

TOWN OF EAGLE, COLORADO

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2021

TOWN OF EAGLE, COLORADO
FOR THE YEAR ENDED
December 31, 2021

TOWN COUNCIL

Scott Turnipseed – Mayor
Mikel Kerst – Mayor Pro-Tem
Ellen Bodenhemier
Janet Bartnik
Geoffrey Grimmer
Sarah Parrish
Nick Sunday

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The Honorable Mayor and Members
of the Town Council
Eagle, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Eagle, Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Eagle's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the Town of Eagle as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Eagle, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Eagle, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting in an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Eagle, Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Eagle, Colorado's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

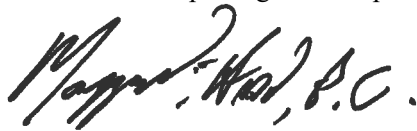
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part 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. We have applied certain limited procedures to the required supplementary information in accordance with accounting standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Eagle, Colorado's basic financial statements. The combining and individual fund financial statements, and the County, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, and the County, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets, is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2022, on our consideration of the Town of Eagle's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Eagle, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Eagle, Colorado's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Maggard & Hood, P.C.", written in a cursive style.

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
July 7, 2022

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Eagle was incorporated on March 17, 1905 as a statutory town pursuant to the constitution and laws of the State of Colorado. In April of 2020, the Town's electorate approved home rule status and provisions of its home rule charter were adopted which govern the Town. The Town serves as the county seat of Eagle County and is located on Interstate 70 approximately 130 miles west of Denver, and 130 miles east of Grand Junction, Colorado. The legislative and corporate authority of the Town is vested in the Town Council.

The discussion and analysis of the Town of Eagle's financial performance provides an overall review of the Town's financial activities for the fiscal year. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the Town's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2021 are as follows:

- In total the Town's *overall* net position increased \$7,536,376 (7%) from the previous fiscal year.
- The Town's *overall* General Revenues accounted for \$10,853,219 (50%) of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and non-program revenues. Program specific revenues, in the form of charges for services and program specific grants and contributions, accounted for \$10,858,132 (50%) of total revenues of \$21,711,351.
- *Overall* the Town had \$14,174,975 in expenses, of which \$8,831,673 were offset by program specific charges for services, as well as grants and contributions of \$2,026,459.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. These statements are organized so the reader can understand the Town of Eagle as a financial whole, or as an entire operating activity. The basic financial statements include two types of information on the same statement that present different views of the Town.

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's *overall* financial status.
- *Fund financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Additional supplemental information has also been included to enhance the readers understanding of the report.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

REPORTING THE TOWN AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the Town to provide programs and activities, the view of the Town as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide financial statements is on the overall financial position and activities of the Town. These financial statements are constructed around the concept of a primary government, the Town, and its component units, except for fiduciary funds. The statement of net position and statement of activities provide information about the activities of the whole Town, presenting both an aggregate view of the Town's finances and a longer-term view of those finances.

The statement of net position and the statement of activities report the Town's net position and changes therein. This change in net position is important because it identifies whether the financial position of the Town has improved or diminished for the Town as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Town's property tax base, current property tax laws, statutorily required reserves, facility conditions, and other factors.

In the statement of net position and the statement of activities, the Town is divided into two distinct kinds of activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the Town's programs and services are reported here including general government activities, public safety, public works (for streets, buildings and grounds), open space preservation, capital projects, and when applicable, general long-term debt service and other fiscal charges.

Business-Type Activities – Business-type activities are financed to some degree by charging external parties for the goods or services they acquire. The Town's enterprise funds for water, wastewater, refuse and stormwater utilities are reported as business-type activities as the service is provided on a charge for goods or services basis to recover the expenses of the goods and services provided.

FUND FINANCIAL STATEMENTS

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about each of the Town's major funds. For the Town of Eagle, the General Fund is the most significant fund. The Town uses many funds to account for a multitude of financial transactions. The Town's governmental funds include the General Fund, Special Revenue Funds (which are the Conservation Trust Fund and Open Space Preservation funds), Capital Projects Fund, and the Sales Tax Capital Improvement Projects Fund. The Town's proprietary, or enterprise, funds include the Water Fund, the Wastewater Fund, the Refuse Fund and the Stormwater Fund. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the Town rather than the Town as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

FUND FINANCIAL STATEMENTS - CONTINUED

The Town's fund financial statements are divided into two broad categories; namely governmental funds and proprietary funds.

Governmental Funds – The Town's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance the Town's programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of activities and the governmental funds is reconciled in the financial statements. The Town maintains the following governmental funds:

General Fund – used to account for resources traditionally associated with government which are not required legally or by sound financial management to be account for in another fund.

Capital Improvement Funds – used to account for the acquisition of fixed assets or construction of major capital projects not being financed by the General or other funds.

Capital Projects Fund – used to account for funds for the acquisition of lands, construction of major capital improvements and projects, and acquisition of more expensive pieces of equipment.

Sales Tax Capital Improvement Fund – used to account for the voter approved 0.5% sales tax for the acquisition, design, and construction of the Eagle River Park project and other town park and path improvements.

Special Revenue Funds – used to account for proceeds of resources that are restricted or committed for purposes other than debt service or capital projects. The special revenue funds include the following:

Conservation Trust Fund – accounts for lottery proceeds received directly from the State of Colorado restricted for the acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site (defined as a publicly owned site or a site in which a public entity/local government holds an interest in land or water).

Open Space Preservation Fund – accounts for revenue from the Town's lodging occupancy tax committed for the acquisition of open space lands, conservation, trail easements and development rights, trail expansion and maintenance, and other open space recreational amenities.

Proprietary Funds – The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same. These funds are used to account for operations that are financed and operated in a manner similar to private enterprise, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The proprietary (enterprise) funds include the following:

Water Fund – accounts for activities related to water services to the citizens of the Town.

Wastewater Fund – accounts for activities related to the sewage treatment facilities and sewage transmission lines.

Refuse Fund – accounts for activities related to trash collection and disposal, recycling and yard waste.

Stormwater Fund – accounts for activities related to implementing and financing a stormwater management program.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE TOWN AS A WHOLE

The perspective of the statement of net position is of the Town as a whole. Following is a summary of the Town's net position for the current and prior fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
			<i>(RESTATED)</i>			
	2021	2020	2021	2020	2021	<i>(RESTATED)</i> 2020
<u>ASSETS:</u>						
Current Assets	\$ 19,480	\$ 14,983	\$ 25,968	\$ 25,717	\$ 45,448	\$ 40,700
Noncurrent Assets (EHOP)	159	159	-	-	159	159
Capital Assets, Net	35,569	36,422	64,482	62,379	100,051	98,801
Total Assets	55,208	51,564	90,450	88,096	145,658	139,660
<u>LIABILITIES:</u>						
Current & Other Liabilities	1,921	1,510	4,113	4,212	6,034	5,722
Long-term Liabilities	5,449	5,583	20,451	22,192	25,900	27,775
Total Liabilities	7,370	7,093	24,564	26,404	31,934	33,497
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
Unavailable Revenue from Property Taxes	385	360	-	-	385	360
Total Deferred Inflows	385	360	-	-	385	360
<u>NET POSITION :</u>						
Invested in Capital Assets, Net of Related Debt	30,097	30,802	42,279	39,131	72,376	69,933
Restricted	2,373	2,520	1,145	1,125	3,518	3,645
Unrestricted	14,983	10,789	22,462	21,436	37,445	32,225
Total Net Position	\$ 47,453	\$ 44,111	\$ 65,886	\$ 61,692	\$ 113,339	\$ 105,803

The Net Position of the prior period has been restated for previously unrecorded additional meters/resale inventory supplies-on-hand in the Water Fund (see Note 15).

As indicated earlier, net position may serve over time as a useful indicator of the Town's financial health. The Town's *overall* assets exceeded its liabilities and deferred inflows by \$113,338,958 at December 31, 2021.

By far the largest portion of the Town's Net Position (approximately 64%) reflects its net investment of \$72,376,052 in capital assets less the related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's Net Position, \$3,517,329 (approximately 3%) represents resources that are subject to restrictions as to how they may be used; this includes statutorily required TABOR emergency reserves and monies restricted for capital improvements/debt service, highway 6 devolution maintenance, community enhancement and conservation trust purposes.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE TOWN AS A WHOLE – CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net position for the current and prior fiscal year:

<i>(In Thousands)</i>	Governmental		Business-Type		Total	
	2021	2020	2021	2020	2021	2020
<u>REVENUES:</u>						
Program Revenues:						
Charges for Services/Sales	\$ 760	\$ 699	\$ 8,072	\$ 7,966	\$ 8,832	\$ 8,665
Operating Grants & Contrib.	576	576	-	14	576	590
Capital Grants & Contrib.	370	375	1,080	2,335	1,450	2,710
Total Program Revenues	<u>1,706</u>	<u>1,650</u>	<u>9,152</u>	<u>10,315</u>	<u>10,858</u>	<u>11,965</u>
General Revenues:						
Taxes	10,424	8,411	-	-	10,424	8,411
Intergovernmental Revenue	232	196	-	-	232	196
Impact Fees & Assessments	37	67	-	-	37	67
Interest/Investment Earnings	10	89	8	116	18	205
Other General Revenues	89	187	53	55	142	242
Total General Revenues	<u>10,792</u>	<u>8,950</u>	<u>61</u>	<u>171</u>	<u>10,853</u>	<u>9,121</u>
Total Revenues	<u>12,498</u>	<u>10,600</u>	<u>9,213</u>	<u>10,486</u>	<u>21,711</u>	<u>21,086</u>
<u>PROGRAM EXPENSES:</u>						
Town Council	245	139	-	-	245	139
General Government	948	740	-	-	948	740
General Administration	655	601	-	-	655	601
Community Development	802	822	-	-	802	822
Municipal Court	76	68	-	-	76	68
Public Safety	2,010	1,962	-	-	2,010	1,962
Public Works - Streets	1,023	1,743	-	-	1,023	1,743
Public Works - Bldg/Grounds	815	853	-	-	815	853
Information Center	33	31	-	-	33	31
Marketing	245	175	-	-	245	175
Engineering	212	209	-	-	212	209
Open Space Preservation	162	82	-	-	162	82
Interest - Gen'l. Obligations	220	224	-	-	220	224
Depreciation - Unallocated	1,710	1,848	-	-	1,710	1,848
Water Utility	-	-	2,219	2,134	2,219	2,134
Wastewater Utility	-	-	2,142	2,264	2,142	2,264
Refuse Utility	-	-	657	624	657	624
Stormwater Utility	-	-	1	-	1	-
Total Expenses	<u>9,156</u>	<u>9,497</u>	<u>5,019</u>	<u>5,022</u>	<u>14,175</u>	<u>14,519</u>
INCREASE (DECREASE)						
IN NET POSITION	<u>\$ 3,342</u>	<u>\$ 1,103</u>	<u>\$ 4,194</u>	<u>\$ 5,464</u>	<u>\$ 7,536</u>	<u>\$ 6,567</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE TOWN AS A WHOLE – CONTINUED

Governmental Activities

Revenues

Revenues decreased over the prior year primarily due to additional tap fees that were received in the prior year.

Expenses

Program expenses decreased for governmental activities, primarily resulting from savings in streets maintenance expenses as compared to the prior year, while business-type activities expenses approximated those of the prior period (with the exception of the new Stormwater Utility Enterprise Fund).

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	<u>Total Cost of Service</u>		<u>Net Cost of Services</u>	
	2021	2020	2021	2020
Town Council	\$ 245	\$ 139	\$ 245	\$ 139
General Government	948	740	182	64
General Administration	655	601	655	601
Community Development	802	822	731	293
Municipal Court	76	68	76	68
Public Safety	2,010	1,962	1,941	1,886
Public Works - Streets	1,023	1,743	611	1,389
Public Works - Bldgs/Grounds	815	853	445	853
Information Center	33	31	33	23
Marketing	245	175	237	169
Engineering	212	209	212	209
Open Space Preservation	162	82	152	81
Interest - General Obligation Debt	220	224	220	224
Unallocated Depreciation	1,710	1,848	1,710	1,848
Total Expenses	<u>\$ 9,156</u>	<u>\$ 9,497</u>	<u>\$ 7,450</u>	<u>\$ 7,847</u>

The dependence on general revenues for governmental activities is apparent. Approximately 81% of fiscal 2021 program services were supported through taxes and other general revenues and 83% in 2020. The community as a whole is the primary support for the Town's activities.

Business-Type Activities – The results of operations of the business-type activity indicate that the utility funds are generating enough revenues to be self-sustaining without assistance from the general fund:

<i>(In Thousands)</i>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>
Program Revenues	\$ 9,152	\$ 10,315
Taxes and Other General Revenues	61	171
Total Revenues	9,213	10,486
Expenses	(5,019)	(5,022)
Special/Extraordinary Items	-	-
Net Income (Loss)	<u>\$ 4,194</u>	<u>\$ 5,464</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE TOWN AS A WHOLE – CONTINUED

Business-Type Activities, continued

Revenues

Charges for services for business-type activities increased \$105,842 as compared to the prior year, primarily due to the addition of the new Stormwater Utility Enterprise Fund which had revenues of \$81,530.

Expenses

Total enterprise expenditures decreased approximately \$3,821 from the previous fiscal year.

THE TOWN'S FUNDS

Governmental Funds

The governmental fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. The governmental fund level financial statements are reported on the modified accrual basis of accounting. At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans are presented as a revenue item while outflows for capital outlay and debt service principal payments are presented as an expenditure item, as these items represent current period financial resources and uses.

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

Total governmental funds had revenues and other financing sources of \$14,727,820 and expenditures and other financing uses of \$10,664,760.

Governmental fund revenues increased approximately \$1.8 million from the prior fiscal year, primarily from increased sales tax collections and intergovernmental grants received.

Governmental fund expenditures increased approximately \$777 thousand from the prior fiscal year, primarily due to year-to-year changes in amounts expended on capital projects and overall services to the Town's citizenry.

Overall governmental fund balances increased approximately \$4 million from the prior fiscal year. The ending combined fund balance of \$17.5 million represents the amount available for future spending, which is represented as follows:

General Fund	\$ 6,841,809
Capital Projects Fund	8,301,331
Sales Tax Capital Impr Projects Fund	1,543,518
Special Revenue Funds	<u>813,570</u>
Total Governmental Fund Balances	<u>\$ 17,500,228</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE TOWN'S FUNDS – CONTINUED

Proprietary Funds

The proprietary fund level financial statements, as discussed above, use the same basis of accounting as business-type activities.

- The Water Enterprise Fund ending net position increased from \$45,497,968 to \$48,612,971.
- The Wastewater Enterprise Fund ending net position increased from \$15,906,953 to \$16,901,569.
- The Refuse Enterprise Fund ending net position increased from \$286,938 to \$291,642.
- The Stormwater Enterprise Fund ending net position increased from \$0 to \$80,233.

Positive changes in net position reflect that the enterprise funds are currently generating enough operating and non-operating revenues to offset current year operating and non-operating expenses, whereas negative changes would reflect that the activity did not. The ending net position in the enterprise activities represent the amount of net resources, including capital assets, available to provide future utility services and capacity improvements to the general public of the Town of Eagle.

(As already noted, the Fund Balance of the prior period of the Water Fund has been restated for previously unrecorded additional meters/resale inventory supplies-on-hand (see Note 15).)

GENERAL FUND BUDGETING HIGHLIGHTS

The Town's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(E)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) with the exception of the Proprietary (Enterprise) Funds. The reconciliation of the budgetary differences of the Proprietary Fund to GAAP is found in *Note 7*.

The budgeting system of the Town uses a line-item based budget, which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. It is the Town's policy to amend the original budget appropriations as additional information is acquired during the fiscal year to more accurately reflect current year operating activity.

During the year, the Town amended its budgeted appropriations as follows:

	<u>Original</u>	<u>Revised</u>	<u>Increase (Decrease)</u>
General Fund	\$ 10,244,150	\$ 9,853,994	\$ (390,156)
Capital Projects Fund	2,181,082	1,795,685	(385,397)
Sales Tax Cap Impr Projects Fund	567,976	523,796	(44,180)
Conservation Trust Fund	30,000	35,790	5,790
Open Space Preservation Fund	238,770	234,635	(4,135)
Water Fund	8,414,471	6,619,894	(1,794,577)
Wastewater Fund	2,653,828	2,680,479	26,651
Refuse Fund	660,899	661,443	544
Stormwater Fund	106,000	6,297	(99,703)

The above budget amendments were adopted to adjust for changes in available revenues from original expectations and revised expected year-end expenditures primarily resulting from timing of capital projects.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

GENERAL FUND BUDGETING HIGHLIGHTS - CONTINUED

General Fund Resources (Inflows)

The Town's final budgetary revenues and other financing sources in the amount of \$10,349,619 exceeded budgetary expectations of \$9,913,900 by \$435,719 primarily due to additional tax revenues received as the pandemic recovery continues. It is not anticipated that the variance will have a significant effect on future services or liquidity. Further detail of individual line-item revenues for the general fund can be found in the 'Other Supplemental Information' section following the financial statements.

General Fund Charges to Appropriations (Outflows)

The Town's final budgetary expenditures and other financing uses of \$8,401,320 were \$1,452,674 less than the final appropriated fund balance of \$9,853,994. Positive variances were found throughout the majority of the Town's functional expenditure categories. Savings primarily occurred from unused personnel and purchased services appropriations, unused contingency budgets, and unexpended fund that were budgeted for ongoing streets repairs and maintenance. It is not anticipated that these variances will have a significant effect on future services or liquidity.

Further detail of individual line-item expenditures for the general fund can be found in the 'Supplemental Information' section following the financial statements.

* * *

The Town Council and the Town's management continue to strive to budget appropriate amounts for each individual line item. This year's overall savings are indicative of the efforts to provide services in the most economical manner. This year's savings will have a positive impact on future year's fund balances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the Town had a total of \$100,050,887 invested in capital assets, consisting of \$35,569,199 in governmental activities and \$64,481,688 in business-type activities. The following reflects the balances the current fiscal year compared to the prior fiscal year, net of depreciation and amortization:

<i>(In Thousands)</i>	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
<i>Net of Depreciation:</i>						
Land/Easements	\$ 4,080	\$ 4,080	\$ 378	\$ 378	\$ 4,458	\$ 4,458
Water Rights	-	-	9,144	9,144	9,144	9,144
Parks/Improvements	9,824	9,910	-	-	9,824	9,910
Buildings/Improvements	2,885	2,746	52	52	2,937	2,798
Rec Center/Pool/Ice Rink	3,255	3,360	-	-	3,255	3,360
Equipment	1,024	831	40	67	1,064	898
Infrastructure	13,752	15,256	25,564	26,428	39,316	41,684
Construction-in-Progress	749	239	29,304	26,310	30,053	26,549
	<u>\$ 35,569</u>	<u>\$ 36,422</u>	<u>\$ 64,482</u>	<u>\$ 62,379</u>	<u>\$ 100,051</u>	<u>\$ 98,801</u>

Additional information can be found in *Note 4* of the Financial Statements.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION - CONTINUED

Debt

At December 31, 2021 the Town had total outstanding long-term debt of \$27,774,136. Of this amount, governmental activities carry bonds of \$5,454,638 and compensated absences of \$144,251. Business-type activities carry \$21,360,551 of notes payable, \$775,238 of bonds payable and compensated absences of \$39,458. See *Note 5 Long-term Debt Obligations* for a detail of the terms and annual debt service requirements to amortize the Town's long-term debt.

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

The Town's 2022 adopted budget reflects the current issues, economic condition and outlook of administration and elective officials; it is a living document that serves as a planning tool for the upcoming year which uses a balanced approach to revenues and expenditures for all funds to accomplish the priorities of the Town Council, staff and the community, while maintaining the current level of service to the Town's constituents.

Most of the Town's revenues are generated by sales tax and the Town considers economic development as important to ensure long-term financial stability. The Town has planned investments in economic development in Eagle's historic downtown; Public Art and Beatification Gateway Project along the east side of the Eby Creek in 2022; investment in the Downtown Development Authority (DDA) as approved by voters in 2020 to support revitalization of Broadway; investments in the Economic Vitality Committee to assist with completing a Town-wide Economic Development Strategy Plan and completion of the community survey and ongoing dashboard project started in 2021; Broadband expansion, Regional Transit Authority (RTA) partnership, Housing Strategies for affordable housing; Technology and Outdoor Recreation Assessment for retaining and attracting business in the outdoor industry; Wayfinding and Branding to establish a brand and create a wayfinding sign plan.

Long-range planning initiatives include Rewrite of the Land Use Code, the Highway 6/Grand Avenue Corridor Plan and the Open Space & Trails Master Plan, as well as various infrastructure and capital improvements projects that are in the works.

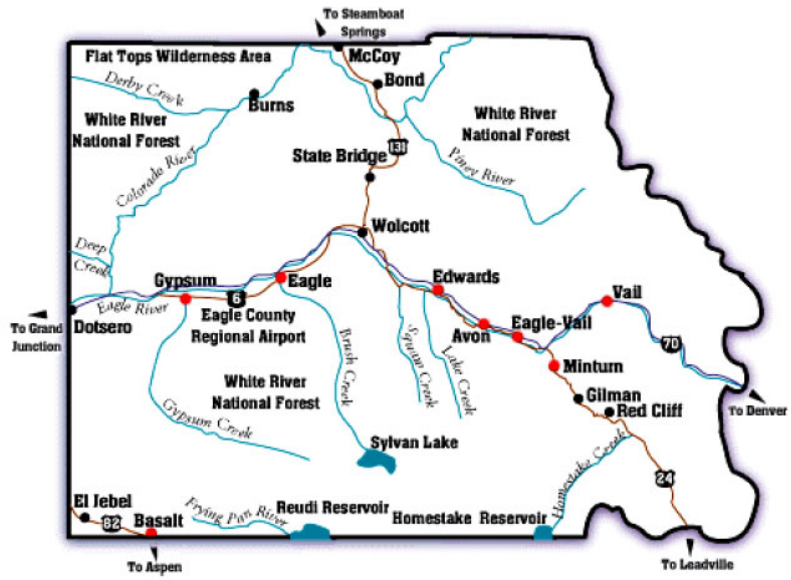
In addition, the Town has budgeted for improvements in information technology, improvements in public safety and equipment, ongoing sustainability and conservation, structural and organizational changes to keep up with the growth the Town is experiencing, and enrichment of healthcare insurance and retirement benefits for employees.

The Town continues to execute the Strategic Plan and make investments in economic development, service delivery and organizational capacity. It is the Town's goal to become a standard-driven organization operating with professionalism in which progress made towards proactive policies and initiatives will serve the Town. The adopted budget, developed in collaboration between all departments and elected officials, builds on these efforts.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact:

Town Eagle, Colorado
P.O. Box 609
Eagle, CO 81631
Phone: (970)328-6354
Fax: (970) 328-5203



GOVERNMENT - WIDE FINANCIAL STATEMENTS

TOWN EAGLE, COLORADO
STATEMENT OF NET POSITION
December 31, 2021

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 14,571,890	\$ 24,032,602	\$ 38,604,492
Restricted Cash and Investments	3,020,567	1,144,688	4,165,255
Receivables – Net			
Due from County Treasurer	4,681	-	4,681
Taxes and Other Receivables	1,270,950	-	1,270,950
Property Taxes	385,512	-	385,512
Accounts Receivable, Net	-	575,118	575,118
Intergovernmental Grants	140,762	-	140,762
Inventory	-	159,492	159,492
Prepaid Expenses	85,471	56,265	141,736
Total Current Assets	19,479,833	25,968,165	45,447,998
Noncurrent Assets:			
Funds Held by Fiscal Agent (EHOP)	141,371	-	141,371
Notes Receivable (EHOP)	18,095	-	18,095
Non-Depreciable Capital Assets	4,829,168	38,826,093	43,655,261
Depreciable Capital Assets, Net	30,740,031	25,655,595	56,395,626
Total Noncurrent Assets	35,728,665	64,481,688	100,210,353
 TOTAL ASSETS	 55,208,498	 90,449,853	 145,658,351
 LIABILITIES			
Accounts Payable	400,192	717,968	1,118,160
Retainage Payable	5,551	1,203,315	1,208,866
Accrued Liabilities	181,704	180,286	361,990
Unearned Revenues	890,768	286,622	1,177,390
Deposits and Other Liabilities	293,339	-	293,339
Long-term Debt:			
Portion Due or Payable within One Year:			
Loans Payable, Net of Premium	-	1,473,286	1,473,286
Bonds Payable, Net of Premium	150,045	250,863	400,908
Portion Due or Payable After One Year:			
Compensated Absences	144,251	39,458	183,709
Loans Payable, Net of Premium	-	19,887,265	19,887,265
Bonds Payable, Net of Premium	5,304,593	524,375	5,828,968
TOTAL LIABILITIES	7,370,443	24,563,438	31,933,881
 DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue –			
From Property Taxes	385,512	-	385,512
TOTAL DEFERRED INFLOWS	385,512	-	385,512
 Net Position:			
Invested in Capital Assets, Net of Related Debt	30,096,566	42,279,486	72,376,052
Restricted	2,372,641	1,144,688	3,517,329
Unrestricted (Deficit)	14,983,336	22,462,241	37,445,577
 TOTAL NET POSITION	 \$ 47,452,543	 \$ 65,886,415	 \$ 113,338,958

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

TOWN EAGLE, COLORADO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2021

FUNCTION/PROGRAM ACTIVITIES	EXPENSES	PROGRAM REVENUES		
		Charges For Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES:				
Town Council	\$ 245,208	\$ -	\$ -	\$ -
General Government	948,291	633,026	133,164	-
General Administration	654,735	-	-	-
Community Development	801,935	60,422	10,823	-
Municipal Court	76,032	-	-	-
Public Safety	2,010,332	58,392	10,767	-
Public Works – Streets	1,022,478	-	411,723	-
Public Works – Buildings/Grounds	814,867	-	-	370,022
Information Center	33,411	-	-	-
Marketing	245,219	7,980	-	-
Engineering	212,468	-	-	-
Open Space Preservation	161,569	-	10,000	-
Interest on Long-term Debt	219,938	-	-	-
Depreciation – Unallocated (<i>See Note 1(G)</i>)	1,710,146	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	9,156,629	759,820	576,477	370,022
BUSINESS-TYPE ACTIVITIES:				
Water Utility	2,218,384	4,560,091	-	738,960
Wastewater Utility	2,141,878	2,768,845	-	341,000
Refuse Utility	656,787	661,387	-	-
Stormwater Utility	1,297	81,530	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	5,018,346	8,071,853	-	1,079,960
TOTAL PRIMARY GOVERNMENT	\$ 14,174,975	\$ 8,831,673	\$ 576,477	\$ 1,449,982

GENERAL REVENUES:

Taxes:

- Property Taxes, Levied for General Purposes
- Specific Ownership Taxes, for General Purposes
- Sales Tax, for General Purposes
- Sales Tax, for Capital Improvement Projects Fund
- Other Taxes: Community Enhancement, Lodging, Franchise, Marketing, Use and Severance Taxes

Grants and Entitlements Not Restricted to Specific Programs:

- Intergovernmental Taxes – County Sales Tax
- Intergovernmental Federal Mineral Lease Revenues
- Impact Fees and Assessments
- Gain (Loss) on Asset Disposition
- Unrestricted Interest and Investment Earnings
- Settlement – Mountain Recreation Facility Agreement
- Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR (RESTATED*)

NET POSITION – END OF YEAR

(* see Note 15)

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-Type Activities	Total
\$ (245,208)	-	\$ (245,208)
(182,101)	-	(182,101)
(654,735)	-	(654,735)
(730,690)	-	(730,690)
(76,032)	-	(76,032)
(1,941,173)	-	(1,941,173)
(610,755)	-	(610,755)
(444,845)	-	(444,845)
(33,411)	-	(33,411)
(237,239)	-	(237,239)
(212,468)	-	(212,468)
(151,569)	-	(151,569)
(219,938)	-	(219,938)
<u>(1,710,146)</u>	-	<u>(1,710,146)</u>
<u>(7,450,310)</u>	-	<u>(7,450,310)</u>
	\$ 3,080,667	3,080,667
	967,967	967,967
	4,600	4,600
	<u>80,233</u>	<u>80,233</u>
	<u>4,133,467</u>	<u>4,133,467</u>
<u>(7,450,310)</u>	<u>4,133,467</u>	<u>(3,316,843)</u>
350,841	-	350,841
19,702	-	19,702
6,951,432	-	6,951,432
868,929	-	868,929
2,232,678	-	2,232,678
232,042	-	232,042
161	-	161
36,992	-	36,992
(85,250)	-	(85,250)
10,023	8,309	18,332
105,500	-	105,500
69,080	<u>52,780</u>	<u>121,860</u>
<u>10,792,130</u>	<u>61,089</u>	<u>10,853,219</u>
3,341,820	4,194,556	7,536,376
<u>44,110,723</u>	<u>61,691,859</u>	<u>105,802,582</u>
<u>\$ 47,452,543</u>	<u>\$ 65,886,415</u>	<u>\$ 113,338,958</u>

FUND FINANCIAL STATEMENTS

TOWN OF EAGLE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General Fund	Capital Projects Fund	Sales Tax Capital Imprvmt Projects Fund
<u>ASSETS:</u>			
Cash and Investments	\$ 6,345,022	\$ 6,254,061	\$ 1,294,004
Restricted Cash and Investments	878,097	1,843,835	172,585
Receivables – Net:			
Due from County Treasurer	4,681	-	-
Taxes and Other Receivables	948,433	228,933	73,349
Property Taxes	385,512	-	-
Intergovernmental Grants	9,512	131,250	-
Prepaid Expenses	73,600	-	11,871
Funds Held by Fiscal Agent (EHOP)	141,371	-	-
Notes Receivable (EHOP)	18,095	-	-
Total Assets	\$ 8,804,323	\$ 8,458,079	\$ 1,551,809
<u>LIABILITIES, DEFERRED INFLOWS</u>			
<u>OF RESOURCES AND FUND BALANCES:</u>			
Liabilities:			
Accounts Payable	\$ 232,414	\$ 154,423	\$ 5,065
Retainage Payable	-	2,325	3,226
Accrued Liabilities	160,481	-	-
Unearned Revenues	890,768	-	-
Deposits and Other Liabilities	293,339	-	-
Total Liabilities	1,577,002	156,748	8,291
Deferred Inflows of Resources:			
Unavailable Revenues -			
From Property Taxes	385,512	-	-
Total Deferred Inflows	385,512	-	-
Fund Balances:			
Non-Spendable	233,066	-	11,871
Restricted for –			
Highway 6 Devolution Maintenance	-	1,668,606	-
Capital Improvements Debt Service	-	-	172,585
Community Enhancement	-	175,229	-
Conservation Trust	-	-	-
ARPA Grant Earnings	132	-	-
Emergency Reserves	237,500	-	-
Committed for –			
Open-space Preservation	-	-	-
Assigned for –			
Capital Projects	103,000	6,457,496	1,359,062
Unassigned	6,268,111	-	-
Total Fund Balances	6,841,809	8,301,331	1,543,518
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,804,323	\$ 8,458,079	\$ 1,551,809

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

Non-Major Special Revenue Funds	Total Governmental Funds
\$ 678,803	\$ 14,571,890
126,050	3,020,567
-	4,681
20,235	1,270,950
-	385,512
-	140,762
-	85,471
-	141,371
-	18,095
<u>\$ 825,088</u>	<u>\$ 19,639,299</u>
\$ 8,290	\$ 400,192
-	5,551
3,228	163,709
-	890,768
-	293,339
<u>11,518</u>	<u>1,753,559</u>
-	385,512
-	385,512
-	244,937
-	1,668,606
-	172,585
-	175,229
118,589	118,589
-	132
-	237,500
694,981	694,981
-	7,919,558
-	6,268,111
<u>813,570</u>	<u>17,500,228</u>
<u>\$ 825,088</u>	<u>\$ 19,639,299</u>

TOWN OF EAGLE, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2021

TOTAL GOVERNMENTAL FUND BALANCES \$ 17,500,228

Amounts reported for governmental activities on the statement of net position is different because of the following:

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

Governmental Capital Assets	\$ 68,459,977	
Less Accumulated Depreciation	<u>(32,890,778)</u>	35,569,199

Some liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds.

Accrued Interest on Long-term Liabilities	\$ (17,995)	
Current Portion of Long-term Liabilities	<u>(150,045)</u>	(168,040)

Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds.

Compensated Absences	\$ (144,251)	
Bonds Payable, Net of Premium	<u>(5,304,593)</u>	<u>(5,448,844)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 47,452,543

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Sales Tax Capital Imprvmt Projects Fund</u>
<u>Revenues:</u>			
Local Taxes and Assessments	\$ 8,699,258	\$ 660,709	\$ 868,929
Licenses and Permits	476,482	-	-
Intergovernmental	643,765	131,250	-
Charges for Services	219,496	-	-
Fines, Forfeits and Penalties	44,613	-	-
Grants	112,475	-	57,965
Interest	5,801	3,393	613
Miscellaneous	147,729	-	201
	<u>10,349,619</u>	<u>795,352</u>	<u>927,708</u>
<u>Expenditures:</u>			
Town Council	245,208	-	-
General Government	391,629	190,931	84,611
General Administration	655,025	-	-
Community Development	806,266	-	-
Municipal Court	76,614	-	-
Public Safety	1,931,118	123,382	-
Public Works – Streets	891,610	419,629	-
Public Works – Bldg & Grounds	726,947	349,158	-
Information Center	33,411	-	-
Marketing	240,400	-	-
Engineering	213,092	-	-
Open-Space Preservation	-	-	-
Debt Service:			
Principal	-	-	100,000
Interest	-	-	219,938
Capital Projects	-	456,867	76,385
	<u>6,211,320</u>	<u>1,539,967</u>	<u>480,934</u>
Excess Revenues Over (Under) Expenditures	4,138,299	(744,615)	446,774
<u>Other Financing Sources (Uses):</u>			
Developer Contribution	-	180,807	-
Transfers in from Other Funds	-	1,890,000	-
Transfers (to) from Other Funds	(2,190,000)	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,948,299	1,326,192	446,774
Fund Balances – Beginning	<u>4,893,510</u>	<u>6,975,139</u>	<u>1,096,744</u>
Fund Balances – Ending	<u>\$ 6,841,809</u>	<u>\$ 8,301,331</u>	<u>\$ 1,543,518</u>

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

Non-Major Special Revenue Funds	Total Governmental Funds
\$ 231,839	\$ 10,460,735
-	476,482
52,279	827,294
-	219,496
-	44,613
-	170,440
216	10,023
-	147,930
284,334	12,357,013
-	245,208
35,789	702,960
-	655,025
-	806,266
-	76,614
-	2,054,500
-	1,311,239
-	1,076,105
-	33,411
-	240,400
-	213,092
206,750	206,750
-	100,000
-	219,938
-	533,252
242,539	8,474,760
41,795	3,882,253
-	180,807
300,000	2,190,000
-	(2,190,000)
341,795	4,063,060
471,775	13,437,168
\$ 813,570	\$ 17,500,228

TOWN OF EAGLE, COLORADO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 4,063,060

Amounts reported for governmental activities on the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as capital expenditures; however, on the Statement of Activities the cost of those assets is allocated over their estimated useful life as depreciation. This is the amount by which depreciation exceeded capital outlays.

Capital Outlay	\$ 1,458,876	
Depreciation	<u>(2,225,718)</u>	(766,842)

The net book value of asset dispositions are not reported in the Governmental Funds as they are not a current financial use. This is the net book value of assets disposed in the current year. (85,250)

Interest expense is recognized as an expenditure in the governmental funds when it is due as it requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the amount by which accrued interest decreased from the previous fiscal year: 333

Compensated absences not payable from current resources are not reported as expenditures of the current year. In the Statement of Activities, these costs represent expenses of the current year. This is the amount accrued leave increased this year. (15,360)

Premiums on the issuance of long-term debt increase current financial resources to governmental funds; however, on the Statement of Activities, the premium is allocated over the term of the long-term debt as accretion of bond premium. This is the amount of accretion of bond premium recognized on the current year statement of activities. 45,879

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Current Debt Proceeds, Net of Premium	\$ -	
Current Period Debt Repayment	<u>100,000</u>	<u>100,000</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,341,820

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

TOWN OF EAGLE, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Business-Type Activities (Proprietary/Enterprise Funds)				Total
	Water Fund	Wastewater Fund	Refuse Fund	Stormwater Fund	
ASSETS:					
Current Assets:					
Cash & Investments	\$ 15,782,946	\$ 7,867,640	\$ 304,450	\$ 77,566	\$ 24,032,602
Restricted Cash & Investments	862,005	282,683	-	-	1,144,688
Accounts Receivable, Net	248,458	259,608	56,942	10,110	575,118
Inventory	159,492	-	-	-	159,492
Prepaid Expense	55,532	367	366	-	56,265
Total Current Assets	<u>17,108,433</u>	<u>8,410,298</u>	<u>361,758</u>	<u>87,676</u>	<u>25,968,165</u>
Non-Current Assets:					
Capital Assets, Net	<u>49,178,322</u>	<u>15,273,467</u>	<u>29,899</u>	<u>-</u>	<u>64,481,688</u>
Total Non-Current Assets	<u>49,178,322</u>	<u>15,273,467</u>	<u>29,899</u>	<u>-</u>	<u>64,481,688</u>
Total Assets	<u>\$ 66,286,755</u>	<u>\$ 23,683,765</u>	<u>\$ 391,657</u>	<u>\$ 87,676</u>	<u>\$ 90,449,853</u>
LIABILITIES AND NET POSITION:					
Liabilities:					
Current Liabilities:					
Accounts Payable	\$ 582,243	\$ 84,541	\$ 51,184	\$ -	\$ 717,968
Retainage Payable	1,203,315	-	-	-	1,203,315
Accrued Liabilities	96,669	83,617	-	-	180,286
Unearned Revenues	-	230,348	48,831	7,443	286,622
Current Maturities of Long-term Debt, Net	932,170	791,979	-	-	1,724,149
Total Current Liabilities	<u>2,814,397</u>	<u>1,190,485</u>	<u>100,015</u>	<u>7,443</u>	<u>4,112,340</u>
Non-Current Liabilities:					
Compensated Absences	19,098	20,360	-	-	39,458
Notes Payable, Net of Premium	14,315,914	5,571,351	-	-	19,887,265
Bonds Payable	524,375	-	-	-	524,375
Total Non-Current Liabilities	<u>14,859,387</u>	<u>5,591,711</u>	<u>-</u>	<u>-</u>	<u>20,451,098</u>
Total Liabilities	<u>17,673,784</u>	<u>6,782,196</u>	<u>100,015</u>	<u>7,443</u>	<u>24,563,438</u>
Net Position:					
Invested in Capital Assets, Net of Related Debt	33,405,863	8,844,724	28,899	-	42,279,486
Restricted	862,005	282,683	-	-	1,144,688
Unrestricted	<u>14,345,103</u>	<u>7,774,162</u>	<u>262,743</u>	<u>80,233</u>	<u>22,462,241</u>
Total Net Position	<u>48,612,971</u>	<u>16,901,569</u>	<u>291,642</u>	<u>80,233</u>	<u>65,886,415</u>
Total Liabilities & Net Position	<u>\$ 66,286,755</u>	<u>\$ 23,683,765</u>	<u>\$ 391,657</u>	<u>\$ 87,676</u>	<u>\$ 90,449,853</u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Business-Type Activities (Proprietary/Enterprise Funds)				Total
	Water Fund	Wastewater Fund	Refuse Fund	Stormwater Fund	
<u>OPERATING REVENUES:</u>					
Service Fees	\$ 4,452,821	\$ 2,768,845	\$ 661,387	\$ 81,530	\$ 7,964,583
Meters and Materials	107,270	-	-	-	107,270
Miscellaneous	-	83	-	-	83
TOTAL OPERATING REVENUES	4,560,091	2,768,928	661,387	81,530	8,071,936
<u>OPERATING EXPENSES:</u>					
Personnel Services	707,932	498,411	8,767	-	1,215,110
Supplies	246,121	78,448	48	-	324,617
Purchased Services	431,956	519,708	626,777	-	1,578,441
Insurance	45,861	34,167	215	1,297	81,540
Depreciation	415,405	792,212	980	-	1,208,597
TOTAL OPERATING EXPENSES	1,847,275	1,922,946	636,787	1,297	4,408,305
OPERATING INCOME (LOSS)	2,712,816	845,982	24,600	80,233	3,663,631
<u>NON-OPERATING REVENUE (EXPENSE):</u>					
Interest & Earnings on Investments	5,167	3,038	104	-	8,309
Accretion of Debt Premium	29,169	23,528	-	-	52,697
Interest Expense & Fiscal Charges	(371,109)	(218,932)	-	-	(590,041)
Administrative Fee – General Fund	-	-	(20,000)	-	(20,000)
TOTAL NON-OPERATING REVENUE (EXPENSE)	(336,773)	(192,366)	(19,896)	-	(549,035)
INCOME (LOSS) BEFORE TRANSFERS & CAPITAL CONTRIBUTIONS	2,376,043	653,616	4,704	80,233	3,114,596
<u>CAPITAL CONTRIBUTIONS:</u>					
Tap and Improvement Fees	738,960	341,000	-	-	1,079,960
TOTAL CAPITAL CONTRIBUTIONS	738,960	341,000	-	-	1,079,960
<u>TRANSFERS:</u>					
Transfers In (Out)	-	-	-	-	-
CHANGE IN NET POSITION	3,115,003	994,616	4,704	80,233	4,194,556
FUND NET POSITION- BEGINNING*	45,497,968	15,906,953	286,938	-	61,691,859
FUND NET POSITION- ENDING	\$ 48,612,971	\$ 16,901,569	\$ 291,642	\$ 80,233	\$ 65,886,415

*Water Fund restated (see Note 15)

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

TOWN OF EAGLE, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Business-Type Activities (Proprietary/Enterprise Funds)				Total
	Water Fund	Wastewater Fund	Refuse Fund	Stormwater Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 4,562,682	\$ 2,763,849	\$ 663,911	\$ 78,863	\$ 8,069,305
Cash Payments for Personnel Svcs	(712,712)	(498,052)	(8,767)	-	(1,219,531)
Cash Payments for Goods and Svcs	(977,205)	(619,628)	(627,548)	(1,297)	(2,225,678)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,872,765</u>	<u>1,646,169</u>	<u>27,596</u>	<u>77,566</u>	<u>4,624,096</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Inter-fund Admin Fees to Gen Fund	-	-	(20,000)	-	(20,000)
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Tap & Impvmt/Plant Invest Fees	738,960	341,000	-	-	1,079,960
Acq/Construction of Capital Assets	(3,315,865)	(9,787)	-	-	(3,325,652)
Principal Paid on Long-term Debt	(891,647)	(713,053)	-	-	(1,604,700)
Interest Paid on Long-term Debt	(374,631)	(227,232)	-	-	(601,863)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,843,183)</u>	<u>(609,072)</u>	<u>-</u>	<u>-</u>	<u>(4,452,255)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Investments	5,167	3,038	104	-	8,309
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>5,167</u>	<u>3,038</u>	<u>104</u>	<u>-</u>	<u>8,309</u>
NET INCREASE (DECR.) CASH	(965,251)	1,040,135	7,700	77,566	160,150
CASH – BEGINNING OF YEAR	17,610,202	7,110,188	296,750	-	25,017,140
CASH – END OF YEAR	<u>\$ 16,644,951</u>	<u>\$ 8,150,323</u>	<u>\$ 304,450</u>	<u>\$ 77,566</u>	<u>\$ 25,177,290</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 2,712,816	\$ 845,982	\$ 24,600	\$ 80,233	\$ 3,663,631
<i>Non-Cash Expenses in Oper Income –</i>					
Depreciation	415,405	792,212	980	-	1,208,597
Write-off prior Const-in-progress	-	14,434	-	-	14,434
<i>Change in Assets and Liabilities –</i>					
Decrease (Increase) Receivables	2,591	(5,033)	(3,990)	(10,110)	(16,542)
Decrease (Increase) Inventory	(75,592)	-	-	-	(75,592)
Decrease (Increase) Prepaid Expense	665	-	-	-	665
Increase (Decrease) Unearned Rev.	-	37	6,514	7,443	13,994
Increase (Decrease) Payables	(178,340)	(1,822)	(508)	-	(180,670)
Increase (Decrease) Accrued Payroll	(4,780)	359	-	-	(4,421)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,872,765</u>	<u>\$ 1,646,169</u>	<u>\$ 27,596</u>	<u>\$ 77,566</u>	<u>\$ 4,624,096</u>

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Eagle are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Significant accounting policies of the Town of Eagle are described below.

A. Financial Reporting Entity

The Town of Eagle was originally incorporated in 1905, under provisions of Colorado State Statutes. The Town's home rule election was held in April of 2020 and provisions of its home rule charter were adopted which govern the Town.

The Town operates under a Council-Mayoral form of government whom are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town provides the following departmental services: general government and administration, community development, municipal court, public safety (police), information center, marketing, engineering, open-space preservation, water, wastewater, refuse and stormwater.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes. The reporting entity consists of (a) the primary government; i.e., the Town, and (b) any organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific burdens on, the Town. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval of the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the Town is not financially accountable for any other entity and, therefore, the Town's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the Town's reporting entity, nor is the Town a component unit of any other government. The Town's financial statements include the accounts of all Town operations.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation

The Town's basic financial statements consist of government-wide statements, including a statement of net position and statement of activities, and fund financial statements which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the overall primary government.

The statement of net position presents the financial condition of the governmental activities of the Town at fiscal year-end and reports all financial and capital resources of the Town. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Town is reported as net position.

The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities. In the statement of activities, direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the Town.

FUND FINANCIAL STATEMENTS

During the fiscal year, the Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if applicable, are aggregated and presented in a single column. Enterprise funds are reported by type.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The Town's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or limitations based upon the purposes for which they are to be spent and by means by which spending activities are controlled. The various funds of the Town are outlined in the following paragraphs.

GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Town for any purpose provided it is expended or transferred according to general statutory laws.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition of fixed assets or construction of major capital projects (other than those financed by the General or other funds).

Sales Tax Capital Improvement Fund – The Sales Tax Capital Improvement Fund is used to account for the voter approved 0.5% sales tax for the acquisition, design and construction of the Eagle River Park project and other town park and path improvements.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of special revenue sources that are restricted or committed for purposes other than debt service or capital projects. The Conservation Trust Fund is a special revenue fund used to account for revenue from the Colorado Lottery restricted for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site pursuant to Colorado Revised Statutes. The Open Space Preservation Fund is a special revenue fund used to account for revenue from the Town's Lodging and Occupancy Tax committed for the acquisition of open space lands, conservation, trail easements and development rights, trail expansion and maintenance, and other open space recreational amenities.

PROPRIETARY FUNDS

Enterprise Funds – The Water Fund, Wastewater Fund, Refuse Fund and Stormwater Fund are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town receives value without directly giving equal value in return, consist of property taxes, other taxes and fines and penalties. All assets and all liabilities associated with the operation of the Town are included on the statement of net position.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between government-wide and governmental fund statements. Under this method, revenues are recognized when measurable and available. The Town considers all revenues available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are property taxes, sales taxes, highway user taxes, and reimbursements from developers for professional fees, because they are both measurable and available to finance expenditures of the current period:

Taxpayer-assessed local property and specific ownership taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for matured principal and interest on general long-term liabilities which are reported as other financing uses.

Like the government-wide financial statements, the enterprise fund is accounted for using a flow of economic resources measurement focus. This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in revenues, expenses, and changes in net position, presents increases (e.g., revenues) and decreases (e.g., expenses) in total fund net position. The statement of cash flows reflects how the Town finances and meets the cash flow needs of its enterprise fund.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Budgets and Budgetary Accounting

The Town annually adopts budgets for all funds. This formal budget integration is employed as a management control device during the year. The level of control in the budget at which expenditures exceed appropriations is at the fund level. With the exception of its proprietary funds (see Note 7) the Town's budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

Budget Calendar

As required by Colorado statutes, the Town followed required timetables in preparing, approving, and enacting its budget for the ensuing year. The following is a summary of the budget calendar:

1. Prior to August 25, the County Assessor provides the Town the preliminary certified assessed valuation of all taxable property within the Town's boundaries.
2. The Manager, or other qualified persons appointed by the Town Council, submits to the Town Council, on or before October 15, a recommended budget which details the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.
3. A public hearing on the proposed budget and capital program is held by the Town Council no later than 45 days prior to the close of the fiscal year.
4. Prior to December 10, the County Assessor sends the Town the final certified assessed valuation of all taxable property within the Town's boundaries.
5. Prior to December 15, the Town Council compute and certify to the County Commissioners a rate of levy that derives the necessary property taxes as computed in the proposed budget.
6. After the required public hearing, the Town Council adopts the proposed budget by resolution prior to December 15. The ordinance adopting the budget also legally appropriates expenditures for the upcoming year.
7. After adoption of the budget ordinance, the Town may make by ordinance the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the Town Council may, by resolution, transfer part or all of any unexpended funds from one department or office to another.
8. Expenditures may not legally exceed appropriations at the fund level. Town Council approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
9. Budget appropriations lapse at the end of each year.

The Town legally adopted annual budgets for all of the Town's funds, and amended the current year appropriations as disclosed in Management's Discussion and Analysis.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Cash and Investments

The Town's policy in determining which items are treated as cash equivalents on the statement of cash flows for the enterprise funds include all cash, demand deposits, treasury bills and other short-term, highly liquid investments (including restricted assets) that are readily convertible to cash and have original maturities of three months or less.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value. See additional required disclosures for cash and investments in Note 2.

G. Capital Assets/Depreciation

Capital assets purchased or acquired with an original cost in excess of a \$5,000 capitalization threshold set by the Town are reported at historical or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Parks/Land Improvements	10-30 years
Buildings/Improvements	20-50 years
Rec Center/Pool/Ice Rink	20-50 years
Equipment	3-15 years
Utility System/Improvements	15-40 years
Other Infrastructure	20-40 years

On the government-wide statement of activities, for governmental funds depreciation expense is included in the various expenses of functions or programs for capital assets that can be specifically identified with a function and for "shared" capital assets generally used by only a few functions that can be specifically identified to those functions. Depreciation expense for capital assets that essentially serve all functions are reported as a separate line in the statement of activities as unallocated depreciation (see Note 4).

H. Customer Accounts Receivable

The Town considers customer accounts receivable for water, sewer and trash services to be fully collectible. The Town is empowered to place a lien on real property in the case of nonpayment. Accordingly, no allowance for doubtful accounts is considered necessary.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. Property Taxes Receivable and Deferred Inflows

Property taxes are levied on December 15, and attach as a lien on property the following January 1, and are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and payable the following year are reported as a receivable at December 31, net of an estimated uncollectible portion. However, since the taxes are not available to pay current liabilities, the net receivables are recorded as a deferred inflow of resources. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2020 were collected in 2021 and taxes certified in 2021 will be collected in 2022. Taxes are due on January 1st; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

J. Proprietary Funds – Unearned Revenue

Unearned revenues in the Wastewater Fund, Refuse Fund and Stormwater Fund arise from advance billings for services and have been accrued in these enterprise funds. The Water Fund bills for current services, therefore no unearned revenues from water utility billings have been accrued. Unearned grant revenues arise with eligible expenditures not yet incurred.

K. Proprietary Funds – Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the Town, these revenues are charges for utility services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise funds.

L. Proprietary Funds – Contributed Capital

Grants and contributions in the enterprise funds which may be used for either operations or capital expenditures at the Town's discretion are recognized as non-operating revenues. If expenditure of funds is the prime factor for determining eligibility for contributed funds, revenue or contributed capital is recognized at the time of making the expenditure.

M. Inter-fund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the fund providing services and as expenditures/expenses in the fund receiving services. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and are non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

N. Internal Balances

During the year, the Town may have transactions between funds to finance operations, provide services, and allocate combined cash balances. To the extent transactions or budget transfers between funds have not been paid or received as of year-end, inter-fund balances receivable or payable are recorded. Any inter-fund balances that exist within governmental activities are eliminated on the government-wide statement of net position. At December 31, 2021 there were no outstanding internal inter-fund balances.

O. Compensated Absences

The Town accrues a liability for compensated absences which meet the following criteria: 1) the Town's obligation relating to employees' rights to receive compensation for future absences is attributable to employees services already rendered; 2) the obligation relates to rights that vest or accumulate; 3) payment of the compensation is probable; and, 4) the amount can be reasonably estimated. Vacation time is accrued monthly for full-time employees with a maximum annual accrual of 12, 15 or 20 days based on years of service, and part-time employees have a maximum accrual of 6 days. Full-time employees who have been with the Town for less than 10 consecutive years may not accumulate more than 160 vacation hours, and those with more than 10 consecutive years no more than 240 vacation hours. Part-time employees may not accumulate more than 80 vacation hours. Employees are paid for all vacation hours accumulated but not used upon termination of employment. Sick leave is accrued monthly with a maximum annual accrual of 12 days for full-time employees and 6 days for part-time employees. Sick leave can be accumulated and carried over from year-to-year up to a maximum of 720 hours for full-time and 360 hours for part-time employees. Accumulated sick leave is not payable upon termination of employment. Seasonal and temporary employees are not eligible for vacation or sick leave. The liability for compensated absences for the governmental funds has been accrued on the government-wide statement of net position since it is anticipated that none of the liability will be liquidated with expendable available financial resources. The liability for compensated absences for the enterprise funds has been accrued within each appropriate enterprise fund.

P. Net Position and Fund Balances

In the government-wide financial statements and proprietary funds, net position is classified as follows:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the Town's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

P. Net Position and Fund Balances - continued

In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation. As discussed in *Note 13*, Colorado voters passed an amendment to the State Constitution, one of the provisions of which requires local governments to establish an emergency reserve which is calculated at 3% of certain expenditures; these funds may only be expended in cases of emergencies as defined by the amendment and are used to fund appropriations only after unrestricted resources are depleted. Special revenue resources in the Conservation Trust Fund are restricted for use in parks and recreation acquisition, development and maintenance pursuant to Colorado Revised Statutes. Accumulated Community Enhancement revenues requiring disbursement approval by Holy Cross Energy are restricted in the Capital Projects Fund. Unused balances originating from Colorado Department of Transportation for future maintenance of the Highway 6 Devolution are restricted in the Capital Projects Fund. Sales Taxes restricted for Capital Improvement Projects debt service are restricted in the Sales Tax Capital Improvements Projects Fund.

Committed – amounts 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 Town Council). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts. Special revenue resources in the Open Space Preservation Fund are committed for the acquisition of open space lands, conservation and trail easements and development rights.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Town considers available fund balances of the Capital Projects Fund as assigned for future capital outlay.

Unassigned – the residual for the general fund.

It is the Town's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available. Committed and assigned amounts are considered to have been spent first when an expenditure is incurred for purposes for which such categories and unassigned amounts are available.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Q. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

R. Fair Values of Financial Instruments

The Town reports its investments using the fair value measurements established by generally accepted accounting principles. As such, fair value hierarchy categorizes the inputs used to measure the fair value into three levels. Level 1 inputs are quoted market prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs.

NOTE 2 - CASH AND INVESTMENTS

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. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions 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. There is no custodial credit risk for public deposits collateralized under PDPA.

It is the policy of the Town to invest public funds in a manner which will provide the highest investment return with the maximum security, meet the daily cash flow demands of the Town, and conform to all federal, state and local statutes governing the investment of public funds. This policy applies to the investment of all financial assets of all funds of the Town over which it exercises financial control.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND 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 and certain U.S. government agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee Valley authority, and certain international agency securities, including the World Bank.
- . General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- . Bankers' acceptances of certain banks
- . Certain securities lending agreements
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools
- . The investing local government's own securities including certificates of participation and lease obligations.

Local Government Investment Pool (ColoTrust)

As of December 31, 2021 the Town had invested \$39,969,547 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. 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. 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. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. As of December 31, 2021, the Town had \$0 invested in COLOTRUST PRIME, and \$39,969,547 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS – continued

Total Cash and Cash Equivalents

In order to facilitate the recording of cash transactions and maximize interest earnings, the Town has pooled cash deposits for all funds. The Town maintains accountability for each fund's equity in pooled cash and investments. Interest earnings for combined funds are generally distributed based on monthly cash balances. A summary of the Town's cash and cash equivalents at December 31, 2021 are classified below:

Checking/Savings	\$ 2,839,482
CWRPDA Project and Reserve Accounts	490,600
Local Government Investment Pool	<u>39,969,547</u>
 Total Balances	 43,299,629
Net Outstanding Items	<u>(529,882)</u>
 Total Cash and Cash Equivalents	 <u>\$ 42,769,747</u>

Of the above cash and cash equivalents, a total of \$17,592,457 is in governmental activities and \$25,177,290 in business-type activities.

The Town's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute, and had bank balances of \$2,839,482 of which \$250,000 was covered by FDIC insurance and \$2,589,482 by PDPA described above.

Included in cash and cash equivalents are investments rated as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Colotrust (Local Govt Investment Pool)	\$ 39,969,547	AAAm	Standard & Poors

Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The Town has deposits in Colotrust Plus+ with ratings as provided above.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The Town's policy places no limit on the amount the Town may invest in any one issuer; however the Town maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS – continued

Risk Disclosures - continued

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The Town maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows. There were no investments subject to interest rate risk disclosure as of December 31, 2021.

The Town was not subject to foreign currency risk as of December 31, 2021.

NOTE 3 - RESTRICTED CASH

The General Fund has a restricted Colotrust account holding unexpended ARPA COVID Relief Funds.

The Capital Projects Fund has restricted funds for community enhancement and future Highway 6 Devolution Maintenance. The community enhancement funds, collected from Holy Cross Energy, are restricted for beautification and energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development, sponsorship of special community events, and undergoing of overhead electric and other utility lines. The Town must notify Holy Cross Energy of its intended use of the funds, whereby Holy Cross Energy has the right to object, in writing, prior to such expenditure or otherwise waive its right to objection.

The Sales Tax Capital Improvement Projects Fund has restricted balances for future Debt Service.

The Conservation Trust Fund has accumulated balances from State Lottery Funds restricted for future authorized conservation trust use.

The Water Fund has restricted balances reflected on its balance sheet for cash held on its behalf by the Colorado Water Resources Power and Development Authority for the Town's Lower Basin Water Treatment Plant Project and amounts restricted for debt service reserves.

The Wastewater Fund has restricted cash balances reflected on its balance sheet for required debt service reserves.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2021 follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>01/01/21</u>	<u>Additions</u>	<u>Dispositions/ Reclassif.</u>	<u>Balances 12/31/21</u>
Non-depreciable Assets:				
Land and Easements	\$ 4,079,568	\$ -	\$ -	\$ 4,079,568
Construction in Progress	239,161	802,925	(292,486)	749,600
Depreciable Capital Assets:				
Park/Land Improvements	10,848,555	119,582	-	10,968,137
Buildings/Improvements	5,096,898	63,829	207,236	5,367,963
Rec Center/Pool/Ice Rink	5,235,122	-	-	5,235,122
Equipment	3,745,890	472,540	(36,149)	4,182,281
Infrastructure	<u>37,877,306</u>	<u>-</u>	<u>-</u>	<u>37,877,306</u>
Total at Historical Cost	67,122,500	1,458,876	(121,399)	68,459,977
<i>Less Accumulated Depreciation</i>	<u>(30,701,209)</u>	<u>(2,225,718)</u>	<u>36,149</u>	<u>(32,890,778)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 36,421,291</u>	<u>\$ (766,842)</u>	<u>\$ (85,250)</u>	<u>\$ 35,569,199</u>

For the fiscal year ending December 31, 2021, depreciation expense for governmental activities was recorded on the statement of activities as follows:

General Government	\$ 228,639
Public Safety	75,509
Public Works – Streets	123,641
Public Works – Buildings/Grounds	86,324
Open Space	1,459
Unallocated Depreciation	<u>1,710,146</u>
Total Governmental Depreciation	<u>\$ 2,225,718</u>

<u>BUSINESS-TYPE ACTIVITIES</u>	<u>Balances 01/01/21</u>	<u>Additions</u>	<u>Dispositions/ Reclassif.</u>	<u>Balances 12/31/21</u>
Non-depreciable Assets:				
Land and Easements	\$ 377,733	\$ -	\$ -	\$ 377,733
Water Rights	9,144,376	-	-	9,144,376
Construction in Progress	26,310,501	3,243,749	(250,266)	29,303,984
Depreciable Capital Assets:				
Buildings/Improvements	128,951	-	-	128,951
Equipment	402,019	-	-	402,019
Infrastructure-Plant/Facility	427,399	9,787	-	437,186
Infrastructure-Utility System	<u>43,567,476</u>	<u>72,116</u>	<u>235,832</u>	<u>43,875,424</u>
Total at Historical Cost	80,358,455	3,325,652	(14,434)	83,669,673
<i>Less Accumulated Depreciation</i>	<u>(17,979,388)</u>	<u>(1,208,597)</u>	<u>-</u>	<u>(19,187,985)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 62,379,067</u>	<u>\$ 2,117,055</u>	<u>\$ (14,434)</u>	<u>\$ 64,481,688</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - CAPITAL ASSETS - continued

For the fiscal year ending December 31, 2021, depreciation expense for business-type activities was recorded on the statement of activities as follows:

Water Utility	\$ 415,405
Wastewater Utility	792,212
Refuse Utility	980
Stormwater Utility	<u>-</u>
Total Business-type Depreciation	<u>\$ 1,208,597</u>

NOTE 5 - LONG-TERM OBLIGATIONS

Changes in long-term obligations during fiscal year ended December 31, 2021 follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Balances 01/01/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/21</u>	<u>Amounts Due Within One Year</u>
Bonds					
Series 2016	\$ 4,835,000	\$ -	\$ (100,000)	\$ 4,735,000	\$ 105,000
'16 Premium	765,517	-	(45,879)	719,638	45,045
Compensated Absences -	<u>128,891</u>	<u>15,360</u>	<u>-</u>	<u>144,251</u>	<u>-</u>
GOVERNMENTAL LONG-TERM OBLIGATIONS	<u>\$ 5,729,408</u>	<u>\$ 15,360</u>	<u>\$ (145,879)</u>	<u>\$ 5,598,889</u>	<u>\$ 150,045</u>

<u>BUSINESS-TYPE ACTIVITIES</u>	<u>Balances 01/01/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/21</u>	<u>Amounts Due Within One Year</u>
Notes Payable					
'07 CWRPDA	\$ 6,137,209	\$ -	\$ (649,440)	\$ 5,487,768	\$ 703,560
'07 Premium	188,224	-	(23,528)	164,696	23,528
'11 CWRPDA	774,479	-	(63,613)	710,866	64,891
'18 CWRPDA	15,392,880	-	(648,043)	14,744,837	653,299
'18 Premium	281,553	-	(29,169)	252,384	28,008
Bonds					
Series 2013P	1,018,842	-	(243,604)	775,238	250,863
Compensated Absences -	<u>56,335</u>	<u>-</u>	<u>(16,877)</u>	<u>39,458</u>	<u>-</u>
BUSINESS-TYPE LONG-TERM OBLIGATIONS	<u>\$23,849,521</u>	<u>\$ -</u>	<u>\$ (1,674,274)</u>	<u>\$ 22,175,247</u>	<u>\$1,724,149</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - LONG-TERM OBLIGATIONS - continued

GOVERNMENTAL ACTIVITIES – LONG-TERM OBLIGATIONS

Bonds, notes payable and loan obligations of the Town’s governmental activities are comprised of the following:

Bonds Payable:

2016 Series Sales Tax Revenue Bonds:

Sales Tax Revenue Bonds were issued on September 9, 2016 in the original amount of \$5,200,000, plus a premium of \$967,936. The interest rate varies from 4.00% to 5.00%, payable semi-annually on June 1 and December 1, principal payable December 1. The bonds were issued to: (i) acquire, develop and construct a river park in the town; (ii) improve, construct and maintain the Town’s parks, multi-use recreational facilities and paved paths; (iii) fund the initial deposit to the bond reserve account; and (iv) pay costs of issuance in connection with the issuance of the bonds. The Bonds constitute special, limited obligations of the Town payable solely from “pledged revenues” consisting of proceeds derived by the Town from voter approved sales taxes at a rate of one-half of one percent (0.5%). The total outstanding balance at December 31, 2021 is \$4,735,000. The Town’s Sales Tax Capital Improvement Projects Fund is being used to collect sales taxes and pay debt service on the Bonds. The annual requirements to amortize principal and interest on the bonds are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 105,000	\$ 215,937	\$ 320,937
2023	110,000	211,738	321,738
2024	115,000	207,337	322,337
2025	120,000	202,738	322,738
2026	125,000	197,937	322,937
2027-2031	700,000	910,688	1,610,688
2032-2036	855,000	749,887	1,604,887
2037-2041	1,075,000	521,313	1,596,313
2042-2046	<u>1,530,000</u>	<u>232,275</u>	<u>1,762,275</u>
	<u>\$ 4,735,000</u>	<u>\$ 3,449,850</u>	<u>\$ 8,184,850</u>

The premium on the 2016 Series Bonds is being accreted over the term of the bond as a percentage of annual interest which approximates accretion at the effective interest rate. Total current year premium accretion of \$45,879 is included in governmental activities interest and fiscal charges on long-term debt. The net outstanding premium at December 31, 2021 is \$719,638.

Accrued Liabilities – Compensated Absences

Accrued liabilities for compensated absences consist of the accrual for vacation time earned by the Town’s employees but not taken by December 31, 2021. Total accrued compensated absences as of year-end for governmental activities were \$144,251.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS

Bonds, notes payable and loan obligations of the Town’s business-type activities are comprised of the following:

Notes Payable:

2007 CWRPDA Loan

The Town entered into a water pollution control revolving fund loan agreement with the Colorado Water Resources and Power Development Authority dated May 31, 2007 in the original amount of \$11,505,912 plus a premium of \$494,088 for the purpose of expansion of the extended aeration activated sludge plant conversion to a conventional activated sludge process. The loan is a 21-year leveraged loan that carries an interest rate of 3.5% and is payable in 43 semi-annual installments February 1 and August 1. The total outstanding balance at December 31, 2021 is \$5,487,768. The loan is carried in the Wastewater Fund. The loan has a total annual administrative fee payable of \$92,047 through 2026, \$57,530 in 2027 and \$23,012 in 2028. Annual requirements to amortize principal and interest on the loan are as follows:

Year Ended <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 703,560	\$ 155,499	\$ 859,059
2023	725,208	134,005	859,213
2024	746,856	111,851	858,707
2025	768,504	89,034	857,538
2026	790,152	65,557	855,709
2027-2028	<u>1,753,488</u>	<u>62,766</u>	<u>1,816,254</u>
	<u>\$ 5,487,768</u>	<u>\$ 618,712</u>	<u>\$ 6,106,480</u>

The premium on the 2007 CWRPDA Note is being accreted annually at an equal rate over the term of the note which does not differ materially from the effective interest rate. Total current year premium accretion of \$23,528 is included in the business-type activities wastewater utility function. The net outstanding premium at December 31, 2021 is \$164,696.

During the fiscal year ended December 31, 2016, the CRWPDA refinanced a loan and is passing through the anticipated savings to the Town on an annual basis, resulting in a total anticipated present value savings over the term of the loan of approximately \$635,222 (or 7.78%) to be recognized in the Wastewater Fund as received. The future anticipated savings to be recognized over the term of the loan is as follows:

Year Ended <u>December 31,</u>	<u>Anticipated Savings</u>
2022	\$ 58,711
2023	57,778
2024	58,020
2025	54,664
2026	57,072
2027-2028	<u>114,027</u>
	<u>\$ 400,272</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Notes Payable - continued:

2011 CWRPDA Loan

The Town entered into a water pollution control revolving fund loan agreement with the Colorado Water Resources and Power Development Authority dated January 21, 2011, in the original amount of \$1,288,966 for rehabilitation of the downtown wastewater collection system. The loan is a 20-year loan that carries an interest rate of 2.0% and is payable in 40 semi-annual installments (beginning May 1, 2012) on May 1 and November 1. The total outstanding balance at December 31, 2021 is \$710,866. The loan is carried in the Wastewater Fund. The loan has a total annual administrative fee payable as indicated below.

2022	\$	8,000
2023		7,000
2024		6,000
2025		4,500
2026		3,500
2027-2031		<u>4,735</u>
		<u>\$ 33,735</u>

The annual requirements to amortize principal and interest on the loan are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 64,891	\$ 5,894	\$ 70,785
2023	66,196	5,590	71,786
2024	67,526	5,260	72,786
2025	68,883	5,402	74,285
2026	70,268	5,018	75,286
2027-2031	<u>373,102</u>	<u>16,092</u>	<u>389,194</u>
	<u>\$ 710,866</u>	<u>\$ 43,256</u>	<u>\$ 754,122</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Notes Payable - continued:

2018 CWRPDA Loan

The Town entered into a drinking water revolving fund loan agreement with the Colorado Water Resources and Power Development Authority dated May 1, 2018, in the original amount of \$16,841,882 for construction of the new Lower Basin Water Treatment Plant, transmission line, and associated project components. The loan is a 22-year loan that carries an interest rate ranging from 2.5% to 5.0% and is payable in 45 semi-annual installments (beginning August 1, 2018) on August 1 and February 1. The total outstanding balance at December 31, 2021 is \$14,744,837. The loan is carried in the Water Fund. The loan has a total annual administrative fee payable as indicated below.

2022	\$ 168,419
2023	168,419
2024	168,419
2025	168,419
2026	168,418
2027-2031	842,094
2032-2036	673,675
2037-2040	<u>202,103</u>
	<u>\$ 2,559,966</u>

The annual requirements to amortize principal and interest on the loan are as follows:

Year Ended December 31,	Principal	Interest	Total
2022	\$ 653,299	\$ 168,850	\$ 822,149
2023	659,649	161,850	821,499
2024	669,583	154,975	824,558
2025	680,928	141,225	822,153
2026	694,329	127,975	822,304
2027-2031	3,656,281	460,675	4,116,956
2032-2036	4,042,400	234,438	4,276,838
2037-2040	<u>3,688,368</u>	<u>71,531</u>	<u>3,759,899</u>
	<u>\$ 14,744,837</u>	<u>\$ 1,521,519</u>	<u>\$ 16,266,356</u>

The premium on the 2018 CWRPDA Note is being accreted annually based on annual interest amortization over the term of the note which does not differ materially from the effective interest rate. Total current year premium accretion of \$29,169 is included in the business-type activities water utility function. The net outstanding premium at December 31, 2021 is \$252,384.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Bonds Payable:

2013 Series Water Enterprise Revenue Refunding Bond:

Water Enterprise Revenue Refunding Bonds were issued July 26, 2013 in the amount of \$2,605,868 in order to refund the Town’s 2004 Series Water Enterprise Revenue Bonds in the amount of \$2,555,000 plus bond issue costs of \$34,029 and accrued interest of \$16,839. The refunding did not result in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,555,000. The Town completed the refunding to reduce its total debt service payments through December 1, 2024 by \$192,803 and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$182,301. The net effective interest rate is 2.98%, payable semi-annually on June 1 and December 1, principal payable December 1, with final maturity December 1, 2024. The 2013 Bond does not constitute a general obligation of the Town and is a special, limited obligation of the Town, with the principal and interest payable solely from net revenues of the Town’s water system. The Series 2013 Bond is subject to optional redemption, in whole, at 100% of the principal amount to be redeemed plus accrued interest to the redemption date. The total outstanding balance at December 31, 2021 is \$775,238. The Bonds are carried in the Water Fund. The Series 2013 Bond is subject to mandatory sinking fund redemption from sinking fund principal and interest installments as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 250,863	\$ 23,102	\$ 273,965
2023	258,338	15,627	273,965
2024	266,037	7,928	273,965
	<u>\$ 775,238</u>	<u>\$ 46,657</u>	<u>\$ 821,895</u>

Accrued Liabilities – Compensated Absences

Compensated absences consist of the accrual for vacation time earned by the Town’s employees but not taken by December 31, 2021. Total accrued compensated absences as of year-end for business-type activities were \$39,458.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 - DEFINED CONTRIBUTION PLAN

The Town participates in the Colorado Retirement Association (“CRA”), a multiple-employer retirement system, which is a qualified plan as defined by Internal Revenue Code section 401(a) and C.R.S. section 24-54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. CRA administers this plan on behalf of the Town.

State statute assigns authority to establish and amend the benefit provisions of the plans that participate in CRA to the respective employer governments.

There are no unfunded past service liabilities. All full-time employees are required to participate in the plan upon the first day of the pay period that includes the first day of the month, following a one month period. The Town is required to contribute 7% of employee compensation, excluding overtime, bonuses, and fringe benefits. In 2021 the employee was required to contribute 3% of employee compensation. The employee required contribution will increase 1% until it is at a matching 7% in 2025. The Town’s contribution for each employee, including earnings thereon allocated to the employee’s account, vest at a rate of 25% each year of participation in the plan after the first year. An employee is fully vested after five years of employment. Town contributions and earnings forfeited by employees who leave employment before fully vesting are returned to the Town.

Total covered payroll for the year subject to participation was \$3,455,534 compared to total payroll of \$3,878,479. The Town’s retirement contribution for the year ended December 31, 2021 was \$241,887.

Additionally, the Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is also administered by the CRA. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Contributions were limited by the Internal Revenue Service to \$19,500 for the year ended December 31, 2021. During 2021, employee contributions totaled \$150,217.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 - PROPRIETARY FUND BUDGETS

Budgets for proprietary funds are adopted on a basis that is not consistent with GAAP but, instead, adopts the spending measurement focus of governmental funds. The additional supplemental information following the notes to the financial statements provides detail budgetary comparisons for the proprietary funds. A summary of the adjustments necessary to convert to the budgetary basis from GAAP follows:

	WATER ENTERPRISE FUND		
	Budget	Actual	Favorable (Unfavorable)
<u>Revenues:</u>			
GAAP Operating Revenues	\$ 4,430,295	\$ 4,560,091	\$ 129,796
GAAP Non-Operating Revenues	6,500	34,336	27,836
GAAP Capital Contributions	596,268	738,960	142,692
Less: Accretion of Debt Premium	-	(29,169)	(29,169)
Total Budgetary Revenues	5,033,063	5,304,218	271,155
<u>Expenses:</u>			
GAAP Operating Expenses	1,806,627	1,847,275	(40,648)
GAAP Non-Operating Expenses	374,630	371,109	3,521
Add: Debt Service Principal	891,647	891,647	-
Add: Capital Outlay	3,546,990	3,315,865	231,125
Change In: Accrued Interest	-	3,522	(3,522)
Change In: Vacation/Comp Time	-	13,020	(13,020)
Less: Depreciation & Amortization	-	(415,405)	415,405
Total Budgetary Expenditures	6,619,894	6,027,033	592,861
Net Income (Loss)-Budgetary	\$ (1,586,831)	\$ (722,815)	\$ 864,016

	WASTEWATER ENTERPRISE FUND		
	Budget	Actual	Favorable (Unfavorable)
<u>Revenues:</u>			
GAAP Operating Revenues	\$ 2,851,000	\$ 2,768,928	\$ (82,072)
GAAP Non-Operating Revenues	4,000	26,566	22,566
GAAP Capital Contributions	828,000	341,000	(487,000)
Less: Accretion of Bond Premium	-	(23,528)	(23,528)
Total Budgetary Revenues	3,683,000	3,112,966	570,034
<u>Expenses:</u>			
GAAP Operating Expenses	1,730,191	1,922,946	(192,755)
GAAP Non-Operating Expenses	227,235	218,932	8,303
Add: Debt Service Principal	713,053	713,053	-
Add: Capital Outlay	10,000	9,787	213
Change In: Accrued Interest	-	8,300	(8,300)
Change In: Vacation/Comp Time	-	3,856	(3,856)
Less: Depreciation	-	(792,212)	792,212
Total Budgetary Expenditures	2,680,479	2,084,662	595,817
Net Income (Loss)-Budgetary	\$ 1,002,521	\$ 1,028,304	\$ 25,783

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 - PROPRIETARY FUND BUDGETS - continued

	REFUSE ENTERPRISE FUND		
	Budget	Actual	Favorable (Unfavorable)
<u>Revenues:</u>			
GAAP Operating Revenues	\$ 667,282	\$ 661,387	\$ (5,895)
GAAP Non-Operating Revenues	130	104	(26)
Total Budgetary Revenues	667,412	661,491	(5,921)
<u>Expenses:</u>			
GAAP Operating Expenses	641,443	636,787	4,656
GAAP Non-Operating Expenses	20,000	20,000	-
Less: Depreciation	-	(980)	980
Total Budgetary Expenditures	661,443	655,807	5,636
Net Income (Loss)-Budgetary	\$ 5,969	\$ 5,684	\$ (285)

	STORMWATER ENTERPRISE FUND		
	Budget	Actual	Favorable (Unfavorable)
<u>Revenues:</u>			
GAAP Operating Revenues	\$ 90,000	\$ 81,530	\$ (8,470)
Total Budgetary Revenues	90,000	81,530	(8,470)
<u>Expenses:</u>			
GAAP Operating Expenses	6,297	1,297	5,000
Total Budgetary Expenditures	6,297	1,297	5,000
Net Income (Loss)-Budgetary	\$ 83,703	\$ 80,233	\$ (3,470)

NOTE 8 - RISK MANAGEMENT

The Town 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 Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by an intergovernmental agreement of 163 municipalities to provide property, general and automobile liability and public official coverage to its members. CIRSA is governed by a seven member Board elected by and from its members. Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. A third party stop-loss provider has been contracted to provide coverage for claims in excess of \$25,000 per plan participant and up to an aggregate of 125% of anticipated claims for the year. The Town is responsible for the payment of stop-loss premiums as well as the claims up to \$25,000 per participant.

The Town carries commercial insurance coverage for other risks of loss including workers compensation and employee health and accident insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9 - CONTINGENCIES

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. Management and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2021.

NOTE 10 - POST-EMPLOYMENT HEALTHCARE COVERAGE

The Town provides post-employment healthcare coverage as an employee benefit for eligible retirees. To be eligible, retirees must have 1) a hire date prior to January 1, 1991; and 2) twenty (20) years of service with the Town of Eagle and be sixty (60) years of age; or 3) thirty (30) years of service with the Town of Eagle and be fifty-five (55) years of age. This benefit ends when the retiree becomes eligible for Medicare. The plan is funded on a pay as you go basis, with payments charged to the fund most applicable to the retiree's former position. As of December 31, 2021 there are no material amounts for eligible retirees post-employment healthcare benefits; therefore, there no Other Postemployment Benefit (OPEB) annual cost or net OPEB obligation is reflected in the accompanying financial statements.

NOTE 11 - INTERGOVERNMENTAL AGREEMENT – Eagle Pool and Ice Rink

The Town of Eagle and the Mountain Recreation District entered into an agreement for ownership and operation of a recreation facility, consisting of a community swimming pool and ice rink. The District and Town each have a one-half interest in all fixtures and associated equipment, furnishings and personal property. The District operates and maintains the Recreation Facilities and the Town retains full fee simple title to the ground upon which the Recreation Facilities are constructed.

NOTE 12 - EMPLOYEE HOME OWNERSHIP PROGRAM

The Town provides employees an Employee Home Ownership Program (EHOP) for primary residence down payment loan assistance. Regular full-time permanent employees with at least 6 months of service with the Town may be eligible for loans up to \$40,000 within the Town of Eagle or \$20,000 outside of the Town of Eagle but within Eagle County. Monthly payments are required over the term of the loan at an interest rate of 0% for loans of \$10,000 or less, or equal to the long-term Applicable Federal Rate (AFR) index as published by the IRS during the month of EHOP application for loans over \$10,000. As of December 31, 2021, two employees are currently enrolled in this program with remaining balances. Total notes receivable in the total amount of \$18,095 and available repaid balances of \$141,371 held by the program are recorded in the General Fund.

NOTE 13 - COMPLIANCE

- A. The Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511) addresses accounting for proceeds from the seizure of contraband. These funds must be used for the specific purpose of law enforcement activities. While these proceeds are exempt from the appropriation process, they are subject to the Local Government Audit Law (C.R.S. 29-1-601 to 608). For the year ended December 31, 2021 no such proceeds were received by the Town and as such are not included in the Town's audited financial statements.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 13 - COMPLIANCE - continued

- B. According to the loan agreements dated January 1, 2011, and May 1, 2018, the Town of Eagle covenants to:
- 1) Establish and collect such rates, fees, and charges for the use or sale of products and services of the system, together with other moneys available therefore, as expected to produce gross revenue for each calendar year at a sufficient rate for to pay the sum of a) operation and maintenance expenses; b) 110% of debt service due for such calendar year (plus amounts due on any additional liens on the pledged property, if applicable).
 - 2) Maintain a three month operations and maintenance reserve fund.
 - 3) Comply with the requirements of the Davis Bacon Act, 40 USC Sec. 3140-3148.
 - 4) Comply with the American Iron and Steel requirements of Section 436 of P.L. 113-65, Consolidated Appropriations Act of 2014, and related State Revolving Fund Policy Guidelines.
 - 5) Comply with the Guidelines for Enhancing Public Awareness of SRF Assistance Agreements as issued by the United States Environmental Protection Agency.

As of December 31, 2021, the Town believes it is in compliance with the loan covenants.

NOTE 14 - TAX, SPENDING AND DEBT LIMITATION

TABOR Amendment – Revenue and Spending Limitation Agreement

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all Colorado local governments.

The initial base for local government spending and revenue limits was June 30, 1993 Fiscal Year Spending. Future 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.

TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic condition, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The required reserve at December 31, 2021 is \$237,500 as reflected in the General Fund.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments. In 1994 the Town's electorate voted to allow the Town to collect, retain, and expend revenues notwithstanding any of TABOR'S restrictions. The Town's management believes it is in compliance with the financial 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 of a fund as an Enterprise Fund) will require judicial interpretation.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 15 - RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE

The Beginning Net Position of Business-Type Activities and respective Beginning Fund Balance of the Water Fund has been restated for previously unrecorded additional meters/resale inventory supplies-on-hand in the amount of \$75,770.

NOTE 16 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2021 through the issuance date of this report.

In early 2020 a worldwide pandemic arose caused by the coronavirus Covid-19 which has impacted the general operations of the Town. The Town's management and Town Council has acknowledged the threat of the coronavirus; however, the long-term impact on operations is currently unknown as of the date of the auditor's report.

There have been no additional material events noted during this period that would impact the result reflected in this report or the Town's results going forward.

NOTE 17 - NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board ("GASB") issued new lease accounting standards under GASB Statement No. 87 to align comparability of financial statements between organizations.

Under the standards there will be three categories of leases: 1) *Short-term Leases* of 12 months or less, including any options to extend regardless of their probability of being exercised, which will be accounted for similarly to operating leases with payments recorded as expenses to the lessee (or revenues to the lessor); 2) *Contracts that Transfer Ownership* with the underlying asset transferring ownership to the lessee by the end of the contract which will be accounted for as a finance purchase of the underlying asset by the lessee (or a sale of the asset by the lessor); and 3) *All Other Leases* will be considered financing leases which will be accounted for by the lessee as an intangible right-to-use lease asset with corresponding lease liability amortized over the shorter of the lease term or the useful life of the underlying asset (or by lessors as a lease receivable and deferred inflow of resources measured at the present value of lease payments expected to be received during the lease term less any incentives received from the lessor at or before the commencement of the lease term.

The Covid pandemic has previously delayed implementation of this standard to years beginning after June 15, 2021; therefore, the Town will be required to implement the standard for its calendar year ending December 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL & SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULES

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local Taxes and Assessments	\$ 7,322,242	\$ 8,465,595	\$ 8,699,258	\$ 233,663
Licenses and Permits	467,740	396,940	476,482	79,542
Intergovernmental	549,045	583,355	643,765	60,410
Charges for Services	286,600	258,000	219,496	(38,504)
Fines, Forfeits and Penalties	60,500	70,000	44,613	(25,387)
Grants	25,000	101,310	112,475	11,165
Interest	13,500	3,700	5,801	2,101
Miscellaneous	30,600	35,000	147,729	112,729
Total Revenues	8,755,227	9,913,900	10,349,619	435,719
<u>Expenditures:</u>				
Town Council	307,918	347,985	245,208	102,777
General Government	452,757	474,716	391,629	83,087
General Administration	789,256	731,084	655,025	76,059
Community Development	1,109,557	1,043,391	806,266	237,125
Municipal Court	83,586	81,046	76,614	4,432
Public Safety	2,174,667	2,130,787	1,931,118	199,669
Public Works – Streets	1,610,074	1,341,358	891,610	449,748
Public Works – Buildings & Grounds	940,702	843,141	726,947	116,194
Information Center	50,794	42,442	33,411	9,031
Marketing	380,314	379,291	240,400	138,891
Engineering	294,525	248,753	213,092	35,661
Total Expenditures	8,194,150	7,663,994	6,211,320	1,452,674
Excess Revenues Over (Under) Expenditures	561,077	2,249,906	4,138,299	1,888,393
<u>Other Financing Sources (Uses):</u>				
Transfers (Out)	(2,050,000)	(2,190,000)	(2,190,000)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(1,488,923)	59,906	1,948,299	1,888,393
Fund Balances – Beginning	4,052,698	4,893,510	4,893,510	-
Fund Balances – Ending	\$ 2,563,775	\$ 4,953,416	\$ 6,841,809	\$ 1,888,393

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CONSERVATION TRUST FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental	\$ 32,000	\$ 38,000	\$ 42,279	\$ 4,279
Interest	<u>300</u>	<u>70</u>	<u>59</u>	<u>(11)</u>
Total Revenues	<u>32,300</u>	<u>38,070</u>	<u>42,338</u>	<u>4,268</u>
<u>Expenditures:</u>				
General Government	<u>30,000</u>	<u>35,790</u>	<u>35,789</u>	<u>1</u>
Total Expenditures	<u>30,000</u>	<u>35,790</u>	<u>35,789</u>	<u>1</u>
Excess Revenues Over (Under) Expenditures	2,300	2,280	6,549	4,269
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	2,300	2,280	6,549	4,269
Fund Balances – Beginning	<u>110,117</u>	<u>112,040</u>	<u>112,040</u>	<u>-</u>
Fund Balances – Ending	<u>\$ 112,417</u>	<u>\$ 114,320</u>	<u>\$ 118,589</u>	<u>\$ 4,269</u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – OPEN SPACE PRESERVATION
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Local Taxes and Assessments	\$ 84,000	\$ 190,000	\$ 231,839	\$ 41,839
Intergovernmental	8,980	10,000	10,000	-
Interest	600	250	157	(93)
	<u>93,580</u>	<u>200,250</u>	<u>241,996</u>	<u>41,746</u>
<u>Expenditures:</u>				
Open - space Preservation	<u>238,770</u>	<u>234,635</u>	<u>206,750</u>	<u>27,885</u>
	<u>238,770</u>	<u>234,635</u>	<u>206,750</u>	<u>27,885</u>
Excess Revenues Over (Under) Expenditures	(145,190)	(34,385)	35,246	69,631
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	<u>150,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	4,810	265,615	335,246	63,631
Fund Balances–Beginning	<u>294,876</u>	<u>359,735</u>	<u>359,735</u>	<u>-</u>
Fund Balances–Ending	<u>\$ 299,686</u>	<u>\$ 625,350</u>	<u>\$ 694,981</u>	<u>\$ 69,631</u>

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

SUPPLEMENTAL INFORMATION

GENERAL FUND

TOWN OF EAGLE, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES & OTHER FINANCING SOURCES:			
TAXES – LOCAL:			
Real Property Taxes	\$ 353,144	\$ 350,841	\$ (2,303)
Specific Ownership Taxes	20,000	19,702	(298)
Sales Taxes – General	6,789,851	6,951,432	161,581
Sales Taxes – Marijuana	902,000	895,495	(6,505)
Severance Tax Refund	350	21	(329)
Federal Mineral Lease	250	161	(89)
Franchise Taxes	210,000	250,928	40,928
Marketing Taxes	<u>190,000</u>	<u>230,678</u>	<u>40,678</u>
TOTAL TAXES - LOCAL	<u>8,465,595</u>	<u>8,699,258</u>	<u>233,663</u>
LICENSES & PERMITS:			
Business and Liquor Licenses	53,800	44,412	(9,388)
Marketing Fee	5,240	7,980	2,740
Building and Other Permits	<u>337,900</u>	<u>424,090</u>	<u>86,190</u>
TOTAL LICENSES & PERMITS	<u>396,940</u>	<u>476,482</u>	<u>79,542</u>
INTERGOVERNMENTAL:			
Motor Vehicle License Fee	31,000	34,047	3,047
Highway Users Tax	234,355	275,689	41,334
Road & Bridge Tax	100,000	101,987	1,987
County Sales Tax	<u>218,000</u>	<u>232,042</u>	<u>14,042</u>
TOTAL INTERGOVERNMENTAL	<u>583,355</u>	<u>643,765</u>	<u>60,410</u>
CHARGES FOR SERVICES:			
Planning and Zoning Fees & Reimbursements	182,000	113,824	(68,176)
Facility Usage Fees & Deposits	40,000	54,132	14,132
Other Revenues and Reimbursable Income	16,000	31,540	15,540
Administrative Services – Refuse Fund	<u>20,000</u>	<u>20,000</u>	<u>-</u>
TOTAL CHARGES FOR SERVICES	<u>258,000</u>	<u>219,496</u>	<u>(38,504)</u>
FINES, FORFEITS & PENALTIES – TOTAL	<u>70,000</u>	<u>44,613</u>	<u>(25,387)</u>
GRANTS – TOTAL	<u>101,310</u>	<u>112,475</u>	<u>11,165</u>
INTEREST INCOME – TOTAL	<u>3,700</u>	<u>5,801</u>	<u>2,101</u>
MISCELLANEOUS:			
Rental Income	20,000	19,229	(771)
Insurance Proceeds	-	9,652	9,652
Mtn Rec Contract	-	105,500	105,500
Other	<u>15,000</u>	<u>13,348</u>	<u>(1,652)</u>
TOTAL MISCELLANEOUS	<u>35,000</u>	<u>147,729</u>	<u>112,729</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 9,913,900</u>	<u>\$ 10,349,619</u>	<u>\$ 435,719</u>

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

TOWN OF EAGLE, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES– BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES & OTHER FINANCING USES:			
TOWN COUNCIL:			
Personnel Services	\$ 42,848	\$ 43,672	\$ (824)
Supplies	200	167	33
Purchased Services	250,213	160,503	89,710
Insurance	724	724	-
Community Requests/Grants	54,000	40,142	13,858
TOTAL TOWN COUNCIL	347,985	245,208	102,777
GENERAL GOVERNMENT:			
Personnel Services	244,083	205,076	39,007
Supplies	1,800	2,348	(548)
Purchased Services	209,734	162,773	46,961
Insurance	19,099	21,432	(2,333)
Community Requests/Grants	-	-	-
TOTAL GENERAL GOVERNMENT	474,716	391,629	83,087
GENERAL ADMINISTRATION:			
Personnel Services	469,662	431,093	38,569
Supplies	14,098	11,389	2,709
Purchased Services	233,500	201,545	31,955
Insurance	13,824	10,998	2,826
TOTAL GENERAL ADMINISTRATION	731,084	655,025	76,059
COMMUNITY DEVELOPMENT:			
Personnel Services	652,420	558,936	93,484
Supplies	11,200	7,772	3,428
Purchased Services	377,307	237,094	140,213
Insurance	2,464	2,464	-
TOTAL COMMUNITY DEVELOPMENT	1,043,391	806,266	237,125
MUNICIPAL COURT:			
Personnel Services	38,626	38,621	5
Supplies	1,200	366	834
Purchased Services	41,068	37,475	3,593
Insurance	152	152	-
TOTAL MUNICIPAL COURT	81,046	76,614	4,432
PUBLIC SAFETY:			
Personnel Services	1,616,021	1,433,697	182,324
Supplies	78,638	85,320	(6,682)
Purchased Services	396,128	372,132	23,996
Insurance	40,000	39,969	31
TOTAL PUBLIC SAFETY	2,130,787	1,931,118	199,669

(continued on next page)

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>(continued)</i>			
PUBLIC WORKS – STREETS:			
Personnel Services	536,400	482,141	54,259
Supplies	156,970	130,054	26,916
Purchased Services	633,352	257,894	375,458
Insurance	14,636	21,521	(6,885)
TOTAL PUBLIC WORKS - STREETS	<u>1,341,358</u>	<u>891,610</u>	<u>449,748</u>
PUBLIC WORKS – BUILDINGS & GROUNDS:			
Personnel Services	433,798	377,644	56,154
Supplies	101,172	91,942	9,230
Purchased Services	245,054	199,501	45,553
Insurance	45,552	45,552	-
Equipment Purchase	17,565	12,308	5,257
TOTAL PUBLIC WORKS – BLDGS & GROUNDS	<u>843,141</u>	<u>726,947</u>	<u>116,194</u>
INFORMATION CENTER:			
Personnel Services	34,497	28,474	6,023
Supplies	1,600	-	1,600
Purchased Services	6,345	4,937	1,408
TOTAL INFORMATION CENTER	<u>42,442</u>	<u>33,411</u>	<u>9,031</u>
MARKETING:			
Personnel Services	140,831	153,604	(12,773)
Supplies	16,770	1,829	14,941
Purchased Services	220,188	83,465	136,723
Insurance	1,502	1,502	-
TOTAL MARKETING	<u>379,291</u>	<u>240,400</u>	<u>138,891</u>
ENGINEERING:			
Personnel Services	211,921	193,686	18,235
Supplies	11,420	5,758	5,662
Purchased Services	23,411	11,647	11,764
Insurance	2,001	2,001	-
TOTAL ENGINEERING	<u>248,753</u>	<u>213,092</u>	<u>35,661</u>
OTHER FINANCING USES:			
Operating Transfers Out	<u>2,190,000</u>	<u>2,190,000</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>2,190,000</u>	<u>2,190,000</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 9,853,994</u>	<u>\$ 8,401,320</u>	<u>\$ 1,452,674</u>

SUPPLEMENTAL INFORMATION

CAPITAL PROJECTS FUND

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Use Tax	\$ 464,000	\$ 464,000	\$ 575,591	\$ 111,591
Community Enhancement Tax	48,000	48,000	48,126	126
Impact Fees and Assessments	138,000	138,000	36,992	(101,008)
Intergovernmental	150,000	250,000	131,250	(118,750)
Interest	9,250	9,250	3,393	(5,857)
Total Revenues	809,250	909,250	795,352	(113,898)
Expenditures:				
General Government:				
Pool & Ice Rink Maintenance Fund	50,000	50,000	50,000	-
Town Hall Improvements	108,125	117,000	70,320	46,680
Town Parks Improvements	11,000	11,000	10,611	389
Town Shop Improvements	188,492	178,492	-	178,492
Public Art	25,000	25,000	-	25,000
Project THOR Service Fees	50,000	60,000	60,000	-
Public Safety:				
Police Department Equipment	11,869	5,500	-	5,500
Patrol Vehicles	141,596	141,596	123,382	18,214
Public Works – Streets:				
Grand Ave Improvements	660,000	413,595	419,629	(6,034)
Right-of-Way Improvements	350,000	-	-	-
Traffic Control Improvements	85,000	-	-	-
Shorthorn to Cascade	100,000	-	-	-
Public Works - Building and Grounds:				
Multipurpose Truck	380,000	380,000	349,157	30,843
Lawnmower	20,000	-	-	-
Capital Projects:				
Project THOR Capital Outlay	-	413,502	456,868	(43,366)
Total Expenditures	2,181,082	1,795,685	1,539,967	255,718
Excess Revenues Over (Under) Expenditures	(1,371,832)	(886,435)	(744,615)	141,820
Other Financing Sources (Uses):				
Developer Contribution	360,000	180,807	180,807	-
Transfers In (Out)	1,890,000	1,890,000	1,890,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	878,168	1,184,372	1,326,192	141,820
Fund Balances – Beginning	6,854,522	6,975,139	6,975,139	-
Fund Balances – Ending	\$ 7,732,690	\$ 8,159,511	\$ 8,301,331	\$ 141,820

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

SUPPLEMENTAL INFORMATION

SALES TAX CAPITAL IMPROVEMENT PROJECTS FUND

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SALES TAX CAPITAL IMPROVEMENT PROJECTS FUND
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Sales Tax	\$ 724,000	\$ 805,000	\$ 868,929	\$ 63,929
Grants	-	57,965	57,965	-
Interest and Miscellaneous	1,200	959	814	(145)
Total Revenues	725,200	863,924	927,708	63,784
<u>Expenditures:</u>				
General Government:				
Purchased Services	31,036	86,856	84,611	2,245
Capital Outlay	217,000	117,000	76,385	40,615
Debt Service:				
Principal	100,000	100,000	100,000	-
Interest	219,940	219,940	219,938	2
Total Expenditures	567,976	523,796	480,934	42,862
Excess Revenues Over (Under) Expenditures	157,224	340,128	446,774	106,646
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	157,224	340,128	446,774	106,646
Fund Balances – Beginning	1,040,953	1,096,744	1,096,744	-
Fund Balances – Ending	\$ 1,198,177	\$ 1,436,872	\$ 1,543,518	\$ 106,646

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

SUPPLEMENTAL INFORMATION

NON-MAJOR SPECIAL REVENUE FUNDS

TOWN OF EAGLE, COLORADO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2021

	Special Revenue Funds		
	Conservation Trust Fund	Open Space Preservation Fund	Total
<u>Assets:</u>			
Current Assets:			
Cash and Investments	\$ -	\$ 678,803	\$ 678,803
Restricted Cash and Investments	126,050	-	126,050
Taxes and Other Receivables	-	20,235	20,235
	-	20,235	20,235
Total Assets	\$ 126,050	\$ 699,038	\$ 825,088
<u>Liabilities and Fund Balances</u>			
Current Liabilities:			
Accounts Payable	\$ 7,461	\$ 829	\$ 8,290
Accrued Liabilities	-	3,228	3,228
	-	3,228	3,228
Total Liabilities	7,461	4,057	11,518
Fund Balances:			
Restricted for Conservation Trust	118,589	-	118,589
Committed for Open Space Preservation	-	694,981	694,981
	-	694,981	694,981
Total Fund Balances	118,589	694,981	813,570
Total Liabilities and Fund Equity	\$ 126,050	\$ 699,038	\$ 825,088

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

TOWN OF EAGLE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2021

	Special Revenue Funds		
	Conservation Trust Fund	Open Space Preservation Fund	Total
<u>Revenues:</u>			
Local Taxes and Assessments	\$ -	\$ 231,839	\$ 231,839
Intergovernmental	42,279	10,000	52,279
Interest and Other Revenues	59	157	216
Total Revenues	42,338	241,996	284,334
<u>Expenditures:</u>			
General Government	35,789	-	35,789
Open-space Preservation	-	206,750	206,750
Total Expenditures	35,789	206,750	242,539
Excess Revenues Over (Under) Expenditures	6,549	35,246	41,795
<u>Other Financing Sources (Uses):</u>			
Transfers In (Out)	-	300,000	300,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	6,549	335,246	341,795
Fund Balances – Beginning	112,040	359,735	471,775
Fund Balances – Ending	\$ 118,589	\$ 694,981	\$ 813,570

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

SUPPLEMENTAL INFORMATION
PROPRIETARY (ENTERPRISE) FUNDS

TOWN OF EAGLE, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
- BUDGET AND ACTUAL - WATER ENTERPRISE FUND
For the Year Ended December 31, 2021

	Water Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>				
GAAP Operating Revenues:				
Service Fees	\$ 4,169,900	\$ 4,354,775	\$ 4,452,821	\$ 98,046
Meters and Materials	109,000	75,520	107,270	31,750
GAAP Non-Operating Revenues:				
Interest & Investment Earnings	12,120	6,500	5,167	(1,333)
Accretion of Bond Premium	-	-	29,169	29,169
GAAP Capital Contributions:				
Tap and Improvement Fees	886,000	596,268	738,960	142,692
Less: Accretion of Debt Premium	-	-	(29,169)	(29,169)
Total Budgetary Revenues	<u>5,177,020</u>	<u>5,033,063</u>	<u>5,304,218</u>	<u>271,155</u>
<u>Budgetary Expenditures:</u>				
GAAP Operating Expenses:				
Personnel Services	907,776	847,619	707,932	139,687
Supplies	271,516	267,331	246,121	21,210
Purchased Services	754,036	595,816	431,956	163,860
Insurance	62,333	45,861	45,861	-
Contingency	50,000	50,000	-	50,000
Depreciation	-	-	415,405	(415,405)
GAAP Non-Operating Expenses:				
Interest and Fiscal Charges	374,630	374,630	371,109	3,521
Debt Service Principal	891,647	891,647	891,647	-
Capital Outlay	5,102,533	3,546,990	3,315,865	231,125
Change in Accrued Interest	-	-	3,522	(3,522)
Change in Vacation/Comp Time Accrual	-	-	13,020	(13,020)
Less: Depreciation	-	-	(415,405)	415,405
Total Budgetary Expenditures	<u>8,414,471</u>	<u>6,619,894</u>	<u>6,027,033</u>	<u>592,861</u>
Budgetary Net Income (Loss)	<u>\$ (3,237,451)</u>	<u>\$ (1,586,831)</u>	<u>\$ (722,815)</u>	<u>\$ 864,016</u>

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

TOWN OF EAGLE, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
- BUDGET AND ACTUAL - WASTEWATER ENTERPRISE FUND
For the Year Ended December 31, 2021

	Wastewater Enterprise Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<u>Budgetary Revenues:</u>				
GAAP Operating Revenues:				
Service Fees	\$ 2,851,000	\$ 2,851,000	\$ 2,768,845	\$ (82,155)
Miscellaneous	-	-	83	83
GAAP Non-Operating Revenues:				
Interest & Earnings on Investments	12,000	4,000	3,038	(962)
Accretion of Bond Premium	-	-	23,528	23,528
Miscellaneous	-	-	-	-
GAAP Capital Contributions:				
Tap and Improvement Fees	828,000	828,000	341,000	(487,000)
Less: Accretion of Bond Premium	-	-	(23,528)	(23,528)
Total Budgetary Revenues	3,691,000	3,683,000	3,112,966	(570,034)
<u>Budgetary Expenditures:</u>				
GAAP Operating Expenses:				
Personnel Services	637,006	566,965	498,411	68,554
Supplies	138,318	104,382	78,448	25,934
Purchased Services	620,110	774,484	519,708	254,776
Insurance	34,360	34,360	34,167	193
Contingency/Noncap Impr.	250,000	250,000	-	250,000
Depreciation	-	-	792,212	(792,212)
GAAP Non-Operating Expenses:				
Interest and Fiscal Charges	227,235	227,235	218,932	8,303
Debt Service Principal	711,799	713,053	713,053	-
Capital Outlay	35,000	10,000	9,787	213
Change in Accrued Interest	-	-	8,300	(8,300)
Change in Vacation/Comp Time	-	-	3,856	(3,856)
Less: Depreciation	-	-	(792,212)	792,212
Total Budgetary Expenditures	2,653,828	2,680,479	2,084,662	595,817
Budgetary Net Income (Loss)	\$ 1,037,172	\$ 1,002,521	\$ 1,028,304	\$ 25,783

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

TOWN OF EAGLE, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET AND ACTUAL – REFUSE ENTERPRISE FUND
For the Year Ended December 31, 2021

	Refuse Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>				
GAAP Operating Revenues:				
Service Fees	\$ 667,300	\$ 667,282	\$ 661,387	\$ (5,895)
GAAP Non-Operating Revenues:				
Interest & Earnings on Investments	450	130	104	(26)
Total Budgetary Revenues	<u>667,750</u>	<u>667,412</u>	<u>661,491</u>	<u>(5,921)</u>
<u>Budgetary Expenditures:</u>				
GAAP Operating Expenses:				
Personnel Services	10,026	10,022	8,767	1,255
Supplies	3,500	550	48	502
Purchased Services	626,386	630,656	626,777	3,879
Insurance	987	215	215	-
Depreciation	-	-	980	(980)
GAAP Non-Operating Expenses:				
Administrative Fee – General Fund	20,000	20,000	20,000	-
Less: Depreciation	<u>-</u>	<u>-</u>	<u>(980)</u>	<u>980</u>
Total Budgetary Expenditures	<u>660,899</u>	<u>661,443</u>	<u>655,807</u>	<u>5,636</u>
Budgetary Net Income (Loss)	<u>\$ 6,851</u>	<u>\$ 5,969</u>	<u>\$ 5,684</u>	<u>\$ (285)</u>

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

TOWN OF EAGLE, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
- BUDGET AND ACTUAL - STORMWATER ENTERPRISE FUND
For the Year Ended December 31, 2021

	Stormwater Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Budgetary Revenues:</u>				
GAAP Operating Revenues:				
Service Fees	\$ 106,000	\$ 90,000	\$ 81,530	\$ (8,470)
Total Budgetary Revenues	106,000	90,000	81,530	(8,470)
<u>Budgetary Expenditures:</u>				
GAAP Operating Expenses:				
Purchased Services	106,000	5,000	-	5,000
Insurance	-	1,297	1,297	-
Total Budgetary Expenditures	106,000	6,297	1,297	5,000
Budgetary Net Income (Loss)	\$ -	\$ 83,703	\$ 80,233	\$ (3,470)

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

SUPPLEMENTAL INFORMATION

ANNUAL STATEMENT OF RECEIPTS AND
EXPENDITURES FOR ROADS, BRIDGES AND STREETS

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Eagle, Colorado
		YEAR ENDING : DECEMBER 2021
This Information From The Records Of Town of Eagle, Colorado	Prepared By: Phone:	JILL E.KANE 970-328-6354

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for no highway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	419,629
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	434,274
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	304,376
3. Other local imposts (from page 2)	878,749	c. Other	56,842
4. Miscellaneous local receipts (from page 2)	138,247	d. Total (a. through c.)	361,217
5. Transfers from toll facilities		4. General administration & miscellaneous	64,151
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	45,000
a. Bonds - Original Issues		6. Total (1 through 5)	1,324,272
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,016,997	b. Redemption	
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	308,081	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,325,077	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,324,272

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0			0
1. Bonds (Refunding Portion)				
B. Notes (Total)	0			0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,667,801	1,325,077	1,324,272	1,668,606	0

Notes and Comments:

The Town received Devolution proceeds to take over a portion of highway 6 in 2017. We received \$1,671,649. The Town has earned \$92,598.05 in interest on these proceeds from 2017 through 2021. The Town is saving these proceeds specifically for Grand Ave projects. In 2020 the Town spent \$95,641 to begin the redevelopment of Grand Ave.

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING:
December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	805
b. Other local imposts:		b. Traffic Fines & Penalties	35,455
1. Sales Taxes & Use Tax	822,960	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	36,087	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	19,702	g. Other Misc. Receipts	0
6. Total (1. through 5.)	878,749	h. Other Road & Bridge Tax	101,987
c. Total (a. + b.)	878,749	i. Total (a. through h.)	138,247
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	275,689	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	32,391	d. Federal Transit Admin	
d. Other (Specify)	0	e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal	
f. Total (a. through e.)	32,391	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	308,081	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		419,629	419,629
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			
(3). System Preservation			0
(4). System Enhancement & Operation			
(5). Total Construction (1) + (2) + (3) + (4)	0	0	
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	419,629	419,629
			(Carry forward to page 1)

Notes and Comments:

The Honorable Mayor and Members
of the Town Council
Eagle, Colorado

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Eagle, Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Eagle's basic financial statements as listed in the table of contents, and have issued our report thereon dated July 7, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Eagle, Colorado's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Eagle, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Eagle, Colorado's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

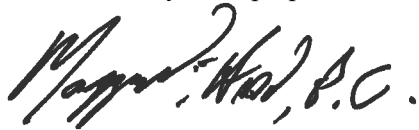
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Eagle, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Maggard & Hood, P.C." in a cursive, stylized font.

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
July 7, 2022