

Arrowhead Metropolitan District

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LGID# 19001
RETURN RECEIPT REQUESTED

December 10, 2011

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203


RE: Arrowhead Metropolitan District

Attached is the 2012 Budget for the Arrowhead Metropolitan District in Eagle County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This Budget was adopted on October 12, 2011. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, at telephone number 970-926-6060 or at 28 Second Street, Suite 213, Edwards, Colorado 81632.

The mill levy certified to the County Commissioners of Eagle County is 10.074 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 6.926 mills for G.O. bonds; 0.0 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$99,222,770, the total property tax revenue is \$1,686,787.09. A copy of the certification of mill levies sent to the County Commissioners for Eagle County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Eagle County, Colorado.

Sincerely,



Title Administrator

Enclosure(s)

ARROWHEAD METROPOLITAN DISTRICT

2012 BUDGET MESSAGE

Arrowhead Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District, comprising approximately 12,020 acres of land, was established to provide park and recreational facilities, fire protection services, water services, cable TV services and to construct and maintain roadways and storm drainage facilities within its boundaries, which are located in Eagle County, Colorado.

The District has no employees and all operations and administrative functions are provided through contracts with other entities.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

The District has experienced an increase in assessed valuation from the completion of several resort properties.

2012 BUDGET STRATEGY

The District strives to provide the highest level of service and infrastructure facilities for the residents and visitors within the District. The strategy for the 2012 budget focused on the following priorities:

- Maintain the high quality existing level of service
- Establish a property tax mill levy which, when combined with other revenues of the District, adequately funds the anticipated level of service and maintains a reasonable operating fund balance.
- Reduce the property tax mill levy when assessed valuation increases from new construction are reflected in the total assessed valuation and operate in accordance with 1992 "Amendment 1"
- Provide for infrastructure maintenance to avoid future cost escalation or significant deterioration
- Give priority to projects which improve efficiency or productivity
- Review all user fees and pass any cost savings on to the consumer
- Review all capital expenditures for immediate need or benefit

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Eagle County, Colorado.

On behalf of the Arrowhead Metropolitan District, the Board of Directors of the Arrowhead Metropolitan District

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS

assessed valuation of: (Gross assessed valuation, Line 2 of the Certification of Valuation Form DLG 57) \$ 99,222,770

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

\$ 99,222,770

Submitted: December 10, 2011 for budget/fiscal year 2012
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

PURPOSE	LEVY ²	REVENUE ²
1. General Operating Expenses	10.074 mills	\$ <u>999,570.18</u>
2. (MINUS) Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	(0.000) mills	\$ <u>-</u>
SUBTOTAL FOR GENERAL OPERATING:	10.074 mills	\$ <u>999,570.18</u>
3. General Obligation Bonds and Interest [Special Districts must certify separately for each debt pursuant to 29-1-301(1.7),C.R.S.; see page 2 of this form.]	6.926 mills	\$ <u>687,216.91</u>
4. Contractual Obligations Approved at Election [Per 29-1-301(1.7) C.R.S.]	0.000 mills	\$ <u>-</u>
5. Capital Expenditures [These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities <u>through public hearing</u> pursuant to 29-1-301(1.2)C.R.S. and for special districts <u>through approval from the Division of Local Government</u> pursuant to 29-1-302(1.5)C.R.S. or for any taxing entity if <u>approved at election.</u>]	0.000 mills	\$ <u>-</u>
6. Refunds/Abatements	0.000 mills	\$ <u>-</u>
7. Other (specify): _____ [These levies and revenues are for purposes not subject to 29-1-301 C.R.S. that were not reported above]	0.000 mills	\$ <u>-</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	17.000 mills	\$ <u>1,686,787.09</u>

Contact person: Kenneth J Marchetti Daytime phone: (970) 926-6060 x8
 Signed: *K Marchetti* Title: Administrator

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued
ARROWHEAD METROPOLITAN DISTRICT

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS:

1. Purpose of Issue: Refunding the District's GO Improvement Bonds Series 1998, and for Capital purchas

Series: General Obligation Bonds Series 2009 \$10,950,000
Date of Issue: September 10, 2009
Coupon rate: 2.500% to 4.750%
Maturity Date: December 1, 2032
Levy: 4.533
Revenue: \$449,776.82

2. Purpose of Issue: Refunding the District's GO Improvement Bonds Series 1994B, the District's GO Improvement Bonds Series 1995A, and the District's GO Bonds Series 1996 for

General Obligation Refunding Bonds Series 2011 \$4,315,000.00
Series: General Obligation Refunding Bonds Series 2011 \$4,315,000.00
Date of Issue: 2-Aug-11
Coupon rate: 2.0% to 4.10%
Maturity Date: June 1, 2031
Levy: 2.393
Revenue: \$237,440.09

3. Purpose of Issue:

Series:
Date of Issue:
Coupon rate:
Maturity Date:
Levy:
Revenue:

CONTRACTS:

4. Purpose of Contract:

Title:
Date:
Principal Amount:
Maturity Date:
Levy:
Revenue:

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

RESOLUTIONS OF ARROWHEAD METROPOLITAN DISTRICT

TO ADOPT 2012 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE ARROWHEAD METROPOLITAN DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2012 AND ENDING ON THE LAST DAY OF DECEMBER 2012.

WHEREAS, the Board of Directors of the Arrowhead Metropolitan District has appointed a budget committee to prepare and submit a proposed 2012 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on October 12, 2011, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Arrowhead Metropolitan District, Eagle County, Colorado:

- Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Arrowhead Metropolitan District for the year stated above.
- Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

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RESOLUTIONS OF ARROWHEAD METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2012, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE ARROWHEAD METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2012 BUDGET YEAR.

WHEREAS, the Board of Directors of the Arrowhead Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on October 12, 2011 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$999,570.18 and;

WHEREAS, the Arrowhead Metropolitan District finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$687,216.91, and;

WHEREAS, the 2011 valuation for assessment for the Arrowhead Metropolitan District, as certified by the County Assessor is \$99,222,770.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the ARROWHEAD METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Arrowhead Metropolitan District during the 2012 budget year, there is hereby levied a tax of 10.074 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2011.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2012 there is hereby levied a temporary tax credit/mill levy reduction of 0.00 mills.
- Section 3. That for the purpose of meeting all capital expenditures of the Arrowhead Metropolitan District during the 2012 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2011.

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RESOLUTIONS OF ARROWHEAD METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

- Section 4. That for the purpose of meeting all payments for bonds and interest of the Arrowhead Metropolitan District during the 2012 budget year, there is hereby levied a tax of 6.926 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2011.
- Section 5. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Arrowhead Metropolitan District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Arrowhead Metropolitan District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF ARROWHEAD METROPOLITAN DISTRICT (CONTINUED)

TO APPROPRIATE SUMS OF MONEY
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE ARROWHEAD METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2012 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on October 12, 2011, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARROWHEAD METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

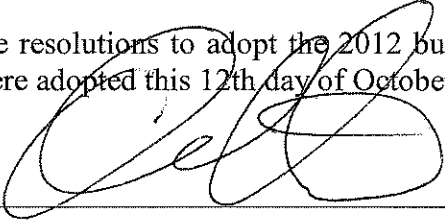
	Expenditures	Transfers
General Fund		
Current Operating Expenses	734,535	
Capital Expenditures	258,000	
Fund Transfers		396,572
Total General Fund	<u>992,535</u>	<u>396,572</u>
Debt Service Fund		
Debt Service Expenditures	<u>1,119,524</u>	
Total Debt Service Fund	<u>1,119,524</u>	

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RESOLUTIONS OF ARROWHEAD METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2012 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2012 budget, set the mill levies and to appropriate sums of money were adopted this 12th day of October, 2011.

Attest:  _____

Title: Director _____

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

Accountant's Compilation Report

12/10/2011

Board of Directors
Arrowhead Metropolitan District
Edwards, Colorado

I have compiled the accompanying balance sheet of Arrowhead Metropolitan District as of October 31, 2011 and the related statement of revenues, expenditures and changes in fund balance – historical, budget and forecast –for the ten month period then ended and the accompanying budget for calendar year 2012, in accordance with standards established by the American Institute of Certified Public Accountants.

I 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.

As a consulting financial manager, I participate in the financial management of the District. Management (with my 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. I have prepared these financial statements in my capacity as a consulting financial manager for the District.

My 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 my 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. I 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. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for calendar year 2010 is presented for comparative purposes only. Such information is taken from the financial statements for the District which have been audited by Eide Bailly, LLP and upon which they expressed an unqualified opinion in their report dated June 8, 2011.

I am not independent from an accounting and auditing perspective with respect to Arrowhead Metropolitan District because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.



Kenneth J. Marchetti, CPA
President

**ARROWHEAD METROPOLITAN DISTRICT
COMBINED BALANCE SHEET**
As of the Dates Indicated

ASSETS	General Fund	Debt Service	Fixed Assets		12/31/2011 Total	12/31/10 Total
			And LT	Debt		
CASH (.498% Interest)	252,758	(708)			252,050	268,844
CASH-COLOTRUST (.12% Interest)	221,370				221,370	619,452
CASH-Vectra CD (.35% 8/12/2012)	245,287				245,287	
CASH-CO Biz Bank CD(1.10% 9/1/2013)	240,884				240,884	
CASH-Alpine Bank CD (.76% 3/2/2013)	245,623				245,623	
CASH-CSBT CD (1.25% 4/24/2012)	248,052				248,052	
CASH - MILLENNIUM CDs (.55% 5/31/12)	264,588				264,588	245,000
CASH - Millennium CDARSS (.75% 11/23/12)	604,145				604,145	263,115
CASH - Millennium CDARSS (.40% 12/7/12)	512,012				512,012	350,715
DUE FROM EAGLE COUNTY TREAS.	3,691	2,538			6,229	508,390
PROPERTY TAXES RECEIVABLE	999,570	687,217			1,686,787	0
ACCOUNTS RECEIVABLE	1,110				1,110	2,280,559
PREPAID SDA	0				0	1,402
PREPAID INSURANCE	7,931				7,931	975
PREPAID ECA	12,611				12,611	7,573
PROPERTY AND EQUIPMENT			16,308,235		16,308,235	20,122
CAPITALIZED BOND ISSUE COSTS, NET			194,364		194,364	16,308,235
TOTAL ASSETS	3,859,632	689,047	16,502,599	21,051,278	21,068,746	21,068,746
LIABILITIES AND FUND EQUITY						
ACCOUNTS PAYABLE	63,726	0		63,726		75,302
DEFERRED PROP TAX REV	999,570	687,217		1,686,787		2,280,559
RETAINAGE PAYABLE	0			0		
ACCRUED INTEREST PAYABLE		0	56,492	56,492		56,492
BOND PREMIUM			85,534	85,534		85,534
GO BONDS SERIES 2001			0	0		4,765,000
GO BONDS SERIES 2009			10,820,000	10,820,000		10,820,000
GO BONDS SERIES 2011			4,315,000	4,315,000		
TOTAL LIABILITIES	1,063,296	687,217	15,277,026	17,027,539		18,082,886
FUND EQUITY						
INVESTMENT IN FIXED ASSETS			16,308,235	16,308,235		16,308,235
NET OF RELATED DEBT			(15,082,662)	(15,082,662)		(15,532,662)
FUND BALANCE-DESIGNATED FOR FUTURE YEAR'S EXPEND.	2,796,336			2,796,336		2,208,456
FUTURE DEBT SERVICE		1,830		1,830		1,830
TOTAL FUND EQUITY	2,796,336	1,830	1,225,573	4,023,739		2,985,860
TOTAL LIABILITIES AND FUND EQUITY	3,859,632	689,047	16,502,599	21,051,278		21,068,746

See accompanying accountant's report.

ARROWHEAD METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Actual, Budget and Forecast for the Periods Indicated

MODIFIED ACCRUAL BASIS

Printed: 01/31/12

	2010		2011 ANNUAL		2011 YTD		2012	
	Audited Actual	Adopted Budget	Variance Favorable (Unfavor)	2011 Forecast	10 Mo End Actual	10 Mo End Budget	Variance Favorable (Unfavor)	Adopted Budget
ASSESSED VALUE								
Mill Levy Rate	135,933,930	134,150,510		134,150,510	17,000		-26.0%	17,000
REVENUES								
Property Taxes	2,298,734	2,280,559	0	2,280,559	2,265,495	2,269,156	(3,661)	1,686,787
Specific Ownership Taxes	76,364	91,222	(11,403)	79,820	54,845	68,417	(13,572)	79,279
Interest Income	28,344	26,608	(9,359)	17,249	14,551	22,443	(7,892)	11,591
Miscellaneous Income	59,149	48,216	242	48,041	48,041	47,816	226	49,977
Water Tap Fees	52,680	30,000	(11,367)	18,633	18,633	19,000	(367)	18,633
Parking Lot Expense Reimbursements	48,500	45,200	0	45,200	45,200	45,200	0	45,404
Total Revenues	2,563,770	2,521,805	(31,887)	2,489,918	2,446,765	2,472,032	(25,267)	1,891,671
EXPENDITURES								
Municipal Svcs - VA Contract & Other	221,234	233,071	0	233,071	191,890	194,226	2,336	242,224
Road and Parking Lot Maintenance	42,641	67,848	40,648	27,200	13,018	60,111	47,093	38,000
General Repairs & Maintenance	37,178	54,096	924	53,172	40,601	52,829	12,228	54,700
General & Administrative	85,191	99,453	15,468	83,985	69,250	84,453	15,203	93,087
Treasurer's Collections Fees	69,055	68,417	0	68,417	68,046	68,075	29	50,604
Other Debt Service	800	4,000	0	4,000	1,405	3,333	1,928	4,000
Contingency	0	75,000	75,000	0	0	37,500	37,500	79,000
Total w/o Transportation & DS	456,100	601,884	132,040	469,845	384,211	500,527	116,316	561,615
Transportation	249,012	187,100	(3,975)	191,075	191,075	187,100	(3,975)	197,536
Equipment Leases	46,492	0	0	0	0	0	0	0
Total Transportation	295,504	187,100	(3,975)	191,075	191,075	187,100	(3,975)	197,536
Bond Interest	696,399	677,909	0	677,909	338,954	338,954	(0)	614,907
Bond Principal	430,000	455,000	0	455,000	0	0	0	480,000
Total Debt Service	1,126,399	1,132,909	0	1,132,909	338,954	338,954	(0)	1,094,907
Total Expenditures Before Cap	1,878,003	1,921,893	128,065	1,793,829	914,240	1,026,581	112,341	1,854,059
Rev Over/Under Expend Before Cap.	685,767	599,911	96,178	696,089	1,532,525	1,445,451	87,075	37,612
OTHER FINANCING SOURCES & (USES)								
Sale of Bonds & Developer Advances	0	133,299	(21,761)	111,538	111,538	133,299	(21,761)	0
Bond Issue Costs	0	(133,299)	21,761	(111,538)	(104,155)	(133,299)	29,144	0
Capital Expenditures	(336,109)	(257,000)	70,654	(186,346)	(138,444)	(190,500)	52,056	(258,000)
Bond Proceeds and Premium	0	(257,000)	0	(186,346)	0	(190,500)	0	(258,000)
Total Other Fin Sources & (Uses)	(336,109)	(257,000)	70,654	(186,346)	(131,061)	(190,500)	59,439	(258,000)
EXCESS REV OVER/UNDER EXPEND	349,657	342,911	166,832	509,743	1,401,464	1,254,951	146,514	(220,388)
Fund Balance - Beginning	1,860,629	2,198,735	11,552	2,210,287	2,210,287	2,198,735	11,552	2,720,030
Fund Balance - Ending	2,210,287	2,541,646	178,384	2,720,030	3,611,751	3,453,686	158,065	2,499,642

See accompanying accountant's report.

District Debt Summary (Excluding Leases)

Total District Debt - Beginning of Year	16,015,000	15,585,000	0	15,585,000	15,585,000	15,585,000	0	15,135,000
Debt Issued	0	0	(5,000)	5,000	5,000	0	(5,000)	0
Debt Repaid	(430,000)	(455,000)	0	(455,000)	0	0	0	(480,000)
Total District Debt - End of Year	15,585,000	15,130,000	(5,000)	15,135,000	15,590,000	15,585,000	(5,000)	14,655,000
Summary of Mill Levies								
Mill Levy - General Fund	10,074	10,074	0	10,074	10,074	10,074	0	10,074
- Debt Service	6,926	6,926	0	6,926	6,926	6,926	0	6,926
Total Mill Levy	17,000	17,000	0	17,000	17,000	17,000	0	17,000
Assessed Value - AMD		<u>134,150,510</u>					Incr (Decr)	
Actual Value - all Real Prop. in AMD		<u>1,576,679,440</u>					Incr (Decr)	
							-26%	99,222,770
							-27%	1,146,739,062

ARROWHEAD METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Actual, Budget and Forecast for the Periods Indicated

MODIFIED ACCRUAL BASIS

GENERAL FUND	2010		2011 ANNUAL		2011 YTD		2012	
	Audited Actual	Adopted Budget	Variance Favorable (Unfavorable)	2011 Forecast	10 Mo End Actual 10/31/2011	10 Mo End Budget 10/31/2011	Variance Favorable (Unfavorable)	Adopted Budget
REVENUES								74%
Assessed Value	135,933,930	134,150,510		134,150,510				99,222,770
Operating Mill Levy Rate	10,074	10,074		10,074				10,074
Property Taxes	1,362,203	1,351,432	0	1,351,432			(2,170)	999,570
Specific Ownership Taxes (On Autos)	45,252	54,057	(6,757)	47,300			(8,042)	46,980
Conserv Tr Fund	1,525	1,600	0	1,600			(16)	1,600
Water Tap Fees	52,680	30,000	(11,367)	18,633			(367)	18,633
Transportation Reimbursement & Misc In	57,624	46,616	242	46,858			242	48,377
Parking Lot Expense Reimbursements	48,500	45,200	0	45,200			0	45,404
Interest Income	23,008	21,962	(7,608)	14,354			(6,061)	8,155
Total Revenue	1,590,792	1,550,868	(25,490)	1,525,378		1,499,121	(16,415)	1,168,718
OPERATING EXPENDITURES								
Accounting & Administration	42,567	43,000	5,000	38,000	1	32,766	3,067	36,000
Election	822	0	0	0	2	0	0	2,000
Audit	6,685	6,685	(360)	7,045	3	7,045	(360)	7,250
Legal	3,707	10,000	6,000	4,000	4	2,423	8,333	8,000
Office Overhead & Expenses	2,237	3,000	0	3,000	5	1,791	2,500	3,000
Insurance	9,447	10,000	0	10,000	6	7,573	7,500	10,000
Mosquito Control	3,513	3,618	0	3,618	7	3,618	0	3,726
Directors Fees	5,200	6,000	900	5,100	8	3,800	700	6,000
Eagle County Treasurers Fees	40,921	40,543	0	40,543	9	40,323	40,340	29,987
Edwards Community Authority	5,556	7,150	(72)	7,222	10	7,222	(72)	11,111
Engineering - General	5,458	10,000	4,000	6,000	11	3,012	8,333	6,000
Service Contract Expense	123,743	130,000	0	130,000	12	108,185	108,333	137,989
Service Contract Management	54,335	59,435	0	59,435	13	47,416	49,529	59,782
Pond Maintenance	9,696	12,500	0	12,500	14	8,870	12,500	12,000
Berm Maintenance	6,573	7,341	0	7,341	15	0	7,341	7,500
Parking Lot Direct Mice Expense	6,161	25,000	17,800	7,200	16	975	20,833	7,200
Repair & Maint - General & Vehicles	6,219	6,000	(1,586)	7,566	17	7,586	(2,586)	6,000
Road Sweeping	6,938	14,173	9,073	5,100	18	5,100	14,173	7,500
Road & Drainage Repairs & Maintenance	36,480	42,848	22,848	20,000	19	12,043	39,277	38,000
Trans - Arrowhead Shuttle	167,315	126,458	(3,975)	130,433	22	130,433	126,458	135,011
Trans - Village to Village	41,581	30,264	0	30,264	23	30,264	30,264	30,546
Trans - BC Express Shuttle	40,116	30,378	0	30,378	24	30,378	30,378	31,979
Transportation Vehicle Leases	34,869	0	0	0	25	0	0	0
Transportation Express Bus Lease	11,623	0	0	0	26	0	0	0
Utilities - Water	7,753	7,482	(363)	7,845	27	7,845	7,482	7,700
Miscellaneous Expense		6,600	(6,200)	12,800	28	11,200	6,333	6,800
Maintenance Facility Lease	43,157	43,636	0	43,636	29	36,289	36,363	44,453
Contingency - Operating		75,000	75,000	0	30	37,500	37,500	79,000
Total Operating Expenditures	722,670	757,111	128,065	629,046		546,158	656,559	734,535

See accompanying accountant's report.

ARROWHEAD METROPOLITAN DISTRICT									
STATEMENT OF REVENUES, EXPENDIT MODIFIED ACCRUAL BASIS					MODIFIED ACCRUAL BASIS				
Actual, Budget and Forecast for the Periods Indicated									
GENERAL FUND	2010		2011 ANNUAL			2011 YTD			2012
	Audited Actual	Adopted Budget	Variance Favorable (Unfavorable)	2011 Forecast	Var Ref	10 Mo End Actual	10 Mo End Budget	Variance Favorable (Unfavorable)	Adopted Budget
CAPITAL EXPENDITURES									
PROJECTS & PARKING LOT	75,765	82,600	82,600	0	40	0	82,600	82,600	0
ECA LANDSCAPE INSTALLATION		12,900	(1,925)	14,825	41	14,825	12,900	(1,925)	1,500
ECA OPEN SPACE CONSERV ESMT		4,500	0	4,500	42	4,492	4,500	8	
OVERLAYS - CONSTRUCTION	114,446	75,000	(30,438)	105,438	43	105,438	75,000	(30,438)	150,000
OVERLAYS - ENGR & CONSTR MGT	14,411	15,500	1,500	14,000	44	13,689	15,500	1,811	
EQUIPMENT	131,488	16,500	16,500	0	45	0	0	0	40,000
Diesel Truck									12,000
Mule									4,500
Spreader for new Truck		50,000	2,417	47,583	46		0	0	50,000
CAPITAL CONTINGENCY									
Total Capital Expenditures	336,109	257,000	70,654	186,346		138,444	190,500	52,056	258,000
Total Expenditures	1,058,760	1,014,111	198,719	815,392		684,602	847,059	162,457	992,535
Revenue Over (Under) Expenditures	532,012	536,757	173,229	709,986		814,519	668,477	146,042	176,184
OTHER FINANCING SOURCES AND (USES)									
BOND PROCEEDS & PREMIUM	0		0	(200,242)		0	0	0	(396,572)
XFER TO D/S FUND	(45,000)	(193,845)	(6,397)	(200,242)		0	0	0	
Total Other Financing	(45,000)	(193,845)	(6,397)	(200,242)		0	0	0	(396,572)
FUND BALANCE - BEGINNING	1,721,444	2,196,249	12,208	2,208,456	X	2,208,456	2,196,249	12,208	2,718,200
FUND BALANCE - ENDING	2,208,456	2,539,160	179,040	2,718,200		3,022,976	2,864,726	158,250	2,497,812

See accompanying accountant's report.

ARROWHEAD METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURE MODIFIED ACCRUAL BASIS
 Actual, Budget and Forecast for the Periods Indicated

	MODIFIED ACCRUAL BASIS									
	2010		2011 ANNUAL			2011 YTD			2012	
	Audited Actual	Adopted Budget	Variance Favorable (Unfavor)	2011 Forecast	Ref	10 Mo End 10/31/2011 Actual	10 Mo End 10/31/2011 Budget	Variance Favorable (Unfavor)	Adopted Budget	
REVENUES										
Assessed Value	135,933,930	134,150,510		134,150,510					99,222,770	
Debt Service Mill Levy Rate	6,926	6,926		6,926					6,926	
Property Taxes	936,531	929,126	0	929,126	AA	922,989	924,481	(1,492)	687,217	
Specific Ownership (Auto) Taxes	31,111	37,165	(4,646)	32,519	BB	22,345	27,874	(5,529)	32,299	
Interest Income	5,335	4,646	(1,751)	2,895	CC	2,310	4,141	(1,831)	3,436	
Total Revenues	972,978	970,937	(6,397)	964,540		947,644	956,496	(8,852)	722,952	
EXPENDITURES										
1998 Bond Interest	0	0	0	0	DD	0	0	0	0	
2001/2011 Bond Interest	246,630	228,140	0	228,140	DD	114,070	114,070	0	165,139	
2009 Bond Interest	449,769	449,769	0	449,769	EE	224,884	224,884	(0)	449,769	
1998 Bond Prin	0	0	0	0	FF	0	0	0	0	
2001/2011 Bond Prin	430,000	455,000	0	455,000	FF	0	0	0	140,000	
2009 Bond Principal	0	0	0	0		0	0	0	340,000	
Eagle County Treasurers Fees	28,134	27,874	0	27,874	GG	27,723	27,734	12	20,617	
Bond Paying Agent Fees & Contingency	800	4,000	0	4,000	HH	1,405	3,333	1,928	4,000	
TOTAL EXPENDITURES	1,155,333	1,164,783	0	1,164,783		368,082	370,022	1,940	1,119,524	
REVENUE OVER (UNDER) EXP	(182,355)	(193,845)	(6,397)	(200,242)		579,562	586,474	(6,812)	(396,572)	
OTHER FINANCING SOURCES (USES)										
Bond Proceeds & Premium	0	4,443,299	(21,761)	4,421,538	MM	4,421,538	4,443,299	(21,761)	0	
Bond Issuance Costs	0	(133,299)	21,761	(111,538)	NN	(104,155)	(133,299)	29,144	0	
Transfer from General Fund	45,000	193,845	6,397	200,242	OO	0	0	0	396,572	
Bond Defeasance/Redemption	0	(4,310,000)	0	(4,310,000)	PP	(4,310,000)	(4,310,000)	0	0	
TOTAL OTHER FINANCING	45,000	193,845	6,397	200,242		7,383	(0)	7,383	396,572	
FUND BALANCE - BEGINNING	139,185	2,486	(656)	1,830	Y	1,830	2,486	(656)	1,830	
FUND BALANCE - ENDING	1,830	2,486	(656)	1,830		588,775	588,960	(184)	1,830	
Summary of GO Debt										
GO Bond Debt-Beginning	16,015,000	15,585,000	0	15,585,000		15,585,000	15,585,000	0	15,135,000	
GO Debt Issued	(430,000)	(455,000)	5,000	5,000		5,000	5,000	(5,000)	(480,000)	
GO Debt Repaid			0	(455,000)		0	0	0		
GO Debt - Ending	15,585,000	15,130,000	(5,000)	15,135,000		15,590,000	15,585,000	(5,000)	14,655,000	
GO Debt to AV Ratio										14.77%

See accompanying accountant's report.