

**Eagle Bend Metropolitan District #2  
Financial Statements**

**March 31, 2015**

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 March 31, 2015 and the related Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental and Enterprise Funds for the three 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.*

April 21, 2015

Eagle Bend Metropolitan District #2  
Balance Sheet - Governmental Funds and Account Groups  
March 31, 2015

See Accountant's Compilation Report

	General Fund	Water Enterprise Fund	Debt Service Fund	Account Groups	Total All Funds
<b>Assets</b>					
<b>Current assets</b>					
Cash in checking	\$ 47,324	\$ -	\$ -	\$ -	\$ 47,324
Cash in money market	-	1,326,006	69,710	-	1,395,716
Colotrust	1,925,488	-	665,700	-	2,591,188
Cash with Trustee	-	-	1	-	1
Accounts receivable-HOA	-	22,212	-	-	22,212
Taxes receivable	73,006	-	225,103	-	298,109
	<u>2,045,818</u>	<u>1,348,218</u>	<u>960,514</u>	<u>-</u>	<u>4,354,550</u>
<b>Other assets</b>					
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	-	-	-	960,514	960,514
Amount to be provided for retirement of debt	-	-	-	31,839,486	31,839,486
	<u>-</u>	<u>1,038,135</u>	<u>-</u>	<u>37,797,693</u>	<u>38,835,828</u>
	<u>\$ 2,045,818</u>	<u>2,386,353</u>	<u>\$ 960,514</u>	<u>\$ 37,797,693</u>	<u>\$ 43,190,378</u>
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 5,182	-	\$ -	\$ -	\$ 5,182
Accounts payable-payroll withholding	214	-	-	-	214
Accounts payable - COA ECCV	-	291,685	-	-	291,685
	<u>5,396</u>	<u>291,685</u>	<u>-</u>	<u>-</u>	<u>297,081</u>
General obligation bonds 2004	-	-	-	-	-
General obligation bonds 2005	-	-	-	15,465,000	15,465,000
General obligation loan - 2012	-	-	-	17,335,000	17,335,000
<b>Total liabilities</b>	<u>5,396</u>	<u>291,685</u>	<u>-</u>	<u>32,800,000</u>	<u>33,097,081</u>
<b>Fund Equity</b>					
Investment in fixed assets	-	1,038,135	-	4,997,693	6,035,828
Fund balance	2,040,422	1,056,533	960,514	-	4,057,469
	<u>2,040,422</u>	<u>2,094,668</u>	<u>960,514</u>	<u>4,997,693</u>	<u>10,093,297</u>
	<u>\$ 2,045,818</u>	<u>2,386,353</u>	<u>\$ 960,514</u>	<u>\$ 37,797,693</u>	<u>\$ 43,190,378</u>

Eagle Bend Metropolitan District #2  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds - Budget and Actual  
For the Three Months Ended March 31, 2015  
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 682,203	\$ 299,442	\$ (382,761)
Specific ownership taxes	47,754	13,409	(34,345)
Shared Costs	-	-	-
Miscellaneous Income	-	-	-
Interest income	122	38	(84)
	<u>730,079</u>	<u>312,889</u>	<u>(417,190)</u>
<b>Expenditures</b>			
Audit	7,000	-	7,000
Accounting	12,000	1,870	10,130
Finance management	-	-	-
Legal	25,000	5,571	19,429
Insurance	10,000	6,245	3,755
Election Expense	-	-	-
Director fees	3,700	700	3,000
Payroll tax expenses	450	107	343
Administration-management	107,000	1,083	105,917
Communications			
Expenses	25,000	3,354	21,646
Management	-	-	-
Meetings	10,000	1,035	8,965
Miscellaneous	5,000	508	4,492
County collection fees	10,233	4,492	5,741
Landscaping			
Management	-	-	-
Utilities	10,000	62	9,938
Maintenance	50,000	3,906	46,094
Tree improvements	50,000	-	50,000
Center Medians	50,000	-	50,000
HOA Projects - cost sharing	700,000	46	699,954
Emerging oppurtunites	125,000	-	125,000
Long range planning	30,000	-	30,000
Transfers & Reserve			
Transfer to Water Enterprise Fund	39,792	-	39,792
Transfer to Debt Service Fund	-	-	-
Working Capital	300,000	-	300,000
Statutory Reserve - TABOR	36,911	-	36,911
Statutory Reserve - Other	569,799	-	569,799
	<u>2,176,885</u>	<u>28,979</u>	<u>2,147,906</u>
Excess (deficiency) of revenues over expenditures	(1,446,806)	283,910	1,730,716
Fund balance beginning	<u>1,446,806</u>	<u>1,756,512</u>	<u>309,706</u>
Fund balance ending	\$ <u><u>-</u></u>	\$ <u><u>2,040,422</u></u>	\$ <u><u>2,040,422</u></u>

Eagle Bend Metropolitan District #2  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds - Budget and Actual  
For the Three Months Ended March 31, 2015  
Water Enterprise Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
HOA water sales - Fixed	\$ 200,000	\$ 22,000	\$ (178,000)
HOA water sales - Variable	158,125	212	(157,913)
Transfer from General Fund	<u>39,792</u>	<u>-</u>	<u>(39,792)</u>
 Total revenues	 <u>397,917</u>	 <u>22,212</u>	 <u>(375,705)</u>
 <b>Expenditures</b>			
Water Operations			
Wells			
Electric	69,000	2,894	66,106
Water	23,000	-	23,000
Repair & maintenance-wells	275,000	1,200	273,800
Upgrades	25,000	-	25,000
Buchanan			
Water	1,000	131	869
ECCV pipeline meter			
Water	74,865	-	74,865
Repair & maintenance	5,000	-	5,000
Upgrades	10,000	-	10,000
Water management	30,000	3,302	26,698
Water projects			
Legal	5,000	-	5,000
Consultants	10,000	-	10,000
Emerging Opportunities	50,000	-	50,000
Administration			
Management	-	-	-
Directors	3,700	700	3,000
Meetings	7,000	1,035	5,965
Miscellaneous	4,000	749	3,251
Contingency	10,000	-	10,000
Reserves for Future Water Resources	<u>769,104</u>	<u>-</u>	<u>769,104</u>
 Total expenditures	 <u>1,371,669</u>	 <u>10,011</u>	 <u>1,361,658</u>
 Excess (deficiency) of revenues over expenditures	 (973,752)	 12,201	 985,953
 Fund balance beginning	 <u>973,752</u>	 <u>1,044,332</u>	 <u>70,580</u>
 Fund balance ending	 <u>\$ -</u>	 <u>\$ 1,056,533</u>	 <u>\$ 1,056,533</u>

Eagle Bend Metropolitan District #2  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds - Budget and Actual  
For the Three Months Ended March 31, 2015  
Debt Service Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 2,103,458	\$ 923,281	\$ (1,180,177)
Specific ownership taxes	147,243	41,344	(105,899)
Transfer from General Fund	-	-	-
Interest income	<u>68</u>	<u>1,291</u>	<u>1,223</u>
	<u>2,250,769</u>	<u>965,916</u>	<u>(1,284,853)</u>
<b>Expenditures</b>			
Bond interest-Series 2004	-	-	-
Bond principal-Series 2004	-	-	-
Redemption Premium Series 2004	-	-	-
Bond interest-Series 2005	754,363	-	754,363
Bond principal-Series 2005	-	-	-
GO 2012 loan interest	587,656	-	587,656
GO 2012 loan principal	780,000	-	780,000
Legal	10,000	-	10,000
Miscellaneous	-	-	-
Trustee fees	15,000	-	15,000
County collection fees	<u>31,553</u>	<u>13,851</u>	<u>17,702</u>
	<u>2,178,572</u>	<u>13,851</u>	<u>2,164,721</u>
Excess (deficiency) of revenues over expenditures	72,197	952,065	879,868
Fund balance beginning	<u>26,970</u>	<u>8,449</u>	<u>(18,521)</u>
Fund balance ending	<u>\$ 99,167</u>	<u>\$ 960,514</u>	<u>\$ 861,347</u>