

RICKORDS & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
617 NORTH 17TH STREET #100
COLORADO SPRINGS CO 80904

WIGWAM MUTUAL WATER COMPANY, INC.

We have compiled the accompanying Statement of Assets, Liabilities and Equity - Cash Basis of WIGWAM MUTUAL WATER COMPANY, INC. (a non-profit corporation) as of December 31, 2010, and the related Statements of Revenues, Expenses and Retained Earnings - Cash Basis for one month and twelve months ended December 31, 2010, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to WIGWAM MUTUAL WATER COMPANY, INC.

RICKORDS & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

March 24, 2011

WIGWAM MUTUAL WATER COMPANY, INC.
STATEMENT OF ASSETS, LIABILITIES & EQUITY
CASH BASIS
AS OF DECEMBER 31, 2010

ASSETS

CURRENT ASSETS

VECTRA BANK CHECKING	\$ 1,398.39
VECTRA BANK MONEY MARKET	2,007.72
ACCOUNTS RECEIVABLE	14,094.22
RECEIVABLE - MRPOA SHARE OF EXPENSES	21,184.80
RECEIVABLES - TREATMENT PLANT, CR#1 AND MISC.	9,614.48
N/R - CASA/LWD	357.00
N/R - MRPOA (VECTRA LOAN)	<u>305,872.09</u>
Total Current Assets	<u>354,528.70</u>

PROPERTY AND EQUIPMENT

CAPITAL IMPROVEMENTS	31,036.66
CAP. IMPR. - TREATMENT BLDG	74,774.95
WATER FILTERING SYSTEM	54,736.15
CAP. IMPR. - CR#1	499,722.23
FIRE HYDRANT - VILLA CASITAS	3,856.25
WATER SYSTEM EQUIPMENT	1,086,000.00
FIELD EQUIPMENT	53,210.18
OFFICE MACHINES & EQUIPMENT	12,660.86
OFFICE FURNITURE & FIXTURES	355.40
COMPUTER SOFTWARE	2,346.76
ACCUMULATED DEPRECIATION	<u>(234,448.00)</u>
Net Property and Equipment	<u>1,584,251.44</u>

TOTAL ASSETS **\$ 1,938,780.14**

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

ACCRUED AMTS DUE WATER OPERATOR	\$ 5,114.61
N/P COMANCHE RESOURCES, LLC	18,504.14
VECTRA BANK LOC	982,879.42
N/P - GARY SMITH	<u>24,450.00</u>
Total Current Liabilities	<u>1,030,948.17</u>
Total Liabilities	<u>1,030,948.17</u>

EQUITY

EQUITY	108,368.75
DONATED CAPITAL ASSETS	789,974.70
NET INCOME (LOSS)	<u>9,488.52</u>
Total Equity	<u>907,831.97</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 1,938,780.14</u>

WIGWAM MUTUAL WATER COMPANY, INC.
STATEMENT OF INCOME & EXPENSE
For the 1 Month and 12 Months Ended December 31, 2010

	1 Month Ended Dec. 31, 2010	12 Months Ended Dec. 31, 2010	Amount Budgeted YTD
Income			
WATER INCOME	\$ 19,561.49	\$ 138,272.31	\$ 168,000.00
FLAT FEES	(3,109.08)	90,962.81	94,000.00
NSF FEES	300.00	300.00	300.00
LATE FEES	(1,595.00)	7,940.00	12,000.00
ONLINE FEES	(29.78)	2,226.00	1,900.00
PREMISES USE INCOME	0.00	750.00	1,300.00
MISCELLANEOUS INCOME	0.00	50.00	0.00
DOOR PICKUP FEES, OTHER F	75.00	675.00	800.00
OFFICE FEES (MRPOA)	185.75	2,229.00	2,230.00
METER FEES	0.00	235.00	0.00
REFUNDS	(224.77)	(374.43)	0.00
INTEREST EARNED	0.09	2.10	609.00
REIMBURSED EXPENSES	2,927.99	38,813.48	62,255.00
Total Income	<u>18,091.69</u>	<u>282,081.27</u>	<u>343,394.00</u>
Cost of Water			
CONTRACT LABOR - WATER O	2,400.00	29,265.00	25,000.00
C/L WATER OP - TRAINING	0.00	1,260.00	0.00
EXPENSES - WATER OPERATO	1,628.42	17,499.29	11,000.00
CHEMICALS, FILTERS, ETC.	12.00	2,946.33	6,500.00
CONTINUING EDUCATION	0.00	295.00	500.00
FMDA ASSESSMENTS	0.00	18,672.97	14,250.00
ROYALTIES PAID	709.89	8,169.06	7,300.00
SECURITY	74.94	1,312.73	1,400.00
UTILITIES	1,324.00	12,619.00	13,250.00
WATER TESTING	195.80	2,317.83	4,000.00
Total Cost of Water	<u>6,345.05</u>	<u>94,357.21</u>	<u>83,200.00</u>
Gross Profit	<u>11,746.64</u>	<u>187,724.06</u>	<u>260,194.00</u>
Operating Expenses			
ACCOUNTING	2,600.00	15,160.00	16,000.00
ADVERTISING (WEB SITE)	0.00	119.50	150.00
AUTO EXPENSE/TRAVEL	153.68	1,645.08	1,250.00
BANK FEES	104.58	3,225.87	2,000.00
LEGAL, ENGINEERING & OTHE	0.00	0.00	1,500.00
CONTRACT LABOR - OFFICE (M	0.00	0.00	5,500.00
CONTRACT LABOR - OFFICE/O	2,233.33	22,399.96	22,000.00
CREDIT CARD FEES	146.37	1,846.55	1,600.00
DUES & SUBSCRIPTIONS	24.95	3,401.34	3,800.00
INTEREST EXPENSE	4,209.63	40,970.06	71,000.00
INSURANCE	441.00	12,698.47	15,500.00
MEALS & ENTERTAINMENT	33.58	469.30	1,250.00
MISC. EXPENSE	4.83	243.83	400.00
OFFICE EQUIPMENT LEASE	225.50	1,174.33	1,200.00
OFFICE SUPPLIES	103.53	4,446.62	4,700.00
PERMITS, LICENSES & FEES	0.00	403.78	2,250.00
POST OFFICE BOX & POSTAGE	400.00	3,915.75	5,000.00

WIGWAM MUTUAL WATER COMPANY, INC.
STATEMENT OF INCOME & EXPENSE
For the 1 Month and 12 Months Ended December 31, 2010

	1 Month Ended Dec. 31, 2010	12 Months Ended Dec. 31, 2010	Amount Budgeted YTD
PROPERTY TAX EXPENSE	0.00	152.76	2,200.00
RENT	200.00	2,400.00	2,400.00
REPAIRS & MAINTENANCE	441.73	21,092.90	25,000.00
REPAIRS & MAINT - C/L WATER	3,690.00	31,035.00	20,000.00
R & M WATER OP EXPENSES (0.00	0.00	10,578.00
SMALL TOOLS	0.00	107.04	100.00
SOFTWARE DEVELOPMENT	75.00	4,217.50	500.00
TELEPHONE	466.03	7,109.90	7,000.00
Total Operating Expenses	<u>15,553.74</u>	<u>178,235.54</u>	<u>222,878.00</u>
Operating Income (Loss)	<u>(3,807.10)</u>	<u>9,488.52</u>	<u>37,316.00</u>
Net Income (Loss)	<u>\$ (3,807.10)</u>	<u>\$ 9,488.52</u>	<u>\$ 37,316.00</u>