

WILSON, REA, BECKEL & ASSOCIATES, CPAs, LLC

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Pagosa Springs, CO 81147

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Aspen Springs Metropolitan District
Pagosa Springs, Colorado

We have compiled the accompanying Balance Sheet of the Aspen Springs Metropolitan District as of October 31, 2012 and the related Profit and Loss Budget Performance for the month and ten months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management 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.

Our responsibility is to conduct 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 the 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 has elected to omit the Statement of Net Assets, Changes in Fund Balance, Statement of Activities, Statement of Cash Flows, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted statements and disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The management's budget information reported on the Profit and Loss Budget Performance are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The accompanying supplementary information for cash disbursements for the month then ended and the check register for the period October 10, 2012 to November 13, 2012 are presented only for supplementary analysis purposes. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or provide any assurance on the supplementary information.

We are not independent with respect to Aspen Springs Metropolitan District.

Wilson, Rea, Beckel & Associates, CPAs, LLC
November 13, 2012

ASPEN SPRINGS METRO DISTRICT
Balance Sheet

| | <u>Oct 31, 12</u> |
|--|----------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Bank of the San Juans Operating | 4,904.42 |
| Bank of the San Juans Money Mkt | 254,156.73 |
| Bank of the San Juans Reserve | 13,842.17 |
| CD Reserve Acct-Rio Grande Sav | 61,861.67 |
| Colorado Trust 7234 | 38,562.09 |
| Petty Cash | 20.00 |
| Total Checking/Savings | <u>373,347.08</u> |
| Other Current Assets | |
| Cash Held by Treasurer | 7,739.16 |
| Taxes Receivable | 181,550.00 |
| Total Other Current Assets | <u>189,289.16</u> |
| Total Current Assets | 562,636.24 |
| Fixed Assets | |
| Land | 51,898.49 |
| Buildings | 84,184.00 |
| Equipment | 853,858.62 |
| Total Fixed Assets | <u>989,941.11</u> |
| TOTAL ASSETS | <u><u>1,552,577.35</u></u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| Deferred Revenue | 181,550.00 |
| Payroll Liabilities | |
| Soc Security Payable | 668.42 |
| Medicare Payable | 186.38 |
| Federal Withholding Payable | 786.00 |
| Colorado State Withholding Tax | 244.00 |
| SUTA Payable | 19.27 |
| Total Payroll Liabilities | <u>1,904.07</u> |
| Total Other Current Liabilities | <u>183,454.07</u> |
| Total Current Liabilities | 183,454.07 |
| Long Term Liabilities | |
| Leases Payable | |
| Wells Fargo #L003421 | 171,341.96 |
| Total Leases Payable | <u>171,341.96</u> |
| Total Long Term Liabilities | <u>171,341.96</u> |
| Total Liabilities | 354,796.03 |
| Equity | |

ASPEN SPRINGS METRO DISTRICT
Balance Sheet

| | <u>Oct 31, 12</u> |
|---------------------------------------|-----------------------------------|
| Fund Balance-Beg. of Year | 490,868.84 |
| Investment In Fixed Assets | 651,919.16 |
| Net Income | <u>54,993.32</u> |
| Total Equity | <u>1,197,781.32</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>1,552,577.35</u></u> |

ASPEN SPRINGS METRO DISTRICT
Profit & Loss Budget Performance
October 2012

| | <u>Oct 12</u> | <u>Jan - Oct 12</u> | <u>Annual Budget</u> |
|---------------------------------|------------------|---------------------|----------------------|
| Ordinary Income/Expense | | | |
| Income | | | |
| Grants | | | |
| Park | 0.00 | 0.00 | 4,000.00 |
| Fill Station | 0.00 | 0.00 | 12,000.00 |
| Total Grants | <u>0.00</u> | <u>0.00</u> | <u>16,000.00</u> |
| Property Tax Income | 1,823.99 | 173,981.27 | 181,067.00 |
| Senior/Veteran Exemption Tax | 0.00 | 106.70 | 100.00 |
| Specific Ownership Tax | 1,342.02 | 12,176.82 | 15,000.00 |
| Highway User Tax Funds | 15,841.10 | 132,052.66 | 123,000.00 |
| Interest Income-Archuleta Cty | 87.98 | 1,189.34 | 500.00 |
| Oak Hills Income | 0.00 | 1,800.00 | 1,800.00 |
| Water Fill Station Income | 0.00 | 0.00 | 12,000.00 |
| Other Interest Income | 57.29 | 915.00 | 1,000.00 |
| Abatements | 0.00 | -21.23 | 100.00 |
| Total Income | <u>19,152.38</u> | <u>322,200.56</u> | <u>350,567.00</u> |
| Expense | | | |
| General Government | | | |
| Treasurers Fees | 57.22 | 5,240.84 | 7,246.00 |
| Total General Government | <u>57.22</u> | <u>5,240.84</u> | <u>7,246.00</u> |
| General Overhead | | | |
| Finance Charges | 0.00 | 68.40 | |
| Accounting | 275.00 | 2,115.00 | 2,700.00 |
| Advertising/Printing | 0.00 | 0.00 | 200.00 |
| Bank Charges | 0.00 | 52.00 | |
| Bonds | 0.00 | 100.00 | |
| Directors Fees | 400.00 | 4,300.00 | 5,500.00 |
| Dues & Publications | 0.00 | 0.00 | 800.00 |
| Election Costs | 11.00 | 22.00 | |
| Insurance | 0.00 | 12,289.05 | 11,800.00 |
| Internet/Website | 0.00 | 0.00 | 250.00 |
| Professional/Legal Fees | 0.00 | 1,322.75 | 3,000.00 |
| Office Supplies | 59.53 | 685.91 | 200.00 |
| Postage/Freight | 8.55 | 183.91 | 250.00 |
| Professional Fees | 0.00 | 1,000.00 | |
| Supplies - Misc | 124.79 | 2,276.69 | 2,000.00 |
| Telephone/Cell Phone | 85.30 | 2,529.34 | 3,200.00 |
| Total General Overhead | <u>964.17</u> | <u>26,945.05</u> | <u>29,900.00</u> |
| Public Works | | | |
| CAPITAL OUTLAY | | | |

Profit & Loss Budget Performance

October 2012

| | <u>Oct 12</u> | <u>Jan - Oct 12</u> | <u>Annual Budget</u> |
|---|---------------|---------------------|----------------------|
| Parks & Recreation | | | |
| Ute Park | | | |
| Miscellaneous Supplies | 0.00 | 3,570.23 | 3,000.00 |
| Professional/Legal Fees | 0.00 | 600.00 | |
| Total Ute Park | <u>0.00</u> | <u>4,170.23</u> | <u>3,000.00</u> |
| Total Parks & Recreation | 0.00 | 4,170.23 | 3,000.00 |
| Water Fill Station | | | |
| Miscellaneous Supplies | 0.00 | 0.00 | 4,000.00 |
| Building/Water Treatment | 0.00 | 500.00 | 12,000.00 |
| Professional/Legal Fees | 0.00 | 1,350.00 | |
| Water Fill Station - Other | 0.00 | 315.00 | |
| Total Water Fill Station | <u>0.00</u> | <u>2,165.00</u> | <u>16,000.00</u> |
| Total CAPITAL OUTLAY | 0.00 | 6,335.23 | 19,000.00 |
| Operating Expenses | | | |
| Building Expenses | | | |
| Office Cleaning | 0.00 | 0.00 | 1,000.00 |
| Repairs & Maintenance | 0.00 | 31.15 | 1,000.00 |
| Utilities | | | |
| Sanitation | 29.42 | 289.99 | 523.00 |
| Utilities - Other | 151.29 | 3,576.40 | 5,910.00 |
| Total Utilities | <u>180.71</u> | <u>3,866.39</u> | <u>6,433.00</u> |
| Total Building Expenses | 180.71 | 3,897.54 | 8,433.00 |
| Equipment Expenses | | | |
| Equipment Lease | 0.00 | 39,466.34 | 31,266.24 |
| Equipment Repair & Maint | | | |
| Vehicle Maintenance | 0.00 | 940.40 | |
| Equipment Repair & Maint - Other | 806.51 | 25,482.20 | 22,500.00 |
| Total Equipment Repair & Maint | <u>806.51</u> | <u>26,422.60</u> | <u>22,500.00</u> |
| Equipment Rental | 0.00 | 45.50 | |
| Gas, Diesel, Oil | 166.07 | 16,798.82 | 25,000.00 |
| Interest | 0.00 | 0.00 | 8,400.00 |
| Small Tools | 0.00 | 0.00 | 300.00 |
| Equipment Expenses - Other | 0.00 | 0.00 | 200.00 |
| Total Equipment Expenses | <u>972.58</u> | <u>82,733.26</u> | <u>87,666.24</u> |
| Road Maintenance | | | |
| Road Maint/Asphalt | 0.00 | 6,201.02 | 5,000.00 |

ASPEN SPRINGS METRO DISTRICT
Profit & Loss Budget Performance
October 2012

| | <u>Oct 12</u> | <u>Jan - Oct 12</u> | <u>Annual Budget</u> |
|-------------------------------------|----------------------------|-----------------------------|------------------------------|
| Materials/Mag Chloride | 0.00 | 32,600.02 | 30,000.00 |
| Gravel | 2,571.22 | 33,323.30 | 30,000.00 |
| Weed Control | 0.00 | 13,261.00 | 8,500.00 |
| Total Road Maintenance | <u>2,571.22</u> | <u>85,385.34</u> | <u>73,500.00</u> |
| Total Operating Expenses | 3,724.51 | 172,016.14 | 169,599.24 |
| Salaries & Wages | | | |
| Foreman | 3,333.10 | 36,664.10 | 43,330.00 |
| Equipment Operator 3 | 2,993.58 | 32,929.38 | 38,916.00 |
| Equipment Operator 1 | 0.00 | 0.00 | 19,594.00 |
| Hourly Employee | 0.00 | 1,440.00 | 4,000.00 |
| Retirement/Bonus | 0.00 | 0.00 | 4,000.00 |
| Salaries & Wages - Other | 100.00 | 960.00 | |
| Total Salaries & Wages | <u>6,426.68</u> | <u>71,993.48</u> | <u>109,840.00</u> |
| Total Public Works | 10,151.19 | 250,344.85 | 298,439.24 |
| Employee Insurance | | | |
| Health Insurance | 2,182.99 | 21,829.90 | 34,000.00 |
| Worker's Comp Insurance | 0.00 | 3,670.00 | 8,000.00 |
| Total Employee Insurance | <u>2,182.99</u> | <u>25,499.90</u> | <u>42,000.00</u> |
| Payroll Taxes | | | |
| Medicare Tax | 93.19 | 1,043.91 | 1,700.00 |
| Social Security Tax | 398.45 | 4,463.60 | 7,300.00 |
| State Unemployment Tax | 19.28 | 215.98 | 240.00 |
| Total Payroll Taxes | <u>510.92</u> | <u>5,723.49</u> | <u>9,240.00</u> |
| Total Expense | <u>13,866.49</u> | <u>313,754.13</u> | <u>386,825.24</u> |
| Net Ordinary Income | 5,285.89 | 8,446.43 | -36,258.24 |
| Other Income/Expense | | | |
| Other Income | | | |
| Income - Other | 0.00 | 4,046.89 | 4,150.00 |
| Sales of Fixed Assets | 0.00 | 42,500.00 | |
| Total Other Income | <u>0.00</u> | <u>46,546.89</u> | <u>4,150.00</u> |
| Net Other Income | <u>0.00</u> | <u>46,546.89</u> | <u>4,150.00</u> |
| Net Income | <u><u>5,285.89</u></u> | <u><u>54,993.32</u></u> | <u><u>-32,108.24</u></u> |

ASPEN SPRINGS METRO DISTRICT
Cash Disbursements

| Type | Date | Num | Name | Memo | Split | Amount |
|--|------------|-------|--------------------------------|------------------------|-----------------------|-------------------|
| Bank of the San Juans Operating | | | | | | |
| Check | 10/9/2012 | 9199 | Kelly Evans | Director's fees | Directors Fees | -100.00 |
| Check | 10/9/2012 | 9200 | Dickie Dale Warring | | Directors Fees | -100.00 |
| Check | 10/9/2012 | 9201 | Glenn Robinson | VOID: Director's fees | Directors Fees | 0.00 |
| Check | 10/9/2012 | 9202 | Holly Fulbright | Director's fees | Directors Fees | -100.00 |
| Check | 10/9/2012 | 9203 | Pat Ullrich | Director's fees | Directors Fees | -100.00 |
| Check | 10/9/2012 | 9204 | Pagosa Springs Office Supply | Inv# 63234 | Office Supplies | -40.29 |
| Check | 10/9/2012 | 9205 | Strohecker Asphalt & Paving... | Inv #12-391 | Gravel | -259.35 |
| Check | 10/9/2012 | 9206 | ACE | Acct# 15656 | Supplies - Misc | -101.79 |
| Check | 10/9/2012 | 9215 | Pat Ullrich | Reimburse for printing | Office Supplies | -19.24 |
| Check | 10/9/2012 | 9216 | Strohecker Asphalt & Paving... | Inv #12-408 | Gravel | -2,311.87 |
| Check | 10/9/2012 | 9217 | TRANSWEST TRUCK | Inv# 9 222490200 | Equipment Repair ... | -76.74 |
| Check | 10/9/2012 | 9218 | Summit Supply Corp. of Col... | Inv# 72043 | Supplies - Misc | -23.00 |
| Check | 10/9/2012 | 9219 | Waste Management of NM | Inv# 0274697-0494-7 | Sanitation | -29.42 |
| Check | 10/9/2012 | 9220 | VERIZON WIRELESS | Acct# 871108333-000... | Telephone/Cell Ph... | -85.30 |
| Check | 10/9/2012 | 9221 | Lucero Tire | Inv# 274308 | Equipment Repair ... | -25.00 |
| Check | 10/10/2012 | 9222 | Wilson, Rea, Beckel & Asso... | Inv #7239 | -SPLIT- | -283.55 |
| Check | 10/10/2012 | 9223 | Firebird Fuel | Inv # 54910CT | Gas, Diesel, Oil | -81.08 |
| Paycheck | 10/12/2012 | 9208 | Brown, Carey G | | -SPLIT- | -1,339.39 |
| Paycheck | 10/12/2012 | 9209 | Brown, Kelly A | | -SPLIT- | -94.35 |
| Paycheck | 10/12/2012 | 9210 | Stevens, Roy | | -SPLIT- | -1,130.22 |
| Liability Che... | 10/15/2012 | EFTPS | Bank of the San Juans | 74-2212616 | -SPLIT- | -1,640.74 |
| Paycheck | 10/26/2012 | 9211 | Brown, Carey G | | -SPLIT- | -1,339.39 |
| Paycheck | 10/26/2012 | 9212 | Stevens, Roy | | -SPLIT- | -1,130.22 |
| Check | 10/29/2012 | 9224 | Firebird Fuel | Inv # 57002CT | Gas, Diesel, Oil | -84.99 |
| Check | 10/29/2012 | 9225 | Pagosa Springs Sun | Inv #L4889 | Election Costs | -11.00 |
| Check | 10/29/2012 | 9226 | La Plata Electric | | Utilities | -151.29 |
| Check | 10/29/2012 | 9227 | ROCKY MTN HEALTH PLANS | Inv# 122840000507 | Health Insurance | -2,182.99 |
| Check | 10/29/2012 | 9228 | B & F Welding Supply | Inv# 328711 | Equipment Repair ... | -234.40 |
| Check | 10/29/2012 | 9229 | Bayfield AutoCare Center Inc | Inv# 30187 | Equipment Repair ... | -470.37 |
| Liability Che... | 10/31/2012 | EFT | Colorado Dept of Revenue | 14-21371 | Colorado State Wft... | -876.00 |
| Liability Che... | 10/31/2012 | 9207 | Colorado State Treasurer | 279074-00-9 | SUTA Payable | -69.30 |
| Total Bank of the San Juans Operating | | | | | | -14,491.28 |
| TOTAL | | | | | | -14,491.28 |

See Accountant's Compilation Report

ASPEN SPRINGS METRO DISTRICT

Check Register

11/13/2012 11:23 AM

Register: Bank of the San Juans Operating

From 10/10/2012 through 11/13/2012

Sorted by: Date, Type, Number/Ref

| Date | Number | Payee | Account | Memo | Payment | C | Deposit | Balance |
|------------|--------|---------------------------|-----------------------------|-------------------|-----------|---|----------|------------|
| 10/10/2012 | 9222 | Wilson, Rea, Beckel ... | -split- | Inv #7239 | 283.55 | X | | 14,240.00 |
| 10/10/2012 | 9223 | Firebird Fuel | Public Works:Operatin... | Inv # 54910CT | 81.08 | X | | 14,158.92 |
| 10/12/2012 | 9208 | Brown, Carey G | -split- | | 1,339.39 | X | | 12,819.53 |
| 10/12/2012 | 9209 | Brown, Kelly A | -split- | | 94.35 | X | | 12,725.18 |
| 10/12/2012 | 9210 | Stevens, Roy | -split- | | 1,130.22 | X | | 11,594.96 |
| 10/15/2012 | EFTPS | Bank of the San Juans | -split- | 74-2212616 | 1,640.74 | X | | 9,954.22 |
| 10/26/2012 | 9211 | Brown, Carey G | -split- | | 1,339.39 | X | | 8,614.83 |
| 10/26/2012 | 9212 | Stevens, Roy | -split- | | 1,130.22 | X | | 7,484.61 |
| 10/29/2012 | 9224 | Firebird Fuel | Public Works:Operatin... | Inv # 57002CT | 84.99 | | | 7,399.62 |
| 10/29/2012 | 9225 | Pagosa Springs Sun | General Overhead:Elec... | Inv #L4889 | 11.00 | | | 7,388.62 |
| 10/29/2012 | 9226 | La Plata Electric | Public Works:Operatin... | | 151.29 | | | 7,237.33 |
| 10/29/2012 | 9227 | ROCKY MTN HEA... | Employee Insurance:H... | Inv# 12284000... | 2,182.99 | | | 5,054.34 |
| 10/29/2012 | 9228 | B & F Welding Supply | Public Works:Operatin... | Inv# 328711 | 234.40 | | | 4,819.94 |
| 10/29/2012 | 9229 | Bayfield AutoCare C... | Public Works:Operatin... | Inv# 30187 | 470.37 | | | 4,349.57 |
| 10/29/2012 | | Bank of the San Juans ... | | Funds Transfer | | X | 1,500.00 | 5,849.57 |
| 10/31/2012 | | Other Interest Income | | Interest | | X | 0.15 | 5,849.72 |
| 10/31/2012 | EFT | Colorado Dept of Re... | Payroll Liabilities:Colo... | 14-21371 | 876.00 | X | | 4,973.72 |
| 10/31/2012 | 9207 | Colorado State Treas... | Payroll Liabilities:SUT... | 279074-00-9 | 69.30 | | | 4,904.42 |
| 11/09/2012 | 9213 | Brown, Carey G | -split- | | 1,339.39 | | | 3,565.03 |
| 11/09/2012 | 9214 | Stevens, Roy | -split- | | 1,130.22 | | | 2,434.81 |
| 11/13/2012 | 9230 | Century Link | General Overhead:Tele... | Acct #3009203... | 156.20 | | | 2,278.61 |
| 11/13/2012 | 9231 | Waste Management ... | Public Works:Operatin... | Inv# 0276487-... | 32.01 | | | 2,246.60 |
| 11/13/2012 | 9232 | Wilson, Rea, Beckel ... | -split- | Inv #7403 | 279.50 | | | 1,967.10 |
| 11/13/2012 | 9233 | Firebird Fuel | Public Works:Operatin... | Inv # 59168CT | 94.67 | | | 1,872.43 |
| 11/13/2012 | 9234 | VERIZON WIRELE... | General Overhead:Tele... | Acct# 8711083... | 91.80 | | | 1,780.63 |
| 11/13/2012 | 9235 | Chamber of Commerce | General Overhead:Due... | | 199.00 | | | 1,581.63 |
| 11/13/2012 | 9236 | Dirk W Nelson | General Overhead:Prof... | | 333.00 | | | 1,248.63 |
| 11/13/2012 | 9237 | Bob's LP | Public Works:Operatin... | Acct# 21770 | 587.73 | | | 660.90 |
| 11/13/2012 | 9238 | NAPA of Paogsa Spr... | Public Works:Operatin... | Inv# 15220 | 18.78 | | | 642.12 |
| 11/13/2012 | 9239 | Grainger | Public Works:Operatin... | Inv# 9963030136 | 130.00 | | | 512.12 |
| 11/13/2012 | 9240 | Orkin Pest Control | Public Works:Operatin... | Inv# 75608062 | 155.00 | | | 357.12 |
| 11/13/2012 | 9241 | TRANSWEST TRU... | Public Works:Operatin... | Inv# 9 2229101... | 43.21 | | | 313.91 |
| 11/13/2012 | 9242 | Summit Supply Corp... | General Overhead:Sup... | Inv# 71845 | 16.23 | | | 297.68 |
| 11/13/2012 | 9243 | ACE | General Overhead:Sup... | Acct# 15656 | 211.40 | | | 86.28 |
| 11/13/2012 | 9244 | Wagner Equipment | Public Works:Operatin... | Inv# S01W076... | 10,535.31 | | | -10,449.03 |
| 11/13/2012 | 9245 | Kelly Evans | General Overhead:Dire... | Director's fees | 100.00 | | | -10,549.03 |
| 11/13/2012 | 9246 | Dickie Dale Warring | General Overhead:Dire... | | 100.00 | | | -10,649.03 |
| 11/13/2012 | 9247 | Glenn Robinson | General Overhead:Dire... | Director's fees | 100.00 | | | -10,749.03 |
| 11/13/2012 | 9248 | Holly Fulbright | General Overhead:Dire... | Director's fees | 100.00 | | | -10,849.03 |
| 11/13/2012 | 9249 | Pat Ullrich | General Overhead:Dire... | Director's fees | 100.00 | | | -10,949.03 |

ASPEN SPRINGS METRO DISTRICT

11/13/2012 11:23 AM

Register: Bank of the San Juans Operating

Check Register

From 10/10/2012 through 11/13/2012

Sorted by: Date, Type, Number/Ref

| <u>Date</u> | <u>Number</u> | <u>Payee</u> | <u>Account</u> | <u>Memo</u> | <u>Payment</u> | <u>C</u> | <u>Deposit</u> | <u>Balance</u> |
|-------------|---------------|--------------|---------------------------|----------------|----------------|----------|----------------|----------------|
| 11/13/2012 | | | Bank of the San Juans ... | Funds Transfer | | | 20,000.00 | 9,050.97 |