MEMO

To: Cascade Board of Directors

From: Divena Mortimeyer

Date: April 24, 2015

RE: March Financial Statements

Attached are the March 2015 financial statements. Below is a recap outlining the reasons for some of the larger expenses.

As noted in the prior month, the majority of the costs noted below are in preparation for the new debt that the District is planning on acquiring in the near future. Although these consulting fees will continue to grow, the goal is to pay the majority (if not all) of them off with proceeds from the 2015 bonds. The bond proceeds and payment of the outstanding debt will be a big help to get the District back on the path to financial stability.

- As the District continues to move towards finalization of the settlement, working with the County to amend the Service Plan in preparation for additional debt, and inclusion of the residents in the District, the legal costs have run high in the first few months of the year with total expenses through March 31, 2015 at $56,476.
- For similar reasons, management and accounting expenses have maintained at about $8,000 to $9,000 per month with total expense for both accounting and management at $24,158 through March 31, 2015.
- In addition, the District has incurred $32,392 in engineering costs in 2015. The majority of these expenses relate to JDS Hydro's work on the water system assessment and the inclusion map.

On another note, the auditors came to our office to start fieldwork on April 23, 2015. They are working towards having a draft copy of the audit ready in preparation for the Board's review at the May 26, 2015 board meeting.

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

Respectfully submitted,

Divena Mortimeyer

Divena Mortimeyer, CPA
Special District Management Services, Inc.

Prepared by: DIV

CASCADE METROPOLITAN DISTRICT NO. 1

Schedule of Cash Position

March 31, 2015

	Rate	Operating	Total
Checking			
FirstBank	0.00%	8,054.03	8,054.03
Investments			
First Bank - Lockbox	0.05%	59,131.64	59,131.64
Total Funds		**$ 67,185.67**	**$ 67,185.67**

2015 Mill Levy Information:

Certified General Fund Mill Levy:	0.000
Total Certified Mill Levy	0.000

Board of Directors:

* Mike Whittemore
* Mike Herr
* Bob Justis
* Troy Eason

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

CASCADE METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

MARCH 31, 2015

CASCADE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
BALANCE SHEET
MARCH 31, 2015

	ASSETS			
1-112	CASH IN BANK-FIRSTBANK		8,054.03	
1-115	CASH IN BANK-FIRSTBANK LA		59,131.64	
1-142	ACCOUNTS RECEIVABLE		71,610.68	
1-144	ALLOWANCE FOR DOUBTFUL ACCTS		(19,000.00)	
1-180	IMPROVEMENTS		1,203,844.00	
1-182	WATER DISTRIBUTION SYSTEM		300,000.00	
1-189	ACCUMULATED DEPRECIATION		(332,431.00)	
	TOTAL ASSETS			1,291,209.35
	LIABILITIES AND EQUITY			
	LIABILITIES			
1-310	ACCOUNTS PAYABLE		309,594.50	
1-345	ACCRUED INTEREST		2,520.31	
1-350	BOND - PRINCIPAL		69,089.84	
1-355	DOLA - PRINCIPAL LOAN		502,190.92	
1-356	DOLA - INTEREST LOAN		31,544.48	
1-357	DOLA - PENALTY PAYABLE		9,610.39	
1-360	PAYABLE TO CSU		404,571.47	
	TOTAL LIABILITIES			1,329,121.91
	FUND EQUITY			
1-450	FUND BALANCE		(92.84)	
	UNAPPROPRIATED FUND BALANCE:			
1-497	CURRENT EARNINGS	92.84		
	REVENUE OVER EXPENDITURES - YTD	(37,912.56)		
	BALANCE - CURRENT DATE		(37,819.72)	
	TOTAL FUND EQUITY			(37,912.56)
	TOTAL LIABILITIES AND EQUITY			1,291,209.35

CASCADE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
FOR THE 3 MONTHS ENDING MARCH 31, 2015

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
	REVENUE					
1-505	WATER SALES	20,402.13	61,219.19	425,000.00	363,780.81	14.4
1-508	METER FEE	7,013.35	20,595.45	72,000.00	51,404.55	28.6
1-510	LATE FEES	870.00	1,860.00	2,000.00	140.00	93.0
1-512	WATER PROVISION FEE	8,678.02	25,511.47	109,200.00	83,688.53	23.4
1-515	PIPELINE SURCHARGE	13,246.62	37,118.55	90,000.00	52,881.45	41.2
1-560	INTEREST INCOME	4.51	13.15	20.00	6.85	65.8
1-585	LOAN PROCEEDS	.00	.00	1,500,000.00	1,500,000.00	.0
	TOTAL REVENUE	50,214.63	146,317.81	2,198,220.00	2,051,902.19	6.7
	EXPENSES					
1-612	ACCOUNTING	3,207.53	8,710.13	34,600.00	25,889.87	25.2
1-615	AUDIT	363.83	2,532.22	7,500.00	4,967.78	33.8
1-618	BANK FEES	30.70	56.10	100.00	43.90	56.1
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	20,580.84	56,476.13	65,000.00	8,523.87	86.9
1-676	SPECIAL LITIGATION COUNSEL	321.50	1,161.50	.00	(1,161.50)	.0
1-680	MANAGEMENT	4,551.73	15,447.73	30,000.00	14,552.27	51.5
1-682	ENGINEERING	.00	.00	5,000.00	5,000.00	.0
1-685	MISCELLANEOUS	418.04	4,079.01	7,000.00	2,920.99	58.3
1-693	PAYROLL TAXES	250.60	798.58	2,984.00	2,185.42	26.8
1-710	CHEMICAL AND SUPPLIES	.00	.00	1,800.00	1,800.00	.0
1-715	OPERATION LABOR	3,257.78	9,773.36	39,000.00	29,226.64	25.1
1-718	LOCATES	.00	.00	600.00	600.00	.0
1-720	REPAIRS AND MAINTENANCE	368.57	1,732.57	10,000.00	8,267.43	17.3
1-725	TELEPHONE/UTILITIES EXPENSE	254.97	537.53	5,000.00	4,462.47	10.8
1-730	VEHICLE EXPENSE	.00	.00	3,600.00	3,600.00	.0
1-735	WATER PURCHASE EXPENSE	11,662.20	26,151.60	245,000.00	218,848.40	10.7
1-740	WATER QUALITY TESTING EXPENSE	75.00	710.19	2,500.00	1,789.81	28.4
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	1,200.00	32,392.50	.00	(32,392.50)	.0
1-760	OFFICE SUPPLIES AND POSTAGE	.00	.00	1,500.00	1,500.00	.0
1-815	TURSE BOND PAYMENTS	459.77	1,393.95	5,306.00	3,912.05	26.3
1-820	DOLA - INTEREST PAYMENT	(430.13)	415.72	7,941.00	7,525.28	5.2
1-825	DOLA - LOAN PAYMENTS	2,074.68	6,291.14	25,082.00	18,790.86	25.1
1-830	COS UTILITY INTEREST EXPENSE	4,074.63	8,192.12	25,000.00	16,807.88	32.8
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	52,722.24	184,137.53	1,984,270.00	1,800,132.47	9.3

CASCADE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
FOR THE 3 MONTHS ENDING MARCH 31, 2015

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(2,507.61)	(37,819.72)	213,950.00	251,769.72	(17.7)
FUND BALANCE - BEGINNING	.00	(92.84)	21,079.00	21,171.84	(.4)
FUND BALANCE - ENDING	(2,507.61)	(37,912.56)	235,029.00	272,941.56	(16.1)

Cascade Metropolitan District No. 1
Through March 31, 2015

Vendor	Invoice #	Date	Invoice Amount		
BiggsKofford	61864	6/25/2013	8,590.00	6,827.16	Total Svc Charges
BiggsKofford	62040	7/24/2013	2,705.00		
BiggsKofford	Svc Chg	7/31/2013	25.42		
BiggsKofford	62285	8/30/2013	4,775.27		
BiggsKofford	Svc Chg	8/31/2013	141.99		
BiggsKofford	PMT - Sept 2013	9/9/2013	(3,200.00)		
BiggsKofford	62567	9/28/2013	575.00		
BiggsKofford	Svc Chg	9/30/2013	122.11		
BiggsKofford	62983	10/21/2013	2,240.00		
BiggsKofford	Svc Chg	10/31/2013	197.60		
BiggsKofford	63278	11/21/2013	6,536.25		
BiggsKofford	Svc Chg	11/30/2013	209.97		
BiggsKofford	63346	12/17/2013	1,251.25		
BiggsKofford	Svc Chg	12/31/2013	272.01		
BiggsKofford	63705	1/30/2014	5,572.50		
BiggsKofford	PMT - Jan 2014	1/31/2014	(5,000.00)		
BiggsKofford	Svc Chg	1/31/2014	272.52		
BiggsKofford	PMT - Feb 2014	2/27/2014	(2,000.00)		
BiggsKofford	Svc Chg	2/28/2014	227.46		
BiggsKofford	64543	3/28/2014	3,865.00		
BiggsKofford	Svc Chg	3/31/2014	334.26		
BiggsKofford	PMT - April 2014	4/28/2014	(1,000.00)		
BiggsKofford	65269	4/29/2014	7,401.25		
BiggsKofford	Svc Chg	4/30/2014	317.08		
BiggsKofford	65455	5/30/2014	1,890.00		
BiggsKofford	Svc Chg	5/31/2014	388.11		
BiggsKofford	PMT - June 2014	6/26/2014	(2,000.00)		
BiggsKofford	Svc Chg	6/30/2014	449.75		
BiggsKofford	PMT - July 2014	7/24/2014	(2,000.00)		
BiggsKofford	66034	7/31/2014	5,995.00		
BiggsKofford	Svc Chg	7/31/2014	461.70		
BiggsKofford	PMT - Aug 2014	8/28/2014	(3,000.00)		
BiggsKofford	Svc Chg	8/31/2014	418.81		
BiggsKofford	PMT - Sept 2014	9/25/2014	(3,000.00)		
BiggsKofford	66575	9/29/2014	6,543.13		
BiggsKofford	Svc Chg	9/30/2014	446.73		
BiggsKofford	66929	10/21/2014	280.00		
BiggsKofford	Svc Chg	10/31/2014	468.09		
BiggsKofford	PMT - Nov 2014	11/3/2014	(3,000.00)		
BiggsKofford	PMT - Nov 2014	11/20/2014	(3,000.00)		
BiggsKofford	67191	11/25/2014	310.00		
BiggsKofford	Svc Chg	11/30/2014	456.15		
BiggsKofford	PMT - Dec 2014	12/29/2014	(3,000.00)		
BiggsKofford	Svc Chg	12/31/2014	429.28		
BiggsKofford	Svc Chg	1/31/2015	433.10		
BiggsKofford	PMT - Feb 2015	2/28/2015	(3,000.00)		
BiggsKofford	Svc Chg	2/28/2015	391.19		
BiggsKofford	PMT - Mar 2015	3/31/2015	(3,000.00)		
BiggsKofford	Svc Chg	3/31/2015	363.83		
				29,156.81	

Cascade Metropolitan District No. 1
Through March 31, 2015

Vendor	Invoice #	Date	Invoice Amount	
SDMS	June/July	7/31/2013	23,330.60	
SDMS	August	8/31/2013	12,861.29	
SDMS	September	9/30/2013	11,431.09	
SDMS	PMT - Sept 2013	9/30/2013	(3,200.00)	
SDMS	October	10/31/2013	11,016.58	
SDMS	November	11/30/2013	6,941.99	
SDMS	December	12/31/2013	7,087.89	
SDMS	PMT - Jan 2014	1/29/2014	(8,735.34)	
SDMS	January	1/31/2014	8,101.73	
SDMS	PMT - Feb 2014	2/27/2014	(3,739.73)	
SDMS	February	2/28/2014	7,339.71	
SDMS	PMT - March 2014	3/27/2014	(2,988.51)	
SDMS	March	3/31/2014	7,014.98	
SDMS	PMT - April 2014	4/25/2014	(2,137.48)	
SDMS	April	4/30/2014	7,647.58	
SDMS	PMT - May 2014	5/29/2014	(491.08)	
SDMS	May	5/31/2014	10,288.94	
SDMS	PMT - June 2014	6/25/2014	(2,568.94)	
SDMS	June	6/30/2014	7,857.68	
SDMS	PMT - July 2014	7/23/2014	(2,900.68)	
SDMS	July - 2014	7/31/2014	9,461.92	
SDMS	PMT - Aug 2014	8/27/2014	(3,698.92)	
SDMS	August	8/31/2014	6,912.41	
SDMS	PMT - Sept 2014	9/24/2014	(3,525.41)	
SDMS	September	9/30/2014	5,540.19	
SDMS	PMT - Oct 2014	10/29/2014	(3,479.19)	
SDMS	October	10/31/2014	10,890.22	
SDMS	PMT - Nov 2014	11/19/2014	(3,804.22)	
SDMS	November	11/30/2014	9,303.77	
SDMS	PMT - Dec 2014	12/19/2014	(3,534.77)	
SDMS	December	12/31/2014	5,625.23	
SDMS	PMT - Jan 2015	1/29/2015	(3,000.00)	
SDMS	January	1/31/2015	8,261.74	
SDMS	PMT - Feb 2015	2/28/2015	(3,873.97)	
SDMS	February	2/28/2015	8,740.04	
SDMS	PMT - Mar 2015	3/25/2015	(3,418.04)	
SDMS	March	3/31/2015	9,098.56	
				139,657.86

Cascade Metropolitan District No. 1
Through March 31, 2015

Vendor	Invoice #	Date	Invoice Amount	
White Bear Ankele	December	12/31/2013	915.80	
White Bear Ankele	January	1/31/2014	1,157.03	
White Bear Ankele	PMT - Jan	2/3/2014	(915.80)	
White Bear Ankele	February	2/28/2014	7,336.96	
White Bear Ankele	PMT - Feb	3/3/2014	(1,157.03)	
White Bear Ankele	March	3/31/2014	7,153.79	
White Bear Ankele	PMT - March	3/31/2014	(4,000.00)	
White Bear Ankele	PMT - April	4/28/2014	(1,500.00)	
White Bear Ankele	April	4/30/2014	8,801.31	
White Bear Ankele	May	5/31/2014	2,966.79	
White Bear Ankele	June	6/30/2014	5,402.21	
White Bear Ankele	PMT -June	6/30/2014	(2,000.00)	
White Bear Ankele	PMT - July	7/28/2014	(2,000.00)	
White Bear Ankele	July	7/31/2014	4,687.39	
White Bear Ankele	August	8/31/2014	4,186.54	
White Bear Ankele	PMT - Aug	9/2/2014	(3,000.00)	
White Bear Ankele	PMT - Sept	9/25/2014	(3,000.00)	
White Bear Ankele	September	9/30/2014	8,248.85	
White Bear Ankele	October	10/31/2014	7,024.41	
White Bear Ankele	PMT - Oct	11/3/2014	(3,000.00)	
White Bear Ankele	PMT - Nov	11/23/2014	(3,000.00)	
White Bear Ankele	November	11/30/2014	22,095.85	
White Bear Ankele	PMT - Dec	12/30/2014	(3,000.00)	
White Bear Ankele	December	12/31/2014	5,892.94	
White Bear Ankele	January	1/31/2015	11,973.98	
White Bear Ankele	PMT-Jan	2/2/2015	(3,000.00)	
White Bear Ankele	February	2/28/2015	23,921.31	
White Bear Ankele	PMT - Feb	2/28/2015	(3,000.00)	
White Bear Ankele	March	3/31/2015	20,580.84	
White Bear Ankele	PMT - March	3/30/2015	(3,000.00)	
				106,773.17
JDS Hydro	Inv. 127-49 to 127-52	11/18/2014	1,900.00	
JDS Hydro	Inv. 12701-54	11/30/2014	450.00	
JDS Hydro	Inv. 12710-01	11/30/2014	748.83	Paid in April
JDS Hydro	Inv. 12701-55	12/31/2014	650.00	
JDS Hydro	Inv. 12710-02	12/31/2014	3,200.33	
JDS Hydro	Inv. 12711-01	12/31/2014	2,215.00	Paid in April
JDS Hydro	Inv. 12711-02	1/31/2015	22,980.00	
JDS Hydro	Payment on 12711-02	2/28/2015	(3,000.00)	
JDS Hydro	Payment on 12711-02	3/31/2015	(3,000.00)	
JDS Hydro	Inv. 12711-03	2/28/2015	6,662.50	
JDS Hydro	Inv. 12701-56	3/31/2015	600.00	Paid in April
JDS Hydro	Inv. 12711-04	3/31/2015	600.00	
				34,006.66
			Total Remaining to be Paid	309,594.50
			Per Caselle	309,594.50
			Difference	-