

EAGLE BEND METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2017

with

Independent Auditors' Report

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EAGLE BEND METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2017

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 2,127,009	\$ 2,132,513	\$ 4,259,522
Cash and investments - restricted	346,954	-	346,954
Receivable - County Treasurer	15,343	-	15,343
Property taxes receivable	2,566,088	-	2,566,088
Prepaid expenses	5,185	-	5,185
Bond insurance costs, net of amortization	<u>51,264</u>	<u>-</u>	<u>51,264</u>
<b>TOTAL CURRENT ASSETS</b>	<u>5,111,843</u>	<u>2,132,513</u>	<u>7,244,356</u>
<b>CAPITAL ASSETS</b>			
Depreciable, net of accumulated depreciation	<u>3,057,089</u>	<u>1,048,449</u>	<u>4,105,538</u>
<b>TOTAL CAPITAL ASSETS</b>	<u>3,057,089</u>	<u>1,048,449</u>	<u>4,105,538</u>
<b>TOTAL ASSETS</b>	<u>8,168,932</u>	<u>3,180,962</u>	<u>11,349,894</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	<u>1,498,803</u>	<u>-</u>	<u>1,498,803</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,498,803</u>	<u>-</u>	<u>1,498,803</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	12,967	-	12,967
Accrued bond and loan interest payable	94,124	-	94,124
Bonds and loan payable, due within one year	<u>865,000</u>	<u>-</u>	<u>865,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>972,091</u>	<u>-</u>	<u>972,091</u>
<b>LONG-TERM LIABILITIES</b>			
City of Aurora ECCV reimbursement	-	152,681	152,681
Bonds payable, net of current portion	15,943,135	-	15,943,135
Loan payable, net of current portion	<u>14,050,000</u>	<u>-</u>	<u>14,050,000</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>29,993,135</u>	<u>152,681</u>	<u>30,145,816</u>
<b>TOTAL LIABILITIES</b>	<u>30,965,226</u>	<u>152,681</u>	<u>31,117,907</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	<u>2,566,088</u>	<u>-</u>	<u>2,566,088</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,566,088</u>	<u>-</u>	<u>2,566,088</u>
<b>NET POSITION</b>			
Net investment in capital assets	(26,302,243)	895,768	(25,406,475)
Restricted for:			
Emergency reserve	24,000	-	24,000
Unrestricted	<u>2,414,664</u>	<u>2,132,513</u>	<u>4,547,177</u>
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (23,863,579)</u>	<u>\$ 3,028,281</u>	<u>\$ (20,835,298)</u>

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 183,220	\$ -	\$ -	\$ -	\$ (183,220)	\$ -	\$ (183,220)
Interest and related costs on long-term debt	1,203,237	-	-	-	(1,203,237)	-	(1,203,237)
Depreciation	323,434	-	-	-	(323,434)	-	(323,434)
Total Governmental Activities	<u>1,709,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,709,891)</u>	<u>-</u>	<u>(1,709,891)</u>
Business-type Activities:							
Propriety fund	<u>398,839</u>	<u>389,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,719)</u>	<u>(9,719)</u>
Total Business-type Activities	<u>398,839</u>	<u>389,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,719)</u>	<u>(9,719)</u>
Total	<u>\$ 2,108,730</u>	<u>\$ 389,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,709,891)</u>	<u>(9,719)</u>	<u>(1,719,610)</u>
General Revenues:							
Property taxes					2,260,811	-	2,260,811
Specific ownership taxes					193,647	-	193,647
Transfers in (out)					(719,132)	719,132	-
Miscellaneous income					3,568	-	3,568
Interest income					<u>47,527</u>	<u>-</u>	<u>47,527</u>
Total General Revenues					<u>1,786,421</u>	<u>719,132</u>	<u>2,505,553</u>
Change in Net Position					76,530	709,413	785,943
Net Position (Deficit) - Beginning					<u>(23,940,109)</u>	<u>2,318,869</u>	<u>(21,621,240)</u>
Net Position (Deficit) - Ending					<u>\$ (23,863,579)</u>	<u>\$ 3,028,282</u>	<u>\$ (20,835,297)</u>

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 2,127,009	\$ -	\$ 2,127,009
Cash and investments - restricted	-	346,954	346,954
Receivable County Treasurer	2,102	13,241	15,343
Property taxes receivable	378,312	2,187,776	2,566,088
Prepaid expenses	<u>5,185</u>	<u>-</u>	<u>5,185</u>
TOTAL ASSETS	<u>\$ 2,512,608</u>	<u>\$ 2,547,971</u>	<u>\$ 5,060,579</u>
<b>LIABILITIES</b>			
Accounts payable	<u>\$ 12,967</u>	<u>\$ -</u>	<u>\$ 12,967</u>
TOTAL LIABILITIES	<u>12,967</u>	<u>-</u>	<u>12,967</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	<u>378,312</u>	<u>2,187,776</u>	<u>2,566,088</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>378,312</u>	<u>2,187,776</u>	<u>2,566,088</u>
<b>FUND BALANCES:</b>			
Nonspendable:			
Prepays	5,185	-	5,185
Restricted:			
Emergencies	24,000	-	24,000
Debt service	-	360,195	360,195
Assigned:			
Anticipated for 2018 expenditures	209,206	-	209,206
Unassigned	<u>1,882,938</u>	<u>-</u>	<u>1,882,938</u>
TOTAL FUND BALANCE	<u>2,121,329</u>	<u>360,195</u>	<u>2,481,524</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,512,608</u>	<u>\$ 2,547,971</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	3,057,089
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
Loss on bond refunding, net of amortization	1,498,803
Loan insurance costs, net of amortization	51,264
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds	
Bonds and loan payable	(30,858,135)
Accrued interest on bonds and loan payable	<u>(94,124)</u>
Net Position (Deficit) of Governmental Activities	<u>\$ (23,863,579)</u>

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>REVENUES</b>			
Property taxes	\$ 309,444	\$ 1,951,367	\$ 2,260,811
Ownership taxes	26,527	167,120	193,647
Miscellaneous income	3,568	-	3,568
Interest income	<u>98</u>	<u>47,429</u>	<u>47,527</u>
<b>TOTAL REVENUES</b>	<u>339,637</u>	<u>2,165,916</u>	<u>2,505,553</u>
<b>EXPENDITURES</b>			
Accounting	10,994	-	10,994
Audit	5,600	-	5,600
Director fees and payroll taxes	2,882	-	2,882
Administration	27,426	-	27,426
Communication	262	-	262
Insurance	6,097	-	6,097
Legal	32,643	-	32,643
Meetings	675	-	675
Miscellaneous	5,690	-	5,690
Landscaping utilities and maintenance	57,024	-	57,024
County collection fees	4,643	29,284	33,927
Bond interest	-	623,870	623,870
Loan principal	-	835,000	835,000
Loan interest	-	533,925	533,925
Paying agent fees	<u>-</u>	<u>1,150</u>	<u>1,150</u>
<b>TOTAL EXPENDITURES</b>	<u>153,936</u>	<u>2,023,229</u>	<u>2,177,165</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	185,701	142,687	328,388
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(719,132)</u>	<u>-</u>	<u>(719,132)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(719,132)</u>	<u>-</u>	<u>(719,132)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(533,431)	142,687	(390,744)
<b>FUND BALANCES:</b>			
BEGINNING OF YEAR	<u>2,654,760</u>	<u>217,508</u>	<u>2,872,268</u>
END OF YEAR	<u>\$ 2,121,329</u>	<u>\$ 360,195</u>	<u>\$ 2,481,524</u>

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2017

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

Net change in fund balances - Total governmental funds	\$	(390,744)
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Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful lives of the asset. Therefore, this is the amount of capital outlay, net of depreciation, in the current period.

Depreciation expense	(323,434)
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The issuance of long-term debt (e.g., bonds, leases and loans) 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 the net assets. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond insurance amortization	(2,702)
Amortization of loss on refunding	(92,078)
Original issue discount and original issue premium, net	48,130
Loan principal payment	835,000

Some expenses in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in accrued interest on long-term debt	<u>2,358</u>
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Change in Net Position of Governmental Activities	\$	<u><u>76,530</u></u>
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The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 December 31, 2017

	Water Enterprise Fund
ASSETS	
CURRENT ASSETS	
Cash deposits and investments	\$ 2,132,513
TOTAL CURRENT ASSETS	<u>2,132,513</u>
CAPITAL ASSETS	
Capital assets being depreciated	1,326,206
Accumulated depreciation	<u>(277,757)</u>
CAPITAL ASSETS, NET	<u>1,048,449</u>
TOTAL ASSETS	<u>3,180,962</u>
LIABILITIES AND NET POSITION	
LONG-TERM LIABILITIES	
City of Aurora ECCV reimbursement	<u>152,681</u>
TOTAL LIABILITIES	<u>152,681</u>
NET POSITION	
Net Investment in Capital Assets	895,768
Unrestricted	<u>2,132,513</u>
TOTAL NET POSITION	<u>\$ 3,028,282</u>

The notes to the financial statements are an integral part of these statements.



EAGLE BEND METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND

For the Year Ended December 31, 2017

	Water Enterprise Fund
OPERATING REVENUES	
Water service	\$ <u>389,120</u>
TOTAL OPERATING REVENUES	<u>389,120</u>
OPERATING EXPENSES	
Water operations	254,550
Administration	30,600
Water projects	77,360
Depreciation	<u>36,329</u>
TOTAL OPERATING EXPENSES	<u>398,839</u>
INCOME FROM OPERATIONS BEFORE OPERATING TRANSFERS	<u>(9,719)</u>
Operating transfers in	<u>719,132</u>
NET INCOME - CHANGE IN NET POSITION	709,413
NET POSITION - BEGINNING OF YEAR	<u>2,318,869</u>
NET POSITION - END OF YEAR	<u>\$ 3,028,282</u>

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND

For the Year Ended December 31, 2017

	Water Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 401,990
Payments to suppliers	<u>(362,510)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>39,480</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfer from General Fund	<u>719,132</u>
NET CASH PROVIDED FROM NON-CAPITAL ACTIVITIES	<u>719,132</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisitions of Capital Assets	(188,819)
Payments to City of Aurora - ECCV Reimbursement	<u>(59,203)</u>
NET CASH PROVIDED (REQUIRED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(248,022)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	510,590
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,621,923</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,132,513</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	
Net income from operations	\$ (9,719)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	
Depreciation	36,329
Changes in Assets and Liabilities:	
Accounts receivable	<u>12,870</u>
NET ADJUSTMENTS	<u>49,199</u>
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	<u>\$ 39,480</u>

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND

For the Year Ended December 31, 2017

	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 309,787	\$ 309,444	\$ (343)
Ownership taxes	50,693	26,527	(24,166)
Reimbursements	-	3,568	3,568
Interest income	163	98	(65)
TOTAL REVENUES	<u>360,643</u>	<u>339,637</u>	<u>(21,006)</u>
EXPENDITURES			
Accounting	13,000	10,994	2,006
Audit	7,000	5,600	1,400
Director fees and payroll taxes	4,500	2,882	1,618
Administration	42,000	27,426	14,574
Election	500	-	500
Economic Development	15,000	-	15,000
Communication	10,000	262	9,738
Insurance	13,000	6,097	6,903
Legal	35,000	32,643	2,357
Meetings	5,000	675	4,325
Miscellaneous	6,000	5,690	310
Landscaping utilities and maintenance	130,000	57,024	72,976
County collection fees	4,178	4,643	(465)
Reserves	1,974,172	-	1,974,172
Emergency Reserve	8,555	-	8,555
TOTAL EXPENDITURES	<u>2,267,905</u>	<u>153,936</u>	<u>2,113,969</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,907,262)	185,701	2,092,963
OTHER FINANCING SOURCES (USES)			
Transfer to Water Enterprise	<u>(719,132)</u>	<u>(719,132)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(719,132)</u>	<u>(719,132)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,626,394)	(533,431)	2,092,963
FUND BALANCE - BEGINNING OF YEAR	<u>2,626,394</u>	<u>2,654,760</u>	<u>28,366</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 2,121,329</u>	<u>\$ 2,121,329</u>

The notes to the financial statements are an integral part of these statements.

# EAGLE BEND METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2017

### Note 1: Reporting Entity

The Eagle Bend Metropolitan District (“the District”) was organized on November 3, 1998 in the City of Aurora, Colorado as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to develop and provide streets, water and sanitation, safety controls, television relay, translator and parks and recreation services to users in the service area. The District’s primary revenues are property taxes. The District is governed by an elected Board of Directors.

The Eagle Bend Metropolitan District Water Activity Enterprise (“the Enterprise”) was established in 2008 as a “water activity enterprise” of the District pursuant to Title 37, Article 45.1, Part 1, Colorado Revised Statutes (“the Act”). The Enterprise will continue all of the District’s water activities, including but not limited to water acquisition or water projects or facility activities, including the construction, operation, repair and replacement of water, wastewater or storm water facilities, using revenues generated by such water activities and held and managed in the District’s water enterprise fund. Pursuant to the Act, the Enterprise is excluded from the provisions of Article X, Section 20 of the Colorado Constitution (see Note 6).

As required by accounting principles generally accepted in the United States of America (“GAAP”), these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the Governmental Accounting Standards Board (“GASB”) pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

The District has no employees and all operations and administrative functions are contracted.

### Note 2: Summary of Significant Accounting Policies

The accounting policies of the District conform to GAAP as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

# EAGLE BEND METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2017

### Basis of Presentation

The accompanying financial statements are presented per GASB No. 34.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District has no fiduciary funds.

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

# EAGLE BEND METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2017

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund - The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

The District reports the following major proprietary fund:

Water Enterprise Fund – The Water Enterprise Fund accounts for activities associated with the water distribution system.

The Enterprise Fund accounts for the operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's ongoing operations. Operating revenues consist of charges to customers for services provided. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions. The District's proprietary fund consists of the Water Enterprise Fund.

### Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the proprietary fund. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification.

The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

### Statement of Cash Flows

For purposes of the statement of cash flows, the District considers cash deposits with an original maturity of three months or less to be cash equivalents. During 2017, the District incurred no noncash activities other than depreciation and amortization.

## EAGLE BEND METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

#### Assets, Liabilities, Deferred Outflows/Inflows and Net Position

##### Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2017, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

##### Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each funds' average equity balance in the total cash.

##### Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Property taxes for the current year but collectable in the subsequent year are deferred and recognized as an inflow of resources in the period that the amounts become available.

EAGLE BEND METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the assets are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land is not depreciated.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Landscaping	20 years
Wells and pipeline	40 years
Well Equipment	8-10 years

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

Prepaid Debt Insurance, Original Issue Discount and Loss on Refunding

Prepaid debt insurance and original issue premium from the Series 2016 Bonds are being amortized over the terms of the bonds using the effective interest method. Losses on refunding from the 2012 Loan and the 2016 Bonds are being amortized over the terms of the debt using the straight-line method. As of December 31, 2017, the District had accumulated amortization on the prepaid debt insurance, original issue premium and loss on refunding of \$4,586, \$81,687, and \$468,177, respectively.



## EAGLE BEND METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

#### Property Tax

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

#### Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

#### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$5,185 represents prepaid expenditures.

#### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$24,000 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$360,195 is restricted for the payment of the debt service costs associated with the General Obligation Refunding Bonds (see Note 5).

## EAGLE BEND METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

#### Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

#### Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The assigned fund balance in the General Fund in the amount of \$209,206 represents the amount for use in the budget for the year ending December 31, 2018.

#### Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

#### Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, except for construction in progress, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

EAGLE BEND METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

Note 3: Cash and Investments

As of December 31, 2017, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 4,259,522
Cash and investments - restricted	<u>346,954</u>
Total	\$ <u>4,606,476</u>

Cash and investments as of December 31, 2017, consist of the following:

Deposits with financial institutions	\$ 1,457,891
Investments - COLOTRUST	<u>3,148,585</u>
	\$ <u>4,606,476</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured depositories and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method (NAV) per share.

## EAGLE BEND METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

#### Credit risk

The District investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

#### Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

#### Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

As of December 31, 2017, the District had the following investments:

#### COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint ventures established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. The Trust operates similarly to a money market fund with each share maintaining a value of \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to the Trust. Substantially all securities owned by the Trust are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2017, the District had \$3,148,585 invested in COLOTRUST.

EAGLE BEND METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

Note 4: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2017 follows:

	<u>Balance</u> 1/1/2017	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/2017
<u>Governmental Type Activities:</u>				
<u>Capital assets being depreciated:</u>				
Landscaping	\$ 6,468,676	\$ -	\$ -	\$ 6,468,676
Total capital assets being depreciated:	6,468,676	-	-	6,468,676
Total accumulated depreciation	<u>(3,088,153)</u>	<u>(323,434)</u>	<u>-</u>	<u>(3,411,587)</u>
Net capital assets being depreciated:	<u>3,380,523</u>	<u>(323,434)</u>	<u>-</u>	<u>3,057,089</u>
Government type assets, net	<u>\$ 3,380,523</u>	<u>\$ (323,434)</u>	<u>\$ -</u>	<u>\$ 3,057,089</u>
	<u>Balance</u> 1/1/2017	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/2017
<u>Business Type Activities:</u>				
<u>Capital assets being depreciated:</u>				
ECCV pipeline	\$ 686,758	\$ -	\$ -	\$ 686,758
Wells & equipment	450,629	188,819	-	639,448
Total accumulated depreciation	<u>(241,427)</u>	<u>(36,329)</u>	<u>-</u>	<u>(277,756)</u>
Net capital assets being depreciated:	<u>895,960</u>	<u>152,490</u>	<u>-</u>	<u>1,048,450</u>
Business type assets, net	<u>\$ 895,960</u>	<u>\$ 152,490</u>	<u>\$ -</u>	<u>\$ 1,048,450</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Landscaping	\$ <u>323,434</u>
Total depreciation expense – governmental activities	\$ <u>323,434</u>
Business-type activities:	
Wells	\$ 19,160
ECCV pipeline	<u>17,169</u>
Total depreciation expense – business type activities	\$ <u>36,329</u>

EAGLE BEND METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

Upon completion and acceptance, all of the governmental activities fixed assets except for the landscaping will be conveyed by the District to other local governments. The District will not be responsible for maintenance.

Note 5: Long-Term Debt

A description of the long-term obligations as of December 31, 2017, is as follows:

Series 2012 General Obligation Refunding Loan – On April 27, 2012, the District advance refunded its outstanding Series 2003 Bonds totaling \$17,625,000 with a \$19,000,000 loan. The loan carries a coupon rate of 3.39% and calls for interest payments on June 1<sup>st</sup> and December 1<sup>st</sup> commencing December 1, 2012. Principal payments are due annually on December 1<sup>st</sup> commencing December 1, 2012 through 2033. The loan is subject to optional redemption on or after April 27, 2022 with no redemption premium. The refunding resulted in a present value savings of approximately \$1,072,000 to the District.

Series 2016 General Obligation Refunding Bonds - On April 20, 2016, the District issued \$15,030,000 of General Obligation Refunding Bonds Series 2016 (“Series 2016 Bonds”) to defease the District’s Series 2005 Bonds. The Series 2016 Bonds bear interest at rates ranging from 3.125% to 5.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2016. The bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2029. The Bonds are subject to an early redemption at the option of the District commencing December 1, 2026, at a price equal to the principal amount plus accrued interest without redemption premium. The Series 2016 Bonds scheduled to mature from December 1, 2029 through 2032 in the total amount of \$2,115,000 are subject to extraordinary redemption after July 20, 2016 through April 20, 2019 at a price equal to the principal amount plus accrued interest without redemption premium. The Series 2016 Bonds are rated by S&P at an underlying credit rating of “A-” with bond insurance from Build America Mutual with a rating of “AA” by S&P. Page 27 reflects the annual amortization of the Series 2016 Bonds.

As a result of the issuance of the Series 2016 Bonds, the refunded bonds are considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The reacquisition price of the old debt exceeded the net carrying amount by \$252,227. This amount is recorded as a deferred outflow and is being amortized over the life of the refunded Bonds. The refunding resulted in an economic gain of \$1,862,419 due to the average interest rate of the Series 2016 Bonds being lower than the refunded bonds.

EAGLE BEND METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2017

The following is an analysis of changes in long-term debt for the period ending December 31, 2017:

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017	Current Portion
2012 G.O. Refunding Loan	\$ 15,750,000	\$ -	\$ 835,000	\$ 14,915,000	\$ 865,000
2016 GO Refunding Bond	<u>15,030,000</u>	<u>-</u>	<u>-</u>	<u>15,030,000</u>	<u>-</u>
	<u>30,780,000</u>	<u>-</u>	<u>835,000</u>	<u>29,945,000</u>	<u>\$ 865,000</u>
2016 G.O. Bonds Premium	<u>961,265</u>	<u>-</u>	<u>48,130</u>	<u>913,135</u>	
	<u>\$ 31,741,265</u>	<u>\$ -</u>	<u>\$ 883,130</u>	<u>\$ 30,858,135</u>	

The following is a summary of the annual long-term debt principal and interest requirements.

	Principal	Interest	Total
2018	\$ 865,000	\$ 1,129,488	\$ 1,994,488
2019	890,000	1,100,164	1,990,164
2020	925,000	1,069,992	1,994,992
2021	960,000	1,038,636	1,998,636
2022	990,000	1,006,092	1,996,092
2023-2027	5,470,000	4,504,498	9,974,498
2028-2032	6,165,000	3,537,249	9,702,249
2033-3037	7,815,000	2,232,309	10,047,309
2038-2040	<u>5,865,000</u>	<u>416,674</u>	<u>6,281,674</u>
	<u>\$ 29,945,000</u>	<u>\$ 16,035,102</u>	<u>\$ 45,980,102</u>

At December 31, 2017, the District had \$4,455,000 of voter-authorized but unissued indebtedness. Notwithstanding, the District has issued all of the general obligation debt authorized by its service plan.

## EAGLE BEND METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

#### Note 6: Tax Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (“TABOR”), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District’s management believes a significant portion of its operations qualifies for this exclusion.

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 3, 1998, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

#### Note 7: Intergovernmental Agreements

The District and the City of Aurora have entered into an intergovernmental Agreement as required by the City of Aurora Code and the District’s Consolidated Service Plan. Under this agreement, the District must obtain the approval of the City of Aurora Council prior to; (i) any inclusion of property in or exclusion of property from the boundaries of the District, (ii) any refunding of the bonds of the District which could shorten or extend the maturities of such bonds or increase the total debt service thereon (subject to certain exception) or (iii) any consolidation with any other special district.



## EAGLE BEND METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2017

The District and the City of Aurora Water Department entered into an agreement August 22, 2007 to construct a connection to the East Cherry Creek Valley (“ECCV”) waterline. The District is to reimburse the City of Aurora \$557,089 for design and construction costs through water rate charges and a one-time down payment of \$100,000. Reimbursement for the project costs will be charged to the District based on the difference between the current City domestic irrigation rate less the City raw water rate. When the project costs have been reimbursed, the City will charge all water delivered through the ECCV connection to the District at the then current City raw water rate.

Note 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“the Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The District pays annual premiums to the Pool for auto, public officials’ liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members.

**SUPPLEMENTAL INFORMATION**

EAGLE BEND METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
DEBT SERVICE FUND

For the Year Ended December 31, 2017

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 1,951,659	\$ 1,951,367	\$ (292)
Ownership taxes	116,171	167,120	50,949
Interest income	<u>2,256</u>	<u>47,429</u>	<u>45,173</u>
TOTAL REVENUES	<u>2,070,086</u>	<u>2,165,916</u>	<u>95,830</u>
EXPENDITURES			
Bond interest	623,869	623,870	(1)
Loan Principal	835,000	835,000	-
Loan interest	533,924	533,925	(1)
Paying agent fees	15,000	1,150	13,850
County collection fees	<u>28,204</u>	<u>29,284</u>	<u>(1,080)</u>
TOTAL EXPENDITURES	<u>2,035,997</u>	<u>2,023,229</u>	<u>12,768</u>
NET CHANGE IN FUND BALANCE	34,089	142,687	108,598
FUND BALANCE - BEGINNING OF YEAR	<u>216,543</u>	<u>217,508</u>	<u>965</u>
FUND BALANCE - END OF YEAR	<u>\$ 250,632</u>	<u>\$ 360,195</u>	<u>\$ 109,563</u>

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS) -  
PROPRIETARY FUND

For the Year Ended December 31, 2017

	Original/Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Water service	\$ 354,000	\$ 389,120	\$ 35,120
Transfer from General Fund	<u>719,132</u>	<u>719,132</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>1,073,132</u>	<u>1,108,252</u>	<u>35,120</u>
<b>EXPENDITURES</b>			
Water operations	465,000	254,550	
Administration	48,700	30,600	18,100
Water projects	1,510,000	77,360	1,432,640
Reserves for future water resources	250,000	-	250,000
Contingency	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<b>TOTAL EXPENDITURES</b>	<u>2,323,700</u>	<u>362,510</u>	<u>1,750,740</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,250,568)	745,742	1,996,310
<b>FUNDS AVAILABLE</b>			
<b>BEGINNING OF YEAR</b>	<u>1,250,568</u>	<u>1,422,909</u>	<u>172,341</u>
<b>END OF YEAR</b>	<u>\$ -</u>	<u>\$ 2,168,651</u>	<u>\$ 2,168,651</u>
Funds available computed as follows:			
Current assets		\$ 2,132,513	
Liabilities		<u>(152,681)</u>	
		<u>\$ 1,979,832</u>	

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT

RECONCILIATION OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUE,  
EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUND

For the Year Ended December 31, 2017

Excess of revenues over expenditures	\$ 745,742
Deduct depreciation which is an expense	<u>(36,329)</u>
Changes in Net Position per Statement Revenues, Expenses and Changes in Net Position	<u>\$ 709,413</u>

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
(UNAUDITED)

\$15,030,000 General Obligation Refunding  
Bonds, Series 2016  
Interest Rate 4.50% to 5.00%  
Interest Payable June 1 and December 1  
Principal Due December 1

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<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	-	623,869	623,869
2019	-	623,869	623,869
2020	-	623,869	623,869
2021	-	623,869	623,869
2022	-	623,869	623,869
2023	-	623,869	623,869
2024	-	623,869	623,869
2025	-	623,869	623,869
2026	-	623,869	623,869
2027	-	623,869	623,869
2028	-	623,869	623,869
2029	470,000	623,869	1,093,869
2030	515,000	609,181	1,124,181
2031	535,000	593,088	1,128,088
2032	595,000	576,369	1,171,369
2033	615,000	557,775	1,172,775
2034	1,475,000	527,025	2,002,025
2035	1,550,000	453,275	2,003,275
2036	1,665,000	375,775	2,040,775
2037	1,745,000	292,525	2,037,525
2038	1,875,000	205,275	2,080,275
2039	1,940,000	139,650	2,079,650
2040	<u>2,050,000</u>	<u>71,750</u>	<u>2,121,750</u>
	<u>\$ 15,030,000</u>	<u>\$ 11,888,113</u>	<u>\$ 26,918,113</u>

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
(UNAUDITED)

\$19,000,000 General Obligation Refunding  
Loan, Series 2012  
Interest Rate 3.39%  
Interest Payable June 1 and December 1  
Principal Due December 1

Total of All Debt

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	865,000	505,619	1,370,619	865,000	1,129,488	1,994,488
2019	890,000	476,295	1,366,295	890,000	1,100,164	1,990,164
2020	925,000	446,123	1,371,123	925,000	1,069,992	1,994,992
2021	960,000	414,767	1,374,767	960,000	1,038,636	1,998,636
2022	990,000	382,223	1,372,223	990,000	1,006,092	1,996,092
2023	1,020,000	348,661	1,368,661	1,020,000	972,530	1,992,530
2024	1,055,000	314,084	1,369,084	1,055,000	937,953	1,992,953
2025	1,095,000	278,319	1,373,319	1,095,000	902,188	1,997,188
2026	1,130,000	241,198	1,371,198	1,130,000	865,067	1,995,067
2027	1,170,000	202,892	1,372,892	1,170,000	826,761	1,996,761
2028	1,215,000	163,228	1,378,228	1,215,000	787,097	2,002,097
2029	675,000	122,040	797,040	1,145,000	745,909	1,890,909
2030	700,000	99,158	799,158	1,215,000	708,339	1,923,339
2031	720,000	75,428	795,428	1,255,000	668,516	1,923,516
2032	740,000	51,020	791,020	1,335,000	627,389	1,962,389
2033	765,000	25,934	790,934	1,380,000	583,709	1,963,709
2034	-	-	-	1,475,000	527,025	2,002,025
2035	-	-	-	1,550,000	453,275	2,003,275
2036	-	-	-	1,665,000	375,775	2,040,775
2037	-	-	-	1,745,000	292,525	2,037,525
2038	-	-	-	1,875,000	205,275	2,080,275
2039	-	-	-	1,940,000	139,650	2,079,650
2040	-	-	-	2,050,000	71,750	2,121,750
	<u>\$ 14,915,000</u>	<u>\$ 4,146,989</u>	<u>\$ 19,061,989</u>	<u>\$ 29,945,000</u>	<u>\$ 16,035,102</u>	<u>\$ 45,980,102</u>

The notes to the financial statements are an integral part of these statements.

EAGLE BEND METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY  
AND PROPERTY TAXES COLLECTED

December 31, 2017

(UNAUDITED)

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Tax		Percent Collected to Levied
		General Fund	Debt Service	Levied	Collected	
2003	\$ 20,026,800	5.000	40.289	\$ 906,994	\$ 904,887	99.77%
2004	\$ 31,455,270	5.000	47.060	\$ 1,637,561	\$ 1,479,538	90.35%
2005	\$ 39,084,550	5.000	47.060	\$ 2,034,742	\$ 1,881,816	92.48%
2006	\$ 48,031,750	10.000	42.000	\$ 2,497,651	\$ 2,681,945	107.38%
2007	\$ 52,826,000	10.000	42.000	\$ 2,746,952	\$ 2,781,154	101.25%
2008	\$ 62,958,230	12.000	37.000	\$ 3,084,954	\$ 3,059,012	99.16%
2009	\$ 63,743,060	12.000	37.000	\$ 3,123,410	\$ 2,987,047	95.63%
2010	\$ 64,888,350	12.000	37.000	\$ 3,179,529	\$ 3,145,732	98.94%
2011	\$ 64,027,680	12.000	37.000	\$ 3,137,356	\$ 3,099,978	98.81%
2012	\$ 57,495,640	12.000	37.000	\$ 2,817,286	\$ 2,818,705	100.05%
2013	\$ 57,698,510	12.000	37.000	\$ 2,827,227	\$ 2,789,808	98.68%
2014	\$ 56,040,280	12.000	37.000	\$ 2,745,974	\$ 2,695,714	98.17%
2015	\$ 56,850,230	12.000	37.000	\$ 2,785,661	\$ 2,782,705	99.89%
2016	\$ 62,954,844	12.000	27.500	\$ 2,486,716	\$ 2,460,020	98.93%
2017	\$ 61,957,431	5.000	31.500	\$ 2,261,446	\$ 2,260,811	99.97%
Estimated for year ending December 31, 2018	\$ 69,453,219	5.447	31.500	\$ 2,566,088		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.