

**RESOLUTION OF
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
REGARDING
NOVEMBER 7, 2006 ELECTION**

WHEREAS, the Buckhorn Valley Metropolitan District No. 2 (the "District") is organized as a special district pursuant to Article 1 of Title 32, Colorado Revised Statutes and is located entirely within Eagle County (the "County"); and

WHEREAS, the Board of Directors of the District, anticipates holding an election for the purpose of submitting ballot issues and/or questions to eligible electors of the District; and

WHEREAS, such an election must be conducted pursuant to the Special District Act and the Uniform Election Code of 1992 and must also comply with Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the District desires to take all actions necessary and proper in anticipation of conducting such election on November 7, 2006; and

WHEREAS, pursuant to Section 1-1-111 (2), C.R.S., the Board of Directors of the District is authorized to designate an election official to exercise authority of the Board in conducting an election; and

WHEREAS, pursuant to Section 1-5-208, C.R.S., the Board can authorize the Designated Election Official to cancel the election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors for the Buckhorn Valley Metropolitan District No. 2 that:

1. The District hereby calls an election on November 7, 2006, for the purpose of presenting certain ballot issues and/or questions to the electorate. Such election shall be conducted as a polling place election.

2. The Board has named K. Sean Allen of White Bear and Ankele, Professional Corporation as the Designated Election Official for the special district election scheduled for the 7th day of November, 2006. The Designated Election Official shall act as the primary contact with the County and shall be primarily responsible for ensuring the proper conduct of the election

3. Without limiting the foregoing, the following specific determinations are also made:

a. The Board hereby directs the general counsel to the District to review the intergovernmental agreement between the District and the County Clerk and Recorder and to make changes, if necessary. Further, the Board authorizes the Designated Election Official to enter into the intergovernmental agreement on behalf of the District, for the purpose of coordinating the election and complying with the requirements of Article X, Section 20 of the Colorado Constitution.

- b. The Board hereby directs the general counsel to the District to approve the final form of the questions and/or ballot issues to be submitted to the electors of the District and authorizes the Designated Election Official to certify those questions to the County Clerk and Recorder.
- c. The Board hereby directs the general counsel to the District to prepare the text of any notice, including the TABOR notice, required to be provided to the said eligible electors and authorizes the Designated Election Official to transmit any such notice to the County Clerk and Recorder as required by law.
- d. The Board hereby directs general counsel to oversee the general conduct of the election and authorizes the Designated Election Official to take all other action necessary for the proper conduct thereof.

4. The District shall be responsible for the payment of any and all costs associated with the conduct of the election, including its cancellation, if necessary, including those costs incurred pursuant to the terms and conditions of the Agreement with the County.

5. The District hereby ratifies all actions taken to date by general counsel in connection with the November 7, 2006 election.

6. The Board hereby authorizes the Designated Election Official to cancel said election if in his judgment there is not longer a need for an election. The Board further authorizes and direct the Designated Election Official to file a cancellation notice and cancellation resolution with the Clerk and Recorder of each county in which the district is located, and with the Division of Local Government as needed.

ADOPTED AND APPROVED THIS 5th DAY OF September, 2006.

**BUCKHORN VALLEY METROPOLITAN
DISTRICT NO. 2**

By: David Harton
President

ATTEST:

By: Samantha Gale
Secretary

**"ALL REGISTERED VOTERS"
NOTICE OF ELECTION TO INCREASE TAXES/TO INCREASE DEBT/ ON A REFERRED MEASURE**

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

Election Date: November 7, 2006

Election Hours: The polling place located at Gypsum Town Hall, 0050 Lundgren Blvd., Gypsum, CO, shall be open between the hours of 7:00 a.m. and 7:00 p.m. on November 7, 2006.

Deleted: _____

Local Election Office Address and Telephone Number:

Teak J. Siminton
Eagle County Clerk and Recorder
PO Box 537
Eagle, CO
81631-0537
(970) 328-8715

Siminton

Ballot Title and Text:

Deleted: ¶

BALLOT ISSUE 5C

WITHOUT INCREASING THE AGGREGATE AMOUNT OF DEBT, REPAYMENT COSTS OR TAXES PREVIOUSLY APPROVED BY THE ELECTORS OF BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2 AT THE ELECTION HELD ON NOVEMBER 7, 2000, OR THE TERMS ON WHICH SUCH DEBT CAN BE ISSUED, SHALL THE DISTRICT BE AUTHORIZED TO REALLOCATE A PORTION OF SUCH DEBT AND RELATED REPAYMENT COSTS AND TAXES FROM WATER PURPOSES TO THE PURPOSE OF PROVIDING STREET IMPROVEMENTS, INCLUDING NECESSARY, INCIDENTAL, AND APPURTENANT COSTS (SUCH ORIGINAL AUTHORIZATION AS SET FORTH IN BALLOT ISSUE C AT SUCH ELECTION BEING FOR DEBT IN AN AGGREGATE AMOUNT OF \$7,980,000 WITH A REPAYMENT COST OF NOT MORE THAN \$65,436,000 AND AN ANNUAL TAX INCREASE OF UP TO \$9,416,400), WITH SUCH REALLOCATION TO RESULT IN THREE-FOURTHS OF THE DEBT AND RELATED REPAYMENT COSTS AND TAXES AUTHORIZED FOR WATER PURPOSES IN BALLOT ISSUE C APPROVED AT THE ELECTION HELD ON NOVEMBER 7, 2000, TO BE REALLOCATED FOR STREET PURPOSES AND THE REMAINING ONE-FOURTH OF SUCH AMOUNTS TO REMAIN AVAILABLE FOR WATER PURPOSES AS PREVIOUSLY APPROVED?

Estimated Maximum Dollar Amount of Tax Increase for first full fiscal year under this Referred Measure: \$-0-

Debt to be Issued Under the Referred Measure:

Principal Amount:
Maximum Annual Repayment Cost:
Total Repayment Cost:

	<i>Street purposes</i>	<i>water purposes</i>	<i>Total (net)</i>
Principal Amount:	\$5,985,000	(5,985,000)	- 0 -
Maximum Annual Repayment Cost:	\$7,062,300	(7,062,300)	- 0 -
Total Repayment Cost:	\$49,077,000	(49,077,000)	- 0 -

Current District Bonded Debt:

Principal Amount Outstanding: \$2,500,000 ✓
Maximum Annual Repayment Cost: \$1,904,600 ✓
Remaining Total Repayment Cost: \$5,331,500 ✓

Deleted: _____

Deleted: _____

Deleted: _____

Estimated Maximum District Fiscal Year Spending for first full fiscal year without tax increase authorized by the ballot proposal: ~~\$1,000,000~~ 800,000

Deleted: _____

Total District Fiscal Year Spending:

2006 (estimated) \$666,454 ✓
2005 (actual) \$512,538 ✓
2004 (actual) \$359,245 ✓
2003 (actual) \$965,487 ✓
2002 (actual) \$31,921 ✓

Deleted: _____

Deleted: _____

Deleted: _____

Deleted: _____

Deleted: _____

Overall percentage Change from 2002 to 2006: 1.987% 1,987.82%
Overall Dollar Change from 2002 to 2006: \$634,533

Deleted: _____

Deleted: 2

Deleted: _____

The following is a summary of written comments IN FAVOR OF THE REFERRED MEASURE filed with the Designated Election Official:

No comments were filed by the Constitutional deadline.

The following is a summary of written comments IN OPPOSITION TO THE REFERRED MEASURE filed with the Designated Election Official:

No comments were filed by the Constitutional deadline.

**“ALL REGISTERED VOTERS”
NOTICE OF ELECTION TO INCREASE TAXES/TO INCREASE DEBT/ ON A REFERRED MEASURE**

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

Election Date: November 7, 2006

Election Hours: The polling place at Gypsum Town Hall, 6050 Lundgren Blvd, Gypsum, CO shall be open between the hours of 7:00 a.m. and 7:00 p.m. on November 7, 2006.

Local Election Office Address and Telephone Number:

*Teak J. Siminton
Eagle County Clerk + Recorder
PO Box 537 Eagle, CO
81631-0537
(970) 324-4715*

BALLOT ISSUE 5C

WITHOUT INCREASING THE AGGREGATE AMOUNT OF DEBT, REPAYMENT COSTS OR TAXES PREVIOUSLY APPROVED BY THE ELECTORS OF BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2 AT THE ELECTION HELD ON NOVEMBER 7, 2000, OR THE TERMS ON WHICH SUCH DEBT CAN BE ISSUED, SHALL THE DISTRICT BE AUTHORIZED TO REALLOCATE A PORTION OF SUCH DEBT AND RELATED REPAYMENT COSTS AND TAXES FROM WATER PURPOSES TO THE PURPOSE OF PROVIDING STREET IMPROVEMENTS, INCLUDING NECESSARY, INCIDENTAL, AND APPURTENANT COSTS (SUCH ORIGINAL AUTHORIZATION AS SET FORTH IN BALLOT ISSUE C AT SUCH ELECTION BEING FOR DEBT IN AN AGGREGATE AMOUNT OF \$7,980,000 WITH A REPAYMENT COST OF NOT MORE THAN \$65,436,000 AND AN ANNUAL TAX INCREASE OF UP TO \$9,416,400), WITH SUCH REALLOCATION TO RESULT IN THREE-FOURTHS OF THE DEBT AND RELATED REPAYMENT COSTS AND TAXES AUTHORIZED FOR WATER PURPOSES IN BALLOT ISSUE C APPROVED AT THE ELECTION HELD ON NOVEMBER 7, 2000, TO BE REALLOCATED FOR STREET PURPOSES AND THE REMAINING ONE-FOURTH OF SUCH AMOUNTS TO REMAIN AVAILABLE FOR WATER PURPOSES AS PREVIOUSLY APPROVED?

Estimated Maximum Dollar Amount of Tax Increase for first full fiscal year under this Referred Measure: \$-0-

Debt to be Issued Under the Referred Measure:

Principal Amount:	\$ <u>-0-</u>
Maximum Annual Repayment Cost:	\$ <u>-0-</u>
Total Repayment Cost:	\$ <u>-0-</u>

Current District Bonded Debt:

Principal Amount Outstanding:	\$ <u>2,500,000</u>
Maximum Annual Repayment Cost:	\$ <u>1,904,600</u>
Remaining Total Repayment Cost:	\$ <u>5,331,500</u>

Estimated Maximum District Fiscal Year Spending for first full fiscal year without tax increase authorized by the ballot proposal: \$ 1,000,000

Total District Fiscal Year Spending:

2006 (estimated)	\$ <u>666,454</u>
2005 (actual)	\$ <u>512,538</u>
2004 (actual)	\$ <u>359,245</u>
2003 (actual)	\$ <u>965,487</u>
2002 (actual)	\$ <u>31,921</u>

Overall percentage Change from 2003 to 2006: 1,947 %
 Overall Dollar Change from 2002 to 2006: \$634,533

2006 - Make sure this is corrected.

The following is a summary of written comments IN FAVOR OF THE REFERRED MEASURE filed with the Designated Election Official:

No comments were filed by the Constitutional deadline.

The following is a summary of written comments IN OPPOSITION TO THE REFERRED MEASURE filed with the Designated Election Official:

No comments were filed by the Constitutional deadline.

0.*

666,454.00+
 31,921.00+
 634,533.00+*

634,533.00+
 31,921.00+
 19,878.25+*

1,947% Increase

0.*

Debt Service Requirements

The following schedule sets forth the debt service (excluding any optional or extraordinary mandatory prior redemptions) for the Bonds to be outstanding following the issuance of the Bonds.

**TABLE I
Debt Service Requirements**

Year	Principal (December 1)	Interest	Total
2003	\$	\$ 131,250	\$ 131,250
2004		175,000	175,000
2005		175,000	175,000
2006		175,000	175,000
2007		175,000	175,000
2008		175,000	175,000
2009		175,000	175,000
2010		175,000	175,000
2011		175,000	175,000
2012	5,000	175,000	180,000
2013	25,000	174,650	199,650
2014	45,000	172,900	217,900
2015	55,000	169,750	224,750
2016	65,000	165,900	230,900
2017	70,000	161,350	231,350
2018	75,000	156,450	231,450
2019	80,000	151,200	231,200
2020	90,000	145,600	235,600
2021	100,000	139,300	239,300
2022	110,000	132,300	242,300
2023	1,780,000	124,600	1,904,600
Total	2,500,000	3,400,250	5,900,250

Source: The Underwriter

5,900,250 - 000
 1,780,000 - 000
 175,000 - 000
 175,000 - 000
 2 of 2000 paid
 already 5,501,500 - 000

0.**

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED

Modified Accrual Budgetary Basis

				Current Fiscal YTD				
Unaudited Actual 12/31/05	2006 Adopted Budget	Projected Variance Favorable (Unfavor)	Cal Yr 2006 Forecast	6 Months	6 Months	Variance Favorable (Unfavor)	2007 Prelim Budget	
				Ended 06/30/06 Actual	Ended 06/30/06 Budget			
Debt Service Fund:								
Assessed value	2,564,470	3,220,310	3,220,310	3,220,310			5,685,710 5,500,000	
Mill levy rate - Bonds	37.625	43.000	43.000	43.000			37.625	
Mill levy rate - IGA Services	5.375	0.000	0.000	0.000			5.375	
Revenues								
44102 Property Taxes - Bonds	96,475	138,473	0	138,473	107,190	94,437	12,752	206,938 213,925
44132 Property Taxes - IGA Services	13,782	0	0	0	0	0	0	30,561
44302 Specific Ownership Taxes	7,029	8,308	0	8,308	3,639	3,507	132	14,190
44702 Interest Income	26,088	9,350	15,650	25,000	14,717	4,675	10,042	13,120
Total Revenues	143,374	156,132	15,650	171,782	125,546	102,620	22,926	272,215
Expenditures								
64102 Treasurer's Fees	3,310	4,154	0	4,154	3,216	2,831	(385)	7,095
Bond principal payments	0	0	0	0		0	0	0
63402 Bond interest payments	175,150	175,150	150	175,000	87,500	87,575	75	175,000
63702 Paying Agent Fee	500	500	0	500	0	250	250	500
58002 Payment to BVMD #1 for Service Costs	13,784	0	0	0	0	0	0	29,563
78002 Payments to BVMD #1 for Capital Costs	313,500	475,000	294,500	180,500	85,500	237,500	152,000	546,913
Total expenditures	506,244	654,804	294,650	360,154	176,216	328,156	151,940	759,071
Revenue Over (Under) Expenditures	(362,871)	(498,672)	310,300	(188,372)	(50,670)	(225,537)	174,866	(495,261)
Other sources (uses) of funds								
Bond Proceeds			0	0		0	0	
Cost of Issuance			0	0		0	0	
91602 Transfer to General Fund	(6,000)	(6,629)	(4,469)	(11,098)	0	0	0	(11,636)
Total Other Sources (uses) of funds	(6,000)	(6,629)	(4,469)	(11,098)	0	0	0	(11,636)
Revenue and Other Sources Over (Under) Expenditures & Other Uses	(368,871)	(505,302)	305,831	(199,471)	(50,670)	(225,537)	174,866	(506,896)
37002 Beginning Fund Balance	1,404,719	1,131,378	(95,530)	1,035,848	1,035,848	1,131,378	(95,530)	836,378
Ending Fund Balance	1,035,848	626,076	210,301	836,378	985,178	905,841	79,337	329,481
Components of Fund Balance								
Capitalized Interest	0	0	0	0	0	0	0	0
Reserved Construction Fund	727,413	356,913	190,000	546,913	641,913	594,413	47,500	0
Reserve for future debt service	308,435	269,163	20,301	289,465	343,265	311,428	31,837	329,481
	1,035,848	626,076	210,301	836,378	985,178	905,841	79,337	329,481

See accompanying accountant's report.

Round up to \$1M. for max in yr after tax increase.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED

Modified Accrual Budgetary Basis

	Annual			Current Fiscal YTD		
	Unaudited Actual 12/31/05	2006 Adopted Budget	Projected Variance Favorable (Unfavor)	Cal Yr 2006 Forecast	6 Months Ended 06/30/06 Actual	6 Months Ended 06/30/06 Budget
General Fund:						
Assessed value	2,564,470	3,220,310		3,220,310	3,220,310	
Operating Mill levy rate	0 mills	0 mills		0 mills	0 mills	
Revenues						
Property Taxes	0	0	0	0	0	0
Specific Ownership Taxes	0	0	0	0	0	0
41701 Interest Income	3,845	400	3,100	3,500	2,462	200
Total Revenues	3,845	400	3,100	3,500	2,462	200
Expenditures						
51301 Audit Fees	4,400	5,250	750	4,500	0	0
51501 Elections, Notices, Publications	0	2,000	2,000	0	0	2,000
53701 Insurance	1,560	2,000	700	1,300	1,274	2,000
54101 Notices/Legal	0		(250)	250	52	0
57101 Treasurer's Fees	0	0	0	0	0	0
56001 Office supplies	334	400	(600)	1,000	882	200
Contingency		2,000	2,000	0		0
Total Expenditures	6,294	11,650	4,600	7,050	2,208	4,200
Revenue Over (Under) Expenditures	(2,449)	(11,250)	7,700	(3,550)	254	(4,000)
Other sources (uses) of funds						
42901 Transfer from Debt Service Fund	6,000	6,629	4,469	11,098	0	0
Revenue and Other Sources Over (Under) Expenditures & Other Uses	3,551	(4,621)	12,169	7,548	254	(4,000)
37001 Beginning Fund Balance	8,311	10,289	1,572	11,861	11,861	10,289
Ending Fund Balance	11,861	5,668	13,741	19,410	12,116	6,289

See accompanying accountant's report.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED

Modified Accrual Budgetary Basis

				Current Fiscal YTD			
Unaudited Actual 12/31/05	2006 Adopted Budget	Projected Variance Favorable (Unfavor)	Cal Yr 2006 Forecast	6 Months Ended 06/30/06 Actual	6 Months Ended 06/30/06 Budget	Variance Favorable (Unfavor)	
Debt Service Fund:							
Assessed value	2,564,470	3,220,310	3,220,310	3,220,310			
Mill levy rate - Bonds	37,625	43,000	43,000	43,000			
Mill levy rate - IGA Services	5,375	0,000	0,000	0,000			
Revenues							
44102 Property Taxes - Bonds	96,475	138,473	0	138,473	107,190	94,437	12,752
44132 Property Taxes - IGA Services	13,782	0	0	0	0	0	0
44302 Specific Ownership Taxes	7,029	8,308	0	8,308	3,639	3,507	132
44702 Interest Income	26,088	9,350	15,650	25,000	14,717	4,675	10,042
Total Revenues	① 143,374	① 156,132	15,650	171,782	125,546	102,620	22,926
Expenditures							
64102 Treasurer's Fees	3,310	4,154	0	4,154	3,216	2,831	(385)
Bond principal payments	0	0	0	0	0	0	0
63402 Bond interest payments	175,150	175,150	150	175,000	87,500	87,575	75
63702 Paying Agent Fee	500	500	0	500	0	250	250
58002 Payment to BVMD #1 for Service Costs	13,784	0	0	0	0	0	0
78002 Payments to BVMD #1 for Capital Costs	313,500	475,000	294,500	180,500	85,500	237,500	152,000
Total expenditures	② 506,244	② 654,804	294,650	360,154	176,216	328,156	151,940
Revenue Over (Under) Expenditures	(362,871)	(498,672)	310,300	(188,372)	(50,670)	(225,537)	174,866
Other sources (uses) of funds							
Bond Proceeds			0		0	0	0
Cost of Issuance			0		0	0	0
91602 Transfer to General Fund	X (6,000)	X (6,629)	(4,469)	(11,098)	0	0	0
Total Other Sources (uses) of funds	(6,000)	(6,629)	(4,469)	(11,098)	0	0	0
Revenue and Other Sources Over (Under) Expenditures & Other Uses	(368,871)	(505,302)	305,831	(199,471)	(50,670)	(225,537)	174,866
37002 Beginning Fund Balance	1,404,719	1,131,378	(95,530)	1,035,848	1,035,848	1,131,378	(95,530)
Ending Fund Balance	1,035,848	626,076	210,301	836,378	985,178	905,841	79,337
Components of Fund Balance							
Capitalized Interest	0	0	0	0	0	0	0
Reserved Construction Fund	727,413	356,913	190,000	546,913	641,913	594,413	47,500
Reserve for future debt service	308,435	269,163	20,301	289,465	343,265	311,428	31,837
	1,035,848	626,076	210,301	836,378	985,178	905,841	79,337

See accompanying accountant's report

2005 2006 Expected

Σ 1's = \$147,219 Σ A's = \$156,532

Σ 2's = \$512,538 Σ B's = \$666,454

Buckhorn Valley Metropolitan District No. 2
Statement of Governmental Fund Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2004

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Revenues:			
Property tax	-	105,970	105,970
Specific ownership tax	-	6,528	6,528
Net investment income	47	24,554	24,601
Total Revenues	<u>47</u>	<u>137,052</u>	<u>137,099</u>
Expenditures:			
Intergovernmental	-	174,746	174,746
Audit	4,100	-	4,100
Insurance	1,535	-	1,535
Office supplies and overhead	34	-	34
Paying agent fees	-	500	500
Treasurer fees	-	3,180	3,180
Interest	-	175,150	175,150
Total Expenditures	<u>5,669</u>	<u>353,576</u>	<u>359,245</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,622)</u>	<u>(216,524)</u>	<u>(222,146)</u>
Other Financing Sources (Uses):			
Transfers in (out)	11,942	(11,942)	-
Total Other Financing Sources (Uses):	<u>11,942</u>	<u>(11,942)</u>	<u>-</u>
Net Change in Fund Balance	6,320	(228,466)	(222,146)
Fund Balance - Beginning	<u>1,991</u>	<u>1,633,186</u>	<u>1,635,177</u>
Fund Balance - Ending	<u>8,311</u>	<u>1,404,720</u>	<u>1,413,031</u>

Reconciliation to Statement of Activities, Changes in Net Assets:

Net Change in Fund Balance of Capital Projects Fund (above) (222,146)

Amounts reported for governmental activities in the Statement of Activities are different because:

Construction of fixed assets and performance of services by BVMD #1 creates a liability of the District. This liability is decreased both by cash payments made by the District and through revenues earned from other sources by BVMD #1. Additionally, depreciation related to assets held by BVMD #1 reduce the value of the deposit on capital assets to be conveyed to the District. (160,058)

Governmental funds report bond issue costs as expenditures when paid. However, in the Statement of Activities, the cost of those assets is allocated over the term of the underlying bonds as amortization expense. (5,378)

Change in Net Assets of Governmental Activities (387,582)

The accompanying notes are an integral part of these financial statements.

Buckhorn Valley Metropolitan District No. 2
Statement of Governmental Fund Revenues, Expenditures
and Changes in Fund Balances/Statement of Activities
For the Year Ended December 31, 2003

	Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances			Adjustments	Statement of Activities
	General Fund	Debt Service Fund	Total		
Revenues:					
Property tax	-	47,834	47,834	-	47,834
Specific ownership tax	-	2,776	2,776	-	2,776
Net investment income	33	21,903	21,936	-	21,936
Total Revenues	<u>33</u>	<u>72,513</u>	<u>72,546</u>	<u>-</u>	<u>72,546</u>
Expenditures/Expenses:					
Intergovernmental	-	718,479	718,479	(712,500)	5,979
Insurance	1,042	-	1,042	-	1,042
Legal	18	-	18	-	18
Office supplies and overhead	172	-	172	-	172
Treasurer fees	-	1,435	1,435	-	1,435
Bond issue cost amortization	-	-	-	5,378	5,378
Bond issuance costs	-	112,941	112,941	(112,941)	-
Interest	-	131,400	131,400	14,583	145,983
Total Expenditures/Expenses	<u>1,232</u>	<u>964,255</u>	<u>965,487</u>	<u>(805,480)</u>	<u>160,007</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,199)	(891,742)	(892,941)	805,480	-
Other Financing Sources (Uses):					
Proceeds from bond issuance	-	2,500,000	2,500,000	(2,500,000)	-
Transfer (to)/from other funds	1,435	(1,435)	-	-	-
Total Other Financing Sources (Uses)	<u>1,435</u>	<u>2,498,565</u>	<u>2,500,000</u>	<u>(2,500,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	236	1,606,823	1,607,059	(1,607,059)	-
Change in Net Assets	-	-	-	(87,461)	(87,461)
Fund Balances/Net Assets:					
Beginning of the year	1,755	26,363	28,118		28,118
End of the year	<u>1,991</u>	<u>1,633,186</u>	<u>1,635,177</u>		<u>(59,343)</u>

The accompanying notes are an integral part of these financial statements.

2002 #2 District

Application for Exemption from Audit
Operating Statement - All Governmental and Expendable Trust Funds

(Includes General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds)

	Fund	Fund	Fund	Fund	Total Carry-forward to Page 9
1	Revenues and Other Financing Sources:				
2	Taxes:				
3		3,766	26,364		30,130
4		221	1,552		1,773
5					0
6					0
7					0
8	Licenses and Permits				
9	Intergovernmental:				
10					0
11					0
12					0
13					0
14					0
15					0
16					0
17					0
18					0
19		18			18
20					0
21					0
22					0
23					0
24	Total Revenues and Other Financing Sources: (Add lines 3 through 23)				31,921
25	Expenditures and Other Financing Uses:				
26	Current:				
27		3,974	791		4,765
28					0
29	Judicial:				
30	Public Safety:				
31					0
32					0
33	Public Works:				
34					0
35					0
36					0
37					0
38	Culture and Recreation:				
39					0
40					0
41	Capital Outlay				
42	Debt Service:				
43					0
44					0
45					0
46	Total Expenditures and Other Financing Uses: (Add lines 27 through 45)				4,765
47		761	-761		0
49	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures & Other Uses (subtract line 46 from 24 and add line 47)				27,156
50		963	0		963
51	Fund Balance, December 31: (add lines 49 and 50 - this total should be the same as line 49 on page B-7)				28,119

Note: Attach additional sheets as necessary.
For assistance in completing these financial forms, see the Application instructions.