

M E M O

To: Cascade Board of Directors

From: Divena Mortimeyer

Date: August 7, 2015

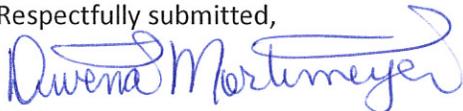
RE: July Financial Statements

Attached are the July 2015 financial statements. A new format was implemented last month. In order to give a better picture of the financial condition of the District and also to clearly delineate how the funds are segregated, the financial statements are now presented on a budgetary basis. The value of this presentation is that the Board will be able to get a clearer picture of the cash position of the District. The former financial statements were presented on a full accrual basis which detailed all the assets and liabilities of the District in one fund. The full accrual presentation is the accurate presentation for the financial statements, however, it doesn't help the Board to see the true cash position of the District nor does it allow for a clear understanding of how the funds are segregated for different purposes. With the budgetary basis presentation, the Board will be able to clearly decipher how much money is set aside for debt service and capital projects funds as well as determine the true position of the operations of the District. At year-end the auditors will provide full accrual financial statements to the Board that are similar to the statements you have been viewing up to this point.

In July, the District made the first monthly transfer of debt service funds to UMB. As noted on the Debt Service Fund, the District did not receive enough cash to cover the required amount to transfer UMB; the District was \$851.31 shy of collecting the full amount to transfer for the monthly transfer of \$26,965.78 (please see the negative cash balance in the FirstBank Lockbox account on the Debt Service Fund). The lack of funding is most likely due to the timing of collecting funds from customers as a review of the AR aging indicates that 10 customer payments were received after July 31, 2015 and an additional 24 customers are slow payers or are delinquent. The Debt Service funds were transferred from FirstBank to UMB and are being held in the UMB Interest account.

Please feel free to give me a call if you have any questions.

Respectfully submitted,



Divena Mortimeyer, CPA
Special District Management Services, Inc.

CASCADE METROPOLITAN DISTRICT NO. 1
Schedule of Cash Position
July 31, 2015

	<u>Rate</u>	<u>Operating</u>	<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
Checking					
FirstBank		12,398.93	-	-	12,398.93
Investments					
First Bank - Lockbox	0.050%	87,032.31	(851.31)	-	86,181.00
UMB Reserve Fund	0.008%	-	367,766.62	-	367,766.62
UMB Issuance Fund	0.008%	-	626.88	-	626.88
UMB Interest Fund	0.008%	-	26,967.08	-	26,967.08
UMB Project Fund	0.008%	-	-	3,134,532.38	3,134,532.38
Total Funds		<u><u>\$ 99,431.24</u></u>	<u><u>\$ 394,509.27</u></u>	<u><u>\$ 3,134,532.38</u></u>	<u><u>\$ 3,628,472.89</u></u>
2015 Mill Levy Information:					
Certified General Fund Mill Levy:		<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	
Total Certified Mill Levy		<u><u>0.000</u></u>	<u><u>0.000</u></u>	<u><u>0.000</u></u>	

Board of Directors:

- * Mike Whittemore
- * Mike Herr
- * Troy Eason
- * Stephen Spaulding

* Board member is an authorized signer on the checking account.

CASCADE METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

JULY 31, 2015

CASCADE METROPOLITAN DISTRICT NO. 1
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 July 31, 2015

<u>ASSETS AND OTHER DEBITS</u>	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>FIXED ASSETS</u>	<u>LONG-TERM DEBT</u>	<u>TOTAL MEMO ONLY</u>
CURRENT ASSETS						
CASH IN BANK-FIRST BANK CHECKING	\$ 12,398.93	\$ -	\$ -	\$ -	\$ -	\$ 12,398.93
CASH IN BANK-FIRST BANK LOCKBOX	87,032.31	(851.31)	-	-	-	86,181.00
UMB RESERVE FUND	-	367,766.62	-	-	-	367,766.62
UMB ISSUANCE FUND	-	626.88	-	-	-	626.88
UMB INTEREST FUND	-	26,967.08	-	-	-	26,967.08
UMB PROJECT FUND	-	-	3,134,532.38	-	-	3,134,532.38
ACCOUNTS RECEIVABLE	71,610.68	-	-	-	-	71,610.68
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(19,000.00)	-	-	-	-	(19,000.00)
TOTAL CURRENT ASSETS	152,041.92	394,509.27	3,134,532.38	-	-	3,681,083.57
OTHER DEBITS						
AMOUNT IN DEBT SERVICE FUND	-	-	-	-	394,509.27	394,509.27
AMOUNT TO BE PROVIDED FOR DEBT	-	-	-	-	4,640,897.73	4,640,897.73
TOTAL OTHER DEBITS	-	-	-	-	5,035,407.00	5,035,407.00
PROPERTY - AT COST						
IMPROVEMENTS	-	-	-	1,203,844.00	-	1,203,844.00
WATER DISTRIBUTION SYSTEM	-	-	-	300,000.00	-	300,000.00
ACCUMULATED DEPRECIATION	-	-	-	(332,431.00)	-	(332,431.00)
TOTAL PROPERTY	-	-	-	1,171,413.00	-	1,171,413.00
TOTAL ASSETS AND OTHER DEBITS	\$ 152,041.92	\$ 394,509.27	\$ 3,134,532.38	\$ 1,171,413.00	\$ 5,035,407.00	\$ 9,887,903.57
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
ACCOUNTS PAYABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PAYROLL TAXES PAYABLE	-	-	-	-	-	-
ACCRUED INTEREST PAYABLE	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	-	-	-	-	-	-
LONG TERM DEBT						
BONDS PAYABLE-2015A	-	-	-	-	3,500,000.00	3,500,000.00
BONDS PAYABLE-2015B	-	-	-	-	1,500,000.00	1,500,000.00
PREMIUM, NET OF AMORT.	-	-	-	-	46,657.00	46,657.00
DISCOUNT, NET OF ACCRETION	-	-	-	-	(11,250.00)	(11,250.00)
TOTAL LONG TERM DEBT	-	-	-	-	5,035,407.00	5,035,407.00
NET ASSETS						
INVESTMENT IN FIXED ASSETS	-	-	-	1,171,413.00	-	1,171,413.00
RESTRICTED - TABOR	57,794.00	-	-	-	-	57,794.00
UNRESTRICTED	(127,605.15)	-	-	-	-	(127,605.15)
CURRENT EARNINGS	221,853.07	394,509.27	3,134,532.38	-	-	3,750,894.72
TOTAL NET ASSETS	152,041.92	394,509.27	3,134,532.38	-	-	3,681,083.57
TOTAL LIABILITIES AND NET ASSETS	\$ 152,041.92	\$ 394,509.27	\$ 3,134,532.38	\$ 1,171,413.00	\$ 5,035,407.00	\$ 9,887,903.57

CASCADE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2015

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
1-505 WATER SALES	29,066.44	106,383.31	425,000.00	318,616.69	25.0
1-508 WATER SERVICE CHARGE	7,744.75	57,244.61	72,000.00	14,755.39	79.5
1-510 LATE FEES	570.00	6,200.00	2,000.00	(4,200.00)	310.0
1-512 WATER PROVISION FEE	.00	61,201.66	109,200.00	47,998.34	56.1
1-515 PIPELINE SURCHARGE	7,500.73	100,291.54	90,000.00	(10,291.54)	111.4
1-560 INTEREST INCOME	3.76	25.43	20.00	(5.43)	127.2
1-575 MISCELLANEOUS INCOME	.00	36.00	.00	(36.00)	.0
1-585 LOAN PROCEEDS	.00	.00	1,500,000.00	1,500,000.00	.0
1-590 TRANSFER FROM DEBT SERVICE	.00	333,890.87	.00	(333,890.87)	.0
1-591 FORGIVENESS OF DEBT	.00	13,095.19	.00	(13,095.19)	.0
 TOTAL REVENUE	 44,885.68	 678,368.61	 2,198,220.00	 1,519,851.39	 30.9

CASCADE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2015

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>EXPENSES</u>					
1-612 ACCOUNTING	3,402.12	20,697.73	34,600.00	13,902.27	59.8
1-615 AUDIT	6,625.00	9,869.22	7,500.00	(2,369.22)	131.6
1-618 BANK FEES	48.30	188.60	100.00	(88.60)	188.6
1-635 ELECTION	.00	162.00	.00	(162.00)	.0
1-670 INSURANCE/SDA DUES	.00	7,010.45	7,883.00	872.55	88.9
1-672 DUES, FEES & SUBSCRIPTIONS	.00	275.00	380.00	105.00	72.4
1-675 LEGAL	10,588.72	92,776.85	65,000.00	(27,776.85)	142.7
1-676 SPECIAL LITIGATION COUNSEL	.00	8,774.31	.00	(8,774.31)	.0
1-680 MANAGEMENT	2,956.47	29,888.09	30,000.00	111.91	99.6
1-682 ENGINEERING	.00	.00	5,000.00	5,000.00	.0
1-685 MISCELLANEOUS	570.22	5,386.57	7,000.00	1,613.43	77.0
1-693 PAYROLL TAXES	261.98	1,816.50	2,984.00	1,167.50	60.9
1-710 CHEMICAL AND SUPPLIES	.00	200.00	1,800.00	1,600.00	11.1
1-715 OPERATION LABOR	3,250.01	22,781.16	39,000.00	16,218.84	58.4
1-718 LOCATES	.00	.00	600.00	600.00	.0
1-720 REPAIRS AND MAINTENANCE	9,633.39	23,293.32	10,000.00	(13,293.32)	232.9
1-725 TELEPHONE/UTILITIES EXPENSE	182.27	1,316.98	5,000.00	3,683.02	26.3
1-730 VEHICLE EXPENSE	.00	212.63	3,600.00	3,387.37	5.9
1-735 WATER PURCHASE EXPENSE	19,060.80	85,585.50	245,000.00	159,414.50	34.9
1-740 WATER QUALITY TESTING EXPENSE	.00	1,382.19	2,500.00	1,117.81	55.3
1-745 METER SOFTWARE AND HARDWARE	.00	.00	3,200.00	3,200.00	.0
1-750 WEBSITE	.00	.00	500.00	500.00	.0
1-755 ENGINEERING / SURVEY	.00	39,655.00	.00	(39,655.00)	.0
1-760 OFFICE SUPPLIES AND POSTAGE	81.71	114.76	1,500.00	1,385.24	7.7
1-815 TURSE BOND PAYMENTS	.00	5,645.50	5,306.00	(339.50)	106.4
1-820 DOLA - INTEREST PAYMENT	.00	7,073.46	7,941.00	867.54	89.1
1-825 DOLA - LOAN PAYMENTS	.00	9,541.09	25,082.00	15,540.91	38.0
1-830 COS UTILITY INTEREST EXPENSE	.00	8,102.15	25,000.00	16,897.85	32.4
1-831 COS DEBT	.00	16,972.48	.00	(16,972.48)	.0
1-890 PAYOFF OF OUTSTANDING DEBT	.00	.00	1,310,000.00	1,310,000.00	.0
1-891 LOAN COST OF ISSUANCE	.00	.00	80,000.00	80,000.00	.0
1-895 EMERGENCY RESERVE	.00	.00	57,794.00	57,794.00	.0
TOTAL EXPENSES	56,660.99	398,721.54	1,984,270.00	1,585,548.46	20.1
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(11,775.31)	279,647.07	213,950.00	(65,697.07)	130.7
FUND BALANCE - BEGINNING	.00	(127,605.15)	21,079.00	148,684.15	(605.4)
FUND BALANCE - ENDING	(11,775.31)	152,041.92	235,029.00	82,987.08	64.7

CASCADE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2015

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
2-510 DEBT SERVICE WATER FEE	26,114.47	26,114.47	.00	(26,114.47)	.0
2-523 BOND PROCEEDS	.00	5,000,000.00	.00	(5,000,000.00)	.0
2-524 SERIES 2015A-REOFFERING PREM.	.00	46,657.00	.00	(46,657.00)	.0
2-560 INTEREST INCOME	38.19	68.14	.00	(68.14)	.0
TOTAL REVENUE	26,152.66	5,072,839.61	.00	(5,072,839.61)	.0
<u>EXPENSES</u>					
2-610 SERIES 2015B-ISSUE DISCOUNT	.00	11,250.00	.00	(11,250.00)	.0
2-618 BOND ISSUANCE COSTS	.00	156,473.34	.00	(156,473.34)	.0
2-801 CARL TURSE BOND	.00	69,150.18	.00	(69,150.18)	.0
2-802 DOLA-PRINCIPAL LOAN	.00	504,296.86	.00	(504,296.86)	.0
2-803 DOLA-INTEREST/PENALTY LOAN	.00	41,307.13	.00	(41,307.13)	.0
2-804 CSU PAYABLE	.00	399,021.03	.00	(399,021.03)	.0
2-894 TRANSFER TO CAPITAL PROJECTS	.00	3,162,940.93	.00	(3,162,940.93)	.0
2-895 TRANSFER TO GENERAL FUND	.00	333,890.87	.00	(333,890.87)	.0
TOTAL EXPENSES	.00	4,678,330.34	.00	(4,678,330.34)	.0
EXCESS REVENUE OVER (UNDER) EXPENDITURES	26,152.66	394,509.27	.00	(394,509.27)	.0
FUND BALANCE - ENDING	26,152.66	394,509.27	.00	(394,509.27)	.0

CASCADE METROPOLITAN DISTRICT NO. 1
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
 FOR THE 7 MONTHS ENDING JULY 31, 2015

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
3-560 INTEREST INCOME	314.14	577.71	.00	(577.71)	.0
3-565 TRANSFER FROM DEBT SERVICE	.00	3,162,940.93	.00	(3,162,940.93)	.0
TOTAL REVENUE	314.14	3,163,518.64	.00	(3,163,518.64)	.0
<u>EXPENSES</u>					
3-675 LEGAL	4,409.50	4,409.50	.00	(4,409.50)	.0
3-763 DESIGN COSTS	24,576.76	24,576.76	.00	(24,576.76)	.0
TOTAL EXPENSES	28,986.26	28,986.26	.00	(28,986.26)	.0
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(28,672.12)	3,134,532.38	.00	(3,134,532.38)	.0
FUND BALANCE - ENDING	(28,672.12)	3,134,532.38	.00	(3,134,532.38)	.0

Cascade Metropolitan District No. 1

Debt Maturing in the Year Ending December 31,	\$ 5,000,000 - Series 2015A and Series 2015B Bonds Total Outstanding Debt		
	Principal	Interest	Total
2015	-	134,829	134,829
2016	-	282,200	282,200
2017	45,000	282,200	327,200
2018	45,000	279,950	324,950
2019	50,000	277,738	327,738
2020-2024	340,000	1,345,675	1,685,675
2025-2029	535,000	1,242,825	1,777,825
2030-2034	750,000	1,071,975	1,821,975
2035-2036	3,235,000	312,775	3,547,775
Total	5,000,000	5,230,166	10,230,166