BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

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FINANCIAL STATEMENTS
December 31, 2010

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L. PAUL GOEDECKE P.C.

CERTIFIED PUBLIC ACCOUNTANTS

950 WADSWORTH BLVD.
SUITE 204
LAKEWOOD, COLORADO 80214
TELEPHONE (303) 232 2865
FAX (303) 232-9452
lpgcpa@qwestoffice.net

Independent Auditor's Report

Board of Directors
Beebe Draw Farms Metropolitan District No. 1

We have audited the accompanying financial statements of the governmental activities and each major fund of Beebe Draw Farms Metropolitan District No. 1 as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates, made by the District, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinions.

The District has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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 Beebe Draw Farms Metropolitan District No. 1 as of December 31, 2010, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental 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 of Beebe Draw Farms Metropolitan District No. 1. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

L. Paul Goedecke P.C.

L. Paul Goedecke, P.C.
July 19, 2011

MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND COLORADO SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

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Governmental Funds Balance Sheet/Statement of Net Assets
December 31, 2010

	General Fund	Debt Service Fund	Total
ASSETS:			
Cash and investments	$ 12,535	$ –	$ 12,535
Cash and investments - restricted	–	1,606	1,606
Accounts receivable:			
Cash with county treasurer	1,494	–	1,494
Accrued property taxes	–	–	–
Deferred property taxes	260,158	194,922	455,080
Total assets	$ 274,187	$ 196,528	$ 470,715
LIABILITIES:			
Accounts payable	$ 167	$ –	$ 167
Deferred property taxes	260,158	194,922	455,080
Due to District No. 2	13,862	–	13,862
Accrued bond interest payable	–	–	–
Advance from District No. 2	–	–	–
Bonds payable:			
Bonds due within one year	–	–	–
Bonds due in greater than one year	–	–	–
Total liabilities	274,187	194,922	469,109
FUND BALANCE/NET ASSETS:			
Reserved for:			
Debt service	–	1,606	1,606
Total fund balances	–	1,606	1,606
Total liabilities and fund balance	$ 274,187	$ 196,528	$ 470,715

Restricted for:
Debt service
Unrestricted
Total net assets

Adjustments Note 9	Statement of Net Assets
$ –	$ 12,535
–	1,606
–	1,494
179,877	179,877
–	455,080
179,877	650,592
–	167
–	455,080
–	13,862
21,050	21,050
125,000	125,000
125,000	125,000
1,125,000	1,125,000
1,396,050	1,865,159
(1,606)	–
(1,606)	–
(19,444)	(19,444)
(1,195,123)	(1,195,123)
$ (1,214,567)	$ (1,214,567)

NOTE: The accompanying notes are an integral part of the financial statements.

BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

	Government Fund Types		
	General Fund	Debt Service Fund	Total
EXPENDITURES/EXPENSES			
Treasurer's fees	$ 4,631	$ 658	$ 5,289
Transfer to District No. 2	340,284	–	340,284
Debt Service			
Bond interest	–	91,560	91,560
Bond principal	–	115,000	115,000
Trustee fees	–	150	150
Total expenditures/expenses	344,915	207,368	552,283
REVENUES			
Program revenues – Lottery funds	460	–	460
– Other	13,750	–	13,750
General revenues – Property tax	308,626	44,089	352,715
– Specific ownership taxes	21,845	–	21,845
– Interest income	234	2	236
– Loan from District No. 2	–	125,000	125,000
Total revenues	344,915	169,091	514,006
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	–	(38,277)	(38,277)
FUND BALANCE/NET ASSETS:			
BEGINNING OF YEAR	–	39,883	39,883
END OF YEAR	$ –	$ 1,606	$ 1,606

Adjustments Note 9	Statement of Activities
$ –	$ 5,289
–	340,284
(1,840)	89,720
(115,000)	–
–	150
(116,840)	435,443
–	460
–	13,750
179,877	532,592
–	21,845
–	236
(125,000)	–
54,877	568,883
171,717	133,440
(1,387,890)	(1,348,007)
$ (1,216,173)	$ (1,214,567)

NOTE: The accompanying notes are an integral part of the financial statements.

BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

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GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
Year Ended December 31, 2010

	Original/Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	$ 308,626	$ 308,626	$ –
Specific ownership taxes	29,319	21,845	(7,474)
Interest income	500	234	(266)
Lottery funds	500	460	(40)
Reservoir lease	36,477	–	(36,477)
Other income	1,000	13,750	12,750
Total revenues	376,422	344,915	(31,507)
EXPENDITURES			
General government			
Accounting and audit	6,500	–	6,500
Reservoir lease payment	40,530	–	40,530
Insurance and bonds	3,500	–	3,500
Legal	1,000	–	1,000
Directors' fees	2,000	–	2,000
Treasurer's fees	4,629	4,631	(2)
Transfer to District No. 2	316,003	340,284	(24,281)
Miscellaneous	500	–	500
Emergency reserve	1,760	–	1,760
Total expenditures	376,422	344,915	31,507
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	–	–	–
FUND BALANCE – BEGINNING OF YEAR	–	–	–
FUND BALANCE – END OF YEAR	$ –	$ –	$ –

NOTE: The accompanying notes are an integral part of the financial statements.

BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 – DEFINITION OF REPORTING ENTITY

Definition of Reporting Entity

Beebe Draw Farms Metropolitan District No. 1 (The District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Weld County, Colorado. The District was established to provide water, parks and recreational facilities, street and drainage improvements, safety protection and related services.

During 1999, the District's service plan was amended. A new district, Beebe Draw Farms Metropolitan District No. 2 (District No. 2) was created (see Note 9) and the District's name was changed from Beebe Draw Farms Metropolitan District to Beebe Draw Farms Metropolitan District No. 1.

The District has no employees and all operation and administrative functions are contracted.

The District follows the Governmental Accounting Standards Boards (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, including District No. 2.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 – Special Purpose Governments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The government reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest and related costs.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level 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 appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Cash

The District follows the practice of pooling cash of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to assess the property tax obligation of the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April, or at the taxpayers election, in equal installments in February and June. Delinquent taxpayers are notified in August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Fund Equity

Fund Balance

The fund balances have been reserved for that portion of the fund balance that is legally segregated or is not subject to future appropriation. Designations of unreserved fund balances indicate management's intention for future utilization of such funds and are subject to change by management. The District had $1,606 reserved for Debt Service at December 31, 2010.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2010 are classified in the accompanying financial statement as follows:

Statement of net assets:	
Cash and investments	$ 12,535
Restricted investments	1,606
	$ 14,141

Cash and investments as of December 31, 2010 consist of the following:

Deposits with financial institutions	$ 1,826
Investments	12,315
	$ 14,141

NOTE 3 - CASH AND INVESTMENTS

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. 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 the aggregate uninsured deposits.

The State Commissioners 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, 2010, the District's cash deposits had a bank balance of $1,826 and a carrying balance of $1,826.

Custodial Credit Risks – Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2010, none of the District's bank balance of $1,826 was exposed to custodial credit risk.

Credit Risk

The District has not adopted a formal investment policy, however, the District follows state statutes regarding investments.

Colorado State statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

* Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contracts
* Local government investment pools

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The District generally limits its concentration of investments to those noted with an asterisk (*) above, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk.

The local government investment pools include the Colorado Local Government Liquid Assets Trust (ColoTrust) rated AAAm by Standard & Poor's.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service or sinking fund requirements.

As of December 31, 2010 the District had the following investments:

Investment	Maturity	Fair Value
Colorado Liquid Asset Trust	Less than one year	$ 12,315

COLOTRUST

As of December 31, 2010 the District had invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. As of December 31, 2010, the District has $12,315 invested in COLOTRUST PRIME.

Concentration of Credit Risk

The District does not have a policy that addresses limitations on the amount that can be invested in any one issuer, however, the District invests primarily in local government investment pools and/or U.S. securities, which are not subject to concentration of credit risk.

NOTE 4 – LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2010:

	Balance at January 1, 2010	Additions	Reductions	Balance at December 31, 2010
1998 General Obligation Bonds	$ 1,365,000	$ –	$ 115,000	$ 1,250,000
	$ 1,365,000	$ –	$ 115,000	1,250,000
Due in one year				125,000
Due after one year				$ 1,125,000

The detail of the District's long-term obligations is as follows:

$2,000,000 General Obligation Bonds, Series 1998, dated October 1, 1998. On October 21, 1998, the District issued $2,000,000 in General Obligation Bonds for streets, water and park and recreation improvements. The bonds are term bonds in the amount of $635,000 due October 1, 2009, $665,000 due October 1, 2014 and $700,000 due October 1, 2018. The bonds are currently subject to mandatory sinking fund redemption. Bonds maturing on and after October 1, 2009 are callable at the option of the District beginning October 1, 2008 and thereafter without call premium. Interest is payable semiannually at 6%, 6.4% and 7%, respectively.

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

Year	Principal	Interest	Total
2011	$ 125,000	$ 84,200	$ 209,200
2012	135,000	76,200	211,200
2013	140,000	67,560	207,560
2014	150,000	58,600	208,600
2015	160,000	49,000	209,000
2016-2018	540,000	77,000	617,000
	$ 1,250,000	$ 412,560	$ 1,662,560

NOTE 4 – LONG-TERM OBLIGATIONS (CONTINUED)

On November 2, 2010 the voters of the District revoked all of its previous debt authorization and authorized the following:

	Debt Authorization	Maximum Interest Rate	Maximum Annual Property Tax Increase
Street improvements	$ 1,500,000	15%	$ 320,000
Park and recreation improvements	1,500,000	15%	$ 320,000
Water improvements	1,500,000	15%	$ 320,000
Total	$ 4,500,000		

The District intends to issue debt in 2011 as described in the Subsequent Events Note 10.

NOTE 5 – RELATED PARTIES

The primary developer of real property in the District is R.E.I. Limited Liability Company (Developer), successor in interest to Beebe Draw Farms, Ltd. All Directors are residents of the District.

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2010. 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. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials liability 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.

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.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the votes approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District has not provided for emergency reserves as the District is obligated to pay its net revenue to District No. 2 under the terms of the intergovernmental agreement (see Note 9) and ended the year with a General Fund balance of $-0-.

The District management believes, after consultation with legal counsel, that 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 will require judicial interpretation.

On November 3, 1998, the voters of the District approved the retention of all property taxes collected from a levy of 40 mills and all other District revenue in 1998 and annually thereafter without limitation under TABOR or other laws.

NOTE 8 – INTERGOVERNMENTAL AGREEMENTS

Amended and Restated Intergovernmental Agreement with Beebe Draw Farms Metropolitan District No. 2

On November 3, 2008 the District entered into an Amended and Restated Intergovernmental Agreement (IGA) with District No. 2 in order to better describe and confirm the relationship and understanding between the Districts. The responsibility of District No. 1 is as follows:

District No. 1 will be required to levy property taxes of 40 mills on all property within the District. All property tax revenue received by the District shall first be applied to the payment of the 1998 Bonds, both principal and interest as set out in the Bond documents and all remaining tax revenues will then be transferred to District No. 2 upon receipt. District No. 1 shall be prohibited from retaining, expending, pledging or otherwise encumbering any portion of the pledged revenues. District No. 1 shall adopt, impose and remit to District No. 2 such rates, fees, tolls and charges as established by District No. 2. Upon receipt of notice and the dissolution of District No. 2, District No. 2 shall transfer and District No. 1 shall accept responsibility for the operations and maintenance of all public improvements located within the service area that have not been transferred to the County or other public agency.

NOTE 9 – RECONCILIATION OF *GOVERNMENT-WIDE* AND FUND FINANCIAL STATEMENTS

Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Assets

The governmental fund Balance Sheet and the government-wide Statement of Net Assets includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Accrued property taxes	$ 179,877
Bonds payable	$ 1,250,000
Accrued interest payable	$ 21,050
Advance from District No. 2	$ 125,000

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Accrued property taxes which are not realizable in 60 days have been accrued in the Statement of Net Assets.

NOTE 9 – RECONCILIATION OF *GOVERNMENT-WIDE* AND FUND FINANCIAL STATEMENTS (CONTINUED)

Explanation of differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Loan from District No. 2	$ (125,000)
Bond principal	$ (115,000)
Interest expense	$ (1,840)
Property taxes	$ 179,877

Governmental funds report principal payments as expenditures. However in the Statement of Activities, the payment of principal is reflected as a reduction in long-term liabilities. Interest is expensed when paid in the government funds but net accrued interest (difference between the beginning and ending accrual) is reflected in the Statement of Activities. Property taxes unrealizable in 60 days have been accrued in the Statement of Activities.

NOTE 10 – SUBSEQUENT EVENT

The District has an Amended and Restated Consolidated Service Plan for Beebe Draw Farms Metropolitan District No. 1 and Beebe Draw Farms Metropolitan District No. 2 approved by the Weld County Board of County Commissioners on March 16, 2011 ("Amended and Restated Service Plan"). Pursuant to the Amended and Restated Service Plan, and subject to the conditions of the Amended and Restated Service Plan, on June 14, 2011, District No. 1 entered into a Capital Pledge Agreement between Beebe Draw Farms Metropolitan District No. 1 and the Beebe Draw Farms Authority with a principal amount of $1,500,000, plus interest at a rate of 15%. The mill levy for payment of this obligation is capped at 40 mills, minus the 1998 Bond Mill Levy for each year and less the Operating and Maintenance Mill Levy for each year, to be imposed for collection beginning in 2012 and ending in tax collection year 2018. The total debt repayment will be the lesser of the $1,500,000, plus 15% interest accrued per annum or the total revenue that flows from the imposition of the 40 mills, minus the 1998 Bond Mill Levy and the Operating and Maintenance Mill Levy, over the term of the mill levy imposition.

SUPPLEMENTAL INFORMATION

BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

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DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
Year Ended December 31, 2010

	Original/ Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	$ 44,089	$ 44,089	$ –
Interest income	–	2	2
Total revenues	44,089	44,091	2
EXPENDITURES			
Treasurer's fees	2,240	658	1,582
Bond interest	91,560	91,560	–
Bond principal	115,000	115,000	–
Paying agent fees	300	150	150
Total expenditures	209,100	207,368	1,732
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(165,011)	(163,277)	1,734
OTHER FINANCING SOURECES (USES)			
Transfer from other funds	179,877	–	(179,877)
Advance from District No. 2	–	125,000	125,000
Total other financing sources (uses)	179,877	125,000	(54,877)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	14,866	(38,277)	(53,143)
FUND BALANCE – BEGINNING OF YEAR	39,884	39,883	(1)
FUND BALANCE – END OF YEAR	$ 54,750	$ 1,606	$ (53,144)

NOTE: The accompanying notes are an integral part of the financial statements.

BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2010

2,000,000 General Obligation Bonds,
Dated October 1, 1998
Interest Rate 6.0%, 6.4% and 7.0%
Payable April 1 and October 1
Principal Due October 1

Bonds and Interest Year Ending December 31,	Principal	Interest	Total
2011	$ 125,000	$ 84,200	$ 209,200
2012	135,000	76,200	211,200
2013	140,000	67,560	207,560
2014	150,000	58,600	208,600
2015	160,000	49,000	209,000
2016	170,000	37,800	207,800
2017	180,000	25,900	205,900
2018	190,000	13,300	203,300
	$1,250,000	$ 412,560	$1,662,560