

**WATERFALL METROPOLITAN
DISTRICT NO. 1**

BASIC FINANCIAL STATEMENTS

December 31, 2009

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FINANCIAL SECTION



**JOHN CUTLER
& ASSOCIATES**

Board of Directors
Waterfall Metropolitan District No. 1
Loveland, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waterfall Metropolitan District No. 1, as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements of the District, as listed in the table of contents. These financial statements are the responsibility of Waterfall Metropolitan District No. 1's management. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Waterfall Metropolitan District No. 1, as of December 31, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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.

The required supplementary information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waterfall Metropolitan District No. 1's basic financial statements. The individual fund schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

September 28, 2010

BASIC FINANCIAL STATEMENTS

WATERFALL METROPOLITAN DISTRICT NO. 1

STATEMENT OF NET ASSETS

As of December 31, 2009

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 15,841
Property Taxes Receivable	3,204
Capital Assets,not depreciated	93,021
Capital Assets, depreciated net of accumulated depreciation	<u>380,481</u>
TOTAL ASSETS	<u>492,547</u>
LIABILITIES	
Accounts Payable	16,021
Accrued Interest	60,298
Noncurrent Liabilities	
Due within One Year	<u>3,677,320</u>
TOTAL LIABILITIES	<u>3,753,639</u>
NET ASSETS	
Invested in Capital Assets, net of Related Debt	(3,296,839)
Reserved for Emergencies	2,300
Unrestricted, Unreserved	<u>33,447</u>
TOTAL NET ASSETS	<u>\$ (3,261,092)</u>

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

WATERFALL METROPOLITAN DISTRICT NO. 1

STATEMENT OF ACTIVITIES
Year Ended December 31, 2009

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenues and Changes in Net Assets</u>
PRIMARY GOVERNMENT		<u>Charges</u>	<u>Governmental</u>
Governmental Activities		<u>for Services</u>	<u>Activities</u>
General Government	\$ 79,287	\$ 76,496	\$ (2,791)
Interest on Long-Term Debt	<u>60,298</u>	<u>-</u>	<u>(60,298)</u>
Total Governmental Activities	<u>\$ 139,585</u>	<u>\$ 76,496</u>	(63,089)
GENERAL REVENUES			
Interest			47
SPECIAL ITEM: Transfer of Assets to Other Government			<u>(3,198,676)</u>
TOTAL GENERAL REVENUES			<u>(3,198,629)</u>
CHANGE IN NET ASSETS			(3,261,718)
NET ASSETS, Beginning			<u>626</u>
NET ASSETS, Ending			<u>\$ (3,261,092)</u>

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

WATERFALL METROPOLITAN DISTRICT NO. 1

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2009

	General Fund	Capital Projects Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Investments	\$ 15,841	\$ -	\$ 15,841
Prepaid Expenses	3,204	-	3,204
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 19,045</u>	<u>\$ -</u>	<u>\$ 19,045</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts Payable	\$ 16,021	\$ -	\$ 16,021
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>16,021</u>	<u>-</u>	<u>16,021</u>
FUND EQUITY			
Fund Balance			
Reserved for Emergencies	2,300	-	2,300
Unreserved, Unrestricted	724	-	724
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	<u>3,024</u>	<u>-</u>	<u>3,024</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 19,045</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

473,502

Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include developer advances \$3,677,320, accrued interest \$60,298.

(3,737,618)

Net assets of governmental activities

\$ (3,261,092)

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

WATERFALL METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2009

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Charges for Services	\$ 76,496	\$ -	\$ 76,496
Interest	47	-	47
TOTAL REVENUES	76,543	-	76,543
EXPENDITURES			
Current			
General Government	62,627	11,518	74,145
Capital Outlay	-	3,677,320	3,677,320
TOTAL EXPENDITURES	62,627	3,688,838	3,751,465
EXCESS OF REVENUES OVER (UNDER) EXPENSES	13,916	(3,688,838)	(3,674,922)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	11,518	11,518
Transfers Out	(11,518)	-	(11,518)
Proceeds from the Issuance of Debt	-	3,677,320	3,677,320
TOTAL OTHER FINANCING SOURCES (USES)	(11,518)	3,688,838	3,677,320
NET CHANGE IN FUND BALANCES	2,398	-	2,398
FUND BALANCES, Beginning	626	-	626
FUND BALANCES, Ending	<u>\$ 3,024</u>	<u>\$ -</u>	<u>\$ 3,024</u>

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

WATERFALL METROPOLITAN DISTRICT NO. 1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2009

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 2,398
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is amount by which capital outlay \$3,677,320, exceeded depreciation expense (\$5,142), and transfers to other governments (\$3,291,697) for the current period.	473,502
Debt proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not effect the statement of activities.	(3,677,320)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is the increase of accrued interest.	<u>(60,298)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ (3,261,718)</u></u>

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

WATERFALL METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Waterfall Metropolitan District No. 1 was established to provide financing for the construction, acquisition, and operation and maintenance of water, wastewater, streets, and other public improvements. The District is governed by a five-member Board of Directors elected by the eligible electors.

The accounting policies of the Waterfall Metropolitan District No. 1 (the "District") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

In accordance with governmental accounting standards, the Waterfall Metropolitan District No. 1 has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

WATERFALL METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Government-Wide and Fund Financial Statements (Continued)

Major individual governmental funds are reported as separate columns in the fund financial statements.

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 the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 both measurable and available. Revenues are considered to be *available* when they are collected 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 fiscal period.

Service fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the acquisition and construction of capital assets.

WATERFALL METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

Prepaid Expenses

Payments made to vendors for services that will benefit future periods are recorded as prepaid expenses. An expenditure is reported in the year in which the services are consumed.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method, landscaping and signage 25 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net assets. Bond issue costs are reported as deferred charges and amortized over the term of the related debt.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

WATERFALL METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 15, District Management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

NOTE 3: CASH AND INVESTMENTS

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2009, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The District has no policy regarding custodial credit risk for deposits.

WATERFALL METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE 3: CASH AND INVESTMENTS (Continued)

At December 31, 2009, the District had deposits with financial institutions with a carrying amount of \$15,841. The bank balances with the financial institutions were \$20,976. All of this balance was covered by federal depository insurance.

Investments

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities.

The District had no investments as of December 31, 2009.

WATERFALL METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2009, is summarized below:

	<u>Balances</u> <u>12/31/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/09</u>
Governmental Activities				
Capital Assets, not depreciated				
Organizational Costs	\$ _____ -	\$ 93,021	\$ _____ -	\$ 93,021
Capital Assets, Depreciated				
Infrastructure	-	3,198,676	3,198,676	-
Landscaping and Signage	_____ -	385,623	_____ -	385,623
Total	_____ -	3,584,299	3,198,676	385,623
Accumulated Depreciation				
Landscaping and Signage	_____ -	5,142	_____ -	5,142
Capital Assets, net of depreciation	_____ -	3,579,157	(3,198,676)	380,481
Total Capital Assets	<u>\$ _____ -</u>	<u>\$ 3,672,178</u>	<u>\$ (3,198,676)</u>	<u>\$ 473,502</u>

The District has entered into an intergovernmental agreement with the City of Loveland, Colorado, to dedicate completed constructed assets to the City. The District transferred assets with a value of \$3,198,676 to the City for the year ended December 31, 2009.

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2009.

	<u>Balance</u> <u>12/31/08</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/09</u>	<u>Due In</u> <u>One Year</u>
Developer Advances	\$ _____	\$ 3,677,320	\$ _____ -	\$ 3,677,320	\$ 3,677,320

Developer Advances

Boyd Lake Village, LLC (the "Developer") has agreed to advance funds to the District for construction and operations and maintenance costs of facilities constructed by the District and for other budgeted General Fund expenditures. Upon execution of the agreement, the District issued a promissory note to each developer. These notes will then continue to "fill-up" by the accumulation of additional loan advances in accordance with the terms of the agreement.

WATERFALL METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE 5: LONG-TERM DEBT(Continued)

The initial maturity date shall be December 31, 2010. In December 2009, the board approved an amended and restated agreement (effective January-1, 2010), which issued a new note with a maturity date of December 31, 2050. Therefore, annual renewal of this note or no longer necessary.

The interest rate is at the Prime Rate plus two percentage points. At December 31, 2009, this rate was 5.25%.

Authorized Debt

Per the Consolidated Service Plan dated March 10, 2008, the maximum amount of debt that Waterfall Metropolitan District No. 1 and 2 may have outstanding at any one time is \$18,000,000.

NOTE 6: RELATED PARTIES

The members of the Board of Directors are employees, owners or are otherwise associated with the developers, Boyd Lake Village, LLC, individually, and may have conflicts of interest in dealing with the District. The above named developers are the current developers of the property within the District and are the current holders of the Funding and Reimbursement Agreement between the District and the Developers dated November 8, 2009.

NOTE 7: 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 a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2009. 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 the past three years.

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

WATERFALL METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE 8: COMMITMENTS AND CONTINGENCIES

TABOR Amendment

TABOR Amendment - Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

The District has established an emergency reserve, representing 3% of fiscal year spending (excluding debt service), as required by the Amendment. At December 31, 2009, the emergency reserve of \$2,300 was recorded in the General Fund.

REQUIRED SUPPLEMENTAL INFORMATION

WATERFALL METROPOLITAN DISTRICT NO. 1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2009

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
O & M Fee	\$ 83,567	\$ 76,496	\$ (7,071)
Interest	-	47	47
TOTAL REVENUES	<u>83,567</u>	<u>76,543</u>	<u>(7,024)</u>
EXPENDITURES			
Current			
General Government			
Accounting and Administration	6,232	5,089	1,143
District Management	14,401	16,829	(2,428)
Insurance	4,500	2,402	2,098
Landscape Maintenance	25,000	25,413	(413)
Legal Expenses	20,000	10,066	9,934
Office, Dues and Other	6,000	590	5,410
Utilities	5,000	2,238	2,762
Contingency	2,434	-	2,434
TOTAL EXPENDITURES	<u>83,567</u>	<u>62,627</u>	<u>20,940</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>13,916</u>	<u>13,916</u>
OTHER FINANCING USES			
Transfers Out	-	(11,518)	(11,518)
NET CHANGE IN FUND BALANCE	-	2,398	2,398
FUND BALANCE, Beginning	<u>-</u>	<u>626</u>	<u>626</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 3,024</u>	<u>\$ 3,024</u>

See the accompanying independent auditors' report.

INDIVIDUAL FUND SCHEDULES

WATERFALL METROPOLITAN DISTRICT NO. 1

CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2009

	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Developer Advances	\$ 16,925	\$ -	\$ (16,925)
TOTAL REVENUES	<u>16,925</u>	<u>-</u>	<u>(16,925)</u>
EXPENDITURES			
Current			
General Government			
Accounting and Administration	16,925	11,518	5,407
Capital Outlay	<u>5,060,000</u>	<u>3,677,320</u>	<u>1,382,680</u>
TOTAL EXPENDITURES	<u>5,076,925</u>	<u>3,688,838</u>	<u>1,388,087</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,060,000)</u>	<u>(3,688,838)</u>	<u>1,371,162</u>
OTHER FINANCING SOURCES			
Transfers In	-	11,518	11,518
Proceeds from the Issuance of Debt	<u>5,060,000</u>	<u>3,677,320</u>	<u>(1,382,680)</u>
TOTAL OTHER FINANCING SOURCES	<u>5,060,000</u>	<u>3,688,838</u>	<u>(1,371,162)</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors' report.