

Eagle Bend Metropolitan District #2
Financial Statements

September 30, 2014

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Eagle Bend Metropolitan District #2

We have compiled the accompanying Balance Sheet – Governmental Funds and Account Groups of the Eagle Bend Metropolitan District #2 as of September 30, 2014 and the related Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental and Enterprise Funds for the nine months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, we do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the Statements of Net Position, Statement of Activities, Cash Flows, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. Accordingly, the accompanying financial statements are not intended to be used by readers who are not familiar with the District's financial affairs or informed about such matters that would be disclosed in complete financial statements.

We are not independent with respect to Eagle Bend Metropolitan District #2 because we performed certain accounting services that impaired our independence.

Simmons & Wheeler P.C.

October 20, 2014

Eagle Bend Metropolitan District #2
Balance Sheet - Governmental Funds and Account Groups
September 30, 2014

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Water Enterprise Fund</u>	<u>Debt Service Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
Assets					
Current assets					
Cash in checking	\$ 101,192	\$ -	\$ -	\$ -	\$ 101,192
Cash in money market	-	-	1,394,474	-	1,394,474
Colostrust	1,747,702	1,259,822	1,832,602	-	4,840,126
Cash with Trustee	-	-	1	-	1
Accounts receivable-HOA	9,312	43,432	-	-	52,744
Taxes receivable	4,837	-	14,912	-	19,749
	<u>1,863,043</u>	<u>1,303,254</u>	<u>3,241,989</u>	<u>-</u>	<u>6,408,286</u>
Other assets					
Fixed assets	-	1,137,387	-	6,468,676	7,606,063
Construction in progress	-	-	-	-	-
Accumulated depreciation	-	(99,252)	-	(1,470,983)	(1,570,235)
Amount available in debt service fund	-	-	-	3,241,989	3,241,989
Amount to be provided for retirement of debt	-	-	-	32,048,011	32,048,011
	<u>-</u>	<u>1,038,135</u>	<u>-</u>	<u>40,287,693</u>	<u>41,325,828</u>
	<u>\$ 1,863,043</u>	<u>2,341,389</u>	<u>\$ 3,241,989</u>	<u>\$ 40,287,693</u>	<u>\$ 47,734,114</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 51,409	-	\$ -	\$ -	\$ 51,409
Accounts payable-payroll withholding	214	-	-	-	214
Accounts payable - COA ECCV	-	291,685	-	-	291,685
	<u>51,623</u>	<u>291,685</u>	<u>-</u>	<u>-</u>	<u>343,308</u>
General obligation bonds 2004	-	-	-	1,755,000	1,755,000
General obligation bonds 2005	-	-	-	15,465,000	15,465,000
General obligation loan - 2012	-	-	-	18,070,000	18,070,000
Total liabilities	<u>51,623</u>	<u>291,685</u>	<u>-</u>	<u>35,290,000</u>	<u>35,633,308</u>
Fund Equity					
Investment in fixed assets	-	1,038,135	-	4,997,693	6,035,828
Fund balance	1,811,420	1,011,569	3,241,989	-	6,064,978
	<u>1,811,420</u>	<u>2,049,704</u>	<u>3,241,989</u>	<u>4,997,693</u>	<u>12,100,806</u>
	<u>\$ 1,863,043</u>	<u>2,341,389</u>	<u>\$ 3,241,989</u>	<u>\$ 40,287,693</u>	<u>\$ 47,734,114</u>

Eagle Bend Metropolitan District #2
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - Budget and Actual
For the Nine Months Ended September 30, 2014
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 672,484	\$ 670,194	\$ (2,290)
Specific ownership taxes	47,073	35,608	(11,465)
Shared Costs	-	-	-
Miscellaneous Income	-	-	-
Interest income	135	467	332
	<u>719,692</u>	<u>706,269</u>	<u>(13,423)</u>
Expenditures			
Audit	7,000	5,300	1,700
Accounting	12,000	5,664	6,336
Finance management	20,000	-	20,000
Legal	25,000	13,992	11,008
Insurance	8,000	6,261	1,739
Election Expense	20,000	1,850	18,150
Director fees	3,700	2,000	1,700
Payroll tax expenses	450	306	144
Administration-management	27,000	3,698	23,302
Communications			
Expenses	22,500	7,610	14,890
Management	15,000	1,089	13,911
Meetings	10,000	2,072	7,928
Miscellaneous	4,000	2,168	1,832
County collection fees	10,087	10,060	27
Landscaping			
Management	15,000	-	15,000
Utilities	20,000	3,807	16,193
Maintenance	100,000	42,759	57,241
Tree improvements	25,000	-	25,000
Center Medians	25,000	-	25,000
HOA Projects - cost sharing	700,000	17,326	682,674
Emerging oppurtunities	125,000	-	125,000
Long range planning	30,000	-	30,000
Transfers & Reserve			
Transfer to Water Enterprise Fund	39,000	-	39,000
Transfer to Debt Service Fund	630,000	1,000,000	(370,000)
Working Capital	300,000	-	300,000
Statutory Reserve - TABOR	36,742	-	36,742
Statutory Reserve - Other	495,984	-	495,984
	<u>2,726,463</u>	<u>1,125,962</u>	<u>1,600,501</u>
Excess (deficiency) of revenues over expenditures	(2,006,771)	(419,693)	1,587,078
Fund balance beginning	<u>2,006,771</u>	<u>2,231,113</u>	<u>224,342</u>
Fund balance ending	\$ <u> -</u>	\$ <u>1,811,420</u>	\$ <u>1,811,420</u>

Eagle Bend Metropolitan District #2
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - Budget and Actual
For the Nine Months Ended September 30, 2014
Debt Service Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 2,073,490	\$ 2,066,433	\$ (7,057)
Specific ownership taxes	145,144	109,792	(35,352)
Transfer from General Fund	630,000	1,000,000	370,000
Interest income	10,000	6,608	(3,392)
	<u>2,858,634</u>	<u>3,182,833</u>	<u>324,199</u>
Expenditures			
Bond interest-Series 2004	87,750	43,875	43,875
Bond principal-Series 2004	215,000	-	215,000
Bond interest-Series 2005	754,363	377,181	377,182
Bond principal-Series 2005	-	-	-
GO 2012 loan interest	612,573	306,287	306,286
GO 2012 loan principal	735,000	-	735,000
Legal	10,000	-	10,000
Miscellaneous	-	15	(15)
Trustee fees	20,000	6,360	13,640
County collection fees	31,102	31,017	85
	<u>2,465,788</u>	<u>764,735</u>	<u>1,701,053</u>
Excess (deficiency) of revenues over expenditures	392,846	2,418,098	2,025,252
Fund balance beginning	<u>836,463</u>	<u>823,891</u>	<u>(12,572)</u>
Fund balance ending	<u>\$ 1,229,309</u>	<u>\$ 3,241,989</u>	<u>\$ 2,012,680</u>

Eagle Bend Metropolitan District #2
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - Budget and Actual
For the Nine Months Ended September 30, 2014
Water Enterprise Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
HOA water sales	\$ 360,000	\$ 269,809	\$ (90,191)
Transfer from General Fund	<u>39,000</u>	<u>-</u>	<u>(39,000)</u>
Total revenues	<u>399,000</u>	<u>269,809</u>	<u>(129,191)</u>
Expenditures			
Water Operations			
Wells			
Electric	51,322	63,328	(12,006)
Water	26,400	20,588	5,812
Repair & maintenance-wells	78,000	1,823	76,177
Upgrades	5,000	-	5,000
Buchanan			
Water	1,000	392	608
ECCV pipeline meter			
Water	97,650	8,597	89,053
Repair & maintenance	5,000	-	5,000
Upgrades	10,000	-	10,000
Water management	30,000	10,451	19,549
Water projects			
Legal	5,000	-	5,000
Consultants	10,000	-	10,000
Emerging Opportunities	50,000	-	50,000
Administration			
Management	20,000	-	20,000
Directors	3,700	2,000	1,700
Meetings	7,000	2,072	4,928
Miscellaneous	2,000	2,408	(408)
Contingency	10,000	-	10,000
Reserves for Future Water Resources	<u>767,536</u>	<u>-</u>	<u>767,536</u>
Total expenditures	<u>1,179,608</u>	<u>111,659</u>	<u>1,067,949</u>
Excess (deficiency) of revenues over expenditures	(780,608)	158,150	938,758
Fund balance beginning	<u>780,608</u>	<u>853,419</u>	<u>72,811</u>
Fund balance ending	<u><u>\$ -</u></u>	<u><u>\$ 1,011,569</u></u>	<u><u>\$ 1,011,569</u></u>