

**EAGLE BEND METROPOLITAN DISTRICT**  
**Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**EAGLE BEND METROPOLITAN DISTRICT  
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## **Independent Auditor's Report**

Board of Directors  
Eagle Bend Metropolitan District  
Arapahoe County, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Eagle Bend Metropolitan District (District) as of and for the year ended December 31, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of Eagle Bend Metropolitan District, as of December 31, 2020, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other-Matters

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
July 9, 2021

## **BASIC FINANCIAL STATEMENTS**

**EAGLE BEND METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments	\$ 762,876	\$ 612,098	\$ 1,374,974
Cash and Investments - Restricted	968,332	-	968,332
Receivable - County Treasurer	13,205	-	13,205
Accounts Receivable	-	44,968	44,968
Prepaid Expense	6,144	-	6,144
Property Taxes Receivable	2,687,427	-	2,687,427
Bond Insurance Cost	43,158	-	43,158
Capital Assets, Net	<u>2,086,787</u>	<u>911,008</u>	<u>2,997,795</u>
Total Assets	6,567,929	1,568,074	8,136,003
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Cost of Refunding, Net	<u>1,222,569</u>	-	<u>1,222,569</u>
Total Deferred Outflows of Resources	1,222,569	-	1,222,569
<b>LIABILITIES</b>			
Accounts Payable	7,021	37,846	44,867
Accrued Interest Payable	82,321	-	82,321
Noncurrent Liabilities:			
City of Aurora	-	808,564	808,564
Due Within One Year	960,000	-	960,000
Due in More Than One Year	<u>25,448,744</u>	-	<u>25,448,744</u>
Total Liabilities	26,498,086	846,410	27,344,496
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Tax Revenue	<u>2,687,427</u>	-	<u>2,687,427</u>
Total Deferred Inflows of Resources	<u>2,687,427</u>	-	<u>2,687,427</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,086,787	786,590	2,873,377
Restricted for:			
Emergency Reserve	13,300	-	13,300
Debt Service	880,481	-	880,481
Unrestricted	<u>(24,375,583)</u>	<u>(64,926)</u>	<u>(24,440,509)</u>
Total Net Position	<u>\$ (21,395,015)</u>	<u>\$ 721,664</u>	<u>\$ (20,673,351)</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 545,302	\$ -	\$ -	\$ -	\$ (545,302)	\$ -	\$ (545,302)
Transfer of Public Improvements to Other Governments	2,425,568	-	-	-	(2,425,568)	-	(2,425,568)
Interest on Long-Term Debt and Related Costs	1,097,878	-	-	-	(1,097,878)	-	(1,097,878)
Total Governmental Activities	<u>\$ 4,068,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(4,068,748)	-	(4,068,748)
Business-Type Activities:							
Water/Sewer Facilities	<u>\$ 1,342,360</u>	<u>\$ 383,078</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>(959,282)</u>	<u>(959,282)</u>
Total Business-Type Activities	<u>\$ 1,342,360</u>	<u>\$ 383,078</u>	<u>\$ -</u>	<u>\$ -</u>	-	(959,282)	(959,282)
<b>GENERAL REVENUES</b>							
Property Taxes					2,695,740	-	2,695,740
Specific Ownership Taxes					191,271	-	191,271
Net Investment Income					15,202	11,912	27,114
Transfers					1,214,000	(1,214,000)	-
Total General Revenues and Transfers					<u>4,116,213</u>	<u>(1,202,088)</u>	<u>2,914,125</u>
<b>CHANGES IN NET POSITION</b>					47,465	(2,161,370)	(2,113,905)
Net Position - Beginning of Year					<u>(21,442,480)</u>	<u>2,883,034</u>	<u>(18,559,446)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ (21,395,015)</u>	<u>\$ 721,664</u>	<u>\$ (20,673,351)</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 762,876	\$ -	\$ -	\$ 762,876
Cash and Investments - Restricted	13,300	951,598	3,434	968,332
Receivable - County Treasurer	2,001	11,204	-	13,205
Prepaid Expense	6,144	-	-	6,144
Property Taxes Receivable	346,765	2,340,662	-	2,687,427
Total Assets	\$ 1,131,086	\$ 3,303,464	\$ 3,434	\$ 4,437,984
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 7,021	\$ -	\$ -	\$ 7,021
Total Liabilities	7,021	-	-	7,021
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	346,765	2,340,662	-	2,687,427
Total Deferred Inflows of Resources	346,765	2,340,662	-	2,687,427
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expense	6,144	-	-	6,144
Restricted for:				
Emergency Reserves	13,300	-	-	13,300
Debt Service	-	962,802	-	962,802
Capital Projects	-	-	3,434	3,434
Assigned to:				
Safety Project	320,000	-	-	320,000
Unassigned	437,856	-	-	437,856
Total Fund Balances	777,300	962,802	3,434	1,743,536
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,131,086	\$ 3,303,464	\$ 3,434	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				2,086,787
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.				
Cost of Refunding, Net				1,222,569
Bond Insurance Cost, Net				43,158
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Accrued Bond Interest Payable				(82,321)
Bonds Payable, Net of Discount and Premium				(26,408,744)
Net Position of Governmental Activities				\$ (21,395,015)

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 408,446	\$ 2,287,294	\$ -	\$ 2,695,740
Specific Ownership Taxes	28,980	162,291	-	191,271
Net Investment Income	5,232	8,428	1,542	15,202
Total Revenues	<u>442,658</u>	<u>2,458,013</u>	<u>1,542</u>	<u>2,902,213</u>
<b>EXPENDITURES</b>				
Accounting	29,891	-	-	29,891
Audit	5,400	-	-	5,400
County Treasurer's Fees	6,130	34,329	-	40,459
Director's Fee	2,000	-	-	2,000
District Management	18,074	-	-	18,074
Dues and Memberships	2,407	-	-	2,407
Election	30,579	-	-	30,579
HOA Projects - Cost Sharing	48,460	-	-	48,460
Insurance	5,004	-	-	5,004
Landscape and Maintenance	49,195	-	-	49,195
Legal	14,648	-	-	14,648
Meetings	150	-	-	150
Miscellaneous	2,451	-	-	2,451
Payroll Tax	153	-	-	153
Utilities - Landscaping Water	6,918	-	-	6,918
Utilities - Landscape Electric	408	-	-	408
Bond Interest - Series 2016	-	573,088	-	573,088
Loan Interest - Series 2012	-	446,124	-	446,124
Loan Principal - Series 2012	-	925,000	-	925,000
Paying Agent Fees	-	300	-	300
Raw Water Line	-	-	1,250,000	1,250,000
Total Expenditures	<u>221,868</u>	<u>1,978,841</u>	<u>1,250,000</u>	<u>3,450,709</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	220,790	479,172	(1,248,458)	(548,496)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,250,000	1,250,000
Transfers Out	(36,000)	-	-	(36,000)
Total Other Financing Sources (Uses)	<u>(36,000)</u>	<u>-</u>	<u>1,250,000</u>	<u>1,214,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	184,790	479,172	1,542	665,504
Fund Balances - Beginning of Year	<u>592,510</u>	<u>483,630</u>	<u>1,892</u>	<u>1,078,032</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 777,300</u>	<u>\$ 962,802</u>	<u>\$ 3,434</u>	<u>\$ 1,743,536</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 665,504

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, net of depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay	1,250,000
Depreciation Expense	(323,434)
Transfer of Public Improvements to Other Governments	(2,425,568)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Principal - Current Year	925,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Bond Interest Payable - Change in Liability	2,613
Amortization of Bond Insurance Costs	(2,702)
Amortization of Bond Premium	48,130
Amortization of Cost of Bond Refunding	(92,078)
	(92,078)

Changes in Net Position of Governmental Activities	\$ 47,465
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**EAGLE BEND METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 408,955	\$ 408,446	\$ (509)
Specific Ownership Taxes	24,537	28,980	4,443
Net Investment Income	10,273	5,232	(5,041)
Other Revenue	50,000	-	(50,000)
Total Revenues	<u>493,765</u>	<u>442,658</u>	<u>(51,107)</u>
<b>EXPENDITURES</b>			
Accounting	18,000	29,891	(11,891)
Audit	7,000	5,400	1,600
Communications	5,000	-	5,000
County Treasurer's Fees	6,134	6,130	4
Director's Fee	4,000	2,000	2,000
District Management	26,000	18,074	7,926
Dues and Memberships	1,300	2,407	(1,107)
Economic Development	15,000	-	15,000
Election	20,000	30,579	(10,579)
HOA Projects - Cost Sharing	100,000	48,460	51,540
Insurance	10,000	5,004	4,996
Landscape and Maintenance	52,000	49,195	2,805
Legal	22,000	14,648	7,352
Meetings	3,000	150	2,850
Miscellaneous	3,316	2,451	865
Payroll Tax	1,000	153	847
Utilities - Landscaping Water	4,000	6,918	(2,918)
Utilities - Landscaping Electric	250	408	(158)
Total Expenditures	<u>298,000</u>	<u>221,868</u>	<u>76,132</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	195,765	220,790	25,025
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(34,000)	(36,000)	(2,000)
Total Other Financing Uses	<u>(34,000)</u>	<u>(36,000)</u>	<u>(2,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	161,765	184,790	23,025
Fund Balance - Beginning of Year	<u>603,951</u>	<u>592,510</u>	<u>(11,441)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 765,716</u>	<u>\$ 777,300</u>	<u>\$ 11,584</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
DECEMBER 31, 2020**

	Enterprise
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Investments	\$ 612,098
Accounts Receivable	44,968
Total Current Assets	657,066
<b>CAPITAL ASSETS</b>	
Water and Well Costs	650,898
ECCV Pipeline	686,758
Less: Accumulated Depreciation	(426,648)
Total Capital Assets	911,008
Total Assets	\$ 1,568,074
<b>LIABILITIES AND NET POSITION</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	37,846
Total Current Liabilities	37,846
<b>LONG-TERM LIABILITIES</b>	
Long-Term Payable - COA	808,564
Total Long-Term Liabilities	808,564
<b>NET POSITION</b>	
Net Investment in Capital Assets	786,590
Unrestricted	(64,926)
Total Net Position	721,664
Total Liabilities and Net Position	\$ 1,568,074

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2020**

	Enterprise
<b>OPERATING REVENUES</b>	
Service Charges	\$ 383,078
Total Operating Revenues	383,078
<b>OPERATING EXPENSES</b>	
District Management	13,915
Legal Services	9,765
Repair and Maintenance - Wells	2,985
Utilities	224,919
Water Operations Management	32,170
Depreciation	50,028
Total Operating Expenses	333,782
<b>OPERATING INCOME</b>	49,296
<b>NONOPERATING REVENUES AND EXPENSES</b>	
Contribution to City of Aurora for Raw Water Pipeline	(684,146)
Loss on Asset Disposal	(324,432)
Net Investment Income	11,912
Transfers In (Out)	(1,214,000)
Total Nonoperating Revenues and Expenses	(2,210,666)
<b>CHANGE IN NET POSITION</b>	(2,161,370)
Total Net Position - Beginning of Year	2,883,034
<b>TOTAL NET POSITION - END OF YEAR</b>	\$ 721,664

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2020**

	Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 338,110
Payments to Suppliers	<u>(271,080)</u>
Net Cash Provided by Operating Activities	67,030
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers In (Out)	<u>(1,214,000)</u>
Net Cash Used by Noncapital Financing Activities	(1,214,000)
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	<u>(11,450)</u>
Net Cash Used by Capital and Related Financing Activities	(11,450)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>15,870</u>
Net Cash Provided by Investing Activities	<u>15,870</u>
 <b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,142,550)
 Cash and Cash Equivalents - Beginning of Year	<u>1,754,648</u>
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 612,098</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 49,296
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	50,028
(Increase) Decrease in:	
Accounts Receivable	(44,968)
Increase (Decrease) in:	
Accounts Payable	<u>12,674</u>
Net Cash Provided by Operating Activities	<u><u>\$ 67,030</u></u>

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Eagle Bend Metropolitan District (the District) is a quasi-municipal corporation and political sub-division of the state of Colorado organized by order and decree of the District Court for Arapahoe County on November 3, 1998, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Arapahoe County, Colorado. 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 District follows the Governmental Accounting Standards Board (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 has no employees and contracts for all of its management and professional services.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct and indirect expenses of a 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise 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, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

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 general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

The District reports the following major proprietary fund:

The Enterprise Fund accounts for operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transfers and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall 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.

The District has amended its annual budget for the year ended December 31, 2020.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments 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 and investments.

**Cash Equivalents**

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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

**Accounts Receivable, Allowance for Doubtful Accounts**

User fees constitute a perpetual lien on or against the property served until paid. Such liens may be foreclosed upon as provided by the state of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of the net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Well Equipment	8-10 Years
Wells and Pipeline	40 Years
Landscaping	20 Years

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Amortization**

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

Cost of Bond Refunding

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the straight-line method over the life of the defeased debts. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Equity**

Net Position

For government-wide presentation purposes, 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.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

Fund Balance (Continued)

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 1,374,974
Cash and Investments - Restricted	<u>968,332</u>
Total Cash and Investments	<u><u>\$ 2,343,306</u></u>

Cash and investments as of December 31, 2020 consist of the following:

Deposits with Financial Institutions	\$ 59,330
Investments	<u>2,283,976</u>
Total Cash and Investments	<u><u>\$ 2,343,306</u></u>

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits with Financial Institutions**

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 102% of 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, 2020, the District's cash deposits had a bank statement and carrying balance of \$59,330.

**Investments**

The District has not adopted a formal investment policy, but does follow state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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 reserve or sinking fund requirements.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

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

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	<u>\$ 2,283,976</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner 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 any security allowed under CRS 24-75-601. 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. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress:				
Raw Water Line	\$ 1,175,568	\$ 1,250,000	\$ 2,425,568	\$ -
Total Capital Assets, Not Being Depreciated	<u>1,175,568</u>	<u>1,250,000</u>	<u>2,425,568</u>	<u>-</u>
Capital Assets, Being Depreciated:				
Landscaping	6,468,676	-	-	6,468,676
Total Capital Assets, Being Depreciated	<u>6,468,676</u>	<u>-</u>	<u>-</u>	<u>6,468,676</u>
Less Accumulated Depreciation for:				
Landscaping	4,058,455	323,434	-	4,381,889
Total Accumulated Depreciation	<u>4,058,455</u>	<u>323,434</u>	<u>-</u>	<u>4,381,889</u>
Total Capital Assets, Being Depreciated, Net	<u>2,410,221</u>	<u>(323,434)</u>	<u>-</u>	<u>2,086,787</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,585,789</u>	<u>\$ 926,566</u>	<u>\$ 2,425,568</u>	<u>\$ 2,086,787</u>

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 324,432	\$ -	\$ 324,432	-
Total Capital Assets, Not Being Depreciated	324,432	-	-	-
Capital Assets, Being Depreciated:				
Wells and Equipment	639,448	11,450	-	650,898
ECCV Pipeline	686,758	-	-	686,758
Total Capital Assets, Being Depreciated	1,326,206	11,450	-	1,337,656
Less Accumulated Depreciation for:				
Wells and Equipment	196,345	32,859	-	229,204
ECCV Pipeline	180,275	17,169	-	197,444
Total Accumulated Depreciation	376,620	50,028	-	426,648
Total Capital Assets, Being Depreciated, Net	949,586	(38,578)	-	911,008
Business-Type Activities Capital Assets, Net	<u>\$ 1,274,018</u>	<u>\$ (38,578)</u>	<u>\$ 324,432</u>	<u>\$ 911,008</u>

At completion and acceptance, all of the governmental activities fixed assets except for the landscaping were conveyed by the District to other local governments and the District will not be responsible for maintenance of those fixed assets.

Depreciation expense was charged to functions/programs of the District as follows:

<b>Governmental Activities</b>	
General Government	<u>\$ 323,434</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 323,434</u>
<b>Business-Type Activities</b>	
Water/Sewer Facilities	<u>\$ 50,028</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 50,028</u>

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Loan/Bonds Payable:					
Series 2012 Refunding Loan	\$ 13,160,000	\$ -	\$ 925,000	\$ 12,235,000	\$ 960,000
Series 2016 Refunding Bonds	13,405,000	-	-	13,405,000	-
Total Bonds Payable	<u>26,565,000</u>	-	925,000	<u>25,640,000</u>	<u>\$ 960,000</u>
Bond Premium - Series 2016	816,874	-	48,130	768,744	
Total Long-Term Obligations	<u>\$ 27,381,874</u>	<u>\$ -</u>	<u>\$ 973,130</u>	<u>\$ 26,408,744</u>	
<b>Business-Type Activities</b>					
City of Aurora	124,418	684,146	-	808,564	
	<u>\$ 124,418</u>	<u>\$ 684,146</u>	<u>\$ -</u>	<u>\$ 808,564</u>	

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

**General Obligation Refunding Loan – Series 2012**

On April 27, 2012, the District advance refunded its outstanding Series 2003 Bonds 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.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Refunding Bonds – Series 2016**

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 Series 2016 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2029. The Series 2016 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.

As a result of the issuance of the Series 2016 Bonds, the refunded bonds are considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The reacquisition price of the old debt exceeded the net carrying amount by \$252,227. This amount is recorded as a deferred outflow and is being amortized over the life of the refunded bonds. The refunding resulted in an economic gain of \$1,862,419 due to the average interest rate of the Series 2016 Bonds being lower than the refunded bonds.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 960,000	\$ 987,855	\$ 1,947,855
2022	990,000	955,311	1,945,311
2023	1,020,000	921,749	1,941,749
2024	1,055,000	887,172	1,942,172
2025	1,095,000	851,407	1,946,407
2026-2030	4,890,000	3,693,956	8,583,956
2031-2035	6,355,000	2,836,633	9,191,633
2036-2040	9,275,000	1,084,975	10,359,975
Total	<u>\$ 25,640,000</u>	<u>\$ 12,219,058</u>	<u>\$ 37,859,058</u>

On November 3, 1998, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$45,500,000 for the financing of new improvements and \$45,500,000 for the purposes of debt refunding. At December 31, 2020, the District had issued all of general obligation debt authorized by its service plan, and had authorized but unissued indebtedness remaining in the amounts of \$4,455,000 for the purposes of debt refunding.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**City of Aurora**

The District has entered into Intergovernmental Agreements with the City of Aurora. See Agreements footnote for additional information about these agreements.

**NOTE 6 NET POSITION**

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, the District had net investment in capital assets calculated as follows:

	Governmental Activities	Business- Type Activities
Net Investment in Capital Assets	\$ 2,086,787	\$ 786,590
	\$ 2,086,787	\$ 786,590

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2020 as follows:

	Governmental Activities	Business- Type Activities
Restricted Net Position:		
Emergencies	\$ 13,300	\$ -
Debt Service Reserve	880,481	-
Total Restricted Net Position	\$ 893,781	\$ -

The District has a deficit in unrestricted net position for the governmental activities and business-type activities. The deficit amounts in the governmental activities and business-type activities are the result of the District being responsible for repayment of bonds and contractual obligations issued for public improvements which were conveyed to other governmental entities and, for General Fund only to the Enterprise Fund, and which costs were removed from the District's financial records.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 AGREEMENTS**

**Memorandum of Understanding with the City of Aurora Water Department for the Alternate Water Source to Irrigate the Golf Course**

The District and the City of Aurora Water Department entered into an agreement August 22, 2007 to fund and construct a connection to the East Cherry Creek Valley (ECCV Connection) waterline. The District is to reimburse the City of Aurora \$557,089 for design and construction costs associated with the ECCV Connection through water rate charges and a one-time down payment of \$100,000. Reimbursement for the project costs will be charged to the District based on the difference between the current City domestic irrigation rate less the City raw water rate. When the project costs have been reimbursed, the City will charge all water delivered through the ECCV connection to the District at the then current City raw water rate. As of December 31, 2020, the amount remaining is \$124,418 and is included with the amount outstanding related to the Intergovernmental Agreement with City of Aurora dated August 7, 2018 and detailed below.

**Intergovernmental Agreement with the City of Aurora**

The District and the City of Aurora entered into an Agreement on August 7, 2018 to construct a pipeline connection to the Rampart raw water supply (Raw Water Pipeline) waterline. The Agreement allows the District to use and withdraw groundwater from two existing wells including potable water from the Buchanan Tap and raw water from the Raw Water Pipeline. Pursuant to the Agreement, the District agreed to incur the fees related to the design, engineering, and cost estimation (District Costs) of the project which totaled \$440,481. The District also reimbursed the City of Aurora through a one-time down payment of \$1,500,000, less the District Costs incurred by the District. In 2020, the District paid an additional \$1,250,000 which was applied to the remaining project construction costs incurred by the City of Aurora. Reimbursement for the remaining project construction costs of \$808,564 will be made by the District through monthly payments over a twenty-nine year period commencing February 2021 and includes the remaining reimbursement due under the ECCV Connection. Interest related to the monthly payment is 3.5% per annum.

**NOTE 8 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). 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.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers' compensation 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 9 TAX, SPENDING AND DEBT LIMITATION**

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.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

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 voters approve retention of such revenue.

On November 3, 1998, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue without regard to any limitations under TABOR.

On November 3, 1998, a majority of the District's electors authorized the District to impose a mill levy, unlimited as to rate or amount, and may increase such levy from year to year and collect, expend or retain annual District revenues generated from such mill levy or any other legally available revenues in 1999 and each year thereafter through the year 2019 inclusive for the payment of operations and maintenance and other general or administrative expenses of the District without regard to any expenditure, revenue-raising or other limitation contained in Section 29-1-301 Colorado Revised Statutes or any other law. The District believes that Ballot issue M, discussed above, allows the District to continue to retain the revenue the District collects from its operating mill levy.

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.

**EAGLE BEND METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 9 TAX, SPENDING AND DEBT LIMITATION (CONTINUED)**

The District's management believes 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 and qualification as an enterprise will require judicial interpretation.

**NOTE 10 INTERFUND TRANSFERS**

The transfer from the Enterprise Fund to the Capital Projects Fund was to support budgeted capital expenditures.

The transfer from the General Fund to the Enterprise Fund was to support budgeted expenses.

## **SUPPLEMENTARY INFORMATION**

**EAGLE BEND METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 2,290,146	\$ 2,287,294	\$ (2,852)
Specific Ownership Taxes	137,409	162,291	24,882
Investment Income	10,586	8,428	(2,158)
Total Revenues	<u>2,438,141</u>	<u>2,458,013</u>	<u>19,872</u>
<b>EXPENDITURES</b>			
Bond Interest - Series 2016	573,088	573,088	-
Loan Interest - Series 2012	446,123	446,124	(1)
Loan Principal - Series 2012	925,000	925,000	-
County Treasurer's Fees	34,352	34,329	23
Paying Agent Fees	300	300	-
Total Expenditures	<u>1,978,863</u>	<u>1,978,841</u>	<u>22</u>
<b>NET CHANGE IN FUND BALANCE</b>	459,278	479,172	19,894
Fund Balance - Beginning of Year	<u>476,114</u>	<u>483,630</u>	<u>7,516</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 935,392</u></u>	<u><u>\$ 962,802</u></u>	<u><u>\$ 27,410</u></u>

**EAGLE BEND METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ -	\$ 1,542	\$ 1,542
Total Revenues	<u>-</u>	<u>1,542</u>	<u>1,542</u>
<b>EXPENDITURES</b>			
Raw Water Line	2,081,954	1,250,000	831,954
Total Expenditures	<u>2,081,954</u>	<u>1,250,000</u>	<u>831,954</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,081,954)	(1,248,458)	833,496
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,000,000	1,250,000	250,000
Total Other Financing Sources	<u>1,000,000</u>	<u>1,250,000</u>	<u>250,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,081,954)	1,542	1,083,496
Fund Balance - Beginning of Year	<u>1,081,954</u>	<u>1,892</u>	<u>(1,080,062)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 3,434</u>	<u>\$ 3,434</u>

**EAGLE BEND METROPOLITAN DISTRICT  
 PROPRIETARY FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
HOA Water Sales - Fixed	\$ 228,000	\$ 155,000	\$ 155,000	\$ -
HOA Water Sales - Variable	135,000	170,000	228,078	58,078
Net Investment Income	11,522	9,500	11,912	2,412
Total Revenues	<u>374,522</u>	<u>334,500</u>	<u>394,990</u>	<u>60,490</u>
<b>EXPENDITURES</b>				
General and Administrative				
Consulting	14,000	-	-	-
District Management	23,000	20,000	13,915	6,085
Legal Services	17,000	15,000	9,765	5,235
Meetings	1,000	-	-	-
Miscellaneous	2,500	-	-	-
Water Operations Management	40,000	30,000	32,170	(2,170)
Operations and Maintenance				
Contingency	6,750	10,000	-	10,000
HEB - Operation Support	6,750	-	-	-
Repair and Maintenance - Wells	25,000	15,000	2,985	12,015
Tracer Wire	7,000	-	-	-
Utilities - Buchanan Water Meter	10,000	135,000	95,148	39,852
Utilities - ECCV Aurora Water	10,000	-	-	-
Utilities - Raw Water Pipeline	-	-	31,709	(31,709)
Utilities - Well Cellular	1,000	-	-	-
Utilities - Well Electric Costs	40,000	65,000	66,082	(1,082)
Utilities - Well Water Lease	33,000	42,000	31,980	10,020
Capital Outlay	-	-	11,450	(11,450)
Total Expenditures	<u>237,000</u>	<u>332,000</u>	<u>295,204</u>	<u>36,796</u>
<b>EXCESS OF REVENUES OVER OVER EXPENDITURES</b>	137,522	2,500	99,786	97,286
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	34,000	38,000	36,000	(2,000)
Transfers Out	(1,000,000)	(1,250,000)	(1,250,000)	-
Total Other Financing Uses	<u>(966,000)</u>	<u>(1,212,000)</u>	<u>(1,214,000)</u>	<u>(2,000)</u>
<b>NET CHANGE IN FUNDS AVAILABLE</b>	(828,478)	(1,209,500)	(1,114,214)	95,286
Funds Available - Beginning	<u>1,506,822</u>	<u>1,733,433</u>	<u>1,733,433</u>	<u>-</u>
<b>FUNDS AVAILABLE - ENDING</b>	<u>\$ 678,344</u>	<u>\$ 523,933</u>	<u>\$ 619,219</u>	<u>\$ 95,286</u>

**EAGLE BEND METROPOLITAN DISTRICT  
 PROPRIETARY FUND  
 RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 YEAR ENDED DECEMBER 31, 2020**

	<u>Actual</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES (BUDGETARY BASIS)</b>	<b>\$ (1,114,214)</b>
Add:	
Current Year Capital Outlay	11,450
Deduct:	
Depreciation	(50,028)
Contribution to Aurora for Raw Water Pipeline	(684,146)
Loss on Asset Disposal	<u>(324,432)</u>
<b>CHANGE IN NET POSITION</b>	<b>(2,161,370)</b>
Total Net Position - Beginning of Year	<u>2,883,034</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<b><u><u>\$ 721,664</u></u></b>

**EAGLE BEND METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2020**

Bonds and Interest Maturing in the Year Ending December 31,	\$15,030,000 General Obligation Refunding Bonds Interest Rate - 3.125% to 5.00% Series 2016 Dated April 20, 2016 Interest Payable June 1 and December 1 Principal Payable December 1			\$19,000,000 General Obligation Refunding Loan Interest Rate - 3.39% Series 2012 Dated April 17, 2012 Interest payable June 1 and December 1 Principal payable December 1			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2021	\$ -	\$ 573,088	\$ 573,088	\$ 960,000	\$ 414,767	\$ 1,374,767	\$ 960,000	\$ 987,855
2022	-	573,088	573,088	990,000	382,223	1,372,223	990,000	955,311	1,945,311
2023	-	573,088	573,088	1,020,000	348,661	1,368,661	1,020,000	921,749	1,941,749
2024	-	573,088	573,088	1,055,000	314,084	1,369,084	1,055,000	887,172	1,942,172
2025	-	573,088	573,088	1,095,000	278,319	1,373,319	1,095,000	851,407	1,946,407
2026	-	573,088	573,088	1,130,000	241,198	1,371,198	1,130,000	814,286	1,944,286
2027	-	573,088	573,088	1,170,000	202,892	1,372,892	1,170,000	775,980	1,945,980
2028	-	573,088	573,088	1,215,000	163,228	1,378,228	1,215,000	736,316	1,951,316
2029	-	573,088	573,088	675,000	122,040	797,040	675,000	695,128	1,370,128
2030	-	573,088	573,088	700,000	99,158	799,158	700,000	672,246	1,372,246
2031	-	573,088	573,088	720,000	75,428	795,428	720,000	648,516	1,368,516
2032	490,000	573,088	1,063,088	740,000	51,020	791,020	1,230,000	624,108	1,854,108
2033	615,000	557,775	1,172,775	765,000	25,934	790,934	1,380,000	583,709	1,963,709
2034	1,475,000	527,025	2,002,025	-	-	-	1,475,000	527,025	2,002,025
2035	1,550,000	453,275	2,003,275	-	-	-	1,550,000	453,275	2,003,275
2036	1,665,000	375,775	2,040,775	-	-	-	1,665,000	375,775	2,040,775
2037	1,745,000	292,525	2,037,525	-	-	-	1,745,000	292,525	2,037,525
2038	1,875,000	205,275	2,080,275	-	-	-	1,875,000	205,275	2,080,275
2039	1,940,000	139,650	2,079,650	-	-	-	1,940,000	139,650	2,079,650
2040	2,050,000	71,750	2,121,750	-	-	-	2,050,000	71,750	2,121,750
Total	<u>\$ 13,405,000</u>	<u>\$ 9,500,106</u>	<u>\$ 22,905,106</u>	<u>\$ 12,235,000</u>	<u>\$ 2,718,952</u>	<u>\$ 14,953,952</u>	<u>\$ 25,640,000</u>	<u>\$ 12,219,058</u>	<u>\$ 37,859,058</u>

**CONTINUING DISCLOSURE OBLIGATION**

**EAGLE BEND METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2020**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GENERAL FUND  
(UNAUDITED)**

	2016	2017	2018	2019	2020
<b>REVENUES</b>					
Property Taxes	\$ 747,315	\$ 309,444	\$ 377,718	\$ 353,328	\$ 408,446
Specific Ownership Taxes	57,914	26,527	27,492	27,769	28,980
Net Investment Income	178	98	496	38,967	5,232
HOA Cost Sharing	-	-	-	22,674	-
Other Income	5,921	3,568	11,581	918	-
<b>Total Revenues</b>	<u>811,328</u>	<u>339,637</u>	<u>417,287</u>	<u>443,656</u>	<u>442,658</u>
<b>EXPENDITURES</b>					
Accounting and Audit	12,857	16,594	13,067	38,508	35,291
Communications Expense	14,651	262	462	2,425	-
County Treasurer's Fees	11,212	4,643	5,672	5,303	6,130
Director's Fee	4,000	2,700	2,400	6,100	2,000
District Management	38,986	27,426	23,429	29,845	18,074
Dues and Subscriptions	-	-	-	1,306	2,407
Election	36,972	-	4,402	-	30,579
HOA Projects - Cost Sharing	12,030	-	-	45,429	48,460
Insurance	6,219	6,097	6,673	5,427	5,004
Landscape and Maintenance	74,297	57,024	230,787	48,267	49,195
Legal	37,486	32,643	20,195	36,023	14,648
Meetings	1,842	675	1,911	1,608	150
Miscellaneous	4,804	5,690	2,493	3,204	2,451
Payroll Tax	251	182	159	1,297	153
Traffic Study	3,598	-	-	-	-
Utilities	-	-	-	4,370	7,326
<b>Total Expenditures</b>	<u>259,205</u>	<u>153,936</u>	<u>311,650</u>	<u>229,112</u>	<u>221,868</u>
<b>EXPENDITURES</b>	552,123	185,701	105,637	214,544	220,790
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers In (Out)	(39,333)	(719,132)	(34,000)	(1,815,000)	(36,000)
<b>Total Other Financing Uses</b>	<u>(39,333)</u>	<u>(719,132)</u>	<u>(34,000)</u>	<u>(1,815,000)</u>	<u>(36,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	512,790	(533,431)	71,637	(1,600,456)	184,790
Fund Balances - Beginning of Year	<u>2,141,970</u>	<u>2,654,760</u>	<u>2,121,329</u>	<u>2,192,966</u>	<u>592,510</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,654,760</u>	<u>\$ 2,121,329</u>	<u>\$ 2,192,966</u>	<u>\$ 592,510</u>	<u>\$ 777,300</u>

**EAGLE BEND METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)  
YEAR ENDED DECEMBER 31, 2020**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - DEBT SERVICE FUND  
(UNAUDITED)**

	2016	2017	2018	2019	2020
<b>REVENUES</b>					
Property Taxes	\$ 1,712,705	\$ 1,951,367	\$ 2,184,343	\$ 2,119,965	\$ 2,287,294
Specific Ownership Taxes	132,719	167,120	158,987	166,621	162,291
Investment Income	26,022	47,429	107,204	30,271	8,428
Total Revenues	<u>1,871,446</u>	<u>2,165,916</u>	<u>2,450,534</u>	<u>2,316,857</u>	<u>2,458,013</u>
<b>EXPENDITURES</b>					
County Treasurer's Fees	25,696	29,284	32,802	31,820	34,329
Debt Service	2,016,273	1,992,795	1,994,489	3,583,990	1,944,212
Paying Agent Fees	3,498	1,150	555	300	300
Miscellaneous	-	-	-	-	-
Total Expenditures	<u>2,045,467</u>	<u>2,023,229</u>	<u>2,027,846</u>	<u>3,616,110</u>	<u>1,978,841</u>
<b>EXPENDITURES</b>	(174,021)	142,687	422,688	(1,299,253)	479,172
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond Issuance	15,030,000	-	-	-	-
Bond Premium	994,822	-	-	-	-
Payment to Refunding Escrow Agent	(15,756,268)	-	-	-	-
Transfers In (Out)	-	-	-	1,000,000	-
Total Other Financing Sources	<u>268,554</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	94,533	142,687	422,688	(299,253)	479,172
Fund Balances - Beginning of Year	<u>122,975</u>	<u>217,508</u>	<u>360,195</u>	<u>782,883</u>	<u>483,630</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 217,508</u>	<u>\$ 360,195</u>	<u>\$ 782,883</u>	<u>\$ 483,630</u>	<u>\$ 962,802</u>

**EAGLE BEND METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)  
YEAR ENDED DECEMBER 31, 2020**

**HISTORY OF ASSESSED VALUATIONS AND MILL LEVIES FOR THE DISTRICT  
(UNAUDITED)**

Levy/ Collection Year	Assessed Valuation		Mill Levies		
	Assessed Valuation	Percent Change	General Fund	Debt Service	Total
2014/2015	\$ 56,850,230	1.4%	12.000	37.000	49.000
2015/2016	62,954,844	10.7%	12.000	27.500	39.500
2016/2017	61,957,431	-1.6%	5.000	31.500	36.500
2017/2018	69,453,219	12.1%	5.447	31.500	36.947
2018/2019	70,843,678	2.0%	5.000	30.000	35.000
2019/2020	81,790,932	15.5%	5.000	28.000	33.000
2020/2021	86,691,197	6.0%	4.000	27.000	31.000

**HISTORY OF PROPERTY TAX COLLECTIONS FOR THE DISTRICT  
(UNAUDITED)**

Levy/ Collection Year	Taxes Levied	Current Tax Collections	Collection Rate
2014/2015	\$ 2,785,661	\$ 2,782,705	99.89%
2015/2016	\$ 2,486,716	\$ 2,460,020	98.93%
2016/2017	\$ 2,261,446	\$ 2,260,811	99.97%
2017/2018	\$ 2,566,088	\$ 2,562,061	99.84%
2018/2019	\$ 2,479,529	\$ 2,473,293	99.75%
2019/2020	\$ 2,699,101	\$ 2,695,740	99.88%