

**EASTERN ADAMS COUNTY  
METROPOLITAN DISTRICT**

FINANCIAL STATEMENTS

**December 31, 2017 and 2016**

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Office of the State Auditor

June 21, 2018

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Board of Directors  
Eastern Adams County Metropolitan District  
Adams County, Colorado

### Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Eastern Adams County Metropolitan District, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Eastern Adams County Metropolitan District as of December 31, 2017 and 2016, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other-Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Eastern Adams County Metropolitan District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Simmons & Wheeler P.C.*

Englewood, CO  
April 29, 2018

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
MANAGEMENTS DISCUSSION AND ANALYSIS  
Year Ending December 31, 2017**

**History:**

The Eastern Adams County Metropolitan District (the "District") was organized on December 15, 2000 to provide potable and non-potable water services and facilities, sanitary wastewater collection and treatment services and facilities, storm drainage improvements, street improvements, transportation, television translation and relay services and mosquito control both within and without the District boundaries. The District adopted a resolution on July 26, 2001 creating the "Eastern Adams County Metropolitan District Water Activity Enterprise" (the "Enterprise") to finance, construct, acquire, operate and maintain improvements such as water and sanitary sewer facilities.

In September of 2001, the District entered into an agreement with the Strasburg Sanitation and Water District ("Strasburg") whereby the District agreed to accept wastewater flows from Strasburg and Strasburg agreed to abandon its current lagoon system and pay the District for treating said wastewater flows. Execution of this agreement and subsequent approvals by the State of Colorado and the Denver Regional Council of Governments have designated the District as the regional wastewater treatment service provider for an approximate 36 square mile area, which service is only to be provided on terms and conditions consistent with the District's service polices.

**Overview of the Financial Statements:**

This annual report consists of three parts:

- Management's Discussion and Analysis
- Financial Statements
- Supplementary Information

**Required Financial Statements:**

The financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

- Statement of Net Position - The statement of net position provides information about the nature and amounts of investments in resources (assets) and obligations to District creditors (liabilities). It also provides the basis for computing the rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.
- Statement of Revenues, Expenses, and Changes in Net Position - This statement measures the results of the District's operations over the past year and may be used to determine profitability, credit worthiness, and whether the District has successfully recovered all its costs through its user fees, taxes and other charges.
- Statement of Cash Flows - The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the District's cash receipts and payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, non-capital financing, capital and related financing, and investing activities. It also provides answers to such questions as where did the cash come from, how was cash used, and what was the change in cash balance during the reporting period.

**General 2017:**

District efforts in 2017 were focused on increasing its customer base, refining its operating efficiency, continuing routine maintenance activities, and remaining in compliance with its NPDES wastewater discharge permit, water rights determinations, intergovernmental agreements, and providing safe and uninterrupted potable water to its customer base,

**Major 2017 Milestones:**

- Issued the annual Consumer Confidence Report to all District water customers including all required tier 3 public notifications.
- Provided uninterrupted and safe potable water supply service to 556 households in the Coyote Ridge, Blackstone Ranch and Wolf Creek Run subdivisions.
- Enhanced its potable water quality testing in conformance with CDPHE requirements.
- Provided wastewater treatment service to Coyote Ridge, Wolf Creek Run, and Blackstone Ranch residents and to the town of Strasburg (approximately 514 household equivalents) without any wastewater service interruptions.
- The District performed a variety of capital repairs, services and replacements to include EQ tank cleaning, radiator removal and repairs, VFD and sinewave filter replacements, pump and valve replacements, and installation of new frost proof vents on water tanks.
- Increased its raw water delivery capacity by permitting, designing and constructing Arapahoe Well No. 5 and permitting, designing and analyzing the optimal location of the District's Alluvial Well No. 1, which alluvial well is expected to be completed in 2018.
- Implemented annual fire hydrant inspections, repairs and testing processes for all hydrants in the District's system.
- Per the terms of the Reimbursement Agreement with PaulsCorp, LLC, acquired the potable water and sanitary sewerage systems in Blackstone Ranch Filings 2A and 2B.
- At the District's subordinate bond holder request, began the process of restructuring the District's subordinate debt, which restructuring is expected to be completed in 2018.

**Notes to Variances Shown in Comparative Schedule of Revenues, Expenditures and Changes in Net Position Budgetary Basis with Comparative Totals for the Year Ending December 31, 2017****Amended Budgets:**

The District amended its adopted 2017 Water Fund and Sewer Fund budget to account for unanticipated repair costs in excess of originally budgeted expenditures. .

**Total Revenue, Expenditures and Net Income:**

In 2017, the District continued to benefit from a more robust area housing market including the addition of Blackstone Ranch Filings 2A and 2B.

**Notes to the Statement of Revenues, Expenses, and Changes in Net Position for the Years Ended December 31, 2017 and 2016**

The 2017 operating revenues of \$757,412 were \$2,945 higher than the 2016 operating revenues of \$754,467 due to an increase in water consumption. Total 2017 operating expenses of \$549,720 were \$22,040 less than 2016 operating expenses of \$571,760 due to primarily decreased replacement expenses.

**Net Position:**

The District's total Net Position decreased by \$358,535 at year-end 2017 which is \$339,940 less than the Net Position decrease at year-end 2016 of \$18,595. The difference is mostly related to the decreased tap fees received in 2017.

**2017 Highlights and Challenges:**

As of December 31, 2017, the District provided combined water and sanitary sewer service to approximately 556 homes outside of the town of Strasburg and wastewater service only to 514 homes and businesses in the town of Strasburg. The District expects to continue providing these services in 2018. In 2018, the District does anticipate a modest increase in its customer base due to additional 2017 and 2018 housing starts. Increased development and user fee adjustments will position the District to meet its operating and debt service obligations in 2018 and beyond.

<b>Condensed Financial Information</b>			
<b>December 31, 2017, 2016 and 2015</b>			
<b>Assets</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Current Assets:</b>			
Cash & Cash Equivalents	\$ 309,919	\$ 799,122	\$ 512,996
Accounts Receivable	58,902	84,613	96,080
Prepaid Expenses	20,794	18,507	16,826
<b>Total Current Assets</b>	<b>389,615</b>	<b>902,242</b>	<b>625,902</b>
<b>Non-Current Assets:</b>			
Total Capital Assets	8,367,482	8,199,916	8,622,484
<b>Total Non-Current Assets</b>	<b>8,367,482</b>	<b>8,199,916</b>	<b>8,622,484</b>
<b>Total Assets</b>	<b>\$ 8,757,097</b>	<b>\$ 9,102,158</b>	<b>\$ 9,248,386</b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
<b>Total Current Liabilities</b>	<b>335,600</b>	<b>187,126</b>	<b>189,759</b>
<b>Non-Current Liabilities:</b>			
Bond Payable	6,225,000	6,360,000	6,485,000
<b>Total Liabilities</b>	<b>6,560,600</b>	<b>6,547,126</b>	<b>6,674,759</b>
<b>Net Position</b>			
Net Investment in Capital Assets	1,907,482	1,709,916	2,012,484
Restricted	263,084	496,734	313,337
Unrestricted	25,931	348,382	247,806
<b>Total Net Position</b>	<b>2,196,497</b>	<b>2,555,032</b>	<b>2,573,627</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 8,757,097</b>	<b>\$ 9,102,158</b>	<b>\$ 9,248,386</b>

<b>Condensed Financial Information</b>			
<b>December 31, 2017, 2016 and 2015</b>			
<b>Revenues</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Operating Revenue</b>			
Water/Sewer User Fees	\$ 757,412	\$ 754,467	\$ 700,141
<b>Total Operating Revenue</b>	<b>757,412</b>	<b>754,467</b>	<b>700,141</b>
<b>Operating Expenses</b>			
Legal	(10,084)	(22,017)	(16,972)
Audit	(4,400)	(4,400)	(4,400)
Consulting	(5,650)	(3,298)	(1,266)
Management Fee	(113,204)	(117,468)	(69,087)
Maintenance	(281,346)	(310,351)	(281,966)
Supplies & Equipment	(16,678)	-	(4,026)
Insurance	(18,507)	(15,518)	(14,269)
Operating Expenses	(99,851)	(98,708)	(100,997)
<b>Total Operating Expenses</b>	<b>(549,720)</b>	<b>(571,760)</b>	<b>(492,983)</b>
<b>Operating Income</b>	<b>207,692</b>	<b>182,707</b>	<b>207,158</b>
<b>Non-Operating Revenue</b>			
Tap Fees	218,500	537,500	429,000
Other Income	6,530	15,363	3,327
Interest Income	624	143	150
<b>Total Non-Operating Revenue</b>	<b>225,654</b>	<b>553,006</b>	<b>432,477</b>
<b>Non-Operating Expenses</b>			
Depreciation - Building	(453,438)	(453,438)	(453,438)
Depreciation - Other Capital Assets	(1,003)	(1,003)	(1,003)
Repair / Replacement Costs	(107,471)	(35,211)	(36,197)
Bond Issuance Cost	-	(24,500)	-
Interest on Revenue Bonds	(229,969)	(240,156)	(250,168)
<b>Total Non-Operating Expenses</b>	<b>(791,881)</b>	<b>(754,308)</b>	<b>(740,806)</b>
<b>Non-Operating Income / (Loss)</b>	<b>(566,227)</b>	<b>(201,302)</b>	<b>(308,329)</b>
<b>Change in Net Position</b>	<b>(358,535)</b>	<b>(18,595)</b>	<b>(101,171)</b>
Net Position at Beginning of Year	2,555,032	2,573,627	2,674,798
<b>Net Position at End of Year</b>	<b>\$ 2,196,497</b>	<b>\$ 2,555,032</b>	<b>\$ 2,573,627</b>

**SAFE HARBOR DISCLAIMER:**

Statements in this report that are not historical are forward-looking statements subject to risk and uncertainties that could cause actual results to differ materially. Such risk and uncertainties include fluctuations in economies worldwide and within the District's markets, fluctuations in the District's customer's demands, changes in environmental and other governmental regulations, changes in terms from lenders, ability to retain key management and to reach agreement on intergovernmental agreements, and changes in the District's ability to obtain capital for expansion, and changes in energy prices.

Eastern Adams County Metropolitan District  
Statement of Net Position  
December 31, 2017 and 2016

Assets	2017	2016
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 309,919	\$ 799,122
Accounts Receivable	58,902	84,613
Prepaid Expenses	20,794	18,507
<b>Total Current Assets</b>	<b>389,615</b>	<b>902,242</b>
<b>Non-Current Assets:</b>		
Capital Assets:		
Non Depreciable:		
Land	221,500	221,500
Water Rights	4,868,000	4,868,000
Construction Work In Progress	503,877	31,871
Depreciable:		
Buildings, Net of Depreciation	2,622,601	3,076,038
Other Capital Assets, Net of Depreciator	151,504	2,507
Total Capital Assets	8,367,482	8,199,916
<b>Total Non-Current Assets</b>	<b>8,367,482</b>	<b>8,199,916</b>
<b>Total Assets</b>	<b>8,757,097</b>	<b>9,102,158</b>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts Payable	22,882	26,897
Accounts Payable Developer	7,628	11,058
Interest Payable on Revenue Bonds	70,090	19,171
Bond Payable	235,000	130,000
<b>Total Current Liabilities</b>	<b>335,600</b>	<b>187,126</b>
<b>Non-Current Liabilities:</b>		
Bond Payable	6,225,000	6,360,000
<b>Total Liabilities</b>	<b>6,560,600</b>	<b>6,547,126</b>
<b>Net Position</b>		
Net Investment in Capital Assets	1,907,482	1,709,916
Restricted	263,084	496,734
Unrestricted	25,931	348,382
<b>Total Net Position</b>	<b>\$ 2,196,497</b>	<b>\$ 2,555,032</b>

The Accompanying Notes are an Integral Part of the Financial Statements

Eastern Adams County Metropolitan District  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Years Ended December 31, 2017 and 2016

	2017	2016
<b>Operating Revenues</b>		
Water/Sewer User Fees	\$ 757,412	\$ 754,467
<b>Total Operating Revenues</b>	<b>757,412</b>	<b>754,467</b>
<b>Operating Expenses</b>		
Legal	(10,084)	(22,017)
Audit	(4,400)	(4,400)
Consulting	(5,650)	(3,298)
Management Fee	(113,204)	(117,468)
Maintenance	(281,346)	(310,351)
Supplies & Equipment	(16,678)	-
Insurance	(18,507)	(15,518)
Operating Expenses	(99,851)	(98,708)
<b>Total Operating Expenses</b>	<b>(549,720)</b>	<b>(571,760)</b>
<b>Income from Operations</b>	<b>207,692</b>	<b>182,707</b>
<b>Non-Operating Revenue</b>		
Tap Fees	218,500	537,500
Other Income	6,530	15,363
Interest Income	624	143
<b>Total Non-Operating Revenue</b>	<b>225,654</b>	<b>553,006</b>
<b>Other Operating Expenses</b>		
Depreciation - Building	(453,438)	(453,438)
Depreciation - Equipment	(1,003)	(1,003)
Repair / Replacement Costs	(107,471)	(35,211)
Bond Issuance Cost	-	(24,500)
Bond Interest Expense	(229,969)	(240,156)
<b>Total Non-Operating Expenses</b>	<b>(791,881)</b>	<b>(754,308)</b>
<b>Non-Operating Income / (Loss)</b>	<b>(566,227)</b>	<b>(201,302)</b>
<b>Change in Net Position</b>	<b>(358,535)</b>	<b>(18,595)</b>
Net Position at Beginning of Year	2,555,032	2,573,627
<b>Net Position at End of Year</b>	<b>\$ 2,196,497</b>	<b>\$ 2,555,032</b>

The Accompanying Notes are an Integral Part of the Financial Statements

Eastern Adams County Metropolitan District  
Statement of Cash Flows  
For the Years Ended December 31, 2017 and 2016

	2017	2016
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 783,121	\$ 765,934
Cash Paid to Suppliers	(559,451)	(579,750)
<b>Net Cash Provided / (Used) by Operating Activities</b>	<b>223,671</b>	<b>186,184</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Bond Issuance Proceeds	-	3,960,000
Bond Refunding	(9,276)	(3,968,938)
Bond Issuance Costs	-	(24,500)
Principal Payments	(20,724)	(111,062)
Interest Paid on Bonds	(179,050)	(241,481)
Construction of Capital Assets	(472,007)	(31,872)
Repair / Replacement Costs	(107,471)	(35,211)
Purchase of Other Assets	(150,000)	-
Tap Fees Received	218,500	537,500
Other Income	6,530	15,363
Interest Income	624	143
<b>Net Cash Provided / (Used) by Capital and Related Financing Activities</b>	<b>(712,874)</b>	<b>99,942</b>
Increase / (Decrease) in Cash and Cash Equivalents	(489,203)	286,126
Cash and Cash Equivalents, Beginning of Year	799,122	512,996
<b>Cash and Cash Equivalents, End of Year</b>	<b>309,919</b>	<b>799,122</b>
<b>Reconciliation of Operating Income to Net Cash Used by Operating Activities:</b>		
Operating Income	207,692	182,707
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:</b>		
(Increase) / Decrease in Prepaid Expense	(2,286)	(1,682)
(Increase) / Decrease in Accounts Receivable	25,709	11,467
Increase / (Decrease) in Accounts Payable	(7,445)	(6,308)
<b>Total Adjustments</b>	<b>15,979</b>	<b>3,477</b>
<b>Net Cash Provided / (Used) by Operating Activities</b>	<b>\$ 223,671</b>	<b>\$ 186,184</b>

The Accompanying Notes are an Integral Part of the Financial Statements

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017 and 2016**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

**Reporting Entity**

The District, a quasi-municipal corporation was organized on December 15, 2000 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams and Arapahoe County, Colorado. The District was established to provide sanitation, water facilities, street improvements, mosquito control, television relay, and translation services.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity. The District has no employees and all operations and administrative functions are contracted.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Enterprise fund accounting is utilized in accordance with generally accepted accounting principles. Enterprise funds recognize revenues and expenses on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets as defined in the bond covenants. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level for the budget year and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements and after public hearing. In compliance with this process, in 2017 and in 2016, the District adopted supplemental budgets to appropriate for additional revenues and expenses accrued and incurred in the fiscal years.

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2017 and 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash Equivalents**

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with maturity of three months or less when purchased, to be cash equivalents.

**Capital Assets**

Capital assets are recorded at cost. Depreciation expense will be computed using the straight-line method over the estimated economic useful lives. Lives are from nine years to twenty-five years. The District maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized if they exceed the capitalization threshold and have a life of a year or more.

**Net Position**

Net position represents the differences between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position as follow:

- **Net Investment in capital assets** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- **Restricted** – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed through constitutional provisions or enabling legislation.
- **Unrestricted** – The component of net assets that does not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred for purposes which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2017 and 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted Net Position**

Restricted net position in the amount of \$263,084 and \$496,734 in 2017 and 2016 respectively, are to be used for the payment of bond interest, bond principal, and or any lawful purpose.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Comparative Data**

Comparative total data for the prior year have been presented in order to provide an understanding of the changes in financial position and operations of the District. Certain comparative data for the prior year have been restated to conform to the current year presentation.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2017 and 2016, the District's cash deposits had a bank balance and a carrying balance as follows:

	Carrying Balance	Bank Balance
<b>2017</b>		
Insured deposits	\$ 100,000	\$ 100,000
Deposits collateralized in single institution pools	209,919	366,449
<b>Total</b>	<b>\$ 309,919</b>	<b>\$ 466,449</b>
<b>2016</b>		
Insured deposits	\$ 100,000	\$ 100,000
Deposits collateralized in single institution pools	699,122	723,920
<b>Total</b>	<b>\$ 799,122</b>	<b>\$ 823,920</b>

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2017 and 2016**

**NOTE 4 – CAPITAL ASSETS**

Capital assets of the District are summarized as follows:

Description	12/31/16	Additions	Deletions	12/31/17
Land	\$ 221,500	\$ -	\$ -	\$ 221,500
Water Rights	4,868,000	-	-	4,868,000
Other Assets	14,633	150,000	-	164,633
Construction In Process	31,872	472,005	-	503,877
Buildings - Water	3,592,872	-	-	3,592,872
Buildings - Wastewater	4,351,298	-	-	4,351,298
Depreciation – Buildings	(4,868,132)	(453,437)	-	(5,321,569)
Depreciation – Other Assets	(12,127)	(1,002)	-	(13,129)
<b>Total</b>	<b>\$ 8,199,916</b>	<b>\$ (167,566)</b>	<b>\$ -</b>	<b>\$ 8,367,482</b>

Description	12/31/15	Additions	Deletions	12/31/16
Land	\$ 221,500	\$ -	\$ -	\$ 221,500
Water Rights	4,868,000	-	-	4,868,000
Other Assets	14,633	-	-	14,633
Construction In Process	-	31,872	-	31,872
Buildings - Water	3,592,872	-	-	3,592,872
Buildings - Wastewater	4,351,298	-	-	4,351,298
Depreciation – Buildings	(4,414,694)	(453,438)	-	(4,868,132)
Depreciation – Other Assets	(11,124)	(1,003)	-	(12,127)
<b>Total</b>	<b>\$ 8,622,485</b>	<b>\$ (422,569)</b>	<b>\$ -</b>	<b>\$ 8,199,916</b>

**NOTE 5 - LONG-TERM OBLIGATIONS**

Long-term obligations of the District are summarized as follows:

Description	Balance 1/01/17	Net Issues	Retirements	Balance 12/31/17	Current
Revenue Bonds, Series 2013B	\$ 2,550,000	\$ -	\$ -	\$ 2,550,000	\$ 200,000
Revenue Bonds, Series 2016	3,940,000	-	(30,000)	3,910,000	35,000
<b>Total</b>	<b>\$ 6,490,000</b>	<b>\$ -</b>	<b>\$ (30,000)</b>	<b>\$ 6,460,000</b>	<b>\$ 235,000</b>

Description	Balance 1/01/16	Net Issues	Retirements	Balance 12/31/16	Current
Revenue Bonds, Series 2013A	\$ 2,460,000	\$ -	\$ (2,460,000)	\$ -	\$ -
Revenue Bonds, Series 2013B	4,150,000	-	(1,600,000)	2,550,000	100,000
Revenue Bonds, Series 2016	-	3,960,000	(20,000)	3,940,000	30,000
<b>Total</b>	<b>\$ 6,610,000</b>	<b>\$ 3,960,000</b>	<b>\$ (4,080,000)</b>	<b>\$ 6,490,000</b>	<b>\$ 130,000</b>

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2017 and 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

**\$3,960,000 Refunding Enterprise Revenue Bonds, Series 2016**, dated July 8, 2016. The bonds consist of \$3,960,000 of term bonds due December 1, 2043 which bear interest of 3.25%. Interest is payable semiannually on June 1 and December 1. To the extent interest is not paid when due, such interest compounds semiannually. The bonds require mandatory sinking funds payments beginning on December 1, 2016 thru 2043.

\$2,460,000A of the net proceeds of the Bonds was used by the District to refund all of the District's outstanding Series 2013A Bonds, which Bonds bear current interest rates at 3.25% per annum. \$1,500,000 of the net proceeds of the Bonds was used by the District to refund a portion of the District's outstanding Series 2013B Bonds, which Bonds bear current interest rates at 4.00% per annum.

The Bonds shall be subject to the owner put and optional tender on the put option date, June 1, 2021. The owner may exercise its owner put and optional tender by providing written notice to the paying agent and the District at least 90 days but not more than 180 days prior to the put option date. If the owner exercises its owner put and optional tender, on the put option date, the District shall deposit funds sufficient to pay the purchase price of the Bonds. Failure of the District to make such deposit shall not constitute an event of default but shall result in the establishment of the reset interest rate for the Bonds as calculated by the paying agent which shall be based upon twice the rate reported by Bloomberg on the put option date, or in the event that Bloomberg is no longer reporting then the rate reported by a substantially similar financial market reporting service provided that such rate shall not exceed the maximum interest rate permitted by law.

Although the refunding of the Series 2013A and Series 2013B bonds resulted in a refunding loss of \$153,595 (difference in the total cash flows between the new debt service and the prior debt service) and an economic loss of \$144,298 (difference in the present value of the total cash flows between the new debt service and the prior debt service), the refunding allowed the District to convert subordinate debt at a 4% interest to senior debt at a 3.25% interest and allowed the District to extend the maturity of these bonds as well as modifying its sinking fund requirements.

**\$2,500,000 Refunding and Improvement Enterprise Revenue Bonds, Series 2013A**, dated April 26, 2013. The bonds consist of \$2,500,000 of term bonds due December 1, 2043 which bear interest of 3.25%. Interest is payable semiannually on June 1 and December 1. To the extent interest is not paid when due, such interest compounds semiannually. The bonds require mandatory sinking funds payments beginning on December 1, 2014 thru 2043.

\$1,900,000 of the net proceeds of the Bonds was used by the District to refund a portion of the District's outstanding Series 2007 Bonds. The Series 2007 Refunded Bonds bear interest rates at 6.15% per annum. \$600,000 of the net proceeds of the Bonds was used to reimburse the Developer for assets constructed in accordance with the Developer Reimbursement Agreement

The Bonds shall be subject to the owner put and optional tender on the put option date, June 1, 2018. The owner may exercise its owner put and optional tender by providing written notice to the paying agent and the District at least 90 days but not more than 180 days prior to the put option date. If the owner exercises its owner put and optional tender, on the put option date, the District shall deposit funds sufficient to pay the purchase price of the Bonds. Failure of the District to make such deposit shall not constitute an event of default but shall result in the establishment of the reset interest rate for the Bonds as calculated by the paying agent which shall be based upon twice the rate reported by Bloomberg on the put option date, or in the event that Bloomberg is no longer reporting then the rate reported by a substantially similar financial market reporting service provided that such rate shall not exceed the maximum interest rate permitted by law.

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2017 and 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

**\$4,700,000 Refunding and Improvement Enterprise Revenue Bonds, Subordinate Series 2013B**, dated April 26, 2013. The bonds consist of \$4,700,000 of term bonds due December 1, 2043 which bear interest of 4.00%. Interest is payable semiannually on June 1 and December 1. To the extent interest is not paid when due, such interest compounds semiannually. The bonds require mandatory sinking funds payments beginning on December 1, 2014 thru 2043. The current registered owner of the Series 2013B Bonds is Ironwood Debt Investors, LLC, a related entity of Pauls Development East, LLC (Developer).

The bonds shall be subject to redemption prior to maturity, at the option of the District, as a whole or in part on December 1, 2013 and any date thereafter, upon payment of par and accrued interest, without redemption premium. On December 19, 2013, at the option of the District, \$150,000 of the Series 2013B bonds was redeemed. On December 3, 2014, at the option of the District, \$200,000 of the Series 2013B bonds was redeemed.

\$1,250,000 of the net proceeds of the Bonds was used by the District to refund a portion of the District's outstanding Series 2007 Bonds. The Series 2007 Refunded Bonds bear interest rates at 6.15% per annum. \$3,450,000 of the net proceeds of the Bonds was used to acquire all of the water remaining to be acquired pursuant to the terms of the Water Purchase Agreement.

**\$6,150,000 Refunding and Improvement Enterprise Revenue Bonds, Series 2007**, dated March 1, 2007. The bonds consist of \$1,970,000 of term bonds due December 1, 2023 which bear interest of 6.15%, and \$4,180,000 of term bonds due December 1, 2036 which bear interest of 6.15%. Interest was payable semiannually on June 1 and December 1.

On April 26, 2013 the registered owner of the District's Series 2007 bonds, Ironwood Debt Investors, LLC tendered the Series 2007 Bonds to the District, in the form of an accord and satisfaction of all the financial obligations of the District relating to such bonds, for a cash payment of \$1,900,000 from the issuance of the District's Series 2013A Bonds and a delivery of \$1,250,000 of the principal amount from the issuance of the District's Series 2013B Bonds. Prior to the refunding date the Series 2007 Bonds were outstanding in the principal amount of \$5,750,000. The refunding of the Series 2007 bonds resulted in the recognition of debt forgiveness in the amount of \$2,600,000.

All of the bonds, together with interest thereon, shall be payable only out of Net Revenue. The Series 2013A bonds shall constitute an irrevocable and first lien on the Net Revenue. The Series 2013B bonds shall constitute an irrevocable and subordinate lien on the Net Revenue.

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2017 and 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

The District's long-term obligations will mature as follows:

Year(s)	Principal	Interest	Total
2018	\$ 235,000	\$ 276,075	\$ 511,075
2019	215,000	219,938	434,938
2020	220,000	211,638	431,638
2021	220,000	203,175	423,175
2022	220,000	194,713	414,713
2023 – 2027	1,160,000	845,650	2,005,650
2028 – 2032	1,570,000	597,038	2,167,038
2033 – 2037	1,140,000	353,275	1,493,275
2038 – 2042	1,230,000	161,525	1,391,525
2043	250,000	8,123	258,123
<b>Total</b>	<b>\$ 6,460,000</b>	<b>\$ 3,071,150</b>	<b>\$ 9,531,150</b>

On November 2, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$210,000,000. At both December 31, 2017 and 2016, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

Street Improvements	\$20,000,000
Water Systems	30,000,000
Sewer System	30,000,000
Television Relay and Transmission	20,000,000
Mosquito Control	5,000,000
Debt Refunding	98,850,000
	<u>\$ 203,850,000</u>

**NOTE 6 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The District is one of approximately 360 special districts, which are members of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members. The Pool provides coverage for property claims up to \$50,000,000 and liability coverage for claims up to \$ 1,000,000. Employment related wrongful termination claims are shared 50% with the Pool up to \$200,000 (\$100,000 Pool and \$100,000 District). The District is responsible for all claims in excess of \$200,000. Worker's compensation claims are covered up to statutory limits, with claims related to employer's liability up to \$2,000,000. Settled claims have not exceeded this coverage in any of the past three years.

The District pays annual premiums to the Pool for liability, property, public officials and worker's compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds, which the Pool determines are not needed for purposes of the Pool, may be returned to the members pursuant to a distribution formula.

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2017 and 2016**

**NOTE 7 - TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes its operations qualify for this exclusion.

On November 7, 2000, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all revenue, except property taxes, received by the District without regard to any limitations under TABOR. The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation.

**NOTE 8 - REGIONAL WASTEWATER TREATMENT AGREEMENT**

The District and Strasburg Sanitation and Water District ("SSWD") have entered into an agreement whereby the District will build a wastewater treatment plant, major interceptors and lift stations and any other appropriate facilities, which may comprise a regional wastewater treatment system. The District shall own, operate, maintain and expand the Regional Wastewater Treatment Plant. SSWD shall pay the District for connection fees on connections over and above those existing at the date of the agreement and for monthly sewer charges. Fees charged by the District under this agreement totaled \$190,164 and \$178,829 in 2017 and 2016 respectively.

**NOTE 9 – THE DEVELOPER**

The owner of the undeveloped land served by the District is Pauls Development East, LLC ("PDE") (Developer). Certain Board members of the District are officers or consultants to the Developer.

**Water Service Agreement**

The District has entered into a water service agreement with PDE to serve certain properties. PDE is responsible for the construction of all distribution lines within the served property and construction of District capital improvements needed by the District to serve the property.

**Operation Funding Agreement**

The District has entered into an agreement with Kiowa Land, LLC, the 100% owner of PDE, to advance funds to the District for operations and maintenance expenses if the District does not have sufficient revenues to make payments of its operations and maintenance expenses for the years 2003 through 2021. No advances from PDE were made to the District in 2014. This agreement was terminated on April 28, 2014.

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2017 and 2016**

**NOTE 9 – THE DEVELOPER (CONTINUED)**

**Management Agreement**

The District has entered into a management agreement with PaulsCorp, LLC, a related entity of the Developer to provide management services to the District. Under this agreement the District incurred expenses from PaulsCorp, LLC totaling \$118,803 in 2017, and \$117,468 in 2016 for services provided.

At December 31, 2017 and 2016 the District owed PaulsCorp, LLC. \$7,628 and \$11,058 respectively; these amounts are included in the District payables for the respective years.

**Public Improvements Construction and Reimbursement Agreement**

The District entered into a construction and reimbursement agreement with PDE to allow reimbursement of certain permitting, design, and construction costs. The agreement provides for the procedure, cost verification, improvement acceptance, and District acquisition for all public improvements for which a reimbursement obligation is due by the District. The obligations of the District to pay the reimbursement shall become binding upon the date the District accepts the improvements. However, the agreement shall not constitute debt or a multiple fiscal year direct or indirect debt and shall not constitute the District's pledge of funds from any specific source. In 2017, an Assignment and Assumption of Contract by and between PDE and PaulsCorp, LLC, assigned the right to reimbursement from PDE to PaulsCorp, LLC. Under terms of this agreement, PaulsCorp, LLC constructed water and sanitary sewerage systems within Blackstone Ranch Filings No. 2A and 2B, and related improvements with costs totaling \$770,907. In 2017, the District processed a reimbursement advance to PaulsCorp, LLC for \$150,000 for said improvements.

Subsequent to year end, on February 14, 2018, the District accepted the bill of sale for said improvements. On May 9, 2018, the District processed a reimbursement payment to PaulsCorp, LLC for the balance due of \$620,907.

**Denver Aquifer Replacement Plan**

On October 10, 2005, the District entered into an agreement with PDE that requires PDE to undertake all actions and bear all costs associated with preparing and obtaining approval of a replacement plan to allow the District to utilize the Denver aquifer water transferred from PDE to the District under terms of the water service and water purchase agreements referenced herein above.

**NOTE 10 - AGREEMENTS**

**Alluvial Aquifer Replacement Plan**

On July 16, 2007, the District entered into a stipulation agreement with the North Kiowa-Bijou Groundwater Management District; and on April 27, 2007 with the Groundwater Commission of the State of Colorado. On September 10, 2007 the District received a Colorado Ground Water Commission Findings and Order allowing for withdrawal and replacement of ground water from the alluvium of Wolf Creek. This plan has been partially implemented.

**EASTERN ADAMS COUNTY METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2017 and 2016**

**NOTE 11 – SEGEMENT INFORMATION**

The District’s enterprise fund provides water and sewer services. Segment information for the year ended December 31, 2017 was as follows.

Operating Summary	Water	Sewer	Debt	Total
Operating Revenues	\$ 291,468	\$ 465,944	\$ -	\$ 757,412
Operating Expenses	225,023	323,897	800	549,720
Net Operating Income	\$ 66,445	\$ 142,047	\$ 800	\$ 207,692

Asset Summary	Water	Sewer	Debt	Total
Land	\$ 221,500	\$ -	\$ -	\$ 221,500
Water Rights	4,868,000	-	-	4,868,000
Construction In Process	503,877	-	-	503,877
Buildings	3,592,872	4,351,298	-	7,944,170
Buildings - Accumulated Depreciation	(1,497,846)	(3,823,723)	-	(5,321,569)
Other Assets Net of Depreciation	151,504	-	-	151,504
Total Capital Assets	\$ 7,839,907	\$ 527,575	\$ -	\$ 8,367,482

**NOTE 12 – SUBSEQUENT EVENT**

On May 9, 2018, the District issued its **\$3,300,000 Refunding and Improvement Enterprise Revenue Bonds, Subordinate Series 2018**. The bonds consist of \$3,300,000 of term bonds due December 1, 2043 which bear interest of 5.00%. Interest is payable semiannually on June 1 and December 1. The bonds require mandatory sinking fund payments beginning on December 1, 2018 thru 2043. The current registered owner of the Series 2018 bonds is Ironwood Debt Investors, LLC, a related entity of PDE.

\$2,646,662 of the Series 2018 bonds was issued for an immediate refunding of the Subordinate Series 2013B bonds with an interest rate of 4.00% which total amount is comprised of principal outstanding in the amount of \$2,550,000, deferred interest previously due on December 1, 2017 of \$51,000, interest accruing from December 1, 2017 to the date hereof of \$44,767, and compounded interest on the deferred interest previously due on December 1, 2017 of \$895. \$620,907 of the Series 2018 bonds was issued to pay the balance of the reimbursement obligation to PaulsCorp, LLC for constructed water and sanitary sewerage systems within Blackstone Ranch Filings No. 2A and 2B, and related improvements.

Eastern Adams County Metropolitan District  
Comparative Schedule of Revenues & Expenditures - Budgetary Basis  
With Comparative Totals for the Year Ended December 31, 2016  
Budget and Actual  
For the Year Ended December 31, 2017

	Actual 2016	Original Budget 2017	Amended and Final 2017	Actual 2017	Variance Favorable (Unfavorable)
<b>Revenues</b>					
User Fees General	\$ 575,638	\$ 540,731	\$ 588,294	\$ 567,248	\$ (21,046)
User Fees Strasburg	178,829	185,012	187,680	190,164	2,484
Developer Advance	-	-	-	-	-
Water Tap Fees	205,000	210,000	210,000	95,000	(115,000)
Sewer Tap Fees	332,500	332,500	332,500	123,500	(209,000)
Other Income	15,363	1,500	8,000	6,530	(1,470)
Interest Income	143	150	300	624	324
Transfer from Fund Balance	-	-	-	-	-
Transfers (To) / From Other Funds	-	-	295,000	-	(295,000)
<b>Total Revenues</b>	<b>1,307,473</b>	<b>1,269,893</b>	<b>1,621,774</b>	<b>983,066</b>	<b>(638,708)</b>
<b>Expenditures</b>					
<b>Operating</b>					
Legal	(22,017)	(10,000)	(10,000)	(10,084)	(84)
Audit	(4,400)	(4,400)	(4,400)	(4,400)	-
Consulting	(3,298)	(3,000)	(4,000)	(5,650)	(1,650)
Maintenance	(310,351)	(251,250)	(274,250)	(281,346)	(7,096)
Supplies & Equipment	-	(7,603)	(17,200)	(16,678)	522
Insurance	(15,518)	(18,600)	(18,600)	(18,507)	93
Management Fee	(117,468)	(85,000)	(100,000)	(113,204)	(13,204)
Repair / Replacement Costs	(35,211)	(107,100)	(107,100)	(107,471)	(371)
Operating Expenses	(98,708)	(96,520)	(109,570)	(99,851)	9,719
<b>Total Operating</b>	<b>(606,971)</b>	<b>(583,473)</b>	<b>(645,120)</b>	<b>(657,191)</b>	<b>(12,071)</b>
<b>Debt Service</b>					
Bond Interest	(240,156)	(230,050)	(230,050)	(229,969)	81
Bond Principal	(120,000)	(130,000)	(130,000)	(30,000)	100,000
Bond Issue Costs	(24,500)	-	-	-	-
<b>Total Debt Service</b>	<b>(384,656)</b>	<b>(360,050)</b>	<b>(360,050)</b>	<b>(259,969)</b>	<b>100,081</b>
<b>Capital Outlay</b>					
Capital Outlay	(31,872)	(325,000)	(610,000)	(622,007)	(12,007)
<b>Total Capital Outlay</b>	<b>(31,872)</b>	<b>(325,000)</b>	<b>(610,000)</b>	<b>(622,007)</b>	<b>(12,007)</b>
<b>Total Expenditures</b>	<b>(1,023,499)</b>	<b>(1,268,523)</b>	<b>(1,615,170)</b>	<b>(1,539,167)</b>	<b>76,003</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>					
	\$ 283,974	\$ 1,370	\$ 6,604	\$ (556,101)	\$ (562,705)
<b>Other Financing Sources / (Uses)</b>					
Bond Proceeds	3,960,000	-	-	-	-
Debt Retirement	(3,960,000)	-	-	-	-
<b>Total Other Financing Sources / (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>283,974</b>	<b>1,370</b>	<b>6,604</b>	<b>(556,101)</b>	<b>(562,705)</b>

See Accompanying Independent Auditors Report

Eastern Adams County Metropolitan District  
 Reconciliation of Budgetary Basis - Actual to Statement of Revenues, Expenses, and  
 Changes in Net Position  
 For the Year Ended December 31, 2017

<b>Total Revenues per Comparative Schedule of Revenues &amp; Expenditures - Budgetary Basis - Budget and Actual</b>	<b>\$ 983,066</b>
<b>Expenditures (budgetary basis)</b>	<b>(1,539,167)</b>
Capital Expenditures	
Construction of Capital Assets	622,007
Debt Service Expenditures	
Depreciation and Amortization	(454,441)
Bond Principal	30,000
<b>Total Expenses per Statement of Revenues, Expenses, and Changes in Net Position</b>	<b>(1,341,601)</b>
<b>Change in Net Position per Statement of Revenues, Expenses, and Changes in Position</b>	<b>\$ (358,535)</b>