

Eagle Bend Metropolitan District  
Financial Statements

December 31, 2016

SIMMONS & WHEELER, P.C.

304 Inverness Way South, Suite 490, Englewood, CO 80112

Certified Public Accountants

(303) 689-0833

ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Eagle Bend Metropolitan District

We have compiled the accompanying Balance Sheet – Governmental Funds and Account Groups of the Eagle Bend Metropolitan District as of December 31, 2016 and the related Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental and Enterprise Funds for the year 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 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

January 17, 2017  
Englewood, Colorado

Eagle Bend Metropolitan District  
Balance Sheet - Governmental Funds and Account Groups  
December 31, 2016

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	\$ 179,861	\$ -	\$ -	\$ -	\$ 179,861
Cash in money market	1,200,000	-	199,512	-	1,399,512
Coletrust	1,417,850	1,621,923	8,306	-	3,048,079
Cash with Trustee	-	-	-	-	-
Accounts receivable-HOA	-	12,870	-	-	12,870
Taxes receivable	4,229	-	9,690	-	13,919
Prepaid expenses	4,334	-	-	-	4,334
	<u>2,806,274</u>	<u>1,634,793</u>	<u>217,508</u>	<u>-</u>	<u>4,658,575</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	-	-	-	217,508	217,508
Amount to be provided for retirement of debt	-	-	-	30,562,492	30,562,492
	<u>-</u>	<u>1,038,135</u>	<u>-</u>	<u>35,777,693</u>	<u>36,815,828</u>
	<u>\$ 2,806,274</u>	<u>2,672,928</u>	<u>\$ 217,508</u>	<u>\$ 35,777,693</u>	<u>\$ 41,474,403</u>
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 145,347	-	\$ -	\$ -	\$ 145,347
Accounts payable-payroll withholding	153	-	-	-	153
Accounts payable - COA ECCV	-	211,884	-	-	211,884
	<u>145,500</u>	<u>211,884</u>	<u>-</u>	<u>-</u>	<u>357,384</u>
General obligation bonds 2016	-	-	-	15,030,000	15,030,000
General obligation loan - 2012	-	-	-	15,750,000	15,750,000
<b>Total liabilities</b>	<u>145,500</u>	<u>211,884</u>	<u>-</u>	<u>30,780,000</u>	<u>31,137,384</u>
<b>Fund Equity</b>					
Investment in fixed assets	-	1,038,135	-	4,997,693	6,035,828
Fund balance	2,660,774	1,422,909	217,508	-	4,301,191
	<u>2,660,774</u>	<u>2,461,044</u>	<u>217,508</u>	<u>4,997,693</u>	<u>10,337,019</u>
	<u>\$ 2,806,274</u>	<u>2,672,928</u>	<u>\$ 217,508</u>	<u>\$ 35,777,693</u>	<u>\$ 41,474,403</u>

Eagle Bend Metropolitan District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds - Budget and Actual  
For the Twelve Months Ended December 31, 2016  
General Fund

See Accountant's Compilation Report

	Amended Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Property taxes	\$ 755,458	\$ 747,315	\$ (8,143)
Specific ownership taxes	50,693	57,914	7,221
Potential Abatements	(31,275)	-	31,275
Miscellaneous Income/Shared Costs	-	5,922	5,922
Interest income	122	178	56
	<u>774,998</u>	<u>811,329</u>	<u>36,331</u>
<b>Expenditures</b>			
Audit	7,000	5,650	1,350
Accounting	13,000	7,207	5,793
Legal	35,000	37,486	(2,486)
Insurance	10,000	6,219	3,781
Election Expense	30,000	36,972	(6,972)
Director fees	3,700	3,700	-
Payroll tax expenses	450	551	(101)
Administration-management	60,000	34,085	25,915
Communications			
Expenses	25,000	9,411	15,589
Management	-	4,127	(4,127)
Meetings	10,000	1,842	8,158
Miscellaneous	5,000	4,804	196
County collection fees	10,863	11,212	(349)
Landscaping			
Utilities	10,000	4,093	5,907
Maintenance	50,000	70,204	(20,204)
Tree improvements	50,000	-	50,000
Center Medians	50,000	-	50,000
HOA Projects - cost sharing	50,000	12,030	37,970
Emerging opportunities	-	-	-
Traffic Study	-	3,598	(3,598)
Long range planning	-	-	-
Transfers & Reserve			
Transfer to Water Enterprise Fund	39,333	39,333	-
Transfer to Debt Service Fund	2,370,000	-	2,370,000
Statutory Reserve - TABOR	12,600	-	12,600
Reserve - debt service	15,740	-	15,740
	<u>2,857,686</u>	<u>292,524</u>	<u>2,565,162</u>
Excess (deficiency) of revenues over expenditures	(2,082,688)	518,805	2,601,493
Fund balance beginning	<u>2,082,688</u>	<u>2,141,969</u>	<u>59,281</u>
Fund balance ending	\$ <u>          </u>	\$ <u>2,660,774</u>	\$ <u>2,660,774</u>

Eagle Bend Metropolitan District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds - Budget and Actual  
For the Twelve Months Ended December 31, 2016  
Water Enterprise Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
HOA water sales - Fixed	\$ 200,000	\$ 200,000	\$ -
HOA water sales - Variable	154,000	238,540	84,540
Transfer from General Fund	39,333	39,333	-
Misc Income	-	37,990	37,990
Enterprise Borrowing - 3rd well	800,000	-	(800,000)
	1,193,333	515,863	(677,470)
<b>Expenditures</b>			
<b>Water Operations</b>			
<b>Wells</b>			
Electric	69,000	80,552	(11,552)
Water	18,816	32,615	(13,799)
Repair & maintenance-wells	160,000	73,406	86,594
Upgrades	20,000	-	20,000
<b>Buchanan</b>			
Water	1,000	529	471
<b>ECCV pipeline meter</b>			
Water	33,152	20,650	12,502
Repair & maintenance	5,000	-	5,000
Upgrades	5,000	-	5,000
Water management	-	56,324	(56,324)
<b>Water projects</b>			
Legal	5,000	-	5,000
Consultants	5,000	23,290	(18,290)
3rd Well	1,765,800	-	1,765,800
<b>Administration</b>			
Directors	3,700	3,500	200
Meetings	6,000	1,822	4,178
Miscellaneous	4,000	1,328	2,672
District Management	35,000	30,994	4,006
ECCV Payment	39,536	-	39,536
Contingency	10,000	-	10,000
Reserves for Future Water Resources	124,765	-	124,765
	2,310,769	325,010	1,985,759
Excess (deficiency) of revenues over expenditures	(1,117,436)	190,853	1,308,289
Fund balance beginning	1,117,436	1,232,056	114,620
Fund balance ending	\$ -	\$ 1,422,909	\$ 1,422,909

Eagle Bend Metropolitan District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds - Budget and Actual  
For the Twelve Months Ended December 31, 2016  
Debt Service Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 1,731,258	\$ 1,712,705	\$ (18,553)
Specific ownership taxes	116,171	132,719	16,548
Potential abatements	(71,673)	-	71,673
Transfer from General Fund	2,370,000	-	(2,370,000)
Bond Proceeds - Series 2016	15,030,000	15,030,000	-
Bond Premium - Series 2016	994,822	994,822	-
Interest income	<u>2,000</u>	<u>26,022</u>	<u>24,022</u>
	<u>20,172,578</u>	<u>17,896,268</u>	<u>(2,276,310)</u>
<b>Expenditures</b>			
Bond interest-Series 2005	291,268	291,268	-
Bond principal-Series 2005	-	-	-
GO 2012 loan interest	561,215	561,215	-
GO 2012 loan principal	805,000	805,000	-
2016 Bond Principal	-	-	-
2016 Extraordinary Redemption	2,000,000	-	2,000,000
2016 - Bond Interest	382,986	382,986	-
Issuance Costs	278,555	267,074	11,481
Defease Series 2005 Bond	15,465,000	15,465,000	-
Legal	-	-	-
Miscellaneous	-	-	-
Trustee fees	15,000	3,498	11,502
County collection fees	<u>24,894</u>	<u>25,696</u>	<u>(802)</u>
	<u>19,823,918</u>	<u>17,801,737</u>	<u>2,022,181</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>348,660</b>	<b>94,531</b>	<b>(254,129)</b>
<b>Fund balance beginning</b>	<u><b>70,454</b></u>	<u><b>122,977</b></u>	<u><b>52,523</b></u>
<b>Fund balance ending</b>	<b>\$ <u>419,114</u></b>	<b>\$ <u>217,508</u></b>	<b>\$ <u>(201,606)</u></b>