

# Cordillera Valley Club Metropolitan District

## MEMORANDUM

**TO:** Board of Directors of Cordillera Valley Club Metropolitan District  
**FROM:** Cheri Curtis  
**DATE:** September 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:

**September 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, September 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 September 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 – August 16, 2011                         |      |
| 5) Financial Report (Marchetti)                                    | 2:15 |
| a) Accounts Payable MD   |      |
| b) 2010 Audit  |      |
| c) August 31, 2011 Financial Statements                            |      |
| 6) Other Metro District Business                                   | 2:30 |
| a) Security Contract   |      |
| b) Vehicle Purchase  |      |
| c) Insurance Liability Options                                     |      |
| 7) Projects  |      |
| a) West Gate Improvements  | 2:45 |
| b) Other   |      |
| 8) Staff Reports   |      |
| a) Public Safety Report (DeJong)                                   | 3:00 |
| b) Operations Report (Carlson)                                     | 3:10 |
| 9) Acquiring Non-Golf Amenities                                    | 3:15 |
| 10) Public Input – Metro District Matters                          | 3:20 |
| 11) Adjournment  | 3:30 |

**CORDILLERA VALLEY CLUB  
METROPOLITAN DISTRICT  
AND PROPERTY OWNERS ASSOCIATION  
2011 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

The Property Owners Association will meet at 3:30 p.m. unless otherwise notified

Month	Meeting	Date
September	Regular Meeting (3rd Tuesday)	September 20, 2011
October	Regular Meeting (3rd Tuesday)	October 18, 2011
November	Regular Meeting (3rd Tuesday)	November 15, 2011
December	Regular Meeting (3rd Tuesday)	December 20, 2011
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	POA July Member Meeting (9:00 a.m.)	July 3, 2012
July	Regular Meeting (3rd Tuesday)	July 17, 2012
August	Regular Meeting (3rd Tuesday)	August 21, 2012

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 Indicates Holiday

 Indicates Meeting

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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting Of the Board of Directors of Cordillera Valley Club Metropolitan District August 16, 2011

A Regular Meeting of the Board of Directors of the Cordillera Valley Club Metropolitan District, Eagle County, Colorado, was held August 16, 2011 at 2:00 p.m., at the Cordillera Metropolitan District Administrative Offices conference room, located at 0408 Carterville Road, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

### Attendance

The following Directors were present and acting:

- Rick Pirog
- Emilie Egan
- John O'Brien
- Chris Hynes (By Telephone)

The following Director was absent and excused:

- Barry Gassman

Also in attendance were:

- Operations  
Dan Carlson
- Robertson & Marchetti, P.C.  
Ken Marchetti & Cheri Curtis
- Others  
Steve Smith  
Peter Kyle  
Marc Watson (Joined the Meeting at 2:22 p.m.)  
Bill Mimeles (Joined the Meeting at 2:30 p.m.)  
Tim Benedickt (Joined the Meeting at 3:08 p.m.)  
Bob Engleby (Joined the Meeting at 3:09 p.m.)  
Art Greenfeder (Joined the Meeting at 3:13 p.m.)

### Call to Order

The Regular Meeting of the Board of Directors of Cordillera Valley Club Metropolitan District was called to order by Director Pirog, noting a quorum was present.

### Agenda

The Directors and Officers Insurance policy limits was added to the agenda.

### Future Meetings

The Board reviewed the future meeting schedule. It was noted the next regular meeting is scheduled for September 20, 2011.

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# RECORD OF PROCEEDINGS

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## CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT August 16, 2011 Meeting Minutes

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**Conference Call** The log of public participation for those participating in the meeting in person and by phone is as follows:

### Public Participation Log

Meeting Date	In Person	By Phone
01/18/11	7	3
02/15/11	4	1
03/15/11	10	1
04/19/11	7	0
05/27/11	3	0
06/21/11	5	0
07/19/11	2	0
08/16/11	7	0

**Minutes** The Board reviewed the meeting minutes of the July 19, 2011 meeting. Upon motion duly made and seconded it was

**RESOLVED** to approve the meeting minutes of the July 19, 2011 Regular Meeting as presented. Directors Hynes, O'Brien, Egan, and Pirog voted in favor of the resolution.

The Board further reviewed the minutes of the August 4, 2011 Special meeting. Upon motion duly made and seconded it was

**RESOLVED** to approve the meeting minutes of the August 4, 2011 Special Meeting as presented. Directors Hynes, O'Brien, Egan, and Pirog voted in favor of the resolution.

The Board further reviewed the minutes of the August 8, 2011 Special meeting. Upon motion duly made and seconded it was

**RESOLVED** to approve the meeting minutes of the August 8, 2011 Special Meeting as presented. Directors Hynes, O'Brien, Egan, and Pirog voted in favor of the resolution.

**Accounts Payable** The Board reviewed the accounts payable list. Director O'Brien questioned the services being provided by Mountain Communications.

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# RECORD OF PROCEEDINGS

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## CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT August 16, 2011 Meeting Minutes

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Mr. Delp reported Mountain Communications attempted to invoice CVC additional charges for service calls and the District is not responsible for the charges. Mr. Carlson reported he was informed he was responsible for running the electrical line to the call box at the west gate and has completed installing the wires for the gate access. Mr. Delp agreed to work with Robertson & Marchetti on any future invoices. Director O'Brien requested Mr. Delp provide a letter indicating the status of Mountain Communications invoices and include Lone Star Security's offer to assist the District on the west gate issues after October 1, 2011.

Director Egan questioned the annual costs by STI for lawn maintenance and Garden Creations for flower beds. Director Egan will work with Mr. Carlson to determine where services could be reduced. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve payment of the invoices on the accounts payable list as presented. Directors Hynes, O'Brien, Egan, and Pirog voted in favor of the resolution.

### Financial Report

Mr. Marchetti presented the July 31, 2011 financial report and reviewed actual to budget variances. Mr. Marchetti indicated the budget to actual is showing a favorable variance. The District's 2012 preliminary budget shows moving 100% of security into the District and moving Turf Area Maintenance, Flowers Maintenance, Holiday Lights, Weed and Pest Control, Tree Care and Water Charges to the Association. The Finance Committees have reviewed the 2012 budget and the Boards can begin discussing the 2012 budget. Discussion followed on a joint meeting between the District and the POA. Director Egan indicated the Board's should meet separately and any issues should be discussed between the finance committees.

### Public Input

There was no public input.

### Security Contract

Director O'Brien is working with Director Gassman on the security contract between the District and Cordillera Metropolitan District. Under the proposed CMD contract, security will continue to be provided 24 hours a day, seven days a week.

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# RECORD OF PROCEEDINGS

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## CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT August 16, 2011 Meeting Minutes

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### **West Gate Improvements**

Mr. Carlson reported he is working with Gallegos to complete the installation of a call box at the west gate.

### **Insurance**

Mr. Marchetti reported the District is insured by the Colorado Special District Property and Liability Pool with \$1 million in coverage. It was reported that Director Gassman is concerned the Board may be under-insured and suggested looking into increasing the coverage. Mr. Marchetti indicated that they are in the process of obtaining a quote for increased coverage.

### **Security Report**

The additional traffic for the water tank concrete pour went well with minimal disruption to CVC residents. The RFID stickers and license plate transmitters are being distributed to CVC property owners and the information is being forwarded to CMD.

### **Operations**

Mr. Carlson met with Bill Mimeles on road problems adjacent to Seven Eagles. Cottonwood tree roots are causing damage to the asphalt. The asphalt in the parking area above Seven Eagles has failed. Another \$500 is needed for repairs at Wilmore Drive. There are funds in the budget for these repairs.

Mr. Carlson reported the District's roads were last slurry sealed in 2004 and he does not anticipate a slurry seal will be necessary again until 2013. The cost of the 2004 slurry seal was approximately \$70,000 and the estimated cost to slurry seal the District roads at this time is between \$80,000 and \$120,000. Mr. Carlson will obtain further estimates based on the square footage of the CVC roads.

The fence adjacent to the maintenance facility, which was constructed about five years ago, is falling down due to poor construction. Mr. Carlson will contact GH Daniels who constructed the fence to determine if they have any responsibility to repair the fence at this time.

### **Club Amenities**

Director Pirog reported the negotiations between the Wilner Group and WFP have stalled. Ken Ulickey has presented a proposal that includes the District acquiring the tennis courts, the swimming pool, and the water

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# RECORD OF PROCEEDINGS

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## CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT August 16, 2011 Meeting Minutes

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rights in a global settlement. The District would then lease the fitness facility and the water rights back to the Club during summer months.

Marc Watson questioned the option to increase assessments to acquire the clubhouse, tennis courts, and swimming pool. The water rights were not included in the estimate. It was reported this option was for \$1.9 million. Mr. Greenfeder suggested a \$10,000 assessment per property to acquire the facilities.

Director Pirog stated this new option would allow the District to issue bonds to acquire amenities. CMD is obtaining an appraisal of all facilities including the CVC amenities.

Director Egan stated the District should obtain an MAI appraisal with both replacement and current values.

Director O'Brien informed the Board that Tim Benedickt suggested CVC obtain an agreement with CMD to be allowed to build the berm.

WFP has indicated they would like to maintain ownership of the Valley Club golf course. It has been conveyed to Mr. Wilhelm that it is not in the best interest of CVC for WFP to maintain ownership of the Valley Club golf course.

### Public input

Peter Kyle requested the tree near Wilmore on Beard Creek Trail be trimmed. Mr. Kyle questioned why signs were held up with zip ties. Mr. Benedickt requested the District direct Mr. Carlson get brackets made to hold the stop sign. The Board agreed with the recommendation.

Mr. Kyle questioned the notification for the PUD Amendment. The PUD Amendment process was explained stating a notice of the hearing will be sent to all CVC property owners.

### Adjournment

There being no further business to come before the Board at this time, upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the meeting of the Cordillera Valley Club Metropolitan District Board of Directors this 16th day of August, 2011.

Respectfully submitted,



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**RECORD OF PROCEEDINGS**

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**CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT**  
**August 16, 2011 Meeting Minutes**

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Cheri Curtis  
Secretary for the Meeting

SUBJECT TO APPROVAL

**CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT  
SEPTEMBER 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	08/14/11	9/20/2011	112.59	1-6060	Gatehouse Phone	Dan Carlson/Operations Committee
DirecTV	08/16/11	9/20/2011	81.99	1-6050	Gatehouse TV	Dan Carlson/Operations Committee
Eagle River Water & Sanitation	08/31/11	9/20/2011	733.46	1-6080	Gatehouse Water	Dan Carlson/Operations Committee
Holy Cross Electric	08/24/11	9/20/2011	85.71	1-6070	Gatehouse Electric	Dan Carlson/Operations Committee
<b>Total Gatehouse Utilities</b>			<u>1,013.75</u>			
<b><u>Operations Expenses</u></b>						
B & B Excavating	09/01/11	9/20/2011	3,452.35	1-7230	West Gate Project	Dan Carlson/Operations Committee
Colorado Vegetation Management	08/15/11	9/20/2011	3,600.00	1-6500	Weed Spraying	Dan Carlson/Operations Committee
Eagle River Water & Sanitation	08/31/11	9/20/2011	70.05	1-6600	801 Beard Creek Trail Irrigation	Dan Carlson/Operations Committee
	08/31/11	9/20/2011		1-6600	Corner of Wilmore/Beard Creek Trail	
	08/31/11	9/20/2011		1-6600	613 Beard Creek Trail Irrigation	
	08/31/11	9/20/2011	23.35	1-6600	619 Beard Creek Trail Irrigation	
	08/31/11	9/20/2011	349.58	1-6600	1051 Beard Creek Trail Irrigation	
	08/31/11	9/20/2011	46.70	1-6600	1313 Beard Creek Trail Irrigation	
	08/31/11	9/20/2011	32.69	1-6600	1519 Beard Creek Trail Irrigation	
	08/31/11	9/20/2011	18.68	1-6600	1793 Beard Creek Trail Irrigation	
<b>Total Eagle River Water &amp; Sanitation</b>			<u>471.00</u>			
Garden Creations	08/30/11	9/20/2011	3,937.50	1-6250	Monthly Flower Bed Maintenance	Dan Carlson/Operations Committee
Grimshaw & Harring	08/31/11	9/20/2011	26.39	1-5300	General Legal	Finance & Administration Committee
Holy Cross Energy	08/24/11	9/20/2011	36.07	1-6700	Street Lighting	Dan Carlson/Operations Committee
	08/17/11	9/20/2011	141.63	1-6700	0033 Wilmore Drive	
<b>Total Holy Cross Energy</b>			<u>177.70</u>			
Home Depot	07/12/11	9/20/2011	121.36	1-6300	Stain for Fence	Dan Carlson/Operations Committee
	07/11/11	9/20/2011		1-7230	West Gate Project	
<b>Total Home Depot</b>			<u>121.36</u>			
Impact Graphics	08/06/11	9/20/2011	322.54	1-6300	Sign on Legends Drive	Dan Carlson/Operations Committee
Lone Star	09/01/11	9/20/2011	29,856.23	1-6370	Security	Contractual Agreement
	08/16/11	9/20/2011	654.50	1-6060	Fax Line	Contractual Agreement
<b>Total LoneStar</b>			<u>30,510.73</u>			
Mountain Communication	09/14/11	9/20/2011	2,641.00	1-7220	RFID Stickers	Todd DeJong/Operations Committee
Mountain Water Works	08/31/11	9/20/2011	200.00	1-6600	Backflow Testing	Dan Carlson/Operations Committee
Orkin	09/07/11	9/20/2011	100.00	1-6500	Pest Control	Dan Carlson/Operations Committee
Robertson & Marchetti, P.C.	08/31/11	9/20/2011	5,048.00	1-5050	Accounting & Administration	Finance & Administration Committee
	08/31/11	9/20/2011	(1,881.33)	1-5050	Accounting & Admin (Courtesy Discount)	
	08/31/11	9/20/2011	58.76	1-5400	Office Supplies	
<b>Total Robertson &amp; Marchetti, P.C.</b>			<u>3,225.43</u>			
SFB, Inc.	09/01/11	9/20/2011	3,646.42	1-6350	Operations Services	Contractual Agreement
STI Services	08/31/11	9/20/2011	3,283.75	1-6200	Turf Area Maintenance	Dan Carlson/Operations Committee
<b>Accounts Payable Total</b>			<u><b>56,799.97</b></u>			



**CORDILLERA VALLEY CLUB  
METROPOLITAN DISTRICT**

**FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

December 31, 2010

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**INDEPENDENT AUDITOR'S REPORT**

August 23, 2011

To the Board of Directors  
Cordillera Valley Club Metropolitan District

We have audited the accompanying financial statements of the governmental activities and each major fund of Cordillera Valley Club Metropolitan District, as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Cordillera Valley Club Metropolitan District, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The budgetary comparison information on page 24 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. This supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cordillera Valley Club Metropolitan District's basic financial statements. The schedule of debt service requirements to maturity and the schedule of assessed valuation, mill levy and property tax collected on pages 25 and 26 are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we express no opinion on them.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

# Cordillera Valley Club Metropolitan District

## Management's Discussion and Analysis December 31, 2010

As management of Cordillera Valley Club Metropolitan District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2010.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The Statement of Net Assets presents information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental activity of the District is primarily operating and maintaining the roads within the District. There are no business-type activities within the District.

The government-wide financial statements can be found on pages 6 and 7 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently has three funds; the General Fund, the Debt Service Fund and the Capital Projects Fund which are governmental funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental funds financial statements can be found on pages 8 and 9 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## Overview of the Financial Statements (continued)

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 10 through 23 of this report.

**Supplementary Information.** Supplementary information is contained on pages 24 through 26 and provides additional insight into how the District's actual operations compared to the budgeted operations and also provide information on the District's assessed value and property taxes levied and detailed schedules of the District's debt service requirements.

**Government-wide Financial Analysis.** The District's primary source of revenue is property taxes. The property taxes levied by the District in 2009 are payable by the property owners in 2010. During 2010, the District also obtained funding from contributions from Cordillera Valley Club Property Owners Association which were used to cover a portion of the cost of providing public safety services and certain capital expenditures.

The following charts show the District's condensed Statement of Net Assets and Condensed Statement of Activities for 2010 with comparative information for and 2009:

### Cordillera Valley Club Metropolitan District's Net Assets

	<u>2010</u>	<u>2009</u>
<b>Assets:</b>		
Current and other assets	\$901,458	\$841,995
Capital assets	4,642,110	1,072,999
<b>Total assets</b>	<u>5,543,568</u>	<u>1,914,994</u>
<b>Liabilities:</b>		
Other liabilities	631,800	657,499
Long-term liabilities outstanding	97,444	114,539
<b>Total liabilities</b>	<u>729,244</u>	<u>772,038</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	4,549,181	963,980
Restricted for emergencies	20,167	24,031
Unrestricted	244,976	154,945
<b>Total Net Assets</b>	<u>\$4,814,324</u>	<u>\$1,142,956</u>

**Overview of the Financial Statements (continued)**

**Cordillera Valley Club Metropolitan District's  
Statement of Activities**

	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>		
Program revenues:		
Operating grants and contributions	\$ 255,223	\$ 268,127
Capital grants and contributions	3,487,220	-
General revenues:		
Property taxes	645,474	519,972
Other taxes	21,439	21,197
Interest and other revenue	25,208	1,729
<b>Total Revenues</b>	<u>4,434,564</u>	<u>811,025</u>
<b>Expenses:</b>		
General government	94,878	64,960
Public safety	421,850	399,593
Community operations	241,722	259,222
Interest on long-term debt	4,746	5,479
<b>Total Expenses</b>	<u>763,196</u>	<u>729,254</u>
<b>Change in Net Assets</b>	3,671,368	81,771
<b>Net Assets - Beginning</b>	1,142,956	1,061,185
<b>Net Assets - Ending</b>	<u>\$4,814,324</u>	<u>\$1,142,956</u>

The District's overall financial position, as measured by net assets, increased by \$3,671,368 during 2010. Of this increase, \$3,487,220 is the result of recording the developer's contribution of the roads and gatehouse to the District. The remaining \$184,148 is primarily attributable to collection of property taxes that were invested in capital assets and collection of property taxes that were retained by the District to increase reserves.

**Financial Analysis of the District's Funds**

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For the fiscal year, the District's fund balance increased \$85,872 which is the result of collection of property taxes in excess of the operating and capital expenditures of the District. These surplus revenues were retained by the District to create a reserve for future years' expenditures. The fund balances at the end of the 2010 was \$266,814.



## **Financial Analysis of the District's Funds (continued)**

**Budget Variances.** The budget variance report is shown on page 24 of the report. The most significant budget variances for the year was for capital project expenditures that were initiated after the original budget was adopted. Additionally, the District conducted an election at a cost of \$11,321 that was not anticipated at the time the original budget was adopted.

**Capital Assets.** The District's net capital assets increased by \$3,575,032 during 2010 to \$4,642,110. This increase was primarily the result of the conveyance of the roads and gatehouse from the developer to the District during 2010. Additionally, the District incurred \$137,933 in capital expenditures for landscape, lighting and sign improvements as well as additional planning and design for the berm. Additional information can be found in the Notes to the Financial Statement on page 17 of this report.

**Long-term Debt.** The District's long-term debt outstanding at the end of 2010 was \$97,444 which is the remaining balance owed on the District's 2003 series bonds originally issued for \$203,000 to provide funds for the construction of landscape and fencing improvements. The District repaid \$17,095 during 2010 reducing the outstanding balance on these obligations from \$114,539. Additional information can be found in the Notes to the Financial Statement on pages 17 and 18 of this report.

### **Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Robertson & Marchetti, P.C., 28 Second Street, Suite 213, Edwards, CO 81632 or you may call (970) 926-6060.

Cordillera Valley Club Metropolitan District

STATEMENT OF NET ASSETS

December 31, 2010

ASSETS

Current assets	
Cash and investments	\$ 269,923
Accounts receivable-Eagle County Treasurer	1,442
Property tax receivable	625,412
Prepaid Insurance	166
Total current assets	896,943
Noncurrent assets	
Capital assets, net of accumulated depreciation	4,642,110
Bond issuance cost, net of accumulated amortization	4,515
Total assets	\$ 5,543,568

LIABILITIES AND NET ASSETS

Liabilities	
Current liabilities	
Accounts payable	\$ 4,717
Accrued interest payable	1,671
Deferred property tax	625,412
Bonds payable	17,847
Total current liabilities	649,647
Non-current liabilities due in excess of one year	
Bonds payable	79,597
Total liabilities	729,244
Net Assets	
Invested in capital and other assets, net of related debt	4,549,181
Restricted for emergencies	20,167
Unrestricted	244,976
Total net assets	4,814,324
Total liabilities and net assets	\$ 5,543,568

The accompanying notes are an integral part of this statement.

Cordillera Valley Club Metropolitan District

STATEMENT OF ACTIVITIES

Year ended December 31, 2010

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
General government	\$ 94,878	\$ 255,223	\$ -	\$ 160,345
Public safety	421,850	-	-	(421,850)
Community operations	241,722	-	3,487,220	3,245,498
Interest on long-term debt	4,746	-	-	(4,746)
Total governmental activities	\$ 763,196	\$ 255,223	\$ 3,487,220	2,979,247
<b>General revenues:</b>				
				645,474
				21,439
				19,894
				5,314
				692,121
				3,671,368
				1,142,956
				\$ 4,814,324

The accompanying notes are an integral part of this statement.

Cordillera Valley Club Metropolitan District

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2010

	General
<b>ASSETS</b>	
Cash and equivalents	\$ 269,923
Due from County Treasurer	1,442
Property tax receivables	625,412
Prepaid insurance	166
Total Assets	\$ 896,943
 <b>LIABILITIES AND FUND EQUITY</b>	
<b>Liabilities</b>	
Accounts payable	\$ 4,717
Deferred property tax	625,412
Total Liabilities	630,129
 <b>Fund Equity</b>	
Nonspendable	166
Reserved for emergencies	20,167
Unreserved, undesignated	246,481
Total Fund Equity	266,814
Total Liabilities and Fund Equity	\$ 896,943
Fund balance reported above	\$ 266,814
Amounts reported in the Statement of Net Assets are different because:	
Capital and other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,646,625
Liabilities associated with long-term debt are not due and payable in the current period and, therefore, are not reported in the funds.	(99,115)
Net Assets of Governmental Activities	\$ 4,814,324

The accompanying notes are an integral part of this statement.

Cordillera Valley Club Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUND

Year ended December 31, 2010

	General
<b>Revenues</b>	
Taxes	\$ 666,913
Interest	5,314
Contributions from CVCPOA	255,223
Other	19,894
Total revenues	947,344
<b>Expenditures</b>	
General government	94,878
Public safety	414,960
Community operations	191,566
Debt service	22,135
Capital outlay	137,933
Total expenditures	861,472
Net change in fund balance	85,872
Fund balance - beginning	180,942
Fund balance - ending	\$ 266,814
Net Change in Fund Balance	\$ 85,872
Amounts reported in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation during the year (\$137,933 - \$50,122).	87,811
The disposition of capital assets are recorded in the funds at the amount of gross proceeds, but are recorded in the Statement of Activities at the book value net of proceeds. This amount is the effect of the difference in the treatment of the dispositions (\$0 - \$5,920).	(5,920)
Transfers of capital assets to the District from the developer are reported as revenues in the Statement of Activities and are not reported in the Statement of Revenues, Expenditures and Changes in Fund Balance.	3,487,220
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	16,385
Change in Net Assets of Governmental Activities	\$ 3,671,368

The accompanying notes are an integral part of this statement.

# CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. Organization

Cordillera Valley Club Metropolitan District (the District) was established on January 1, 2003 as a quasi-municipal corporation and political subdivision of the State of Colorado. The District was formed primarily to finance, construct, operate, and maintain the basic public infrastructure as well as parks and recreation facilities and other improvements within the District's boundaries in Eagle County, Colorado.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established by GAAP used by the District are discussed below.

#### 2. Reporting Entity

The District is governed by an elected Board which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of the Colorado Special District Act.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District is not financially accountable for any other entity, nor is the District a component unit of any other government.

#### 3. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Government-wide Financial Statements**

In the government-wide Statement of Net Assets, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as all long-term debt and obligations. The District's net assets are reported in two parts; invested in capital assets, net of related debt and unrestricted net assets.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

**4. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District currently has one fund, the General Fund. This fund is a governmental fund.

**Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following governmental funds:

**General Fund** – The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Debt Service and Capital Projects Funds – These funds were closed out to the general fund in the prior year.

**5. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**Long-term Economic Focus and Accrual Basis**

Governmental-type activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

**Financial Statement Presentation**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**6. Intergovernmental revenues**

For governmental funds, intergovernmental revenues, such as contributions awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available.



CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**7. Reclassifications**

For comparability, 2009 amounts have been reclassified where appropriate to conform to the year 2010 financial presentation.

**8. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**9. Capital Assets**

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at an estimated fair value at the date of donation. Construction in progress is not depreciated until the construction is completed.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated lives:

Estimated lives:	
Infrastructure	40
Landscape improvements	15
Equipment	7
Vehicles	7

**10. Property taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2010 will be collected in 2011. Taxes are due on January 1<sup>st</sup> in the year of collection; however, they may be paid in either one installment (no later than April 30<sup>th</sup>) or two equal installments (not later than February 28<sup>th</sup> and June 15<sup>th</sup>) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15<sup>th</sup>.

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**11. Stewardship, Compliance, and Accountability**

**Budgets and Budgetary Accounting**

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the proprietary funds is adopted on a Non-GAAP budgetary basis and is reconciled to GAAP basis if necessary

As required by Colorado statutes, the District followed the following timetable in approving and enacting a budget for the ensuing years:

1. For the 2010 budget year, prior to August 25, 2009, the County Assessor sent to the District the certified assessed valuation of all taxable property within the District's boundaries. The County assessor may change the assessed valuation on or before December 10, only once by a single notification to the District.
2. On or before October 15, 2009, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
3. A public hearing on the proposed budget and capital program was held by the Board no later than 45 days prior to the close of the fiscal year.
4. Prior to December 15, 2009, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed 2010 budget.
5. For the 2010 budget, the final budget and appropriating resolution was adopted prior to December 31, 2009.

After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; c) emergency appropriations; and d) reduction of appropriations for which originally estimated revenues are insufficient

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year end.

There was one supplemental appropriations made during 2010.

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

**NOTE B - CASH AND INVESTMENTS**

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts on deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in collateral pools.

At December 31, 2010, the District's cash deposits had a carrying balance and a bank balance as follows:

	2010	
	Carrying Balance	Bank Balance
Deposit	<u>\$ 10,732</u>	<u>\$ 11,817</u>

Investments

Colorado state statutes authorize the District to invest in U.S. Treasury bills, obligation of any other U.S. agencies, obligations of the World Bank, general obligation bonds of any state or any of their subdivisions, revenue bonds of any state or any of their subdivisions, bankers acceptance notes, commercial paper, repurchase agreements, money market funds and guaranteed investment contracts. All investments must be held by the District, in its name, or in custody of a third party on behalf of the local government.

The District owned the following investments as of December 31, 2010:

	2010	
	Carrying Amount	Fair Value
Colostrust: AAAM	<u>\$ 259,191</u>	<u>\$ 259,191</u>

The District had invested \$259,191 in the Colorado Local Government Liquid Asset Trust (the Trust). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00.

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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**NOTE B - CASH AND INVESTMENTS - CONTINUED**

Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The Trust directly holds all repurchase agreements. The custodian's internal records identify the investments owned by the Trust. The District does not categorize its participation in the Trust because the investment is not evidenced by securities specifically identifiable to the District.

The District places no limit on the amount the District may invest in any one issuer. More than 5 percent of the District's investments are in local government investment pools.

**Summary of Cash Deposits and Investments**

Cash deposits and investments are reflected on the December 31, 2010 Balance Sheets as follows:

	<u>2010</u>
Cash and investments	<u>\$ 269,923</u>
Total	<u>\$ 269,923</u>
Deposits	\$ 10,732
Local government investment pool	<u>259,191</u>
Total cash and investments	<u>\$ 269,923</u>

CORDILLERA VALLEY CLUB METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

**NOTE C - CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended December 31, 2010:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Berm construction in progress	\$ 613,123	\$ 42,619	\$ -	\$ 655,742
Total capital assets not being depreciated	<u>613,123</u>	<u>42,619</u>	<u>-</u>	<u>655,742</u>
Capital assets being depreciated				
Landscape improvements	623,674	47,690	-	671,364
Equipment	22,759	47,625	-	70,384
Infrastructure	-	3,437,220	-	3,437,220
Gate House	-	50,000	-	50,000
Vehicles	<u>27,346</u>	<u>-</u>	<u>27,346</u>	<u>-</u>
Total capital assets being depreciated	<u>673,779</u>	<u>3,582,535</u>	<u>27,346</u>	<u>4,228,968</u>
Less accumulated depreciation for:				
Landscape improvements	(178,309)	(43,232)	-	(221,541)
Equipment	(14,169)	(6,890)	-	(21,059)
Vehicles	<u>(21,426)</u>	<u>-</u>	<u>(21,426)</u>	<u>-</u>
Total accumulated depreciation	<u>(213,904)</u>	<u>(50,122)</u>	<u>(21,426)</u>	<u>(242,600)</u>
Total capital assets being depreciated, net	<u>459,875</u>	<u>3,532,413</u>	<u>(5,920)</u>	<u>3,986,368</u>
Total governmental capital assets, net	<u>\$1,072,998</u>	<u>\$3,575,032</u>	<u>\$ (5,920)</u>	<u>\$4,642,110</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

Community operations	\$ 43,232
Public safety	<u>6,890</u>
Total Depreciation Expense	<u>\$ 50,122</u>

**NOTE D - LONG-TERM DEBT**

Series 2003 General Obligation Bonds

On June 25, 2003 the District issued \$101,500 of general obligation bonds (the Series 2003 Bonds) with an interest rate of 4.3%, payable annually on June 25. The principal is payable on June 25 and matures in various increments through 2015. The Series 2003 Bonds are subject to redemption prior to maturity at the option of the District upon 30 days written notice to registered bondholders at a price equal to 100% of the principal balance plus accrued interest to the date of redemption.





















# ROBERTSON & MARCHETTI, P.C.

*Certified Public Accountants*

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## Accountant's Compilation Report

September 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 August 31, 2011 and the related statement of revenues, expenditures and changes in fund balance with budgets for the eight 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 preliminary 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.

I also compiled the accompanying 2010 historical financial statements of the District and my report thereon stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or 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 2010 financial position and results of operations. Accordingly, the 2010 financial statements are not designed for those who are not informed about such matters.

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, CPA, President

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

Printed:  
09/15/11

	2010 Combined Actual	8/31/11		
		General Fund	Fixed Assets & Debt	Total 8/31/11
<b>Assets</b>				
Checking - First Bank	10,033	706		706
Petty Cash Checking - First Bank	700	0		0
Colostrust - Savings	259,191	503,885		503,885
Accounts Receivable - Other	0	0		0
Due from County Treasurer	1,442	0		0
Property Tax Receivable	625,412	29,881		29,881
Prepaid Insurance	166	0		0
Inventory		1,529		1,529
Assets - Equipment	70,382		70,382	70,382
Assets - Construction in Progress	655,742		655,742	655,742
Assets - Landscape Improvement	671,364		671,364	671,364
Assets - Vehicle	0		0	0
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>536,001</b>	<b>4,646,624</b>	<b>5,182,625</b>
<b>Liabilities</b>				
Accounts Payable - GF	4,716	19,307		19,307
Account Payable - CVCPOA	0	0	0	0
Accrued Interest Payable	1,672		1,672	1,672
Deferred Property Tax	625,412	29,881		29,881
LT Debt - Bonds Payable	97,444		79,597	79,597
<b>Total Liabilities</b>	<b>729,244</b>	<b>49,188</b>	<b>81,269</b>	<b>130,457</b>
<b>Net Assets</b>				
Investment in Fixed Assets, Net	4,646,624		4,646,624	4,646,624
Net of Long-term debt	(99,116)		(81,269)	(81,269)
Fund Balance	266,817	486,812		486,812
<b>Total Net Assets</b>	<b>4,814,325</b>	<b>486,812</b>	<b>4,565,356</b>	<b>5,052,168</b>
<b>Total Liabilities and Fund Equity</b>	<b>5,543,569</b>	<b>536,001</b>	<b>4,646,624</b>	<b>5,182,625</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 Annual				2012
	Unaudited 12/31/10	YTD Budget 8/31/11	YTD Actual 8/31/11	Variance Favorable (Unfavor)	2011 Original Budget	2011 Amended Budget	2011 Forecast Total	2011 Variance Fav (Unf)	Prelim Budget
<b>Revenues</b>									
Assessed Value	25,957,960				25,016,480	25,016,480	25,016,480		17,193,540
	24%				-4%				-31%
Operating Mill Levy Rate	25.000				25.000	25.000	25.000		25.000
Debt Service Mill Levy						0.000	0.000		1.287
Total Mill Levy	25.000	0	0	0	25.000	25.000	25.000	0	26.287
Property Taxes - Operations	645,474	606,650	597,967	(8,683)	625,412	625,412	625,412	0	429,839
Property Taxes - Debt Service		0						0	22,136
Property Tax Abatements		0	(53,691)	(53,691)			(53,691)	(53,691)	
Specific Ownership Taxes	21,439	14,593	11,666	(2,927)	21,889	21,889	21,889	(0)	20,339
Interest Income - Operating	5,314	4,800	620	(4,180)	7,200	7,200	2,400	(4,800)	2,000
Abatement Interest (Exp)		0	(8,361)	(8,361)			(8,361)	(8,361)	
Other Income	19,894	0	66	66		0	66	66	
Payment from CVCPOA	198,224	135,457	135,457	0	188,313	180,609	169,024	(11,585)	0
Xfer RETA (for operations)	0	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>890,346</b>	<b>761,499</b>	<b>683,724</b>	<b>(77,775)</b>	<b>842,814</b>	<b>835,110</b>	<b>756,739</b>	<b>(78,371)</b>	<b>474,313</b>
<b>Administrative Expenses</b>									
Accounting, Admin & Mgmt	44,000	25,333	26,042	(708)	38,000	38,000	38,000	0	38,000
Audit	5,750	6,000	0	6,000	6,000	6,000	6,000	0	6,000
Dues & Subscriptions	527	900	763	137	900	900	900	0	900
Elections	11,321	0	0	0	0	0	0	0	2,000
Ins Expense, incl Govt Officials	3,916	4,000	3,331	669	4,000	4,000	4,000	0	4,000
Legal Fees	6,144	4,400	2,180	2,220	6,600	6,600	6,600	0	6,600
Meeting Expenses	1,739	1,600	500	1,100	2,400	2,400	1,000	1,400	1,200
Office Supplies & Expense	1,970	2,000	1,651	349	3,000	3,000	3,000	0	3,000
Treasurer's Fees	19,511	18,199	17,949	250	18,762	18,762	18,762	0	13,559
<b>Total Administrative Exp.</b>	<b>94,878</b>	<b>62,433</b>	<b>52,416</b>	<b>10,016</b>	<b>79,662</b>	<b>79,662</b>	<b>78,262</b>	<b>1,400</b>	<b>75,259</b>
<b>Public Safety</b>									
Gate House Labor	396,553	241,952	241,952	(0)	376,626	361,218	334,407	26,811	248,295
Uniforms							1,077	(1,077)	2,154
Small Equipment							2,123	(2,123)	2,232
Vehicle Operating Expense	1,025	0	0	0			442	(442)	2,152
Security Sys Repair, Mtce, RFID	9,498	3,333	4,677	(1,344)	5,000	5,000	5,000	0	5,000
<b>Total Public Safety</b>	<b>407,076</b>	<b>245,285</b>	<b>246,629</b>	<b>(1,344)</b>	<b>381,626</b>	<b>366,218</b>	<b>343,048</b>	<b>23,170</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 Prelim Budget
	Unaudited 12/31/10	YTD Budget 8/31/11	YTD Actual 8/31/11	Variance Favorable (Unfavor)		2011 Amended Budget	2011 Forecast Total	2011 Variance Fav (Unf)	
<b>Community Operations:</b>									
Landscaping - Turf Area Maintenance	17,365	14,133	12,492	1,641	16,960	16,960	17,478	(518)	0
Landscaping - Flowers Maintenance	34,150	23,063	22,562	501	30,750	30,750	30,750	0	0
Lights, Signs, Guardrails, & Fences	3,645	4,800	2,659	2,141	8,000	8,000	8,000	0	2,000
Holiday Lights	8,789	4,362	3,471	890	8,723	8,723	8,723	0	0
Recreation	0	0	0	0	1,500	1,500	1,500	0	0
Walls & Planters Maintenance	6,500	6,000	5,200	800	6,000	6,000	5,200	800	0
Road Maintenance	1,487	10,500	10,486	14	10,500	10,500	10,500	0	10,500
Road Asphalt Patch & Crack Seal	19,912	20,000	16,196	3,804	20,000	20,000	20,000	0	20,000
Road & General Engineering	1,099	3,333	0	3,333	5,000	5,000	0	5,000	0
Engineering - Special Projects	5,118	4,444	0	4,444	5,000	5,000	0	5,000	0
Engineering - PUD Mapping	6,615	0	0	0	0	0	0	0	0
Snow Plowing Contract	22,800	14,000	19,400	(5,400)	20,000	20,000	25,400	(5,400)	20,000
Snow Plow Material, Eq Rent, Xtras	127	6,000	165	5,835	6,000	6,000	600	5,400	6,000
Weed & Pest Control	8,520	6,250	4,650	1,600	10,000	10,000	10,000	0	0
Tree Care	6,255	6,668	6,668	0	6,668	6,668	6,668	0	0
Operations Management	43,757	29,171	29,171	(0)	43,757	43,757	43,757	(0)	43,757
Operations Cell Phone	184	360	509	(149)	540	540	700	(160)	540
Gatehouse Utilities - Cable TV	1,092	867	905	(38)	1,300	1,300	1,300	0	1,300
Utilities - Electric	3,113	2,884	2,077	807	4,326	4,326	4,326	0	4,326
Utilities - Water	6,732	5,291	4,185	1,106	8,016	8,016	8,016	0	0
Utilities - Telephone/ISP	2,191	2,400	2,417	(17)	3,600	3,600	3,600	0	3,600
Building Maintenance and Repairs	0	5,000	2,198	2,802	5,000	5,000	5,000	0	2,000
Operating Contingency		0		0	25,000	25,000	25,000	0	3,000
<b>Total Community Ops Exp</b>	<b>199,451</b>	<b>169,525</b>	<b>145,410</b>	<b>24,115</b>	<b>246,640</b>	<b>246,640</b>	<b>236,517</b>	<b>10,123</b>	<b>117,023</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
Debt Service - Interest 2003 Loan (\$2	5,040	4,288	4,288	0	4,288	4,288	4,288	0	3,503
Debt Service - Vehicle Purchase Prin	0	0	0	0	0	0	0	0	0
Debt Service - Vehicle Purchase Inter	0	0	0	0	0	0	0	0	0
Debt Service - 2012 Bonds									
Contingency		0		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>Total Expenses Before Capital</b>	<b>723,540</b>	<b>499,379</b>	<b>466,591</b>	<b>32,788</b>	<b>730,063</b>	<b>714,655</b>	<b>679,963</b>	<b>34,693</b>	<b>474,251</b>
<b>Rev over Exp. before Capital</b>	<b>166,806</b>	<b>262,121</b>	<b>217,133</b>	<b>(44,988)</b>	<b>112,751</b>	<b>120,455</b>	<b>76,776</b>	<b>(43,679)</b>	<b>62</b>

See accompanying accountant's report.

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

Modified Accrual Basis

General Fund (Continued)	2011 YTD				2011 Original Budget	2011 Annual			2012
	Unaudited 12/31/10	YTD Budget 8/31/11	YTD Actual 8/31/11	Variance Favorable (Unfavor)		2011 Amended Budget	2011 Forecast Total	2011 Variance Fav (Unf)	Prelim Budget
<b>Capital Expenditures &amp; Spec Projects</b>									
Gate House & Equipment	0	0	0	0			0		
Security Vehicle	0	0	0	0			22,000	(22,000)	
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	
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		28,700	26,588	2,112		28,700	28,700	0	
Other Capital Projects		0	0	0	12,000	12,000	12,000	0	
<b>Total Capital Expenditures</b>	<b>137,932</b>	<b>28,700</b>	<b>27,138</b>	<b>1,562</b>	<b>12,000</b>	<b>40,700</b>	<b>63,250</b>	<b>(22,550)</b>	<b>0</b>
<b>Rev over Exp After Cap</b>	<b>28,874</b>	<b>233,421</b>	<b>189,995</b>	<b>(43,426)</b>	<b>100,751</b>	<b>79,755</b>	<b>13,526</b>	<b>(66,229)</b>	<b>62</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
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	0
<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>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>310,343</b>
<b>Ending Fund Balance</b>	<b>266,817</b>	<b>510,263</b>	<b>486,812</b>	<b>(23,451)</b>	<b>348,893</b>	<b>356,597</b>	<b>310,343</b>	<b>(46,254)</b>	<b>310,406</b>

See accompanying accountant's report.



























**Cordillera Valley Club  
Vehicle Purchase - Ford Escape  
September, 2011**

Option	Description	Year	Model	Color	Mileage	Price	Rate/Terms	Payments	Financing <sup>(3)</sup> Cost or Lost Interest <sup>(1)</sup>	Total Cost	Difference
<b>Cash Purchase</b>											
1	2011 Model with Fleet Price	2011	XLS	Sterling Gray	0	\$21,661.00			\$270.76	\$21,931.76	
2	2012 Model	2012	XLT	Steel Blue	0	\$23,758.00			\$296.98	\$24,054.98	
3	2010 Model	2010	XLT	White	32,032	\$21,000.00			\$262.50	\$21,262.50	
4	2008 Model	2008	XLS	White	50,738	\$16,000.00			\$200.00	\$16,200.00	
<b>Financed Purchased</b>											
1	2011 Model with 0% Financing <sup>(2)</sup>	2011	XLS	Sterling Gray	0	\$23,561.00	60 mos / 0.0%	\$392.68	\$0.00	\$23,561.00	-\$1,629.24
2	2012 Model	2012	XLT	Steel Blue	0	\$23,758.00	60 mos / 4.9%	\$447.26	\$3,077.31	\$26,835.31	-\$2,780.33
3	2010 Model	2010	XLT	White	32,032	\$21,000.00	60 mos / 4.9%	\$395.33	\$2,720.07	\$23,720.07	-\$2,457.57
4	2008 Model	2008	XLS	White	50,738	\$16,000.00	60 mos / 4.9%	\$301.21	\$2,072.44	\$18,072.44	-\$1,872.44

(1) Lost interest based on 0.5% assumed interest.

(2) Fleet discount pricing not available with 0% financing

(3) Financing provided through Ford Motor Credit

(4) Other financing options were researched but due to the amount of the purchase





## 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#:** 24C60225-917

<u>Excess Limit</u>	<u>Annual Excess Premium</u>	<u>Change in Premium</u>
\$1,000,000.00	\$371.41	\$371.41
\$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

<b>Note: This is not your coverage document and was created solely for informational purposes.</b>
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