

Eagle Bend Metropolitan District #2
Financial Statements

September 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 September 30, 2015 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.

December 4, 2015

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

See Accountant's Compilation Report

		General Fund	Water Enterprise Fund	Debt Service Fund	Account Groups	Total All Funds
Assets						
Current assets						
Cash in checking	\$	94,231	\$ -	\$ -	\$ -	\$ 94,231
Cash in money market		-	1,380,342	16,350	-	1,396,692
Colotrust		2,192,773		1,490,453	-	3,683,226
Cash with Trustee		-	-	1	-	1
Accounts receivable-HOA		-	-	-	-	-
Taxes receivable		5,670	-	17,484	-	23,154
		<u>2,292,674</u>	<u>1,380,342</u>	<u>1,524,288</u>	<u>-</u>	<u>5,197,304</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		-	-	-	1,524,288	1,524,288
Amount to be provided for retirement of debt		-	-	-	31,275,712	31,275,712
		<u>-</u>	<u>1,038,135</u>	<u>-</u>	<u>37,797,693</u>	<u>38,835,828</u>
	\$	<u><u>2,292,674</u></u>	<u><u>2,418,477</u></u>	\$ <u><u>1,524,288</u></u>	\$ <u><u>37,797,693</u></u>	\$ <u><u>44,033,132</u></u>
Liabilities and Equity						
Current liabilities						
Accounts payable	\$	56,083	-	\$ -	\$ -	\$ 56,083
Accounts payable-payroll withholding		444	-	-	-	444
Accounts payable - COA ECCV		-	254,057	-	-	254,057
		<u>56,527</u>	<u>254,057</u>	<u>-</u>	<u>-</u>	<u>310,584</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
Total liabilities		<u>56,527</u>	<u>254,057</u>	<u>-</u>	<u>32,800,000</u>	<u>33,110,584</u>
Fund Equity						
Investment in fixed assets		-	1,038,135	-	4,997,693	6,035,828
Fund balance		2,236,147	1,126,285	1,524,288	-	4,886,720
		<u>2,236,147</u>	<u>2,164,420</u>	<u>1,524,288</u>	<u>4,997,693</u>	<u>10,922,548</u>
	\$	<u><u>2,292,674</u></u>	<u><u>2,418,477</u></u>	\$ <u><u>1,524,288</u></u>	\$ <u><u>37,797,693</u></u>	\$ <u><u>44,033,132</u></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, 2015
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Actual	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Property taxes	\$ 682,203	\$ 677,234	\$ (4,969)
Specific ownership taxes	47,754	40,178	(7,576)
Interest income	122	444	322
	<u>730,079</u>	<u>717,856</u>	<u>(12,223)</u>
Expenditures			
Audit	7,000	5,400	1,600
Accounting	12,000	6,929	5,071
Legal	25,000	19,814	5,186
Insurance	10,000	6,245	3,755
Election Expense	-	52,462	(52,462)
Director fees	3,700	2,850	850
Payroll tax expenses	450	459	(9)
Administration-management	107,000	22,050	84,950
Communications			
Expenses	25,000	6,820	18,180
Management	-	2,143	(2,143)
Meetings	10,000	2,863	7,137
Miscellaneous	5,000	3,163	1,837
County collection fees	10,233	10,165	68
Landscaping			
Utilities	10,000	1,929	8,071
Maintenance	50,000	35,562	14,438
Tree improvements	50,000	-	50,000
Center Medians	50,000	-	50,000
HOA Projects - cost sharing	700,000	16,469	683,531
Emerging oppurtunites	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>202,331</u>	<u>1,974,554</u>
Excess (deficiency) of revenues over expenditures	(1,446,806)	515,525	1,962,331
Fund balance beginning	<u>1,446,806</u>	<u>1,720,622</u>	<u>273,816</u>
Fund balance ending	\$ <u>-</u>	\$ <u>2,236,147</u>	\$ <u>2,236,147</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, 2015
Water Enterprise Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
HOA water sales - Fixed	\$ 200,000	\$ 175,000	\$ (25,000)
HOA water sales - Variable	158,125	119,620	(38,505)
Transfer from General Fund	<u>39,792</u>	<u>-</u>	<u>(39,792)</u>
 Total revenues	 <u>397,917</u>	 <u>294,620</u>	 <u>(103,297)</u>
 Expenditures			
Water Operations			
Wells			
Electric	69,000	52,695	16,305
Water	23,000	21,849	1,151
Repair & maintenance-wells	275,000	107,012	167,988
Upgrades	25,000	-	25,000
Buchanan			
Water	1,000	392	608
ECCV pipeline meter			
Water	74,865	18,425	56,440
Repair & maintenance	5,000	-	5,000
Upgrades	10,000	-	10,000
Water management	30,000	29,856	144
Water projects			
Legal	5,000	-	5,000
Consultants	10,000	-	10,000
Emerging Opportunities	50,000	-	50,000
Administration			
Directors	3,700	2,850	850
Meetings	7,000	2,849	4,151
Miscellaneous	4,000	2,226	1,774
District Management	-	10,403	(10,403)
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>248,557</u>	 <u>1,123,112</u>
 Excess (deficiency) of revenues over expenditures	 (973,752)	 46,063	 1,019,815
 Fund balance beginning	 <u>973,752</u>	 <u>1,080,222</u>	 <u>106,470</u>
 Fund balance ending	 <u>\$ -</u>	 <u>\$ 1,126,285</u>	 <u>\$ 1,126,285</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, 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	\$ 2,088,139	\$ (15,319)
Specific ownership taxes	147,243	123,881	(23,362)
Transfer from General Fund	-	-	-
Interest income	68	6,170	6,102
	<u>2,250,769</u>	<u>2,218,190</u>	<u>(32,579)</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	31,342	211
	<u>2,178,572</u>	<u>702,351</u>	<u>1,476,221</u>
Excess (deficiency) of revenues over expenditures	72,197	1,515,839	1,443,642
Fund balance beginning	<u>26,970</u>	<u>8,449</u>	<u>(18,521)</u>
Fund balance ending	\$ <u><u>99,167</u></u>	\$ <u><u>1,524,288</u></u>	\$ <u><u>1,425,121</u></u>