

Eagle Bend Metropolitan District  
Financial Statements

June 30, 2018

ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Eagle Bend Metropolitan District

Management is responsible for the accompanying financial statements of each major fund of Eagle Bend Metropolitan District, as of and for the period ended June 30, 2018, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the six months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Eagle Bend Metropolitan District because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

July 20, 2018  
Englewood, Colorado

Eagle Bend Metropolitan District  
Balance Sheet - Governmental Funds and Account Groups  
June 30, 2018

See Accountant's Compilation Report

|  | General<br>Fund     | Water<br>Enterprise<br>Fund | Debt<br>Service<br>Fund | Account<br>Groups    | Total<br>All Funds   |
|--|---------------------|-----------------------------|-------------------------|----------------------|----------------------|
| <b>Assets</b>                                |                     |                             |                         |                      |                      |
| <b>Current assets</b>                        |                     |                             |                         |                      |                      |
| Cash in checking                             | \$ 48,496           | \$ -                        | \$ -                    | \$ -                 | \$ 48,496            |
| Cash in money market                         | 1,000,000           | 200,000                     | 206,108                 | -                    | 1,406,108            |
| Colostrust                                   | 1,183,428           | 1,880,368                   | 1,254,863               | -                    | 4,318,659            |
| Accounts receivable-HOA                      | -                   | 18,308                      | -                       | -                    | 18,308               |
| Taxes receivable                             | 96,549              | -                           | 558,345                 | -                    | 654,894              |
| Prepaid expenses                             | -                   | -                           | -                       | -                    | -                    |
|  | <u>2,328,473</u>    | <u>2,098,676</u>            | <u>2,019,316</u>        | <u>-</u>             | <u>6,446,465</u>     |
| <b>Other assets</b>                          |                     |                             |                         |                      |                      |
| Fixed assets                                 | -                   | 1,137,387                   | -                       | 6,468,676            | 7,606,063            |
| Accumulated depreciation                     | -                   | (99,252)                    | -                       | (1,470,983)          | (1,570,235)          |
| Amount available in debt service fund        | -                   | -                           | -                       | 2,019,316            | 2,019,316            |
| Amount to be provided for retirement of debt | -                   | -                           | -                       | 27,925,684           | 27,925,684           |
|  | <u>-</u>            | <u>1,038,135</u>            | <u>-</u>                | <u>34,942,693</u>    | <u>35,980,828</u>    |
|  | <u>\$ 2,328,473</u> | <u>3,136,811</u>            | <u>\$ 2,019,316</u>     | <u>\$ 34,942,693</u> | <u>\$ 42,427,293</u> |
| <b>Liabilities and Equity</b>                |                     |                             |                         |                      |                      |
| <b>Current liabilities</b>                   |                     |                             |                         |                      |                      |
| Accounts payable                             | \$ 74,209           | -                           | \$ -                    | \$ -                 | \$ 74,209            |
| Accounts payable-payroll withholding         | 138                 | -                           | -                       | -                    | 138                  |
| Accounts payable - COA ECCV                  | -                   | 142,371                     | -                       | -                    | 142,371              |
|  | <u>74,347</u>       | <u>142,371</u>              | <u>-</u>                | <u>-</u>             | <u>216,718</u>       |
| General obligation bonds 2016                | -                   | -                           | -                       | 15,030,000           | 15,030,000           |
| General obligation loan - 2012               | -                   | -                           | -                       | 14,915,000           | 14,915,000           |
|  | <u>74,347</u>       | <u>142,371</u>              | <u>-</u>                | <u>29,945,000</u>    | <u>30,161,718</u>    |
| <b>Fund Equity</b>                           |                     |                             |                         |                      |                      |
| Investment in fixed assets                   | -                   | 1,038,135                   | -                       | 4,997,693            | 6,035,828            |
| Fund balance                                 | 2,254,126           | 1,956,305                   | 2,019,316               | -                    | 6,229,747            |
|  | <u>2,254,126</u>    | <u>2,994,440</u>            | <u>2,019,316</u>        | <u>4,997,693</u>     | <u>12,265,575</u>    |
|  | <u>\$ 2,328,473</u> | <u>3,136,811</u>            | <u>\$ 2,019,316</u>     | <u>\$ 34,942,693</u> | <u>\$ 42,427,293</u> |

Eagle Bend Metropolitan District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds - Budget and Actual  
For the Six Months ended June 30, 2018  
General Fund

See Accountant's Compilation Report

|  | Annual<br><u>Budget</u> | <u>Actual</u>       | Variance<br>Favorable<br><u>(Unfavorable)</u> |
|--|-------------------------|---------------------|---|
| <b>Revenues</b>                                      |                         |                     |   |
| Property taxes                                       | \$ 378,312              | \$ 369,039          | \$ (9,273)                                    |
| Specific ownership taxes                             | 22,726                  | 14,094              | (8,632)                                       |
| Miscellaneous Income/Shared Costs                    | -                       | 4,224               | 4,224   |
| Interest income                                      | 200                     | 36                  | (164)   |
|  | <u>401,238</u>          | <u>387,393</u>      | <u>(13,845)</u>                               |
| <b>Expenditures</b>                                  |                         |                     |   |
| Audit  | 7,000                   | -                   | 7,000   |
| Accounting   | 15,000                  | 3,626               | 11,374  |
| Legal  | 35,000                  | 11,451              | 23,549  |
| Insurance  | 10,000                  | 6,673               | 3,327   |
| Election Expense                                     | 25,000                  | 4,402               | 20,598  |
| Director fees  | 6,000                   | 1,400               | 4,600   |
| Payroll tax expenses                                 | 1,000                   | 214                 | 786   |
| Administration-management                            | 40,000                  | 12,322              | 27,678  |
| Economic Development                                 | 15,000                  | -                   | 15,000  |
| Communications                                       |                         |                     |   |
| Expenses   | 5,000                   | 87                  | 4,913   |
| Meetings   | 2,500                   | 448                 | 2,052   |
| Miscellaneous  | 6,000                   | 1,332               | 4,668   |
| County collection fees                               | 5,206                   | 5,536               | (330)   |
| Landscaping  |                         |                     |   |
| Utilities  | 7,500                   | 1,556               | 5,944   |
| Maintenance  | 60,000                  | 22,197              | 37,803  |
| HOA Projects - cost sharing                          | 50,000                  | 7,250               | 42,750  |
| Traffic Light  | -                       | 176,103             | (176,103)                                     |
| Transfers & Reserve                                  |                         |                     |   |
| Transfer to Water Enterprise Fund                    | 34,000                  | -                   | 34,000  |
| Statutory Reserve - TABOR                            | 8,706                   | -                   | 8,706   |
| Reserve - Water Project                              | 716,000                 | -                   | 716,000                                       |
| Reserve - debt service                               | 952,287                 | -                   | 952,287                                       |
|  | <u>2,001,199</u>        | <u>254,597</u>      | <u>1,746,602</u>                              |
| Excess (deficiency) of revenues<br>over expenditures | (1,599,961)             | 132,796             | 1,732,757                                     |
| Fund balance beginning                               | <u>1,599,961</u>        | <u>2,121,330</u>    | <u>521,369</u>                                |
| Fund balance ending                                  | \$ <u>-</u>             | \$ <u>2,254,126</u> | \$ <u>2,254,126</u>                           |

Eagle Bend Metropolitan District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds - Budget and Actual  
For the Six Months ended June 30, 2018  
Debt Service Fund

See Accountant's Compilation Report

|  | <u>Annual<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|--------------------------|---------------------|---|
| <b>Revenues</b>                                      |                          |                     |   |
| Property taxes                                       | \$ 2,187,776             | \$ 2,134,155        | \$ (53,622)                                     |
| Specific ownership taxes                             | 131,267                  | 81,508              | (49,760)  |
| Interest income                                      | <u>40,000</u>            | <u>40,517</u>       | <u>517</u>                                      |
|  | <u>2,359,043</u>         | <u>2,256,179</u>    | <u>(102,865)</u>                                |
| <b>Expenditures</b>                                  |                          |                     |   |
| GO 2012 loan interest                                | 505,619                  | 252,809             | 252,810   |
| GO 2012 loan principal                               | 865,000                  | -                   | 865,000   |
| 2016 - Bond Interest                                 | 623,869                  | 311,934             | 311,935   |
| Trustee fees   | 5,000                    | 300                 | 4,700   |
| County collection fees                               | <u>31,746</u>            | <u>32,014</u>       | <u>(268)</u>                                    |
|  | <u>2,031,234</u>         | <u>597,058</u>      | <u>1,434,177</u>                                |
| Excess (deficiency) of revenues<br>over expenditures | 327,809                  | 1,659,121           | 1,331,312                                       |
| Fund balance beginning                               | <u>345,806</u>           | <u>360,195</u>      | <u>14,389</u>                                   |
| Fund balance ending                                  | <u>\$ 673,615</u>        | <u>\$ 2,019,316</u> | <u>\$ 1,345,701</u>                             |

Eagle Bend Metropolitan District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds - Budget and Actual  
For the Six Months ended June 30, 2018  
Water Enterprise Fund

See Accountant's Compilation Report

|  | <u>Annual<br/>Budget</u> | <u>Actual</u>           | Variance<br>Favorable<br><u>(Unfavorable)</u> |
|--|--------------------------|-------------------------|---|
| <b>Revenues</b>  |                          |                         |   |
| HOA water sales - Fixed                                  | \$ 228,000               | \$ 114,000              | \$ (114,001)                                  |
| HOA water sales - Variable                               | 113,000                  | 31,756                  | (81,245)                                      |
| Transfer from General Fund                               | <u>34,000</u>            | <u>-</u>                | <u>(34,000)</u>                               |
| <br>Total revenues                                       | <br><u>375,000</u>       | <br><u>145,755</u>      | <br><u>(229,245)</u>                          |
| <b>Expenditures</b>                                      |                          |                         |   |
| Water Operations   |                          |                         |   |
| Wells  |                          |                         |   |
| Electric   | 75,000                   | 31,363                  | 43,637  |
| Water  | 32,000                   | 14,312                  | 17,688  |
| Repair & maintenance-wells                               | 250,000                  | 2,073                   | 247,927                                       |
| Buchanan   |                          |                         |   |
| Water  | 1,000                    | 7,216                   | (6,216)                                       |
| ECCV pipeline meter                                      |                          |                         |   |
| Water  | 27,500                   | 4,930                   | 22,570  |
| Repair & maintenance                                     | 10,000                   | -                       | 10,000  |
| Water Engineer   | 90,000                   | 37,723                  | 52,277  |
| Water projects   |                          |                         |   |
| Legal  | 15,000                   | 15,853                  | (853)   |
| Consultants  | 25,000                   | 3,626                   | 21,374  |
| 3rd Well/New Water Pipeline                              | 600,000                  | 37,928                  | 562,072                                       |
| Administration   |                          |                         |   |
| Directors  | 6,000                    | 1,400                   | 4,600   |
| Meetings   | 2,500                    | 447                     | 2,053   |
| Miscellaneous  | 4,000                    | 87                      | 3,913   |
| District Management                                      | 40,000                   | 12,322                  | 27,678  |
| Contingency  | 5,206                    | -                       | 5,206   |
| Reserves for Future Water Resources                      | <u>460,000</u>           | <u>-</u>                | <u>460,000</u>                                |
| <br>Total expenditures                                   | <br><u>1,643,206</u>     | <br><u>169,281</u>      | <br><u>1,473,925</u>                          |
| <br>Excess (deficiency) of revenues<br>over expenditures | <br>(1,268,206)          | <br>(23,526)            | <br>1,244,680                                 |
| <br>Fund balance beginning                               | <br><u>1,268,206</u>     | <br><u>1,979,831</u>    | <br><u>711,625</u>                            |
| <br>Fund balance ending                                  | <br>\$ <u>-</u>          | <br>\$ <u>1,956,305</u> | <br>\$ <u>1,956,305</u>                       |