

Eagle Bend Metropolitan District #2
Financial Statements

June 30, 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 June 30, 2015 and the related Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental and Enterprise Funds for the six 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.

July 14, 2015

Eagle Bend Metropolitan District #2
Balance Sheet - Governmental Funds and Account Groups
June 30, 2015

See Accountant's Compilation Report

	General <u>Fund</u>	Water Enterprise <u>Fund</u>	Debt Service <u>Fund</u>	Account <u>Groups</u>	Total <u>All Funds</u>
Assets					
Current assets					
Cash in checking	\$ 76,837	\$ -	\$ -	\$ -	\$ 76,837
Cash in money market	-	1,342,660	53,541	-	1,396,201
Colotrust	2,172,491	-	856,111	-	3,028,602
Cash with Trustee	-	-	1	-	1
Accounts receivable-HOA	-	25,107	-	-	25,107
Taxes receivable	<u>173,374</u>	<u>-</u>	<u>534,569</u>	<u>-</u>	<u>707,943</u>
	<u>2,422,702</u>	<u>1,367,767</u>	<u>1,444,222</u>	<u>-</u>	<u>5,234,691</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	-	-	-	1,444,222	1,444,222
Amount to be provided for retirement of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,355,778</u>	<u>31,355,778</u>
	<u>-</u>	<u>1,038,135</u>	<u>-</u>	<u>37,797,693</u>	<u>38,835,828</u>
	<u>\$ 2,422,702</u>	<u>2,405,902</u>	<u>\$ 1,444,222</u>	<u>\$ 37,797,693</u>	<u>\$ 44,070,519</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 76,768	-	\$ -	\$ -	\$ 76,768
Accounts payable-payroll withholding	214	-	-	-	214
Accounts payable - COA ECCV	<u>-</u>	<u>286,626</u>	<u>-</u>	<u>-</u>	<u>286,626</u>
	<u>76,982</u>	<u>286,626</u>	<u>-</u>	<u>-</u>	<u>363,608</u>
General obligation bonds 2004	-	-	-	-	-
General obligation bonds 2005	-	-	-	15,465,000	15,465,000
General obligation loan - 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,335,000</u>	<u>17,335,000</u>
Total liabilities	<u>76,982</u>	<u>286,626</u>	<u>-</u>	<u>32,800,000</u>	<u>33,163,608</u>
Fund Equity					
Investment in fixed assets	-	1,038,135	-	4,997,693	6,035,828
Fund balance	<u>2,345,720</u>	<u>1,081,141</u>	<u>1,444,222</u>	<u>-</u>	<u>4,871,083</u>
	<u>2,345,720</u>	<u>2,119,276</u>	<u>1,444,222</u>	<u>4,997,693</u>	<u>10,906,911</u>
	<u>\$ 2,422,702</u>	<u>2,405,902</u>	<u>\$ 1,444,222</u>	<u>\$ 37,797,693</u>	<u>\$ 44,070,519</u>

Eagle Bend Metropolitan District #2
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - Budget and Actual
For the Six Months Ended June 30, 2015
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 682,203	\$ 666,041	\$ (16,162)
Specific ownership taxes	47,754	26,229	(21,525)
Interest income	122	147	25
	<u>730,079</u>	<u>692,417</u>	<u>(37,662)</u>
Expenditures			
Audit	7,000	5,400	1,600
Accounting	12,000	4,092	7,908
Legal	25,000	11,261	13,739
Insurance	10,000	6,245	3,755
Election Expense	-	15,243	(15,243)
Director fees	3,700	1,400	2,300
Payroll tax expenses	450	214	236
Administration-management	107,000	11,647	95,353
Communications			
Expenses	25,000	5,966	19,034
Meetings	10,000	1,211	8,789
Miscellaneous	5,000	1,333	3,667
County collection fees	10,233	9,993	240
Landscaping			
Utilities	10,000	410	9,590
Maintenance	50,000	21,681	28,319
Tree improvements	50,000	-	50,000
Center Medians	50,000	-	50,000
HOA Projects - cost sharing	700,000	105	699,895
Emerging oppurtunities	125,000	7,008	117,992
Long range planning	30,000	-	30,000
Transfers & Reserve			
Transfer to Water Enterprise Fund	39,792	-	39,792
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>103,209</u>	<u>2,073,676</u>
Excess (deficiency) of revenues over expenditures	(1,446,806)	589,208	2,036,014
Fund balance beginning	<u>1,446,806</u>	<u>1,756,512</u>	<u>309,706</u>
Fund balance ending	\$ <u>-</u>	\$ <u>2,345,720</u>	\$ <u>2,345,720</u>

Eagle Bend Metropolitan District #2
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - Budget and Actual
For the Six Months Ended June 30, 2015
Debt Service Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 2,103,458	\$ 2,053,627	\$ (49,831)
Specific ownership taxes	147,243	80,872	(66,371)
Transfer from General Fund	-	-	-
Interest income	68	3,094	3,026
	<u>2,250,769</u>	<u>2,137,593</u>	<u>(113,176)</u>
Expenditures			
Bond interest-Series 2005	754,363	377,181	377,182
Bond principal-Series 2005	-	-	-
GO 2012 loan interest	587,656	293,828	293,828
GO 2012 loan principal	780,000	-	780,000
Legal	10,000	-	10,000
Trustee fees	15,000	-	15,000
County collection fees	31,553	30,811	742
	<u>2,178,572</u>	<u>701,820</u>	<u>1,476,752</u>
Excess (deficiency) of revenues over expenditures	72,197	1,435,773	1,363,576
Fund balance beginning	<u>26,970</u>	<u>8,449</u>	<u>(18,521)</u>
Fund balance ending	<u>\$ 99,167</u>	<u>\$ 1,444,222</u>	<u>\$ 1,345,055</u>

Eagle Bend Metropolitan District #2
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - Budget and Actual
For the Six Months Ended June 30, 2015
Water Enterprise Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
HOA water sales - Fixed	\$ 200,000	\$ 100,000	\$ (100,000)
HOA water sales - Variable	158,125	11,264	(146,861)
Transfer from General Fund	39,792	-	(39,792)
	<u>397,917</u>	<u>111,264</u>	<u>(286,653)</u>
Total revenues	397,917	111,264	(286,653)
Expenditures			
Water Operations			
Wells			
Electric	69,000	16,907	52,093
Water	23,000	3,235	19,765
Repair & maintenance-wells	275,000	30,873	244,127
Upgrades	25,000	-	25,000
Buchanan			
Water	1,000	261	739
ECCV pipeline meter			
Water	74,865	2,477	72,388
Repair & maintenance	5,000	-	5,000
Upgrades	10,000	-	10,000
Water management	30,000	16,454	13,546
Water projects			
Legal	5,000	-	5,000
Consultants	10,000	-	10,000
Emerging Opportunities	50,000	-	50,000
Administration			
Directors	3,700	1,400	2,300
Meetings	7,000	1,211	5,789
Miscellaneous	4,000	1,637	2,363
Contingency	10,000	-	10,000
Reserves for Future Water Resources	769,104	-	769,104
	<u>1,371,669</u>	<u>74,455</u>	<u>1,297,214</u>
Total expenditures	1,371,669	74,455	1,297,214
Excess (deficiency) of revenues over expenditures	(973,752)	36,809	1,010,561
Fund balance beginning	973,752	1,044,332	70,580
Fund balance ending	\$ -	\$ 1,081,141	\$ 1,081,141