

L. PAUL GOEDECKE P.C.

CERTIFIED PUBLIC ACCOUNTANTS

950 WADSWORTH BLVD.
SUITE 204
LAKEWOOD, COLORADO 80214
TELEPHONE (303) 232-2866
FAX (303) 232-9452
lpgcpa@uswest.net

**Board of Directors
Alpensee Water District
Summit County, Colorado**

We have compiled the accompanying forecasted budget of revenue, expenditures and funds available of the Alpensee Water District for the year ended December 31, 2005 including the forecasted estimate of comparative information for the year ending December 31, 2004 and the historical information for the year ending December 31, 2003, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast information that is the representation of management of the District and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles and the summary of significant accounting policies required by the American Institute of Certified Public Accountants. If the omitted disclosures were included, they might influence the user's conclusions about the District's results of budget operations for the periods presented. Accordingly, the accompanying budget presentation is not designed for those who are not informed about such matters.

L. Paul Goedecke P.C.

December 2, 2004

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CERTIFIED PUBLIC ACCOUNTANTS

December 2, 2004

Division of Local Government
State of Colorado
Department of Local Affairs
1313 Sherman Street, Room 521
Denver, Colorado 80203

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Alpensee Water District 2005 Budget Message:

Enclosed for the Boards review is a Budget document for the year ended 12/31/2005. The following are the basic assumptions from which the 2005 budget has been prepared.

The District was organized on November 20 1999 to provide water improvements, and safety protection for its inhabitants. Presently the District exists to service its outstanding bond indebtedness and provide for any maintenance or repair needed within the District as well as water services to be supplied to the inhabitants of the District.

The budget has been prepared using the modified accrual basis of accounting. The District derives its revenue from facility fees, property taxes, specific ownership taxes and interest earnings on available District funds


The District's outstanding debt consists of Limited Tax Obligation Debt and is being serviced currently through the imposition of property tax mill levy not to exceed 50 mills and specific ownership taxes, facility fees and interest earnings. The District also has a subordinate Lien bond which is payable from pledged revenues and is subordinate to the Limited Tax Bonds. Attached is a copy of the Districts debt schedule.

The District has presently has no employees and contracts with consultants to provide the other monthly services required to operate the District. These normal operating costs are accounted for in the General Fund that is funded by property, specific ownership taxes and interest earnings. Any increases in fund balance on a yearly basis are considered to be increases in the General Fund reserves in order to comply with the provisions of the Tabor Amendment. At the end of each year the District reserves that portion of the fund balance necessary to comply with the Tabor Amendment

The District has no lease obligations

If you have any question concerning the preparation of the 2005 budget, please call.

Respectfully,


L. Paul Goedecke, C.P.A.

ALPENSEE WATER DISTRICT

12/2/2004

BUDGET DOCUMENT
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

| | ACTUAL 2003 | BUDGET 2004 | ESTIMATE 2004 | BUDGET 2005 |
|------------------------------------|----------------|----------------|------------------|----------------|
| BEGINNING FUND BALANCE | 0 | 0 | 0 | 0 |
| REVENUE: | | | | |
| PROPERTY TAXES | | 29,663 | 29,707 | 29,842 |
| SPECIFIC OWNERSHIP TAXES | 5,892 | | 6,000 | 6,000 |
| METER SALES | | | | |
| WATER REVENUE | 10,938 | 11,700 | 8,900 | 10,960 |
| TRANSF FROM DEBT SERVICE FUND | 20,837 | | 5,839 | |
| MISCELLANEOUS | 452 | 237 | | |
| INTEREST INCOME | 110 | | 2,500 | 1,500 |
| TOTAL REVENUES | <u>38,229</u> | <u>41,600</u> | <u>52,946</u> | <u>48,302</u> |
| TOTAL REVENUE AND FUND BALANCE | <u>38,229</u> | <u>41,600</u> | <u>52,946</u> | <u>48,302</u> |
| EXPENDITURES: | | | | |
| ACCOUNTING & AUDITING | 7,767 | 5,000 | 5,500 | 3,500 |
| CHEMICALS & TESTING/ MAINTENANCE | 695 | 1,000 | 7,500 | 2,100 |
| DUES | | 1,000 | 685 | 700 |
| INSURANCE | 3,020 | 2,600 | 3,266 | 3,300 |
| LEGAL | 2,103 | 3,000 | | 2,200 |
| MISCELLANEOUS | 3,833 | | | 0 |
| OFFICE SUPPLIES | | | 500 | 0 |
| SALARIES & BENEFITS/CONTRACT LABOR | 18,000 | 23,000 | 23,000 | 23,000 |
| UTILITIES | 2,811 | 6,000 | 8,000 | 7,000 |
| TREASURERS FEES | | | 1,520 | 1,520 |
| ENGINEERING | | | 2,975 | |
| TRANSFER TO DEBT SERVICE | | | | 4,982 |
| TOTAL EXPENDITURES | <u>38,229</u> | <u>41,600</u> | <u>52,946</u> | <u>48,302</u> |
| ENDING FUND BALANCE | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| ASSESSED VALUATION | | 2,118,810 | | 2,131,590 |
| MILL LEVY | | <u>14.00</u> | | <u>14.00</u> |
| TOTAL PROPERTY TAXES | | <u>29,663</u> | | <u>29,842</u> |

ALPENSEE WATER DISTRICT
 BUDGET DOCUMENT
 G.O. DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

| | ACTUAL 2003 | BUDGET 2004 | ESTIMATE 2004 | BUDGET 2005 |
|--------------------------------|----------------|----------------|------------------|----------------|
| BEGINNING FUND BALANCE | 196,755 | 210,256 | 119,627 | 61,498 |
| REVENUE: | | | | |
| PROPERTY TAXES | 59,190 | 55,089 | 55,000 | 76,737 |
| SPECIFIC OWNERSHIP TAXES | 1,800 | | | |
| TRANSFER FROM GENERAL FUND | | | | 4,982 |
| IMPROVEMENT FEES/LOC Draw | 3,240 | | | |
| INTEREST INCOME | | 4,000 | 130 | 4,000 |
| TOTAL REVENUE | 64,230 | 59,089 | 55,130 | 85,719 |
| TOTAL REVENUE AND FUND BALANCE | 260,985 | 269,345 | 174,757 | 147,217 |
| EXPENDITURES: | | | | |
| BOND PRINCIPAL | 5,000 | 5,000 | 5,000 | 5,000 |
| INTEREST G.O. BONDS | 114,000 | 83,600 | 83,600 | 83,200 |
| INTEREST SUBORDINATE DEBT | | | 15,000 | 0 |
| PAYING AGENT FEES | 1,521 | 2,000 | 1,000 | 1,000 |
| TREASURERS FEES | | 500 | 2,820 | 4,300 |
| TRANSFER TO GENERAL FUND | 20,837 | | 5,839 | |
| TOTAL EXPENDITURES | 141,358 | 91,100 | 113,259 | 93,500 |
| ENDING FUND BALANCE | 119,627 | 178,245 | 61,498 | 53,717 |
| ASSESSED VALUATION | | 2,118,810 | | 2,131,590 |
| MILL LEVY | | 26 | | 36 |
| | | 55,089 | | 76,737 |