

**EAGLE BEND METROPOLITAN DISTRICT
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Phone 303-779-4525 Fax 303-773-2050**

February 18, 2020

VIA EMAIL: clerk@arapahoe.gov
Clerk & Recorder – Arapahoe County

VIA EMAIL: Commissioners@arapahoe.gov
Board of County Commissioners – Arapahoe County

VIA EMAIL: osa.lg@state.co.us
State Auditor, Local Government Audit Division

VIA EMAIL: cityclerk@auroragov.org
City Clerk – City of Aurora

VIA E-FILING PORTAL: Division of Local Government

Re: 2019 Annual Report

To Whom It May Concern,

Please accept the enclosed as the 2019 Annual Report for Eagle Bend Metropolitan District.

Please let me know if you have any questions.

Thank you,

Denise Denslow

Denise Denslow,
District Manager

EAGLE BEND METROPOLITAN DISTRICT

2019 ANNUAL REPORT

Pursuant to the Service Plan for Eagle Bend Metropolitan District (the "District"), the District is required to provide an annual report to the City of Aurora; Colorado with regard to the following matters:

1. Boundary changes made or proposed.
2. Intergovernmental Agreements with other governmental entities entered into or proposed.
3. Changes or proposed changes in the District's policies.
4. Changes or proposed changes in the District's operations.
5. Any changes in the financial status of the District including revenue projections, or operating costs.
6. A summary of any litigation which involves the District.
7. Proposed plans for the year immediately following the year summarized in the annual report.
8. Status of Public Improvement Construction Schedule.
9. Submission of current assessed valuation in the District.

For the year ending December 31, 2019, the District makes the following report:

A. Boundary changes made or proposed.

There were no boundary changes made or proposed in 2019.

B. Intergovernmental Agreements with other governmental entities entered into or proposed.

The EBMD Board approved an Intergovernmental Agreement with the City in May, 2019 for the purposes of outlining the terms for the construction of the Raw Water Line. This agreement was further clarified in a letter from Marshall Brown on July 3, 2019 to establish revised terms to the timing of the approval of the project, and to acknowledge the ability for tender early payments towards the capital contributions without penalty.

C. Changes or proposed changes in the District's policies.

There were no changes or proposed changes in the District's policies in 2019.

D. Changes or proposed changes in the District's operations.

There were no changes or proposed changes in the District's operations during 2019.

- E. Any changes in the financial status of the District including revenue projections, or operating costs.

There were no changes in the financial status of the District. A copy of the District's 2020 Budget is attached as **Exhibit A**.

- F. A summary of any litigation which involves the District.

We have no actual knowledge of any litigation involving the District.

- G. Proposed plans for the year immediately following the year summarized in the annual report.

The construction of the Raw Water Line commenced in 2019, and is scheduled for completion in April of 2020. The District will then use this City provided non-potable water as the primary source of irrigation water, which is then sold to the end user, the Heritage Eagle Bend Master Association.

The District anticipates quarterly Board meetings in 2020.

- H. Status of Public Improvement Construction Schedule.

The non-potable Raw Water Line will be completed in 2020.

- I. Submission of current assessed valuation in the District.

The District received a certification of valuation from the Arapahoe County Assessor that reports a taxable assessed valuation of \$81,790,932.

EXHIBIT A

Eagle Bend Metropolitan District
2020 Budget



CliftonLarsonAllen LLP
www.CLAconnect.com

CliftonLarsonAllen

Accountant's Compilation Report

Board of Directors
Eagle Bend Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Eagle Bend Metropolitan District for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Eagle Bend Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 30, 2020



An independent member of Nexia International

**EAGLE BEND METROPOLITAN DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 4,461,355	\$ 4,770,202	\$ 3,668,841
REVENUE			
Property taxes	2,562,061	2,479,528	2,699,101
Specific ownership taxes	186,479	189,000	161,946
Interest income	107,700	67,000	32,381
Other Income	11,581	24,750	50,000
HOA water sales - fixed	228,000	228,000	228,000
HOA water sales - variable	178,753	117,000	135,000
Total revenue	<u>3,274,574</u>	<u>3,105,278</u>	<u>3,306,428</u>
TRANSFERS IN	34,000	2,209,568	1,034,000
Total funds available	<u>7,769,929</u>	<u>10,085,048</u>	<u>8,009,269</u>
EXPENDITURES			
General Fund	311,650	201,983	298,000
Debt Service Fund	2,027,846	3,612,079	1,978,863
Capital Projects Fund	-	93,614	2,081,954
Enterprise Fund	626,231	298,963	237,000
Total expenditures	<u>2,965,727</u>	<u>4,206,639</u>	<u>4,595,817</u>
TRANSFERS OUT	34,000	2,209,568	1,034,000
Total expenditures and transfers out requiring appropriation	<u>2,999,727</u>	<u>6,416,207</u>	<u>5,629,817</u>
ENDING FUND BALANCES	<u>\$ 4,770,202</u>	<u>\$ 3,668,841</u>	<u>\$ 2,379,452</u>
STATUTORY RESERVE - TABOR	\$ 24,000	\$ 12,800	\$ 14,800
RESERVE - SAFETY PROJECT	-	320,000	320,000
AVAILABLE FOR OPERATIONS	2,168,966	271,151	430,916
RESERVE - DEBT SERVICE	782,883	476,114	935,392
ENTERPRISE FUND RESERVE	1,794,353	1,506,822	678,344
TOTAL RESERVE	<u>\$ 4,770,202</u>	<u>\$ 2,586,887</u>	<u>\$ 2,379,452</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**EAGLE BEND METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Residential	\$ 58,936,743	\$ 59,271,187	\$ 69,830,947
Commercial	7,089,041	7,977,501	9,254,135
State assessed	1,096,730	1,133,480	497,680
Vacant land	2,330,705	2,461,510	2,208,170
	<u>69,453,219</u>	<u>70,843,678</u>	<u>81,790,932</u>
Certified Assessed Value	<u>\$ 69,453,219</u>	<u>\$ 70,843,678</u>	<u>\$ 81,790,932</u>
MILL LEVY			
General	5.447	5.000	5.000
Debt Service	31.500	30.000	28.000
Total mill levy	<u>36.947</u>	<u>35.000</u>	<u>33.000</u>
PROPERTY TAXES			
General	\$ 378,312	\$ 354,218	\$ 408,955
Debt Service	2,187,776	2,125,310	2,290,146
Levied property taxes	<u>2,566,088</u>	<u>2,479,528</u>	<u>2,699,101</u>
Adjustments to actual/rounding	(4,027)	-	-
Budgeted property taxes	<u>\$ 2,562,061</u>	<u>\$ 2,479,528</u>	<u>\$ 2,699,101</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 377,718</u>	<u>\$ 354,218</u>	<u>\$ 408,955</u>
Debt Service	<u>2,184,343</u>	<u>2,125,310</u>	<u>2,290,146</u>
	<u>\$ 2,562,061</u>	<u>\$ 2,479,528</u>	<u>\$ 2,699,101</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**EAGLE BEND METROPOLITAN DISTRICT
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 2,121,329	\$ 2,192,966	\$ 603,951
REVENUE			
Property taxes	377,718	354,218	408,955
Specific ownership taxes	27,492	27,000	24,537
Interest income	496	22,000	10,273
Other Income	11,581	24,750	50,000
Total revenue	<u>417,287</u>	<u>427,968</u>	<u>493,765</u>
Total funds available	<u>2,538,616</u>	<u>2,620,934</u>	<u>1,097,716</u>
EXPENDITURES			
General and administrative			
Accounting	7,367	18,000	18,000
Audit	5,700	7,000	7,000
County Treasurer's fee	5,672	5,313	6,134
Director's fees	2,100	4,000	4,000
Dues and membership	-	1,238	1,300
Insurance	6,673	6,582	10,000
District management	23,429	25,598	26,000
Legal	20,195	22,086	22,000
Miscellaneous	2,493	5,987	3,316
Meetings	1,911	3,000	3,000
Economic development	-	-	15,000
Payroll tax	459	1,000	1,000
Election	4,402	-	20,000
Communications	462	500	5,000
Operations and maintenance			
Landscape and maintenance	36,258	52,000	52,000
HOA projects - cost sharing	14,640	45,429	100,000
Traffic light - cost sharing	176,103	-	-
Utilities - Landscaping water	3,563	4,000	4,000
Utilities - Landscape electric	223	250	250
Total expenditures	<u>311,650</u>	<u>201,983</u>	<u>298,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>34,000</u>	<u>1,815,000</u>	<u>34,000</u>
Total expenditures and transfers out requiring appropriation	<u>345,650</u>	<u>2,016,983</u>	<u>332,000</u>
ENDING FUND BALANCE	<u>\$ 2,192,966</u>	<u>\$ 603,951</u>	<u>\$ 765,716</u>
STATUTORY RESERVE - TABOR	\$ 24,000	\$ 12,800	\$ 14,800
RESERVE - SAFETY PROJECT	-	320,000	320,000
AVAILABLE FOR OPERATIONS	<u>2,168,966</u>	<u>271,151</u>	<u>430,916</u>
TOTAL RESERVE	<u>\$ 2,192,966</u>	<u>\$ 603,951</u>	<u>\$ 765,716</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**EAGLE BEND METROPOLITAN DISTRICT
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 360,195	\$ 782,883	\$ 476,114
REVENUE			
Property taxes	2,184,343	2,125,310	2,290,146
Specific ownership taxes	158,987	162,000	137,409
Interest income	107,204	18,000	10,586
Total revenue	<u>2,450,534</u>	<u>2,305,310</u>	<u>2,438,141</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Total funds available	<u>2,810,729</u>	<u>4,088,193</u>	<u>2,914,255</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	32,802	31,880	34,352
Debt Service			
Loan interest - Series 2012	505,619	476,295	446,123
Bond interest - Series 2016	623,870	588,604	573,088
Loan principal - Series 2012	865,000	890,000	925,000
Bond principal - Series 2016	-	1,625,000	-
Paying agent fees	555	300	300
Total expenditures	<u>2,027,846</u>	<u>3,612,079</u>	<u>1,978,863</u>
Total expenditures and transfers out requiring appropriation	<u>2,027,846</u>	<u>3,612,079</u>	<u>1,978,863</u>
ENDING FUND BALANCE	<u>\$ 782,883</u>	<u>\$ 476,114</u>	<u>\$ 935,392</u>
RESERVE - DEBT SERVICE	<u>\$ 782,883</u>	<u>\$ 476,114</u>	<u>\$ 935,392</u>
TOTAL RESERVE	<u>\$ 782,883</u>	<u>\$ 476,114</u>	<u>\$ 935,392</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**EAGLE BEND METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 1,081,954
REVENUE			
Total revenue	-	-	-
TRANSFERS IN			
Transfers from other funds	-	1,175,568	1,000,000
Total funds available	-	1,175,568	2,081,954
EXPENDITURES			
Capital Projects			
Raw Water Pipeline	-	93,614	2,081,954
Total expenditures	-	93,614	2,081,954
Total expenditures and transfers out requiring appropriation	-	93,614	2,081,954
ENDING FUND BALANCE	\$ -	\$ 1,081,954	\$ -

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**EAGLE BEND METROPOLITAN DISTRICT
WATER ENTERPRISE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 1,979,831	\$ 1,794,353	\$ 1,506,822
REVENUE			
HOA water sales - fixed	228,000	228,000	228,000
HOA water sales - variable	178,753	117,000	135,000
Interest income	-	27,000	11,522
Total revenue	<u>406,753</u>	<u>372,000</u>	<u>374,522</u>
TRANSFERS IN			
Transfers from other funds	<u>34,000</u>	<u>34,000</u>	<u>34,000</u>
Total funds available	<u>2,420,584</u>	<u>2,200,353</u>	<u>1,915,344</u>
EXPENDITURES			
General and administrative			
Accounting	7,367	-	-
Consulting	-	35,000	14,000
Directors' fees	2,100	-	-
District management	23,429	23,268	23,000
Legal	24,598	14,724	17,000
Miscellaneous	87	4,000	2,500
Meetings	860	500	1,000
Water operations management	91,949	46,000	40,000
Operations and maintenance			
Repairs and maintenance - Wells	5,750	10,000	25,000
Utilities - Well water lease	31,447	32,000	33,000
Utilities - Well electric costs	68,507	75,000	40,000
Utilities - Well cellular	481	-	1,000
Utilities - Buchanan water meter	40,294	10,000	10,000
Utilities - ECCV Aurora Water	4,930	10,000	10,000
Engineering - pipeline costs	324,432	-	-
HEB - operation support	-	-	6,750
Tracer wire	-	-	7,000
Contingency	-	38,471	6,750
Total expenditures	<u>626,231</u>	<u>298,963</u>	<u>237,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>394,568</u>	<u>1,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>626,231</u>	<u>693,531</u>	<u>1,237,000</u>
ENDING FUND BALANCE	<u>\$ 1,794,353</u>	<u>\$ 1,506,822</u>	<u>\$ 678,344</u>
ENTERPRISE FUND RESERVE	<u>\$ 1,794,353</u>	<u>\$ 1,506,822</u>	<u>\$ 678,344</u>
TOTAL RESERVE	<u>\$ 1,794,353</u>	<u>\$ 1,506,822</u>	<u>\$ 678,344</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**EAGLE BEND METRO DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Eagle Bend Metropolitan District (“the District”) was organized on November 3, 1998 in the City of Aurora, Colorado as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to develop and provide streets, water and sanitation, safety controls, television relay, translator and parks and recreation services to users in the service area.

The Eagle Bend Metropolitan District Water Activity Enterprise (“the Enterprise”) was established in 2008 as a “water activity enterprise” of the District pursuant to Title 37, Article 45.1, Part 1, Colorado Revised Statutes (“the Act”). The Enterprise will continue all of the District’s water activities, including but not limited to water acquisition or water projects or facility activities, including the construction, operation, repair and replacement of water, wastewater or storm water facilities, using revenues generated by such water activities and held and managed in the District’s water enterprise fund. Pursuant to the Act, the Enterprise is excluded from the provisions of Article X, Section 20 of the Colorado Constitution.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to any inclusion of property in or exclusion of property from the boundaries of the District, any refunding of the bonds of the District and any consolidation with any other special district.

Pursuant to the Consolidated Service Plan, the aggregate combined debt for funding costs of improvements shall not exceed \$40,500,000 of which \$12,670,000 shall be Senior Bonds and the remaining \$27,830,000 as Subordinate Bonds.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**EAGLE BEND METRO DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

Property taxes are levied by the District's 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 put the tax lien on 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, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected by the General and Debt Service Fund.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

HOA Water Sales – Fixed

As authorized by the Service Plan, the District is authorized to impose fees for services related to service water. Related to these services, the District charges a monthly Water Operation Fee to an Association.

HOA Water Sales – Variable

As authorized by the Service Plan, the District is authorized to impose fees for services related to service water. The District delivers water to an Association for irrigation of a golf course and certain other landscaped areas. The rate charged to the Association are variable and depend on season and the source of water.

Expenditures

Administrative and Operating Expenses

Operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, meeting expense and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

**EAGLE BEND METRO DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Capital Outlay

The budget anticipates construction activity during 2020 and is reflected on page 6.

Debt and Leases

On April 27, 2012, the District advance refunded its outstanding Series 2003 Bond totaling \$17,625,000 with a \$19,000,000 loan. The loan carries a coupon rate of 3.39% and calls for interest payments on June 1st and December 1st commencing December 1, 2012. Principal payments are due annually on December 1st commencing December 1, 2012 through 2033. The loan is subject to optional redemption on or after April 27, 2022 with no redemption premium. The refunding resulted in a present value savings of approximately \$1,072,000 to the District.

On April 20, 2016, the District issued \$15,030,000 of General Obligation Refunding Bonds Series 2016 ("Series 2016 Bonds") to defease the District's Series 2005 Bonds. The Series 2016 Bonds bear interest at rates ranging from 3.125% to 5.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2016. The bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2029. The Bonds are subject to an early redemption at the option of the District commencing December 1, 2026, at a price equal to the principal amount plus accrued interest without redemption premium. The Series 2016 Bonds scheduled to mature from December 1, 2029 through 2032 in the total amount of \$2,115,000 are subject to extraordinary redemption after July 20, 2016 through April 20, 2019 at a price equal to the principal amount plus accrued interest without redemption premium. The Series 2016 Bonds are rated by S&P at an underlying credit rating of "A-" with bond insurance from Build America Mutual with a rating of "AA" by S&P.

On April 20, 2019, the District redeemed \$1,625,000 in principal under the extraordinary redemption provisions described above.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

Reserve for Future Debt Service

The District has provided for reserve for future payment of the debt service costs associated with the General Obligation Refunding Bonds.

This information is an integral part of the accompanying budget.

**EAGLE BEND METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$15,030,000 General Obligation Refunding Bonds, Series 2016 Interest Rate 3.125% to 5.000% Dated April 20, 2016 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2020	\$ -	\$ 573,088	\$ 573,088
2021	-	573,088	573,088
2022	-	573,088	573,088
2023	-	573,088	573,088
2024	-	573,088	573,088
2025	-	573,088	573,088
2026	-	573,088	573,088
2027	-	573,088	573,088
2028	-	573,088	573,088
2029	-	573,088	573,088
2030	-	573,088	573,088
2031	-	573,088	573,088
2032	490,000	573,088	1,063,088
2033	615,000	557,775	1,172,775
2034	1,475,000	527,025	2,002,025
2035	1,550,000	453,275	2,003,275
2036	1,665,000	375,775	2,040,775
2037	1,745,000	292,525	2,037,525
2038	1,875,000	205,275	2,080,275
2039	1,940,000	139,650	2,079,650
2040	2,050,000	71,750	2,121,750
	\$ 13,405,000	\$ 10,073,194	\$ 23,478,194

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**EAGLE BEND METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$19,000,000 General Obligation Refunding Loan, Series 2012 Interest Rate 3.39% Dated April 17, 2012 Interest Payable June 1 and December 1 Principal Payable December 1					
	Principal Payable December 1			Total of All Debt		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 925,000	\$ 446,123	\$ 1,371,123	\$ 925,000	\$ 1,019,211	\$ 1,944,211
2021	960,000	414,767	1,374,767	960,000	987,855	1,947,855
2022	990,000	382,223	1,372,223	990,000	955,311	1,945,311
2023	1,020,000	348,661	1,368,661	1,020,000	921,749	1,941,749
2024	1,055,000	314,084	1,369,084	1,055,000	887,172	1,942,172
2025	1,095,000	278,319	1,373,319	1,095,000	851,407	1,946,407
2026	1,130,000	241,198	1,371,198	1,130,000	814,286	1,944,286
2027	1,170,000	202,892	1,372,892	1,170,000	775,980	1,945,980
2028	1,215,000	163,228	1,378,228	1,215,000	736,316	1,951,316
2029	675,000	122,040	797,040	675,000	695,128	1,370,128
2030	700,000	99,158	799,158	700,000	672,246	1,372,246
2031	720,000	75,428	795,428	720,000	648,516	1,368,516
2032	740,000	51,020	791,020	1,230,000	624,108	1,854,108
2033	765,000	25,934	790,934	1,380,000	583,709	1,963,709
2034	-	-	-	1,475,000	527,025	2,002,025
2035	-	-	-	1,550,000	453,275	2,003,275
2036	-	-	-	1,665,000	375,775	2,040,775
2037	-	-	-	1,745,000	292,525	2,037,525
2038	-	-	-	1,875,000	205,275	2,080,275
2039	-	-	-	1,940,000	139,650	2,079,650
2040	-	-	-	2,050,000	71,750	2,121,750
	<u>\$ 13,160,000</u>	<u>\$ 3,165,075</u>	<u>\$ 16,325,075</u>	<u>\$ 26,565,000</u>	<u>\$ 13,238,269</u>	<u>\$ 39,803,269</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.