
Property Taxes - Debt Service	163,233	161,601	-	161,601	156,448	159,985	(3,537)	160,687	Per mills above
Specific Ownership (Automobile) Taxes	9,634	8,397	933	9,330	6,403	5,598	805	8,530	4.5% of property taxes
Water Fees	32,055	32,800	(595)	32,205	24,255	24,850	(595)	32,300	Same rates as 2015
Availability of Service Fees	7,125	6,900	-	6,900	5,175	5,175	-	6,900	Same rates as 2015
RSHA HOA Contribution	-	-	-	-	-	-	-	-	
Tap Fees	-	-	-	-	-	-	-	-	
Statement Prep Fees	400	200	(200)	-	-	100	(100)	200	\$50 Per Closing
Interest Income & Late Fees & Fines	1,751	1,318	142	1,460	1,334	1,053	281	1,175	0.3% of fund balances
Bond Proceeds	-	-	-	-	-	-	-	-	
<b>TOTAL REVENUES</b>	<b>242,514</b>	<b>236,205</b>	<b>280</b>	<b>236,485</b>	<b>217,808</b>	<b>221,500</b>	<b>(3,692)</b>	<b>238,657</b>	
<b>EXPENDITURES</b>									
General And Admin	25,954	32,572	4,661	27,911	19,915	25,096	5,182	34,012	See Detail
Water Operations	24,555	34,300	10,387	23,913	13,094	25,702	12,608	34,400	See Detail
Debt Service	176,402	176,901	500	176,401	48,973	49,451	478	176,707	See Detail
Capital	-	-	-	-	-	-	-	-	
<b>TOTAL EXPENDITURES</b>	<b>226,911</b>	<b>243,773</b>	<b>15,548</b>	<b>228,225</b>	<b>81,982</b>	<b>100,250</b>	<b>18,267</b>	<b>245,119</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>15,603</b>	<b>(7,568)</b>	<b>15,828</b>	<b>8,260</b>	<b>135,826</b>	<b>121,251</b>	<b>14,575</b>	<b>(6,462)</b>	
Fund Balance-Beginning of Year	438,451	453,081	973	454,054	454,054	453,081	973	462,315	
<b>Fund Balance-End of Year</b>	<b>454,054</b>	<b>445,513</b>	<b>16,802</b>	<b>462,315</b>	<b>589,880</b>	<b>574,332</b>	<b>15,548</b>	<b>455,853</b>	
	=	=	=	=	=	=	=	=	
<b>Components of Fund Balance:</b>									
Reservrd For Emercencies (TABOR)	1,515	2,006	(451)	1,555	1,555	2,006	(451)	2,052	
Reserved For Capitalized Interest	-	-	-	-	-	-	-	-	
Reserved For Bond Reserve	172,317	172,317	-	172,317	172,317	172,317	-	172,317	Required by Documents
Reserved For Construction	-	-	-	-	-	-	-	-	
Reserved For Future Debt Service	64,753	63,188	2,765	65,954	183,904	184,740	(837)	64,799	Per Debt Service Fund
Capital Repairs & Replacement Reserve	160,000	140,000	20,000	160,000	160,000	140,000	20,000	160,000	Adequately funded
Unreserved	55,469	68,002	(5,512)	62,490	72,105	75,268	(3,163)	56,685	Unused Contingency will add
<b>TOTAL FUND BALANCE</b>	<b>454,054</b>	<b>445,513</b>	<b>16,802</b>	<b>462,315</b>	<b>589,880</b>	<b>574,332</b>	<b>15,548</b>	<b>455,853</b>	
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See Accompanying Accountant's Report

**RUEDI SHORES METRO DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED**

**MODIFIED ACCRUAL BASIS**

<b>GENERAL FUND</b>	<b>2014 Unaudited Actual</b>	<b>2015 Adopted Budget</b>	<b>Variance Favorable (Unfavor)</b>	<b>2015 Forecast</b>	<b>9 Month Ended 9/30/2015 Actual</b>	<b>9 Month Ended 9/30/2015 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2016 Prelim Budget</b>	<b>BUDGET ASSUMPTIONS</b>
Assessed Value	1,665,650	1,665,990		1,665,990				1,924,390	
Operating Mill Levy	29.000	29.000		29.000				29.000	
Less Temporary Mill Levy Credit	(12.000)	(14.000)		(14.000)				(14.000)	
Net Mill Levy	17.000	15.000		15.000				15.000	
<b>REVENUES</b>									
Property Taxes - General Operations	28,316	24,990	-	24,990	24,193	24,740	(547)	28,866	Based on Above
Specific Ownership (Automobile) Taxes	1,424	1,125	125	1,249	858	750	108	1,299	4.5% of Property Taxes
Water User Fees- Base Rate	31,350	31,800	-	31,800	23,850	23,850	-	31,800	53 new users @ \$150/qtr
Water User Fees Tier 1 & 2	705	1,000	(595)	405	405	1,000	(595)	500	Based on 2015 Forecast
Tap Fees	-	0	-	0	-	-	-	0	Assumed no new homes
Late Fees	573	550	(150)	400	312	413	(101)	400	Based on 2015 Forecast
Lien Filing Fees	50	0	-	0	50	-	50	0	Assume no new delinquencies
Title Request Fees	400	200	(200)	0	-	100	(100)	200	4 at \$50
Interest Income	44	40	-	40	17	45	(28)	40	Based on 2015 Forecast
<b>TOTAL REVENUES</b>	<b>62,862</b>	<b>59,704</b>	<b>(820)</b>	<b>58,884</b>	<b>49,685</b>	<b>50,897</b>	<b>(1,213)</b>	<b>63,105</b>	
<b>EXPENDITURES</b>									
<b>GENERAL AND ADMIN</b>									
Accounting & Administration	17,730	20,000	-	20,000	13,872	14,500	628	18,500	Based on 2015 Taking out Billings
Assesment Billing	-	0	-	0	-	-	-	1,500	Per Contract + Contingency
Audit	-	0	-	0	-	-	-	0	Eligible for Exemption
Directors Fees	700	1,600	600	1,000	200	1,200	1,000	1,600	Based on 4 meetings
Payroll Taxes	54	122	46	77	15	92	77	122	FICA & Medicare
Election	748	0	-	0	-	-	-	1,000	Assuming cancelation
Insurance & SDA Dues	4,103	4,250	15	4,235	4,235	4,250	15	4,574	Based on 2015 Forecast
Legal	386	2,000	1,500	500	51	1,500	1,449	2,000	Based on 2015 Forecast
Publications & Misc	20	100	-	100	20	-	(20)	100	Budget notices
Office Overhead	1,363	1,250	-	1,250	796	938	142	1,250	Based on 2015 Forecast
Treasurer's fees	851	750	-	750	726	742	16	866	3% of property tax
Contingency	-	2,500	2,500	0	-	1,875	1,875	2,500	Rolls to reserves if not needed
<b>TOTAL GENERAL AND ADMIN</b>	<b>25,954</b>	<b>32,572</b>	<b>4,661</b>	<b>27,911</b>	<b>19,915</b>	<b>25,096</b>	<b>5,182</b>	<b>34,012</b>	
<b>WATER OPERATIONS</b>									
Electricity	1,990	2,500	400	2,100	1,064	2,083	1,020	2,500	Based on Prior Years
Phone/Telemetry/Utilities	671	725	-	725	483	544	60	725	Based on Prior Years
Repairs & Maintenance	6,873	6,000	-	6,000	1,220	4,500	3,281	6,000	Based on 2015 Forecast
Operations Contract- Zancanella	4,800	4,800	-	4,800	2,800	2,800	-	4,800	Based on Prior Years
Water Contract Fees- Basalt WCSD	2,157	2,200	(13)	2,213	2,213	2,200	(13)	2,300	Based on Prior Years
Water Program Fees - CDPHE	75	75	-	75	75	75	-	75	Based on Prior Years
Legal	-	0	-	0	-	-	-	0	Included in regular legal
Meter Reading & System Ops	6,000	6,000	-	6,000	4,500	4,500	-	6,000	\$500 Per Month
Engineering	-	500	-	500	-	375	375	500	Minor Needs
System Supplies & Misc	1,989	1,500	-	1,500	340	1,125	785	1,500	Based on Prior Years
Replacement Reserve Study	-	0	-	0	-	-	-	0	One-time cost
Bad Debt Expense	-	0	-	0	-	-	-	0	Just delayed receipts
Contingency	-	10,000	10,000	0	-	7,500	7,500	10,000	Rolls to reserves if not needed
<b>TOTAL WATER OPERATIONS</b>	<b>24,555</b>	<b>34,300</b>	<b>10,387</b>	<b>23,913</b>	<b>13,094</b>	<b>25,702</b>	<b>12,608</b>	<b>34,400</b>	
<b>TOTAL OPERATING EXPENDITURES</b>	<b>50,508</b>	<b>66,872</b>	<b>15,048</b>	<b>51,824</b>	<b>33,009</b>	<b>50,799</b>	<b>17,790</b>	<b>68,412</b>	
<b>Change In Fund Balance</b>	<b>12,354</b>	<b>(7,168)</b>	<b>14,228</b>	<b>7,060</b>	<b>16,676</b>	<b>99</b>	<b>16,577</b>	<b>(5,307)</b>	Positive w/out contingency
<b>Fund Balance- Beginning</b>	<b>204,630</b>	<b>217,176</b>	<b>(192)</b>	<b>216,984</b>	<b>216,984</b>	<b>217,176</b>	<b>(192)</b>	<b>224,044</b>	
<b>Fund Balance- Ending</b>	<b>216,984</b>	<b>210,008</b>	<b>14,036</b>	<b>224,044</b>	<b>233,660</b>	<b>217,275</b>	<b>16,385</b>	<b>218,737</b>	

**RUEDI SHORES METRO DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED**

**MODIFIED ACCRUAL BASIS**

<b>DEBT SERVICE FUND</b>	<b>2014 Unaudited Actual</b>	<b>2015 Adopted Budget</b>	<b>Variance Favorable (Unfavor)</b>	<b>2015 Forecast</b>	<b>9 Month Ended 9/30/2015 Actual</b>	<b>9 Month Ended 9/30/2015 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2016 Prelim Budget</b>	<b>BUDGET ASSUMPTIONS</b>
<b>ASSESSED VALUE</b>									
Assessed Value	1,665,650	1,665,990		1,665,990				1,924,390	
Debt Service Mill Levy	98.000	97.000		97.000				83.500	
<b>REVENUES</b>									
Property Taxes - Debt Service	163,233	161,601	-	161,601	156,448	159,985	(3,537)	160,687	Assessed Value * Mill Levy
Specific Ownership (Automobile) Taxes	8,210	7,272	808	8,080	5,545	4,848	697	7,231	4.5% of Property Taxes
Availability of Service Fees	7,125	6,900	-	6,900	5,175	5,175	-	6,900	23 lots @\$75 Per Qtr
Late Fees	17	20	-	20	35	15	20	20	Based on Prior Years
Interest Income	1,066	708	292	1,000	919	580	339	715	0.3% of Fund Balance
Transfer of Bond Proceeds From Cap Fund			-				-		
Transfer of Excess Funds From Cap Fund	-		-				-		
<b>TOTAL REVENUES</b>	<b>179,651</b>	<b>176,501</b>	<b>1,100</b>	<b>177,601</b>	<b>168,123</b>	<b>170,603</b>	<b>(2,480)</b>	<b>175,552</b>	
<b>EXPENDITURES</b>									
<b>DEBT SERVICE</b>									
Principal	79,000	83,000	-	83,000	-	-	-	87,000	Per Amort Schedule Below
Additional Principal Without Prepayment Fee		-	-	-			-	-	
Additional Principal Subject To Prepayment Fee		-	-	-			-	-	
Interest	92,498	88,553	-	88,553	44,276	44,276	-	84,386	Per Amort Schedule Below
Paying Agent Fees	-	-	-	-	-	-	-	-	
Treasurers Fees	4,905	4,848	-	4,848	4,697	4,800	103	4,821	3% of Property Taxes
Contingency	-	500	500	-	-	375	375	500	
<b>TOTAL DEBT SVC EXPENDITURES</b>	<b>176,402</b>	<b>176,901</b>	<b>500</b>	<b>176,401</b>	<b>48,973</b>	<b>49,451</b>	<b>478</b>	<b>176,707</b>	
<b>Change in Fund Balance</b>	<b>3,249</b>	<b>(400)</b>	<b>1,600</b>	<b>1,200</b>	<b>119,150</b>	<b>121,152</b>	<b>(2,002)</b>	<b>(1,155)</b>	
<b>Fund Balance- Beginning</b>	<b>233,821</b>	<b>235,905</b>	<b>1,165</b>	<b>237,070</b>	<b>237,070</b>	<b>235,905</b>	<b>1,165</b>	<b>238,270</b>	
<b>Fund Balance- Ending</b>	<b>237,070</b>	<b>235,505</b>	<b>2,765</b>	<b>238,270</b>	<b>356,220</b>	<b>357,057</b>	<b>(837)</b>	<b>237,116</b>	
<b>Components of Fund Balance:</b>									
Reserved For Capitalized Interest	-	-	-	-	-	-	-	-	
Reserved For Bond Reserve	172,317	172,317	-	172,317	172,317	172,317	-	172,317	Required Per Bond Docs
Reserved For Future Debt Service	64,753	63,188	2,765	65,954	183,904	184,740	(837)	64,799	Roughly 1/3 Yr of Expenses
<b>Total Fund Balance- Debt Service Fund</b>	<b>237,070</b>	<b>235,505</b>	<b>2,765</b>	<b>238,270</b>	<b>356,220</b>	<b>357,057</b>	<b>(837)</b>	<b>237,116</b>	
	=	=	=	=	=	=	=	=	

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009-2013	1,185,000	559,479	2,929,479
2014	79,000	92,519	250,519
2015	83,000	88,553	254,553
2016	87,000	84,386	258,386
2017	91,000	80,019	262,019
2018	96,000	75,451	267,451
2019-2023	558,000	299,895	1,415,895
2024-2028	849,000	144,827	1,842,827
<b>TOTAL</b>	<b>3,028,000</b>	<b>1,425,128</b>	<b>7,481,128</b>

See Accompanying Accountant's Report