

# Cordillera Valley Club Metropolitan District

## MEMORANDUM

**TO:** Board of Directors of Cordillera Valley Club Metropolitan District  
**FROM:** Cheri Curtis  
**DATE:** December 14, 2010

This memorandum shall serve as Notice of the Regular Meeting of the Board of Directors of Cordillera Valley Club Metropolitan District, which will be held:

**December 20, 2011**  
**2:00 p.m.**  
**Cordillera Administration Building**  
**408 Carterville Road,**  
**Edwards, Eagle County, Colorado**

The agenda for the meeting is attached. If you will be unable to attend this meeting, or will be attending the meeting by phone, please let me know as soon as possible. The conference call dial-in number is 800-747-5150 and the access code is 9266060.

Distribution:

<u>CVCMD</u>	<u>Term</u>	<u>Officer Position</u>	<u>Committee Assignment</u>
Rick Pirog	05/12	President	
Barry Gassman*	05/12	VP/Asst. Secretary	
John O'Brien	05/14	VP/Asst. Secretary	Safety & Operations
Emilie Egan	05/12	VP/Asst. Secretary	Finance & Administration
Chris Hynes**	05/12	Secretary/Treasurer	

Other Participants

Matt Dalton, Esq.  
Ken Marchetti, CPA  
Todd DeJong  
Dan Carlson

\*Barry Gassman was appointed in October 2010 until the May 2012 election. There will be two years remaining of the four-year term that ends in 2014.

\*\*Chris Hynes was appointed in May 17, 2011 until the May 2012 election. There will be two years remaining of the four-year term that ends in 2014.

## CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT

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NOTICE IS HERBY GIVEN that a meeting of the Board of Directors of Cordillera Valley Club Metropolitan District will be held at the Cordillera Administration Building, 408 Carterville Road, Edwards, Eagle County Colorado on Tuesday, December 20, 2011 beginning at 2:00 p.m., local time, for the following purposes and other matters that may come before the Board.

### **CVC Metro District Agenda December 20, 2011**

- |  |      |
|--|------|
| 1) Call to Order/Declaration of Quorum/Director Qualifications     | 2:00 |
| 2) Consideration of Agenda   |      |
| 3) Upcoming Meeting Dates (Info only - no formal action necessary) |      |
| 4) Minutes   | 2:05 |
| a) CVCMD Regular Meeting – November 15, 2011                       |      |
| 5) Metro District Business   | 2:15 |
| a) Operations Manager  |      |
| b) Audit Engagement Letter   |      |
| c) Check Signing Resolution  |      |
| d) Insurance – Increase limits?                                    |      |
| e) VAg Request for Payment   |      |
| f) Other Business  |      |
| 6) Financial Report (Marchetti)                                    | 2:30 |
| a) Accounts Payable MD   |      |
| b) 2012 Budget   |      |
| c) November 30, 2011 Financial Statements                          |      |
| d) Robertson & Marchetti Proposal                                  |      |
| 7) Staff Reports   |      |
| a) Public Safety Report (Egizi)                                    | 3:00 |
| 8) Public Input – Metro District Matters                           | 3:20 |
| 9) Adjournment   | 3:30 |

**CORDILLERA VALLEY CLUB  
METROPOLITAN DISTRICT  
AND PROPERTY OWNERS ASSOCIATION  
2012 Meeting Schedule**

The Regular Meetings will be held on the 3rd Tuesday of every month at the Cordillera Metropolitan District  
Administrative Offices, 408 Carterville Road, Edwards, CO

The Metropolitan District will meet at 2:00 p.m. unless otherwise notified

Month	Meeting	Date
December	POA December Member Meeting (9:00 a.m.)	December 27, 2011
January	Regular Meeting (3rd Tuesday )	January 17, 2012
February	Regular Meeting (3rd Tuesday)	February 21, 2012
March	Regular Meeting (3rd Tuesday)	March 20, 2012
April	Regular Meeting (3rd Tuesday)	April 17, 2012
May	Regular Meeting (3rd Tuesday)	May 15, 2012
June	Regular Meeting (3rd Tuesday)	June 19, 2012
July	Regular Meeting (3rd Tuesday)	July 17, 2012
August	Regular Meeting (3rd Tuesday)	August 21, 2012
September	Regular Meeting (3rd Tuesday)	September 18, 2012
October	Regular Meeting (3rd Tuesday)	October 16, 2012
November	Regular Meeting (3rd Tuesday)	November 20, 2012
December	Regular Meeting (3rd Tuesday)	December 18, 2012

Jan-12						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Feb-12						
S	M	T	W	T	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

Mar-12						
S	M	T	W	T	F	S
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Apr-12						
S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May-12						
S	M	T	W	T	F	S
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27	28	29	30	31		

Jun-12						
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Jul-12						
S	M	T	W	T	F	S
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22	23	24	25	26	27	28
29	30	31				

Aug-12						
S	M	T	W	T	F	S
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26	27	28	29	30	31	

Sep-12						
S	M	T	W	T	F	S
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23	24	25	26	27	28	29
30						

Oct-12						
S	M	T	W	T	F	S
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Nov-11						
S	M	T	W	T	F	S
				1	2	3
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Dec-11						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

 Indicates Holiday

 Indicates Meeting



October 12, 2011

Board of Directors  
Cordillera Valley Club Metropolitan District  
Via Email: [sonya@rmpccpa.com](mailto:sonya@rmpccpa.com)

We are pleased to confirm our understanding of the services we are to provide Cordillera Valley Club Metropolitan District (the District) for the year ended December 31, 2011. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2011. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

Supplementary information other than RSI also accompanies the District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Budget Comparison Schedules.
- 2) Other Supplementary Information.

**Audit Objective**

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplemental information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

**Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our financial statement preparation services and any other non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.



Cordillera Valley Club Metropolitan District  
October 12, 2011  
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Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District and the respective changes in financial position in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations. Management is responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to present the supplementary information with the audited financial statements.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.



Cordillera Valley Club Metropolitan District  
October 12, 2011  
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**Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

**Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

**Audit Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We expect to begin our audit on March 26, 2012 and to issue our reports no later than June 15, 2012. T. Michael Nelson is the engagement partner and is responsible for supervising the engagement and signing the report. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$5,750. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Cordillera Valley Club Metropolitan District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

CHADWICK, STEINKIRCHNER, DAVIS & CO. P.C.

A handwritten signature in black ink, appearing to read "T. Michael Nelson", is written over the printed name.

T. Michael Nelson, CPA

**RESPONSE:**

This letter correctly sets forth the understanding of Cordillera Valley Club Metropolitan District.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**RESOLUTION AUTHORIZING A BOARD MEMBER TO SIGN CHECKS IN THE  
ABSENCE OF A BOARD MEETING**

**WHEREAS**, Cordillera Valley Club Metropolitan District ("District") operates pursuant to the Special District Act, § 32-1-101, C.R.S., et. seq. within a part of Eagle County, Colorado; and

**WHEREAS**, the Board is considering cost savings measures in order to balance the District's annual operating budget; and

**WHEREAS**, there is a significant cost associated with calling a meeting of the Board; and

**WHEREAS**, by authorizing a member of the District's Board of Directors to sign checks in the absence of a Board meeting when the check is for a routine item which has been budgeted in the District's budget and the amount of the payment is within the amount budgeted for the payment will avoid unnecessary meetings of the District Board; and

**WHEREAS**, all checks which are signed in accordance with this resolution shall be ratified at the next regular or special meeting of the Board of Directors of the District; and

**WHEREAS**, the adoption of this Resolution will serve a public purpose and promote the health, safety and general welfare of the inhabitants of the District and the people of the State of Colorado.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Cordillera Valley Club Metropolitan District, Eagle County, Colorado hereby authorizes any director of the District's Board of Directors to sign checks in the absence of a Board meeting when the check is for a routine item which has been budgeted in the District's budget and the amount of the payment is within the amount budgeted for the payment.

**RESOLVED** this \_\_\_\_\_ day of December, 2011.

CORDILLERA VALLEY CLUB METROPOLITAN  
DISTRICT

By: \_\_\_\_\_  
Chairman

ATTEST

By: \_\_\_\_\_  
Secretary



## Excess Liability Options By Limit

*This report demonstrates what it would cost your district to increase coverage from your current level of excess liability to higher coverage level(s). For questions please call Noel, Joyce, or Sandy at 1-888-313-7322.*

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**District:** *Cordillera Valley Club Metropolitan District*

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**Policy#:** 25C60225-982

<u>Excess Limit</u>	<u>Annual Excess Premium</u>	<u>Change in Premium</u>
\$1,000,000.00	\$330.00	\$330.00
\$2,000,000.00	\$570.00	\$570.00
\$3,000,000.00	\$810.00	\$810.00
\$4,000,000.00	\$1,020.00	\$1,020.00
\$5,000,000.00	\$1,250.00	\$1,250.00
\$6,000,000.00	\$1,500.00	\$1,500.00
\$7,000,000.00	\$1,750.00	\$1,750.00
\$8,000,000.00	\$2,000.00	\$2,000.00
\$9,000,000.00	\$2,500.00	\$2,500.00

**Note: This is not your coverage document and was created solely for informational purposes.**



**CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT  
DECEMBER 2011 ACCOUNTS PAYABLE**

**Payables to be Approved**

<u>VENDOR</u>	<u>DATE</u>	<u>DATE PAID</u>	<u>AMOUNT</u>	<u>ACCT #</u>	<u>DESCRIPTION</u>	<u>Approved By</u>
<b><u>Gate House Expenses</u></b>						
CenturyLink	11/14/11	12/20/2011	143.76	1-6060	Gatehouse Phone	Dan Carlson/Operations Committee
Directv	11/16/11	12/20/2011	124.97	1-6050	Gatehouse TV	Dan Carlson/Operations Committee
Eagle River Water & Sanitation	12/05/11	12/20/2011	29.62	1-6080	Gatehouse Water	Dan Carlson/Operations Committee
Holy Cross Electric	11/22/11	12/20/2011	143.76	1-6070	Gatehouse Electric	Dan Carlson/Operations Committee
Verizon Wireless	12/01/11	12/20/2011	<u>33.43</u>	1-6060	Gatehouse Cell Phone	Dan Carlson/Operations Committee
<b>Total Gatehouse Utilities</b>			<u>475.54</u>			
<b><u>Operations Expenses</u></b>						
Colorado Special Districts Property & Liability Pool	12/12/11	12/20/2011	166.36	1-6100	2012 WC Insurance	Finance & Administration Committee
Cordillera Metro District	11/30/11	12/20/2011	42,373.78	1-6370	Oct & Nov Security Contract	Contractual Agreement
Edwards Building Center		10/18/2011	53.21	1-6300	Entrance Pole	Dan Carlson/Operations Committee
Grimshaw & Harring		12/20/2011	1,003.33	1-5300	General Legal	Finance & Administration Committee
Holy Cross Energy	11/22/11	12/20/2011	54.93	1-6700	Street Lighting	Dan Carlson/Operations Committee
	11/22/11	12/20/2011	19.01	1-6700	Sprinkler Devices	
	11/19/11	12/20/2011	<u>19.58</u>	1-6700	0033 Wilmore Drive	
<b>Total Holy Cross Energy</b>			<u>93.52</u>			
Home Depot	11/18/11	12/20/2011	17.22	1-6300	Street Post	Dan Carlson/Operations Committee
Mountain Maintenance & Asphalt	11/19/11	12/20/2011	1,760.00	1-6410	Road Patching	Dan Carlson/Operations Committee
Robertson & Marchetti, P.C.	11/30/11	12/20/2011	3,061.35	1-5050	Accounting & Administration	Finance & Administration Committee
		12/20/2011	<u>110.61</u>	1-5400	Office Supplies	
<b>Total Robertson &amp; Marchetti, P.C.</b>			<u>3,171.96</u>			
SFB, Inc.	12/15/11	12/20/2011	3,646.42	1-6350	Operations Services	Contractual Agreement
Shaw Electric, Inc		12/8/2011	310.00	1-6300	Gate House Repairs	Dan Carlson/Operations Committee
Vail Manufacturing Inc	12/07/11	12/20/2011	385.00	1-7930	Rock Wall Repairs	Dan Carlson/Operations Committee
<b>Accounts Payable Total</b>			<u>53,456.34</u>			

# ROBERTSON & MARCHETTI, P.C.

*Certified Public Accountants*

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## Accountant's Compilation Report

December 15, 2011

Board of Directors  
Cordillera Valley Club Metropolitan District  
Edwards, Colorado

I have compiled the accompanying balance sheet of Cordillera Valley Club Metropolitan District as of November 30, 2011 and the related statement of revenues, expenditures and changes in fund balance with budgets for the eleven month period then ended. I also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2011 and the adopted 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 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. 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 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. 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 for the year ended December 31, 2010, which have been audited by Chadwick, Steinkirchner, Davis & Co. P.C. and upon which they expressed an unqualified opinion in their report dated August 23, 2011.

I am not independent with respect to Cordillera Valley Club Metropolitan District because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.

*Kenneth J. Marchetti*

Kenneth J. Marchetti, CPA, President

**CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT**  
**BALANCE SHEET - ALL FUNDS**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**For the Dates Indicated Below**

Printed:  
12/15/11

	2010 Combined Actual	11/30/11		Total 11/30/11
		General Fund	Fixed Assets & Debt	
<b>Assets</b>				
Checking - First Bank	10,033	7,556		7,556
Petty Cash Checking - First Bank	700	0		0
Colotrust - Savings	259,191	429,077		429,077
Accounts Receivable - Other	0	0		0
Due from County Treasurer	1,442	0		0
Property Tax Receivable	625,412	8,932		8,932
Prepaid Insurance	166	3,155		3,155
Inventory		1,379		1,379
Assets - Equipment	70,382		70,382	70,382
Assets - Construction in Progress	655,742		655,742	655,742
Assets - Landscape Improvements	671,364		671,364	671,364
Assets - Vehicle	0		21,161	21,161
Assets - Roads	3,437,220		3,437,220	3,437,220
Assets - Gate House	50,000		50,000	50,000
Accumulated Depreciation	(242,599)		(242,599)	(242,599)
Bond Issue Costs, Net	4,515		4,515	4,515
<b>Total Assets</b>	<b>5,543,569</b>	<b>450,098</b>	<b>4,667,785</b>	<b>5,117,883</b>
<b>Liabilities</b>				
Accounts Payable - GF	4,716	29,561		29,561
Account Payable - CVCPOA	0	0	0	0
Accrued Interest Payable	1,672		1,672	1,672
Deferred Property Tax	625,412	8,932		8,932
LT Debt - Bonds Payable	97,444		79,597	79,597
<b>Total Liabilities</b>	<b>729,244</b>	<b>38,493</b>	<b>81,269</b>	<b>119,761</b>
<b>Net Assets</b>				
Investment in Fixed Assets, Net	4,646,624		4,667,785	4,667,785
Net of Long-term debt	(99,116)		(81,269)	(81,269)
Fund Balance	266,817	411,605		411,605
<b>Total Net Assets</b>	<b>4,814,325</b>	<b>411,605</b>	<b>4,586,517</b>	<b>4,998,121</b>
<b>Total Liabilities and Fund Equity</b>	<b>5,543,569</b>	<b>450,098</b>	<b>4,667,785</b>	<b>5,117,883</b>
	=	=	=	=

See Accompanying Accountant's Report.

**Cordillera Valley Club Metro District**  
**Statement of Revenues, Expenditures and Fund Balance**  
**Actual, Budget and Forecast for the Periods Indicated**

Modified Accrual Basis

General Fund	2011 YTD				2011 Original Budget	2011 Annual			2012	2012
	Audited 12/31/10	YTD Budget 11/30/11	YTD Actual 11/30/11	Variance Favorable (Unfavor)		2011 Amended Budget	2011 Forecast Total	2011 Variance Fav (Unf)	Nov 15 Budget w/ Final AV	Dec 20 Budget w/ Final AV
<b>Revenues</b>										
Assessed Value	25,957,960				25,016,480	25,016,480	25,016,480		17,181,880	17,181,880
	24%				-4%				-31.3%	-31.3%
Operating Mill Levy Rate	25.000				25.000	25.000	25.000		25.000	25.000
Debt Service Mill Levy						0.000	0.000		0.000	0.000
Total Mill Levy	25.000	0	0	0	25.000	25.000	25.000	0	25.000	25.000
Property Taxes - Operations	645,474	625,412	616,480	(8,932)	625,412	625,412	627,848	2,436	429,547	429,547
Property Taxes - Debt Service		0						0	0	0
Property Tax Abatements		(53,691)	(53,691)	1		(53,691)	(53,691)	0		
Specific Ownership Taxes	21,439	18,241	16,636	(1,605)	21,889	21,889	21,889	(0)	19,330	19,330
Interest Income - Operating	5,314	6,600	1,404	(5,196)	7,200	7,200	2,400	(4,800)	2,000	2,000
Abatement Interest (Exp)		(8,361)	(8,361)	0		(8,361)	(8,361)	0		
Other Income	19,894	66	66	(0)		66	66	0		
Payment from CVCPOA	198,224	169,024	169,024	(0)	188,313	169,024	169,024	0	0	0
Xfer RETA (for operations)	0	0	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>890,346</b>	<b>757,291</b>	<b>741,559</b>	<b>(15,732)</b>	<b>842,814</b>	<b>761,539</b>	<b>759,175</b>	<b>(2,364)</b>	<b>450,877</b>	<b>450,877</b>
<b>Administrative Expenses</b>										
Accounting, Admin & Mgmt	44,000	34,833	34,379	455	38,000	38,000	38,000	0	38,000	30,600
Audit	5,750	6,000	5,750	250	6,000	6,000	5,750	250	5,750	5,750
Dues & Subscriptions	527	900	763	137	900	900	763	137	900	900
Elections	11,321	0	0	0	0	0	0	0	2,000	2,000
Ins Expense, incl Govt Officials	3,916	4,000	3,383	617	4,000	4,000	3,383	617	4,086	3,321
Legal Fees	6,144	6,050	3,334	2,716	6,600	6,600	4,000	2,600	6,600	6,600
Meeting Expenses	1,739	2,200	510	1,690	2,400	2,400	1,000	1,400	1,200	1,200
Office Supplies & Expense	1,970	2,750	2,055	695	3,000	3,000	3,000	0	3,000	3,000
Treasurer's Fees	19,511	18,762	18,526	237	18,762	18,762	18,890	(128)	12,886	12,886
<b>Total Administrative Exp.</b>	<b>94,878</b>	<b>75,496</b>	<b>68,700</b>	<b>6,796</b>	<b>79,662</b>	<b>79,662</b>	<b>74,786</b>	<b>4,876</b>	<b>74,422</b>	<b>66,258</b>
<b>Public Safety</b>										
Gate House Labor	396,553	313,768	294,876	18,892	376,626	334,407	334,407	0	248,295	248,295
Supplies and Small Equipment		1,415	1,315	101	0	2,123	2,123	0	2,232	2,232
Uniforms		718	0	718	0	1,077	0	1,077	2,154	2,154
Vehicle Operating Expense	1,025	600	199	401	0	600	600	0	2,152	2,152
Security Sys Repair, Mtce, RFID	9,498	5,000	4,685	315	5,000	5,000	5,000	0	5,000	5,000
<b>Total Public Safety</b>	<b>407,076</b>	<b>321,501</b>	<b>301,076</b>	<b>20,426</b>	<b>381,626</b>	<b>343,207</b>	<b>342,130</b>	<b>1,077</b>	<b>259,833</b>	<b>259,833</b>

See accompanying accountant's report.

Cordillera Valley Club Metro District  
Statement of Revenues and Expenditures

Modified Accrual Basis

Actual, Budget and Forecast for the Periods Indicated

General Fund (Continued)	2011 YTD				2011 Original Budget	2011 Annual			2012	2012
	Audited 12/31/10	YTD Budget 11/30/11	YTD Actual 11/30/11	Variance Favorable (Unfavor)		2011 Amended Budget	2011 Forecast Total	2011 Variance Fav (Unf)	Nov 15 Budget w/ Final AV	Dec 20 Budget w/ Final AV
<b>Community Operations:</b>										
Landscaping - Turf Area Maintenance	17,365	16,960	16,931	29	16,960	16,960	16,931	29	0	0
Landscaping - Flowers Maintenance	34,150	30,750	30,750	0	30,750	30,750	30,750	0	0	0
Lights, Signs, Guardrails, & Fences	3,645	7,200	2,729	4,471	8,000	8,000	4,000	4,000	2,000	2,000
Holiday Lights	8,789	8,723	7,471	1,252	8,723	8,723	7,471	1,252	0	0
Recreation	0	0	0	0	1,500	1,500	0	1,500	0	0
Walls & Planters Maintenance	6,500	6,000	5,200	800	6,000	6,000	5,200	800	0	0
Road Maintenance	1,487	10,500	12,246	(1,746)	10,500	10,500	12,246	(1,746)	10,500	10,500
Road Asphalt Patch & Crack Seal	19,912	20,000	18,047	1,954	20,000	20,000	20,000	0	20,000	20,000
Road & General Engineering	1,099	4,583	0	4,583	5,000	5,000	0	5,000	0	0
Engineering - Special Projects	5,118	5,000	0	5,000	5,000	5,000	0	5,000	0	0
Engineering - PUD Mapping	6,615	0	0	0	0	0	0	0	0	0
Snow Plowing Contract	22,800	16,000	19,400	(3,400)	20,000	20,000	25,400	(5,400)	20,000	20,000
Snow Plow Material, Eq Rent, Xtras	127	6,000	165	5,835	6,000	6,000	600	5,400	6,000	6,000
Weed & Pest Control	8,520	10,000	7,440	2,560	10,000	10,000	7,440	2,560	0	0
Tree Care	6,255	6,668	6,668	0	6,668	6,668	6,668	0	0	0
Operations Management	43,757	40,111	40,111	(0)	43,757	43,757	43,757	(0)	43,757	15,000
Operations Cell Phone	184	495	644	(149)	540	540	700	(160)	540	820
Gatehouse Utilities - Cable TV	1,092	1,192	1,213	(21)	1,300	1,300	1,300	0	1,300	1,300
Utilities - Electric	3,113	3,966	2,993	973	4,326	4,326	3,526	800	4,326	4,326
Utilities - Water	6,732	7,936	5,207	2,729	8,016	8,016	8,016	0	0	0
Utilities - Telephone/ISP	2,191	3,300	2,627	673	3,600	3,600	3,600	0	3,600	3,600
Building Maintenance and Repairs	0	5,000	2,198	2,802	5,000	5,000	3,000	2,000	2,000	2,000
Operating Contingency		0		0	25,000	25,000	0	25,000	3,000	18,000
<b>Total Community Ops Exp</b>	<b>199,451</b>	<b>210,383</b>	<b>182,040</b>	<b>28,343</b>	<b>246,640</b>	<b>246,640</b>	<b>200,605</b>	<b>46,035</b>	<b>117,023</b>	<b>103,546</b>
<b>Debt Service</b>										
Debt Service - Principal 2003 Loan	17,095	17,847	17,847	(0)	17,847	17,847	17,847	0	18,633	18,633
Debt Service - Interest 2003 Loan (\$	5,040	4,288	4,288	0	4,288	4,288	4,288	0	3,503	3,503
Debt Service - Vehicle Purchase Pri	0	0	0	0	0	0	0	0	0	0
Debt Service - Vehicle Purchase Inte	0	0	0	0	0	0	0	0	0	0
Debt Service - 2012 Bonds				0				0		
Contingency		0		0		0	0	0		
<b>Total Debt Service Exp</b>	<b>22,135</b>	<b>22,135</b>	<b>22,135</b>	<b>(0)</b>	<b>22,135</b>	<b>22,135</b>	<b>22,135</b>	<b>0</b>	<b>22,136</b>	<b>22,136</b>
<b>Total Expenses Before Capital</b>	<b>723,540</b>	<b>629,515</b>	<b>573,951</b>	<b>55,564</b>	<b>730,063</b>	<b>691,644</b>	<b>639,656</b>	<b>51,988</b>	<b>473,414</b>	<b>451,773</b>
<b>Rev over Exp. before Capital</b>	<b>166,806</b>	<b>127,776</b>	<b>167,608</b>	<b>39,832</b>	<b>112,751</b>	<b>69,895</b>	<b>119,519</b>	<b>49,624</b>	<b>(22,538)</b>	<b>(896)</b>

See accompanying accountant's report.

Cordillera Valley Club Metro District  
Statement of Revenues and Expenditures

Modified Accrual Basis

Actual, Budget and Forecast for the Periods Indicated

General Fund (Continued)	2011 YTD				2011 Original Budget	2011 Annual			2012	2012
	Audited 12/31/10	YTD Budget 11/30/11	YTD Actual 11/30/11	Variance Favorable (Unfavor)		2011 Amended Budget	2011 Forecast Total	2011 Variance Fav (Unf)	Nov 15 Budget w/ Final AV	Dec 20 Budget w/ Final AV
<b>Capital Expenditures &amp; Spec Projects</b>										
Gate House & Equipment	0	0	0	0			0			
Security Vehicle	0	21,161	21,161	0		21,161	0			
RFID Sys (Repl Transponders)*	19,918	0	0	0			0			
Camera System	15,842	0	0	0			0			
Berm Design/PUD-Vag	28,559	0	0	0			0			
Berm Design - Marcin	1,193	0	0	0			0			
Berm Design - Struct & Soils Engr	6,624	0	550	(550)			550	(550)		
Berm Design - Irrigation System	1,625	0	0	0			0			
Berm Legal Expense	4,619	0	0	0			0			
Road Slurry/Chip Seals	0	0	0	0			0			
Road Overlay - Beard Creek Trail		0		0			0			
Road Overlay - Side Roads		0		0			0			
		0		0			0			
Landscape Master Plan	0	0	0	0			0			
Landscape Improvements	0	0	0	0			0			
Lighting and Signage Design - VAg	20,032	0	0	0			0			
Lighting - Materials & Installation	15,042	0	0	0			0			
Signage Upgrade	984	0	0	0			0			
W Gate Design-Architect	9,895	0	0	0			0			
W Gate Design - Engineering	1,968	0	0	0			0			
W Gate Fence	11,633	0	0	0			0			
W Gate Computerize & Call Box		30,978	31,110	(132)		30,978	31,110	(132)		
Other Capital Projects		0	0	0	12,000	12,000	9,000	3,000		
<b>Total Capital Expenditures</b>	<b>137,932</b>	<b>52,139</b>	<b>52,821</b>	<b>(682)</b>	<b>12,000</b>	<b>64,139</b>	<b>61,821</b>	<b>2,318</b>	<b>0</b>	<b>0</b>
<b>Rev over Exp After Cap</b>	<b>28,874</b>	<b>75,637</b>	<b>114,788</b>	<b>39,151</b>	<b>100,751</b>	<b>5,756</b>	<b>57,698</b>	<b>51,942</b>	<b>(22,538)</b>	<b>(896)</b>
<b>Other Financing Sources &amp; Uses</b>										
Bond/Loan Proceeds	0	0	0	0			0			
Bond Issue Costs	0	0	0	0		0	0	0	0	0
Advances from CVCPOA, Net	0	0	0	0			0			
Xfer RETA (for Capital)	57,000	30,000	30,000	0	20,000	30,000	30,000	0		25,000
<b>Total Other Sources &amp; Uses</b>	<b>57,000</b>	<b>30,000</b>	<b>30,000</b>	<b>0</b>	<b>20,000</b>	<b>30,000</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>25,000</b>
<b>Beginning Fund Balance</b>	<b>180,943</b>	<b>246,842</b>	<b>266,817</b>	<b>19,975</b>	<b>228,142</b>	<b>246,842</b>	<b>266,817</b>	<b>19,975</b>	<b>354,515</b>	<b>354,515</b>
<b>Ending Fund Balance</b>	<b>266,817</b>	<b>352,479</b>	<b>411,605</b>	<b>59,126</b>	<b>348,893</b>	<b>282,598</b>	<b>354,515</b>	<b>71,917</b>	<b>331,978</b>	<b>378,619</b>

See accompanying accountant's report.

# ROBERTSON & MARCHETTI, P.C.

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*Certified Public Accountants*

December 16, 2011

Board of Directors  
Cordillera Valley Club Metropolitan District

Dear Board of Directors:

Thank you for the opportunity to submit a proposal to provide administration, accounting and financial management services to the Cordillera Valley Club Metropolitan District (the "District"). Our proposal is to perform the following services:

- District Administration
  - Preparation of Board meeting agenda
  - Preparation of notices in compliance with Colorado statutes for governmental entities for eight meetings per year
  - Production and distribution of board meeting packets
  - Attendance and note taking at board meetings
  - Advise the Board regarding governmental statutory requirements for:
    - Meeting posting requirements
    - Colorado Open Meetings law
    - Meeting procedural requirements
    - Executive session procedures and requirements
    - Freedom of Information requirements
    - Construction bid, bonding, contracting and retainage requirements
  - Preparation of board meeting minutes
  - Insurance renewals and administration
  - Director elections conducted pursuant to Colorado statutes including verification of director and voter eligibility
  - Preparation and filing of annual report in accordance with Colorado statutes
  - Contract and agreement administration
  - Ensure District boundary map prepared in compliance with Colorado statutory requirements and file map with applicable governmental agencies
  - File Transparency Notice with applicable agencies.
  - Preparation and filing of Intergovernmental Agreements
  - Preparation and filing of Non-Rated Securities report
  - Maintain District files in compliance with Public Records retention schedule
  - Correspondence and administration related to the above tasks
  - Maintain the CVCMD website
  - Other tasks as required by the Board
- District Accounting and Financial Management
  - Input of invoices and cutting accounts payable checks
  - Daily banking activities

## ROBERTSON & MARCHETTI, P.C.

Cordillera Valley Club Metropolitan District  
December 16, 2011  
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- Month end bank and account reconciliations
- Management of District operating and investment accounts
- Construction accounting and cost certifications
- Maintenance of all accounting records
- Establish and maintain effective internal accounting controls
- Selection and application of accounting principles in accordance with U.S. governmental generally accepted accounting principles (Governmental GAAP)
- Budget coordination, preparation, and filing pursuant to Colorado statutory requirements
- Preparation and filing of certification of property tax mill levies
- Annual preparation/update of District's long range financial plan
- Preparation of monthly financial statements and oversight of preparation of year end audited financial statements in accordance with U.S. Governmental GAAP
- Coordination of audit process; preparation of audit workpapers; review of audit report, presentation to Board, filing with Colorado State Auditor's office; all in accordance with
- Preparation of management's discussion and analysis for the audit report and preparation of supplementary information for the audit report
- Bond issuances, administration and reporting
- Other tasks, analysis and research as requested by the Board

Our firm provides similar accounting services, budget preparation, financial planning, financial management and administrative services for approximately 50 special districts, governmental authorities and master property owner associations in Eagle, Summit, Grand, Gunnison, Routt, Pitkin and Garfield Counties. Working extensively with Colorado special districts has given our firm the opportunity to specialize in the unique requirements for these entities including the requirements of the Division of Local Governments, the local government budgeting and auditing process and governmental accounting, financial reporting and election requirements.

The above services to be provided by our personnel to the District will be invoiced monthly on a fixed fee basis at a base rate of \$2,550 per month. Any services beyond the above services or any regular or special board meetings in excess of eight meetings per year shall be over and above the base fee.

Our firm will also charge (without markup) for direct out-of-pocket expenses incurred, including but not limited to, computer and copy expenses, long distance telephone charges and office supplies used directly by the District (such as personalized checks).

Illegal Alien Workers. Our firm shall not knowingly employ or contract with an illegal alien to perform work under the Agreement or contract with a sub-contractor to our firm who knowingly employs or contracts with an illegal alien to perform work under the Agreement. Execution of this



## ROBERTSON & MARCHETTI, P.C.

Cordillera Valley Club Metropolitan District  
December 16, 2011  
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Addendum by our firm shall constitute a certification by our firm that it does not knowingly employ or contract with an illegal alien and that the our firm has participated or attempted to participate in the Basic Pilot Employment Verification Program administered by the United States Department of Homeland Security, ("Basic Pilot Program") in order to confirm the employment eligibility of all employees who are newly hired for employment in the United States.

1. Our firm shall comply with the following:
  - (a) Our firm shall confirm or attempt to confirm the employment eligibility of all employees who are newly hired for employment in the United States through participation in the Basic Pilot Program. Our firm shall apply to participate in the Basic Pilot Program every three months until all our firm requirements under this Agreement are completed or until our firm is accepted into the Basic Pilot Program, whichever occurs earlier.
  - (b) Our firm shall not utilize the Basic Pilot Program procedures to independently undertake pre-employment screening of job applicants.
  - (c) Our firm shall require each subcontractor to our firm to certify that subcontractor will not knowingly employ or contract with an illegal alien to perform work under the Agreement. If our firm obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien our firm shall be required to:
    - i. Notify the subcontractor and the District within three (3) days that our firm has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
    - ii. Terminate the subcontract with the subcontractor if within three (3) days of receiving notice from the subcontractor, the subcontractor does not stop employing or contracting with the illegal alien; except that our firm shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.
  - (d) Our firm shall comply with any reasonable request by the Department of Labor and Employment ("Department") made in the course of an investigation by the Department.
2. If our firm violates any provision of this Addendum, District may terminate the Agreement immediately and our firm shall be liable to District for actual and consequential damages of District resulting from such termination and District shall report such violation by our firm to the Colorado Secretary of State as required by law.

**ROBERTSON & MARCHETTI, P.C.**

Cordillera Valley Club Metropolitan District  
December 16, 2011  
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I am available to discuss the proposal with you at your convenience. You may contact us at (970) 926-6060 if you have any questions. Thank you for consideration of our firm to for these services.

Respectfully,

**ROBERTSON & MARCHETTI, P.C.**

Kenneth J. Marchetti, CPA

**RESPONSE:**

This proposal is accepted and agreed to and correctly sets forth the understanding between Robertson & Marchetti, P.C. and Cordillera Valley Club Metropolitan District.

**CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_