

TOWN OF EAGLE, COLORADO

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2022

TOWN OF EAGLE, COLORADO
FOR THE YEAR ENDED
December 31, 2022

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, 2022, 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, 2022 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. 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.



MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
July 19, 2023

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, 2022

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, 2022 are as follows:

- In total the Town's *overall* net position increased \$7,724,944 (6.8%) from the previous fiscal year.
- The Town's *overall* General Revenues accounted for \$13,220,898 (52.9%) 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 \$11,767,945 (47.1%) of total revenues of \$24,988,843.
- *Overall* the Town had \$17,263,899 in expenses, of which \$9,485,544 were offset by program specific charges for services, as well as grants and contributions of \$2,282,401.

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, 2022

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, the Eagle Downtown Development Authority, 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, the Capital Projects Fund, the Sales Tax Capital Improvement Projects Fund, and non-major Special Revenue Funds (which are the Conservation Trust Fund, the Open Space Preservation fund and the Eagle Downtown Development Authority (a blended component unit)). 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, 2022

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, improving, constructing and maintaining other town parks, multi-use recreational facilities, and paved paths.

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.

Eagle Downtown Development Authority – a blended component unit to ultimately be funded by revenue from Property Tax Increment Financing (TIF).

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, 2022

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 | |
|---------------------------------------|----------------------------|------------------|-----------------------------|---------------------------|-------------------|---------------------------|
| | 2022 | 2021 | 2022 | <i>(RESTATED)</i> 2021 | 2022 | <i>(RESTATED)</i> 2021 |
| ASSETS: | | | | | | |
| Current Assets | \$ 25,034 | \$ 19,523 | \$ 28,263 | \$ 25,968 | \$ 53,297 | \$ 45,491 |
| Noncurrent Assets (EHOP) | 159 | 159 | - | - | 159 | 159 |
| Capital Assets, Net | <u>35,057</u> | <u>35,702</u> | <u>63,155</u> | <u>64,482</u> | <u>98,212</u> | <u>100,184</u> |
| Total Assets | <u>60,250</u> | <u>55,384</u> | <u>91,418</u> | <u>90,450</u> | <u>151,668</u> | <u>145,834</u> |
| LIABILITIES: | | | | | | |
| Current & Other Liabilities | 3,495 | 1,996 | 2,601 | 4,113 | 6,096 | 6,109 |
| Long-term Liabilities | <u>5,390</u> | <u>5,506</u> | <u>18,708</u> | <u>20,451</u> | <u>24,098</u> | <u>25,957</u> |
| Total Liabilities | <u>8,885</u> | <u>7,502</u> | <u>21,309</u> | <u>24,564</u> | <u>30,194</u> | <u>32,066</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | |
| Unavailable Revenue | | | | | | |
| From Property Taxes | 381 | 385 | - | - | 381 | 385 |
| Lease Related | <u>25</u> | <u>40</u> | <u>-</u> | <u>-</u> | <u>25</u> | <u>40</u> |
| Total Deferred Inflows | <u>406</u> | <u>425</u> | <u>-</u> | <u>-</u> | <u>406</u> | <u>425</u> |
| NET POSITION : | | | | | | |
| Invested in Capital Assets, | | | | | | |
| Net of Related Debt | 29,621 | 30,098 | 42,743 | 42,279 | 77,364 | 72,377 |
| Restricted | 2,732 | 2,373 | 4,306 | 1,145 | 7,038 | 3,518 |
| Unrestricted | <u>18,606</u> | <u>14,986</u> | <u>23,060</u> | <u>22,462</u> | <u>41,666</u> | <u>37,448</u> |
| Total Net Position | <u>\$ 50,959</u> | <u>\$ 47,457</u> | <u>\$ 70,109</u> | <u>\$ 65,886</u> | <u>\$ 121,068</u> | <u>\$ 113,343</u> |

The Net Position of the prior period has been restated for the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases* (see Note 16).

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 \$121,068,435 at December 31, 2022.

By far the largest portion of the Town's Net Position (approximately 64%) reflects its net investment of \$77,364,216 in capital assets (inclusive of right-to-use lease 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, \$7,037,760 (approximately 6%) 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 highway 6 devolution maintenance, capital improvements debt service, community enhancement, conservation trust purposes, and accumulated ARPA grant earnings to be used for future authorized grant expenditure purposes.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2022

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 | |
|-------------------------------|-----------------|---------------------------|-----------------|-----------------|-----------------|---------------------------|
| | Activities | | Activities | | Total | |
| | 2022 | <i>(RESTATED)</i> 2021 | 2022 | 2021 | 2022 | <i>(RESTATED)</i> 2021 |
| REVENUES: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services/Sales | \$ 1,265 | \$ 760 | \$ 8,221 | \$ 8,072 | \$ 9,486 | \$ 8,832 |
| Operating Grants & Contrib. | 609 | 576 | 5 | - | 614 | 576 |
| Capital Grants & Contrib. | 74 | 370 | 1,595 | 1,080 | 1,669 | 1,450 |
| Total Program Revenues | 1,948 | 1,706 | 9,821 | 9,152 | 11,769 | 10,858 |
| General Revenues: | | | | | | |
| Taxes | 11,925 | 10,424 | - | - | 11,925 | 10,424 |
| Intergovernmental Revenue | 277 | 232 | - | - | 277 | 232 |
| Impact Fees & Assessments | 97 | 37 | - | - | 97 | 37 |
| Interest/Investment Earnings | 407 | 10 | 386 | 8 | 793 | 18 |
| Other General Revenues | 77 | 91 | 51 | 53 | 128 | 144 |
| Total General Revenues | 12,783 | 10,794 | 437 | 61 | 13,220 | 10,855 |
| Total Revenues | 14,731 | 12,500 | 10,258 | 9,213 | 24,989 | 21,713 |
| PROGRAM EXPENSES: | | | | | | |
| Town Council | 163 | 245 | - | - | 163 | 245 |
| General Government | 605 | 948 | - | - | 605 | 948 |
| General Administration | 697 | 655 | - | - | 697 | 655 |
| Community Development | 1,174 | 802 | - | - | 1,174 | 802 |
| Municipal Court | 77 | 76 | - | - | 77 | 76 |
| Public Safety | 2,387 | 2,010 | - | - | 2,387 | 2,010 |
| Public Works - Streets | 1,881 | 1,023 | - | - | 1,881 | 1,023 |
| Public Works - Bldg/Grounds | 859 | 815 | - | - | 859 | 815 |
| Information Center | 21 | 33 | - | - | 21 | 33 |
| Marketing | 358 | 245 | - | - | 358 | 245 |
| Engineering | 302 | 212 | - | - | 302 | 212 |
| Information Technology | 619 | - | - | - | 619 | - |
| Open Space Preservation | 239 | 162 | - | - | 239 | 162 |
| Interest - Gen'l. Obligations | 216 | 220 | - | - | 216 | 220 |
| Depreciation - Unallocated | 1,630 | 1,710 | - | - | 1,630 | 1,710 |
| Water Utility | - | - | 2,921 | 2,219 | 2,921 | 2,219 |
| Wastewater Utility | - | - | 2,441 | 2,142 | 2,441 | 2,142 |
| Refuse Utility | - | - | 670 | 657 | 670 | 657 |
| Stormwater Utility | - | - | 4 | 1 | 4 | 1 |
| Total Expenses | 11,228 | 9,156 | 6,036 | 5,019 | 17,264 | 14,175 |
| INCREASE (DECREASE) | | | | | | |
| IN NET POSITION | \$ 3,503 | \$ 3,344 | \$ 4,222 | \$ 4,194 | \$ 7,725 | \$ 7,538 |

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2022

THE TOWN AS A WHOLE – CONTINUED

Governmental Activities

Revenues

Revenues increased 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> | |
|------------------------------------|------------------------------|---------------------------|-----------------------------|---------------------------|
| | 2022 | <i>(RESTATED)</i> 2021 | 2022 | <i>(RESTATED)</i> 2021 |
| Town Council | \$ 163 | \$ 245 | \$ 163 | \$ 245 |
| General Government | 605 | 948 | (561) | 182 |
| General Administration | 697 | 655 | 697 | 655 |
| Community Development | 1,174 | 802 | 1,013 | 731 |
| Municipal Court | 77 | 76 | 77 | 76 |
| Public Safety | 2,387 | 2,010 | 2,259 | 1,941 |
| Public Works - Streets | 1,881 | 1,023 | 1,464 | 611 |
| Public Works - Bldgs/Grounds | 859 | 815 | 785 | 445 |
| Information Center | 21 | 33 | 21 | 33 |
| Marketing | 358 | 245 | 358 | 237 |
| Engineering | 302 | 212 | 302 | 212 |
| Information Technology | 619 | - | 619 | - |
| Open Space Preservation | 239 | 162 | 237 | 152 |
| Interest - General Obligation Debt | 216 | 220 | 216 | 220 |
| Unallocated Depreciation | 1,630 | 1,710 | 1,630 | 1,710 |
| Total Expenses | <u>\$ 11,228</u> | <u>\$ 9,156</u> | <u>\$ 9,280</u> | <u>\$ 7,450</u> |

The dependence on general revenues for governmental activities is apparent. Approximately 83% of fiscal 2022 program services were supported through taxes and other general revenues and 81% in 2021. 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 2022</u> | <u>Fiscal Year 2021</u> |
|----------------------------------|-----------------------------|-----------------------------|
| Program Revenues | \$ 9,821 | \$ 9,152 |
| Taxes and Other General Revenues | 437 | 61 |
| Total Revenues | <u>10,258</u> | <u>9,213</u> |
| Expenses | <u>(6,036)</u> | <u>(5,019)</u> |
| Net Income (Loss) | <u>\$ 4,222</u> | <u>\$ 4,194</u> |

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2022

THE TOWN AS A WHOLE – CONTINUED

Business-Type Activities, continued

Revenues

Charges for services for business-type activities increased \$669 thousand as compared to the prior year.

Expenses

Total enterprise expenditures increased approximately \$1 million 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 \$12,151,100 and expenditures and other financing uses of \$11,680,421.

Governmental fund revenues increased approximately \$2.3 million from the prior fiscal year, primarily from increased sales tax collections and interest revenues.

Governmental fund expenditures increased approximately \$2.2 million 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 \$21.5 million represents the amount available for future spending, which is represented as follows:

| | |
|--------------------------------------|----------------------|
| General Fund | \$ 7,316,034 |
| Capital Projects Fund | 11,245,306 |
| Sales Tax Capital Impr Projects Fund | 2,067,174 |
| Non-major Special Revenue Funds | <u>917,220</u> |
| Total Governmental Fund Balances | <u>\$ 21,545,734</u> |

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2022

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 \$48,612,971 to \$51,524,886.
- The Wastewater Enterprise Fund ending net position increased from \$16,901,569 to \$18,097,088.
- The Refuse Enterprise Fund ending net position increased from \$291,642 to \$318,416.
- The Stormwater Enterprise Fund ending net position increased from \$80,233 to \$168,233.

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.

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 8*.

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 | \$ 10,754,591 | \$ 12,691,381 | \$ 1,936,790 |
| Capital Projects Fund | 2,352,070 | 1,912,167 | (439,903) |
| Sales Tax Cap Impr Projects Fund | 1,017,305 | 986,769 | (30,536) |
| Conservation Trust Fund | 25,000 | 24,000 | (1,000) |
| Open Space Preservation Fund | 473,080 | 389,657 | (83,423) |
| Eagle Downtown Devel. Authority | - | 65,000 | 65,000 |
| Water Fund | 9,718,663 | 3,747,899 | (5,970,764) |
| Wastewater Fund | 3,537,177 | 2,657,416 | (879,761) |
| Refuse Fund | 681,625 | 688,085 | 6,460 |
| Stormwater Fund | 89,466 | 38,965 | (50,501) |

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, 2022

GENERAL FUND BUDGETING HIGHLIGHTS - CONTINUED

General Fund Resources (Inflows)

The Town's final budgetary revenues and other financing sources in the amount of \$12,151,100 exceeded budgetary expectations of \$11,604,425 by \$546,675 primarily due to additional tax and licenses/permits 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 \$11,680,421 were \$1,010,960 less than the final appropriated fund balance of \$12,691,381. Positive variances were found throughout the majority of the Town's functional expenditure categories. Savings primarily occurred from unused personnel and purchased services appropriations, and unused contingency budgets. 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 2022, the Town had a total of \$98,079,463 in capital assets, consisting of \$34,924,668 in governmental activities and \$63,154,795 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 | | | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| <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 | 9,755 | 9,824 | - | - | 9,755 | 9,824 |
| Buildings/Improvements | 2,873 | 2,885 | 52 | 52 | 2,925 | 2,937 |
| Rec Center/Pool/Ice Rink | 3,150 | 3,255 | - | - | 3,150 | 3,255 |
| Equipment | 1,339 | 1,024 | 53 | 40 | 1,392 | 1,064 |
| Infrastructure | 12,336 | 13,752 | 52,622 | 25,564 | 64,958 | 39,316 |
| Construction-in-Progress | 1,392 | 749 | 906 | 29,304 | 2,298 | 30,053 |
| | <u>\$ 34,925</u> | <u>\$ 35,569</u> | <u>\$ 63,155</u> | <u>\$ 64,482</u> | <u>\$ 98,080</u> | <u>\$ 100,051</u> |

The Town also had \$132,732 in Right-to-use (ROU) Lease Assets, Net of accumulated amortization.

Additional information can be found in *Note 5* of the Financial Statements.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION - CONTINUED

Debt

At December 31, 2022 the Town had total outstanding long-term debt of \$25,961,257. Of this amount, governmental activities carry bonds of \$5,304,593 and compensated absences of \$189,339. Business-type activities carry \$19,887,265 of notes payable, \$524,375 of bonds payable and compensated absences of \$55,685.

Governmental activities also had \$131,744 of lease commitments at December 31, 2022.

See *Note 6 Lease Commitments and 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 2023 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 continues to develop a Town-Wide Economic Development Strategy, plans further financial support of the Eagle Downtown Development Authority (DDA), and has budgeted for further projects including the Public Art and Beautification Gateway Project, Broadband expansion, Wayfinding and Branding, and partnerships with the Regional Transit Authority as well as with Eagle County regarding housing strategies.

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.

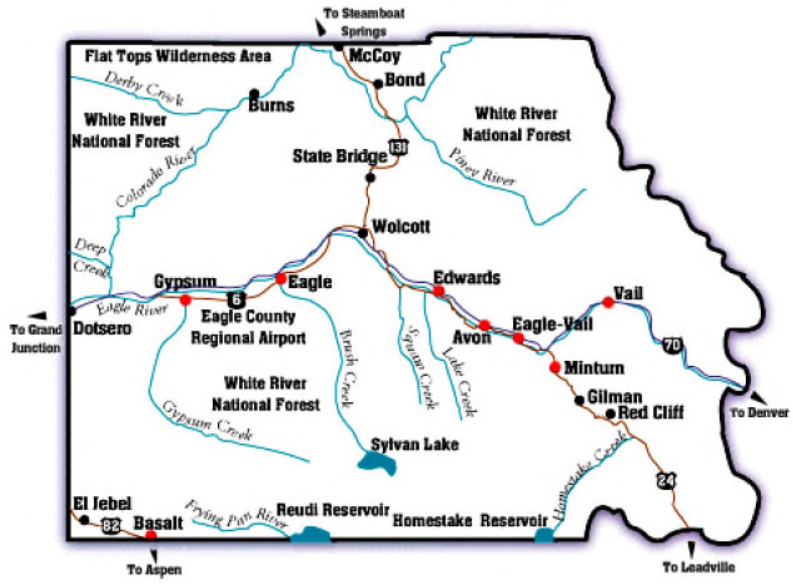
In addition, the Town has budgeted for improvements in public safety and equipment, ongoing sustainability and conservation, and structural and organizational changes to keep up with growth the Town has been experiencing.

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 well. 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, 2022

| | Governmental Activities | Business-type Activities | Totals |
|---|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Cash and Investments | \$ 18,886,314 | \$ 23,234,324 | \$ 42,120,638 |
| Restricted Cash and Investments | 4,215,629 | 4,305,656 | 8,521,285 |
| Receivables – Net | | | |
| Due from County Treasurer | 3,523 | - | 3,523 |
| Taxes and Other Receivables | 1,316,885 | - | 1,316,885 |
| Property Taxes | 381,394 | - | 381,394 |
| Accounts Receivable, Net | - | 588,178 | 588,178 |
| Intergovernmental Grants | 128,129 | - | 128,129 |
| Leases Receivable | 27,115 | - | 27,115 |
| Inventory | - | 100,562 | 100,562 |
| Prepaid Expenses | 74,473 | 34,424 | 108,897 |
| Funds Held by Fiscal Agent (EHOP) | 148,043 | - | 148,043 |
| Notes Receivable (EHOP) | 11,599 | - | 11,599 |
| Capital Assets: | | | |
| Non-Depreciable Capital Assets | 5,472,033 | 10,428,572 | 15,900,605 |
| Depreciable Capital Assets, Net | 29,452,635 | 52,726,223 | 82,178,858 |
| Right-to-Use (ROU) Assets, Net | 132,731 | - | 132,731 |
| TOTAL ASSETS | 60,250,503 | 91,417,939 | 151,668,442 |
| LIABILITIES | | | |
| Accounts Payable | 365,575 | 374,219 | 730,794 |
| Retainage Payable | 3,816 | - | 3,816 |
| Accrued Liabilities | 186,366 | 169,045 | 355,411 |
| Unearned Revenues | 1,758,437 | 298,726 | 2,057,163 |
| Deposits and Other Liabilities | 954,034 | - | 954,034 |
| Long-term Debt: | | | |
| Portion Due or Payable within One Year: | | | |
| Lease Commitments | 81,995 | - | 81,995 |
| Loans and Bonds Payable, Net of Premium | 154,168 | 1,759,767 | 1,913,935 |
| Portion Due or Payable After One Year: | | | |
| Compensated Absences | 189,339 | 55,685 | 245,024 |
| Lease Commitments | 49,749 | - | 49,749 |
| Loans and Bonds Payable, Net of Premium | 5,150,425 | 18,651,874 | 23,802,299 |
| TOTAL LIABILITIES | 8,884,904 | 21,309,316 | 30,194,220 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable Revenue – | | | |
| From Property Taxes | 381,394 | - | 381,394 |
| Lease Related | 24,393 | - | 24,393 |
| TOTAL DEFERRED INFLOWS | 405,787 | - | 405,787 |
| NET POSITION: | | | |
| Invested in Capital Assets, Net of Related Debt | 29,621,062 | 42,743,154 | 77,364,216 |
| Restricted | 2,732,104 | 4,305,656 | 7,037,760 |
| Unrestricted (Deficit) | 18,606,646 | 23,059,813 | 41,666,459 |
| TOTAL NET POSITION | \$ 50,959,812 | \$ 70,108,623 | \$ 121,068,435 |

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

TOWN EAGLE, COLORADO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2022

| 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 | \$ 163,317 | \$ - | \$ - | \$ - |
| General Government | 605,463 | 1,118,659 | 47,859 | - |
| General Administration | 696,527 | - | - | - |
| Community Development | 1,174,270 | 77,664 | 83,543 | - |
| Municipal Court | 76,537 | - | - | - |
| Public Safety | 2,386,626 | 68,164 | 59,339 | - |
| Public Works – Streets | 1,880,951 | - | 416,375 | - |
| Public Works – Buildings/Grounds | 859,189 | - | - | 73,750 |
| Information Center | 20,688 | - | - | - |
| Marketing | 357,747 | - | - | - |
| Engineering | 301,669 | - | - | - |
| Information Technology | 619,077 | - | - | - |
| Open Space Preservation | 239,418 | - | 2,062 | - |
| Interest on Long-term Debt | 215,937 | - | - | - |
| Depreciation – Unallocated (<i>See Note 1(G)</i>) | 1,630,474 | - | - | - |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>11,227,890</u> | <u>1,264,487</u> | <u>609,178</u> | <u>73,750</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | |
| Water Utility | 2,921,326 | 4,557,441 | 5,000 | 996,673 |
| Wastewater Utility | 2,440,944 | 2,881,999 | - | 597,800 |
| Refuse Utility | 669,863 | 691,415 | - | - |
| Stormwater Utility | 3,876 | 90,202 | - | - |
| TOTAL BUSINESS-TYPE ACTIVITIES | <u>6,036,009</u> | <u>8,221,057</u> | <u>5,000</u> | <u>1,594,473</u> |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 17,263,899</u> | <u>\$ 9,485,544</u> | <u>\$ 614,178</u> | <u>\$ 1,668,223</u> |

GENERAL REVENUES:

Taxes:

Property Taxes, Levied for General Purposes

Specific Ownership Taxes, for General Purposes

Sales Tax, for General Purposes

Sales and Use Tax, for Capital Improvements

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

Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR (RESTATED*)

NET POSITION – END OF YEAR

(* see Note 16)

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 |
|----------------------------|-----------------------------|-----------------------|
| \$ (163,317) | - | \$ (163,317) |
| 561,055 | - | 561,055 |
| (696,527) | - | (696,527) |
| (1,013,063) | - | (1,013,063) |
| (76,537) | - | (76,537) |
| (2,259,123) | - | (2,259,123) |
| (1,464,576) | - | (1,464,576) |
| (785,439) | - | (785,439) |
| (20,688) | - | (20,688) |
| (357,747) | - | (357,747) |
| (301,669) | - | (301,669) |
| (619,077) | - | (619,077) |
| (237,356) | - | (237,356) |
| (215,937) | - | (215,937) |
| <u>(1,630,474)</u> | - | <u>(1,630,474)</u> |
| <u>(9,280,475)</u> | - | <u>(9,280,475)</u> |
| | \$ 2,637,788 | 2,637,788 |
| | 1,038,855 | 1,038,855 |
| | 21,552 | 21,552 |
| | <u>86,326</u> | <u>86,326</u> |
| | <u>3,784,521</u> | <u>3,784,521</u> |
| <u>(9,280,475)</u> | <u>3,784,521</u> | <u>(5,495,954)</u> |
| 384,916 | - | 384,916 |
| 20,796 | - | 20,796 |
| 7,988,190 | - | 7,988,190 |
| 1,827,386 | - | 1,827,386 |
| 1,703,780 | - | 1,703,780 |
| 277,166 | - | 277,166 |
| 277 | - | 277 |
| 96,905 | - | 96,905 |
| 14,000 | - | 14,000 |
| 406,585 | 386,151 | 792,736 |
| 63,210 | 51,536 | 114,746 |
| <u>12,783,211</u> | <u>437,687</u> | <u>13,220,898</u> |
| 3,502,736 | 4,222,208 | 7,724,944 |
| <u>47,457,076</u> | <u>65,886,415</u> | <u>113,343,491</u> |
| <u>\$ 50,959,812</u> | <u>\$ 70,108,623</u> | <u>\$ 121,068,435</u> |

FUND FINANCIAL STATEMENTS

TOWN OF EAGLE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

| | General Fund | Capital Projects Fund | Sales Tax Capital Imprvmt Projects Fund |
|---|--------------------------|-----------------------------|---|
| | <u> </u> | <u> </u> | <u> </u> |
| <u>ASSETS:</u> | | | |
| Cash and Investments | \$ 7,201,267 | \$ 9,087,633 | \$ 1,856,935 |
| Restricted Cash and Investments | 1,784,426 | 2,100,702 | 161,619 |
| Receivables – Net: | | | |
| Due from County Treasurer | 3,523 | - | - |
| Taxes and Other Receivables | 1,154,075 | 50,907 | 80,705 |
| Property Taxes | 381,394 | - | - |
| Intergovernmental Grants | 59,379 | 68,750 | - |
| Leases Receivable (NPV) | 27,115 | - | - |
| Prepaid Expenses | 63,625 | - | 10,848 |
| Funds Held by Fiscal Agent (EHOP) | 148,043 | - | - |
| Notes Receivable (EHOP) | 11,599 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 10,834,446</u> | <u>\$ 11,307,992</u> | <u>\$ 2,110,107</u> |
| <u>LIABILITIES, DEFERRED INFLOWS</u> | | | |
| <u>OF RESOURCES AND FUND BALANCES:</u> | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 235,991 | \$ 58,870 | \$ 42,933 |
| Retainage Payable | - | 3,816 | - |
| Accrued Liabilities | 164,163 | - | - |
| Unearned Revenues | 1,758,437 | - | - |
| Deposits and Other Liabilities | 954,034 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>3,112,625</u> | <u>62,686</u> | <u>42,933</u> |
| Deferred Inflows of Resources: | | | |
| Unavailable Revenues - | | | |
| From Property Taxes | 381,394 | - | - |
| Lease Related | 24,393 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Deferred Inflows | <u>405,787</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | |
| Non-Spendable | 223,267 | - | 10,848 |
| Restricted for – | | | |
| Highway 6 Devolution Maintenance | - | 1,697,801 | - |
| Capital Improvements Debt Service | - | - | 161,619 |
| Community Enhancement | - | 402,901 | - |
| Conservation Trust | - | - | - |
| ARPA Grant Earnings | 28,496 | - | - |
| Emergency Reserves | 290,000 | - | - |
| Committed for – | | | |
| Open-space Preservation | - | - | - |
| Assigned for – | | | |
| Capital Projects | 131,496 | 9,144,604 | 1,894,707 |
| Unassigned | 6,642,775 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Fund Balances | <u>7,316,034</u> | <u>11,245,306</u> | <u>2,067,174</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 10,834,446</u> | <u>\$ 11,307,992</u> | <u>\$ 2,110,107</u> |

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

| Non-Major Special Revenue Funds | Total Governmental Funds |
|---------------------------------------|--------------------------------|
| \$ 740,479 | \$ 18,886,314 |
| 168,882 | 4,215,629 |
| - | 3,523 |
| 31,198 | 1,316,885 |
| - | 381,394 |
| - | 128,129 |
| - | 27,115 |
| - | 74,473 |
| - | 148,043 |
| - | 11,599 |
| <u>\$ 940,559</u> | <u>\$ 25,193,104</u> |

| | |
|---------------|------------------|
| \$ 18,781 | \$ 356,575 |
| - | 3,816 |
| 4,558 | 168,721 |
| - | 1,758,437 |
| - | 954,034 |
| <u>23,339</u> | <u>3,241,583</u> |

| | |
|---|---------|
| - | 381,394 |
| - | 24,393 |
| - | 405,787 |

| | |
|-------------------|----------------------|
| - | 234,115 |
| - | 1,697,801 |
| - | 161,619 |
| 6,361 | 409,262 |
| 144,926 | 144,926 |
| - | 28,496 |
| - | 290,000 |
| 765,933 | 765,933 |
| - | 11,170,807 |
| - | 6,642,775 |
| <u>917,220</u> | <u>21,545,734</u> |
| <u>\$ 940,559</u> | <u>\$ 25,193,104</u> |

TOWN OF EAGLE, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2022

TOTAL GOVERNMENTAL FUND BALANCES \$ 21,545,734

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

Right-of-use lease assets and capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.

| | | |
|-------------------------------|---------------------|------------|
| Right-of-Use Lease Assets | \$ 257,069 | |
| Less Accumulated Amortization | (124,338) | |
| Governmental Capital Assets | 69,659,467 | |
| Less Accumulated Depreciation | <u>(34,734,799)</u> | 35,057,399 |

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 | \$ (17,645) | |
| Current Portion of Lease Commitments | (81,995) | |
| Current Portion of Long-term Liabilities | <u>(154,168)</u> | (253,808) |

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

| | | |
|-------------------------------|--------------------|--------------------|
| Compensated Absences | \$ (189,339) | |
| Lease Commitments | (49,749) | |
| Bonds Payable, Net of Premium | <u>(5,150,425)</u> | <u>(5,389,513)</u> |

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 50,959,812

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, 2022

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Sales Tax Capital Imprvmt Projects Fund</u> |
|--|-------------------------|--------------------------------------|--|
| <u>Revenues:</u> | | | |
| Local Taxes and Assessments | \$ 9,796,846 | \$ 976,674 | \$ 998,524 |
| Licenses and Permits | 687,933 | - | - |
| Intergovernmental | 727,204 | 68,750 | - |
| Charges for Services | 490,043 | - | - |
| Fines, Forfeits and Penalties | 68,164 | - | - |
| Grants | 109,219 | - | - |
| Interest | 207,851 | 149,316 | 35,234 |
| Miscellaneous | 50,512 | - | 5,000 |
| | <u>12,137,772</u> | <u>1,194,740</u> | <u>1,038,758</u> |
| <u>Expenditures:</u> | | | |
| Town Council | 163,317 | - | - |
| General Government | 348,335 | 431,424 | 194,165 |
| General Administration | 681,226 | - | - |
| Community Development | 1,074,133 | - | - |
| Municipal Court | 74,975 | - | - |
| Public Safety | 2,288,785 | 261,829 | - |
| Public Works – Streets | 1,749,197 | 518,698 | - |
| Public Works – Bldg & Grounds | 786,326 | 38,814 | - |
| Information Center | 20,688 | - | - |
| Marketing | 365,534 | - | - |
| Engineering | 296,587 | - | - |
| Information Technology | 616,318 | - | - |
| Open-Space Preservation | - | - | - |
| Debt Service: | | | |
| Principal | - | - | 105,000 |
| Interest | - | - | 215,937 |
| Capital Projects | - | - | - |
| | <u>8,465,421</u> | <u>1,250,765</u> | <u>515,102</u> |
| Excess Revenues Over (Under) Expenditures | 3,672,351 | (56,025) | 523,656 |
| <u>Other Financing Sources (Uses):</u> | | | |
| Transfers in from Other Funds | 13,328 | 3,000,000 | - |
| Transfers (to) from Other Funds | <u>(3,215,000)</u> | <u>-</u> | <u>-</u> |
| Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses | 470,679 | 2,943,975 | 523,656 |
| Fund Balances – Beginning (General Fund Restated) | <u>6,845,355</u> | <u>8,301,331</u> | <u>1,543,518</u> |
| Fund Balances – Ending | <u>\$ 7,316,034</u> | <u>\$ 11,245,306</u> | <u>\$ 2,067,174</u> |

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

| Non-Major Special Revenue Funds | Total Governmental Funds |
|---------------------------------------|--------------------------------|
| \$ 250,206 | \$ 12,022,250 |
| - | 687,933 |
| 49,921 | 845,875 |
| - | 490,043 |
| - | 68,164 |
| - | 109,219 |
| 14,184 | 406,585 |
| - | 55,512 |
| 314,311 | 14,685,581 |
| - | 163,317 |
| - | 973,924 |
| - | 681,226 |
| 58,653 | 1,132,786 |
| - | 74,975 |
| - | 2,550,614 |
| - | 2,267,895 |
| - | 825,140 |
| - | 20,688 |
| - | 365,534 |
| - | 296,587 |
| - | 616,318 |
| 329,696 | 329,696 |
| - | 105,000 |
| - | 215,937 |
| 23,984 | 23,984 |
| 412,333 | 10,643,621 |
| (98,022) | 4,041,960 |
| 215,000 | 3,228,328 |
| (13,328) | (3,228,328) |
| 103,650 | 4,041,960 |
| 813,570 | 17,503,774 |
| \$ 917,220 | \$ 21,545,734 |

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, 2022

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 4,041,960

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 | \$ 1,513,220 | |
| Depreciation | <u>(2,157,751)</u> | (644,531) |

Governmental Funds report lease activity as expenditures; however, on the Statement of Activities the right-of-use assets are recognized at net present value and the related lease commitments are recognized over the term of the leases, with applicable adjustments to lease expense. This is the change in the net present value (NPV) of right-of-use assets net of changes in lease commitments.

| | | |
|----------------------------------|----------------|---|
| ROU Lease Assets Additions | \$ 129,207 | |
| ROU Lease Assets Retirements | (107,262) | |
| ROU Lease Assets NPV Adjustment | (394) | |
| ROU Lease Commitments Additions | (129,207) | |
| ROU Lease Commitments Repayments | <u>107,656</u> | - |

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: 350

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. (45,088)

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. 45,045

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>105,000</u> | <u>105,000</u> |

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,502,736

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

TOWN OF EAGLE, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022

| | Business-Type Activities (Proprietary/Enterprise Funds) | | | | Total |
|--|--|--------------------|----------------|--------------------|---------------|
| | Water Fund | Wastewater Fund | Refuse Fund | Stormwater Fund | |
| <u>ASSETS:</u> | | | | | |
| Current Assets: | | | | | |
| Cash & Investments | \$ 13,708,943 | \$ 9,026,642 | \$ 333,575 | \$ 165,164 | \$ 23,234,324 |
| Restricted Cash & Investments | 3,939,583 | 366,073 | - | - | 4,305,656 |
| Accounts Receivable, Net | 255,308 | 262,448 | 59,747 | 10,675 | 588,178 |
| Inventory | 100,562 | - | - | - | 100,562 |
| Prepaid Expense | 33,691 | 367 | 366 | - | 34,424 |
| Total Current Assets | 18,038,087 | 9,655,530 | 393,688 | 175,839 | 28,263,144 |
| Non-Current Assets: | | | | | |
| Capital Assets, Net | 48,632,011 | 14,493,865 | 28,919 | - | 63,154,795 |
| Total Non-Current Assets | 48,632,011 | 14,493,865 | 28,919 | - | 63,154,795 |
| Total Assets | \$ 66,670,098 | \$ 24,149,395 | \$ 422,607 | \$ 175,839 | \$ 91,417,939 |
| <u>LIABILITIES AND NET POSITION:</u> | | | | | |
| Liabilities: | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable | \$ 187,322 | \$ 133,788 | \$ 53,080 | \$ 29 | \$ 374,219 |
| Retainage Payable | - | - | - | - | - |
| Accrued Liabilities | 91,801 | 77,207 | 37 | - | 169,045 |
| Unearned Revenues | - | 240,075 | 51,074 | 7,577 | 298,726 |
| Current Maturities of | | | | | |
| Long-term Debt, Net | 944,835 | 814,932 | - | - | 1,759,767 |
| Total Current Liabilities | 1,223,958 | 1,266,002 | 104,191 | 7,606 | 2,601,757 |
| Non-Current Liabilities: | | | | | |
| Compensated Absences | 25,799 | 29,886 | - | - | 55,685 |
| Notes Payable, Net of Premium | 266,037 | 4,756,419 | - | - | 5,022,456 |
| Bonds Payable | 13,629,418 | - | - | - | 13,629,418 |
| Total Non-Current Liabilities | 13,921,254 | 4,786,305 | - | - | 18,707,559 |
| Total Liabilities | 15,145,212 | 6,052,307 | 104,191 | 7,606 | 21,309,316 |
| Net Position: | | | | | |
| Invested in Capital Assets, Net of Related Debt | 33,791,721 | 8,922,514 | 28,919 | - | 42,743,154 |
| Restricted | | | | | |
| Debt Service Reserve | 540,158 | 366,073 | - | - | 906,231 |
| Plant Investment Fee Credits | 3,399,425 | - | - | - | 3,399,425 |
| Unrestricted | 13,793,582 | 8,808,501 | 289,497 | 168,233 | 23,059,813 |
| Total Net Position | 51,524,886 | 18,097,088 | 318,416 | 168,233 | 70,108,623 |
| Total Liabilities & Net Position | \$ 66,670,098 | \$ 24,149,395 | \$ 422,607 | \$ 175,839 | \$ 91,417,939 |

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, 2022

| | Business-Type Activities (Proprietary/Enterprise Funds) | | | | Total |
|---|--|----------------------|-------------------|--------------------|----------------------|
| | Water Fund | Wastewater Fund | Refuse Fund | Stormwater Fund | |
| <u>OPERATING REVENUES:</u> | | | | | |
| Service Fees | \$ 4,467,031 | \$ 2,881,999 | \$ 691,415 | \$ 90,202 | \$ 8,130,647 |
| Meters and Materials | 90,410 | - | - | - | 90,410 |
| Miscellaneous | - | - | - | - | - |
| TOTAL OPERATING REVENUES | 4,557,441 | 2,881,999 | 691,415 | 90,202 | 8,221,057 |
| <u>OPERATING EXPENSES:</u> | | | | | |
| Personnel Services | 764,001 | 609,310 | 9,961 | - | 1,383,272 |
| Supplies | 248,990 | 135,869 | 103 | - | 384,962 |
| Purchased Services | 600,526 | 620,724 | 638,134 | 3,784 | 1,863,168 |
| Insurance | 74,623 | 34,427 | 685 | 92 | 109,827 |
| Depreciation | 801,176 | 792,417 | 980 | - | 1,594,573 |
| TOTAL OPERATING EXPENSES | 2,489,316 | 2,192,747 | 649,863 | 3,876 | 5,335,802 |
| OPERATING INCOME (LOSS) | 2,068,125 | 689,252 | 41,552 | 86,326 | 2,885,255 |
| <u>NON-OPERATING REVENUE (EXPENSE):</u> | | | | | |
| Interest & Earnings on Investments | 246,119 | 133,136 | 5,222 | 1,674 | 386,151 |
| Accretion of Debt Premium | 28,008 | 23,528 | - | - | 51,536 |
| Interest Expense & Fiscal Charges | (356,811) | (193,743) | - | - | (550,554) |
| Administrative Fee – General Fund | (75,199) | (54,454) | (20,000) | - | (149,653) |
| TOTAL NON-OPERATING REVENUE (EXPENSE) | (157,883) | (91,533) | (14,778) | 1,674 | (257,520) |
| INCOME (LOSS) BEFORE TRANSFERS & CAPITAL CONTRIBUTIONS | 1,910,242 | 597,719 | 26,774 | 88,000 | 2,622,735 |
| <u>CAPITAL CONTRIBUTIONS:</u> | | | | | |
| Tap and Improvement Fees | 996,673 | 597,800 | - | - | 1,594,473 |
| Grants & Contributions | 5,000 | - | - | - | 5,000 |
| TOTAL CAPITAL CONTRIBUTIONS | 1,001,673 | 597,800 | - | - | 1,599,473 |
| <u>TRANSFERS:</u> | | | | | |
| Transfers In (Out) | - | - | - | - | - |
| CHANGE IN NET POSITION | 2,911,915 | 1,195,519 | 26,774 | 88,000 | 4,222,208 |
| FUND NET POSITION- BEGINNING | 48,612,971 | 16,901,569 | 291,642 | 80,233 | 65,886,415 |
| FUND NET POSITION- ENDING | \$ 51,524,886 | \$ 18,097,088 | \$ 318,416 | \$ 168,233 | \$ 70,108,623 |

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, 2022

| | Business-Type Activities (Proprietary/Enterprise Funds) | | | | Total |
|---|--|---------------------|-------------------|--------------------|----------------------|
| | Water Fund | Wastewater Fund | Refuse Fund | Stormwater Fund | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Cash Received from Customers | \$ 4,550,591 | \$ 2,888,886 | \$ 690,853 | \$ 89,771 | \$ 8,220,101 |
| Cash Payments for Personnel Svcs | (762,168) | (606,194) | (9,924) | - | (1,378,286) |
| Cash Payments for Goods and Svcs | <u>(2,441,604)</u> | <u>(741,773)</u> | <u>(637,026)</u> | <u>(3,847)</u> | <u>(3,824,250)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>1,346,819</u> | <u>1,540,919</u> | <u>43,903</u> | <u>85,924</u> | <u>3,017,565</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | |
| Inter-fund Admin Fees to Gen Fund | <u>(75,199)</u> | <u>(54,454)</u> | <u>(20,000)</u> | <u>-</u> | <u>(149,653)</u> |
| NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES | <u>(75,199)</u> | <u>(54,454)</u> | <u>(20,000)</u> | <u>-</u> | <u>(149,653)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Tap & Impvmt/Plant Invest Fees | 996,673 | 597,800 | - | - | 1,594,473 |
| Grants & Contributions | 5,000 | - | - | - | 5,000 |
| Acq/Construction of Capital Assets | (254,865) | (12,815) | - | - | (267,680) |
| Principal Paid on Long-term Debt | (904,161) | (768,451) | - | - | (1,672,612) |
| Interest Paid on Long-term Debt | <u>(356,811)</u> | <u>(193,743)</u> | <u>-</u> | <u>-</u> | <u>(550,554)</u> |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(514,164)</u> | <u>(377,209)</u> | <u>-</u> | <u>-</u> | <u>(891,373)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Interest on Investments | <u>246,119</u> | <u>133,136</u> | <u>5,222</u> | <u>1,674</u> | <u>386,151</u> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>246,119</u> | <u>133,136</u> | <u>5,222</u> | <u>1,674</u> | <u>386,151</u> |
| NET INCREASE (DECR.) CASH | 1,003,575 | 1,242,392 | 29,125 | 87,598 | 2,362,690 |
| CASH – BEGINNING 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> |
| CASH – END OF YEAR | <u>\$ 17,648,526</u> | <u>\$ 9,392,715</u> | <u>\$ 333,575</u> | <u>\$ 165,164</u> | <u>\$ 27,539,980</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | | |
| Operating Income (Loss) | \$ 2,068,125 | \$ 689,252 | \$ 41,552 | \$ 86,326 | \$ 2,885,255 |
| <i>Non-Cash Expenses in Oper Income –</i> | | | | | |
| Depreciation | 801,176 | 792,417 | 980 | - | 1,594,573 |
| <i>Change in Assets and Liabilities –</i> | | | | | |
| Decrease (Increase) Receivables | (6,850) | (2,840) | (2,805) | (565) | (13,060) |
| Decrease (Increase) Inventory | 58,930 | - | - | - | 58,930 |
| Decrease (Increase) Prepaid Expense | 21,841 | - | - | - | 21,841 |
| Increase (Decrease) Unearned Rev. | - | 9,727 | 2,243 | 134 | 12,104 |
| Increase (Decrease) Payables | (1,598,236) | 49,247 | 1,896 | 29 | (1,547,064) |
| Increase (Decrease) Accrued Payroll | 1,833 | 3,116 | 37 | - | 4,986 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 1,346,819</u> | <u>\$ 1,540,919</u> | <u>\$ 43,903</u> | <u>\$ 85,924</u> | <u>\$ 3,017,565</u> |

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's financial statements include the accounts of all Town operations.

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.

In conformity with generally accepted accounting principles, the following component unit is included in the financial reporting entity as a blended component unit.

Eagle Downtown Development Authority (the "DDA"). The DDA was approved by voters in 2020 and established by the Town Council under Ordinance 25-2020 as a body corporate known as the "Eagle Downtown Development Authority." The DDA has been established to halt and prevent deterioration of property values within the District, to assist in the development and redevelopment of the district, and to use its power to promote the general welfare of the district by the use of its direct and supplemental powers as authorized under *Part Eight of Article 25 of Title 31, Colorado Revised Statutes, 2021*. The DDA's boundaries are entirely within the Town of Eagle and is structured to be funded primarily with Sales Tax Increment Financing (TIF). Although the DDA is legally separate from the Town of Eagle, the Town is financially accountable for the organization because it appoints the voting majority of the DDA's governing body, is able to impose its will on the DDA, and the DDA has the potential to impose specific burdens on the Town; therefore, for financial reporting purposes the DDA is reported as if it were part of the Town's operations. Additional financial information for the DDA can be obtained from the Town of Eagle, Colorado.

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 additional component units, nor do they exclude any additional potential component units requiring inclusion in the Town's reporting entity, nor is the Town a component unit of any other government.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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, 2022

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, improving, constructing, and maintaining other town parks, multi-use recreational facilities, and paved paths.

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. The Eagle Downtown Development Authority (a blended component unit) is considered a special revenue fund used to account for Property Tax Increment Financing (TIF) and additional Town funding to be used for downtown improvements to increase economic vitality for the businesses and residents located in the district.

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, 2022

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, 2022

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, 2022

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, 2022

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 2021 were collected in 2022 and taxes certified in 2022 will be collected in 2023. 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.

The Town also reports long-term lease revenue as a deferred inflow which is recognized as an inflow of resources in the period that the amounts become available and earned.

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, 2022

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 year-end 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, 2022

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 15*, 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. The General Funds accumulated ARPA Grant earnings are restricted for authorized expenditures. 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 remaining available fund balances of Capital Projects Funds 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, 2022

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, 2022

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, 2022 the Town had invested \$48,400,288 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, 2022, the Town had \$0 invested in COLOTRUST PRIME, and \$48,400,288 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, 2022

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, 2022 are classified below:

| | |
|-------------------------------------|--------------------------|
| Checking/Savings | \$ 2,059,709 |
| CWRPDA Project and Reserve Accounts | 490,600 |
| Local Government Investment Pool | <u>48,400,288</u> |
| Total Balances | 50,950,597 |
| Net Outstanding Items | <u>(308,674)</u> |
| Total Cash and Cash Equivalents | <u>\$ 50,641,923</u> |

Of the above cash and cash equivalents, a total of \$23,101,943 is in governmental activities and \$27,539,980 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 \$2,059,709 of which \$250,000 was covered by FDIC insurance and \$1,809,709 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) | \$ 48,400,288 | 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, 2022

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 year-end.

The Town was not subject to foreign currency risk as of year-end.

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 Downtown Development Authority (a blended component unit) has cash balances held for community enhancement in the boundaries of the DDA.

The Water Fund has restricted balances for available plant investment fee credits and amounts for required debt service reserves.

The Wastewater Fund has restricted balances for required debt service reserves.

NOTE 4 - LEASES RECEIVABLE

The Town is lessor for noncancellable leases of buildings and real property. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at present value of payments expected to be received during the term of the lease. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently the deferred inflow of resources is recognized as revenue over the life of the lease term.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 4 - LEASES RECEIVABLE – continued

Key estimates and judgments include how the Town determines the following:

Discount Rate: The Town uses the daily United States Treasury Yield Rate as the discount rate to discount the expected lease receipts to present value.

Lease Term: The lease term includes the noncancellable period of the lease and extended term(s) that the Town is reasonably certain the lessee will exercise.

Lease Receipts: Lease receipts included in the measurement of the lease receivable are composed of fixed and increasing payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The following lease receivables were outstanding as of December 31, 2022:

| <u>Lessee</u> | <u>Lease Term</u> | <u>Base Rate</u> |
|---------------------------------|-------------------|------------------|
| Eagle County Historical Society | 02/24/87–02/23/32 | \$1 per year |
| Eagle Chamber of Commerce | 06/01/22–12/31/23 | \$200 per month |
| Mean Street Boxing | 08/01/16–07/30/23 | \$420 per month |
| Catholic Charities | 11/01/17–10/31/23 | \$260 per month |
| Vail Valley Art Guild | 09/01/19–08/31/24 | \$260 per month |
| San Isabel – Site Lease | 11/14/17–11/13/24 | Varies* |

*\$500/mo '17-18; \$551/mo '18-19; \$579/mo '19-20; \$608/mo '20-21; \$638/mo '21-22; \$670/mo '22-23

NOTE 5 - CAPITAL ASSETS AND RIGHT-OF-USE LEASE ASSETS

Capital Assets – Governmental Activities

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

| <i>GOVERNMENTAL ACTIVITIES</i> | <u>Balances</u> 01/01/22 | <u>Additions</u> | <u>Dispositions/ Reclassif.</u> | <u>Balances</u> 12/31/22 |
|--------------------------------------|-----------------------------|---------------------|-------------------------------------|-----------------------------|
| Non-depreciable Assets: | | | | |
| Land and Easements | \$ 4,079,568 | \$ - | \$ - | \$ 4,079,568 |
| Construction in Progress | 749,600 | 642,865 | - | 1,392,465 |
| Depreciable Capital Assets: | | | | |
| Park/Land Improvements | 10,968,137 | 145,324 | - | 11,113,461 |
| Buildings/Improvements | 5,367,963 | 135,941 | - | 5,503,904 |
| Rec Center/Pool/Ice Rink | 5,235,122 | - | - | 5,235,122 |
| Equipment | 4,182,281 | 589,090 | (313,730) | 4,457,641 |
| Infrastructure | <u>37,877,306</u> | <u>-</u> | <u>-</u> | <u>37,877,306</u> |
| Total at Historical Cost | 68,459,977 | 1,513,220 | (313,730) | 69,659,467 |
| <i>Less Accumulated Depreciation</i> | <u>(32,890,778)</u> | <u>(2,157,751)</u> | <u>313,730</u> | <u>(34,734,799)</u> |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | <u>\$ 35,569,199</u> | <u>\$ (644,531)</u> | <u>\$ -</u> | <u>\$ 34,924,668</u> |

Depreciation expense for governmental activities was recorded as follows:

| | |
|----------------------------------|---------------------|
| General Government | \$ 243,835 |
| Public Safety | 77,749 |
| Public Works – Streets | 140,432 |
| Public Works – Buildings/Grounds | 63,802 |
| Open Space | 1,459 |
| Unallocated Depreciation | <u>1,630,474</u> |
| Total Governmental Depreciation | <u>\$ 2,157,751</u> |

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 - CAPITAL ASSETS AND RIGHT-OF-USE LEASE ASSETS - continued

Right-of-use (ROU) Lease Assets – Governmental Activities

The Town is lessee of heavy equipment and office equipment for which the Town reports an intangible right-to-use lease asset and a lease obligation on the government-wide Statement of Net Position. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the term of the lease. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments include how the Town determines the following:

Discount Rate: The Town uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value or, when the interest rate charged by the lessor is not provided, the Town uses the daily United States Treasury Yield Rate as the discount rate to discount the expected lease payments to present value.

Lease Term: The lease term includes the noncancellable period of the lease and extended term(s) that the Town is reasonably certain to exercise.

Lease Payments: Lease payments included in the measurement of the lease liability are composed of fixed and increasing payments, and purchase option price that the Town is reasonably certain to exercise, when applicable.

The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-of-use lease assets for the fiscal year ending December 31, 2022, which are amortized over the shorter of the lease term or the useful life of the underlying asset, were as follows:

| <i>GOVERNMENTAL ACTIVITIES</i> | <u>01/01/22</u> | <u>Additions</u> | <u>Retirements</u> | <u>12/31/22</u> |
|--------------------------------|-------------------|------------------|--------------------|-------------------|
| Right-of-use Lease Assets* | \$ 238,928 | \$ 129,207 | \$ (111,066) | \$ 257,069 |
| Less Accumulated Amortization | (128,142) | (107,262) | 111,066 | (124,338) |
| ROU LEASE ASSETS, NET | <u>\$ 110,786</u> | <u>\$ 21,945</u> | <u>\$ -</u> | <u>\$ 132,731</u> |

*Note: with the implementation of GASB Statement No. 87, Leases, in the current fiscal year, it was required to restate prior fiscal year ending balance for the right-of-use lease assets.

Capital Assets – Business-type Activities

| <i>BUSINESS-TYPE ACTIVITIES</i> | <u>Balances 01/01/22</u> | <u>Additions</u> | <u>Dispositions/ Reclassif.</u> | <u>Balances 12/31/22</u> |
|------------------------------------|------------------------------|-----------------------|-------------------------------------|------------------------------|
| Non-depreciable Assets: | | | | |
| Land and Easements | \$ 377,733 | \$ - | \$ - | \$ 377,733 |
| Water Rights | 9,144,376 | - | - | 9,144,376 |
| Construction in Progress | 29,303,948 | 223,227 | (28,620,748) | 906,463 |
| Depreciable Capital Assets: | | | | |
| Buildings/Improvements | 128,951 | - | - | 128,951 |
| Equipment | 402,019 | 44,453 | (17,535) | 428,937 |
| Infrastructure-Plant/Facility | 437,186 | - | - | 437,186 |
| Infrastructure-Utility System | 43,875,424 | - | 28,278,719 | 72,154,143 |
| Total at Historical Cost | 83,669,673 | 267,680 | (359,564) | 83,577,789 |
| Less Accumulated Depreciation | (19,187,985) | (1,594,573) | 359,564 | (20,422,994) |
| BUSINESS-TYPE ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | <u>\$ 64,481,688</u> | <u>\$ (1,326,893)</u> | <u>\$ -</u> | <u>\$ 63,154,795</u> |

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 - CAPITAL ASSETS AND RIGHT-OF-USE LEASE ASSETS - continued

Depreciation expense for business-type activities was recorded on as follows:

| | | |
|----------------------------------|----|---------------------|
| Water Utility | \$ | 801,176 |
| Wastewater Utility | | 792,417 |
| Refuse Utility | | 980 |
| Stormwater Utility | | <u>-</u> |
| Total Business-type Depreciation | | <u>\$ 1,594,573</u> |

NOTE 6 - LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS

Lease Commitments

The Town has implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, for government-wide Statement of Net Assets recognition of leases and note disclosure of certain information about lease arrangements.

As discussed in Note 5, the Town is the lessee of heavy equipment and office equipment under operating leases. The Town determines whether a contract is a lease at inception. Identified leases are subsequently measured, classified and recognized as lease commitments and leases with contractual terms longer than twelve months as either operating or finance. The Town’s equipment leases generally have terms from one to five years.

Right-to-use assets and lease obligations for operating leases are included in “ROU Lease Assets” and “Present Value of Lease Liability”, respectively, in the Statement of Net Position. Leased assets represent the Town’s right to use an underlying asset for the lease term and lease liabilities represent the Town’s obligation to make lease payments arising from the lease, which are subject to annual appropriation.

Operating right-of-use assets and associated lease liabilities are recognized based on the present value of future minimum lease payments to be made over the expected lease term, generally using the risk-free discount rate at the commencement date in determining the present value of future payments.

Changes in the Town’s lease commitments during the fiscal year ended December 31, 2022 are as follows:

| | Balance (at NPV) 01/01/22 | Additions | Reductions | Balance (at NPV) 12/31/22 | Amounts Due Within One Year |
|-----------------------------------|---------------------------------|------------|--------------|---------------------------------|-----------------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| GOVERNMENTAL LEASE LIABILITIES | \$ 110,193 | \$ 129,207 | \$ (107,656) | \$ 131,744 | \$ 81,995 |

Following are the required future minimum base rental payments under the Town’s leases.

| Year Ending December 31 | | |
|----------------------------|----|--------|
| 2023 | \$ | 81,995 |
| 2024 | | 19,057 |
| 2025 | | 16,557 |
| 2026 | | 16,557 |
| 2027 | | 4,139 |
| Thereafter | | - |

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6 - LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS - continued

GOVERNMENTAL ACTIVITIES – LONG-TERM OBLIGATIONS

Changes in long-term obligations during fiscal year ended December 31, 2022 follows:

| <u>GOVERNMENTAL ACTIVITIES</u> | <u>Balances 01/01/22</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balances 12/31/22</u> | <u>Amounts Due Within One Year</u> |
|---|------------------------------|------------------|---------------------|------------------------------|--|
| Bonds | | | | | |
| Series 2016 | \$ 4,735,000 | \$ - | \$ (105,000) | \$ 4,630,000 | \$ 110,000 |
| '16 Premium | 719,638 | - | (45,045) | 674,593 | 44,168 |
| Compensated Absences – | <u>144,251</u> | <u>45,088</u> | <u>-</u> | <u>189,339</u> | <u>-</u> |
| <u>GOVERNMENTAL LONG-TERM OBLIGATIONS</u> | <u>\$ 5,598,889</u> | <u>\$ 45,088</u> | <u>\$ (150,045)</u> | <u>\$ 5,493,932</u> | <u>\$ 154,168</u> |

The 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, 2022 is \$4,630,000. 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 December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|---------------------|---------------------|---------------------|
| 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 | 130,000 | 192,938 | 322,938 |
| 2028-2032 | 725,000 | 882,687 | 1,607,687 |
| 2033-2037 | 895,000 | 708,688 | 1,603,688 |
| 2038-2042 | 1,130,000 | 470,250 | 1,600,250 |
| 2043-2046 | <u>1,280,000</u> | <u>159,600</u> | <u>1,439,600</u> |
| | <u>\$ 4,630,000</u> | <u>\$ 3,233,913</u> | <u>\$ 7,863,913</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 \$45,045 is included in governmental activities interest and fiscal charges on long-term debt. The net outstanding premium at December 31, 2022 is \$674,593.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6 - LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS - continued

GOVERNMENTAL ACTIVITIES – LONG-TERM OBLIGATIONS - CONTINUED

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, 2022. Total accrued compensated absences as of year-end for governmental activities were \$189,339.

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS

| BUSINESS-TYPE ACTIVITIES | Balances 01/01/22 | Additions | Reductions | Balances 12/31/22 | Amounts Due Within One Year |
|---|----------------------|------------------|-----------------------|----------------------|-----------------------------------|
| Notes Payable | | | | | |
| '07 CWRPDA | \$ 5,487,768 | \$ - | \$ (703,560) | \$ 4,784,208 | \$ 725,208 |
| '07 Premium | 164,696 | - | (23,528) | 141,168 | 23,528 |
| '11 CWRPDA | 710,866 | - | (64,891) | 645,975 | 66,196 |
| '18 CWRPDA | 14,744,837 | - | (653,299) | 14,091,538 | 659,649 |
| '18 Premium | 252,384 | - | (28,008) | 224,376 | 26,847 |
| Bonds | | | | | |
| Series 2013P | 775,238 | - | (250,863) | 524,375 | 258,338 |
| Compensated Absences – | <u>39,458</u> | <u>16,227</u> | <u>-</u> | <u>55,685</u> | <u>-</u> |
| BUSINESS-TYPE LONG-TERM OBLIGATIONS | <u>\$22,175,247</u> | <u>\$ 16,227</u> | <u>\$ (1,724,149)</u> | <u>\$ 20,467,325</u> | <u>\$ 1,759,766</u> |

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, 2022 is \$4,784,208. 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 December 31, | Principal | Interest | Total |
|----------------------------|---------------------|-------------------|---------------------|
| 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 | 849,684 | 41,418 | 891,102 |
| 2028 | 903,804 | 21,348 | 925,152 |
| | <u>\$ 4,784,208</u> | <u>\$ 463,213</u> | <u>\$ 5,247,421</u> |

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES—LONG-TERM OBLIGATIONS - continued

Notes Payable - continued:

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 outstanding premium at December 31, 2022 is \$141,168.

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:

| <u>Year Ended December 31,</u> | <u>Anticipated Savings</u> |
|------------------------------------|--------------------------------|
| 2023 | \$ 57,778 |
| 2024 | 58,020 |
| 2025 | 54,664 |
| 2026 | 57,072 |
| 2027 | 54,898 |
| 2028 | 59,128 |
| | <u>\$ 341,560</u> |

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, 2022 is \$645,975. The loan is carried in the Wastewater Fund. The loan has a total annual administrative fee payable as indicated below.

| | |
|-----------|------------------|
| 2023 | \$ 7,000 |
| 2024 | 6,000 |
| 2025 | 4,500 |
| 2026 | 3,500 |
| 2027 | 2,500 |
| 2028-2031 | 2,235 |
| | <u>\$ 25,735</u> |

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

| <u>Year Ended December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|-------------------|------------------|-------------------|
| 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 | 71,680 | 4,605 | 76,285 |
| 2028-2031 | 301,422 | 11,487 | 312,909 |
| | <u>\$ 645,975</u> | <u>\$ 37,362</u> | <u>\$ 683,337</u> |

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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, 2022 is \$14,091,538. The loan is carried in the Water Fund. The loan has a total annual administrative fee payable as indicated below.

| | |
|-----------|---------------------|
| 2023 | \$ 168,419 |
| 2024 | 168,419 |
| 2025 | 168,419 |
| 2026 | 168,418 |
| 2027 | 168,419 |
| 2028-2032 | 825,252 |
| 2033-2037 | 606,308 |
| 2038-2040 | <u>117,893</u> |
| | <u>\$ 2,391,547</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> |
|--|----------------------|---------------------|----------------------|
| 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 | 709,588 | 114,975 | 824,563 |
| 2028-2032 | 3,723,256 | 407,675 | 4,130,931 |
| 2033-2037 | 4,146,785 | 200,325 | 4,347,110 |
| 2038-2040 | <u>2,807,420</u> | <u>43,669</u> | <u>2,851,089</u> |
| | <u>\$ 14,091,538</u> | <u>\$ 1,352,669</u> | <u>\$ 15,444,207</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 \$28,008 is included in the business-type activities water utility function. The net outstanding premium at December 31, 2022 is \$224,376.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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, 2022 is \$524,375. 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> |
|--|-------------------|------------------|-------------------|
| 2023 | \$ 258,338 | \$ 15,627 | \$ 273,965 |
| 2024 | 266,037 | 7,928 | 273,965 |
| | <u>\$ 524,375</u> | <u>\$ 23,555</u> | <u>\$ 547,930</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, 2022. Total accrued compensated absences as of year-end for business-type activities were \$55,685.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 - 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 2022 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 \$3,827,766 compared to total payroll of \$4,419,557. The Town’s retirement contribution for the year ended December 31, 2022 was \$267,944.

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. During 2022, employee contributions totaled \$169,500.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 - 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 | \$ 4,544,795 | \$ 4,557,441 | \$ 12,646 |
| GAAP Non-Operating Revenues | 198,000 | 274,127 | 76,127 |
| GAAP Capital Contributions | 935,000 | 1,001,673 | 66,673 |
| Less: Accretion of Debt Premium | - | (28,008) | (28,008) |
| Total Budgetary Revenues | 5,677,795 | 5,805,233 | 127,438 |
| <u>Expenses:</u> | | | |
| GAAP Operating Expenses | 2,091,893 | 2,489,316 | (397,423) |
| GAAP Non-Operating Expenses | 449,844 | 432,010 | 17,834 |
| Add: Debt Service Principal | 904,162 | 904,161 | 1 |
| Add: Capital Outlay | 302,000 | 254,865 | 47,135 |
| Change In: Accrued Interest | - | (3,540) | 3,540 |
| Change In: Vacation/Comp Time | - | 6,702 | (6,702) |
| Less: Depreciation & Amortization | - | (801,176) | 801,176 |
| Total Budgetary Expenditures | 3,747,899 | 3,282,338 | 465,561 |
| Net Income (Loss)-Budgetary | \$ 1,929,896 | \$ 2,522,895 | \$ 592,999 |

| | WASTEWATER ENTERPRISE FUND | | |
|---------------------------------|----------------------------|--------------|----------------------------|
| | Budget | Actual | Favorable (Unfavorable) |
| <u>Revenues:</u> | | | |
| GAAP Operating Revenues | \$ 2,885,230 | \$ 2,881,999 | \$ (3,231) |
| GAAP Non-Operating Revenues | 88,000 | 156,664 | 68,664 |
| GAAP Capital Contributions | 565,000 | 597,800 | 32,800 |
| Less: Accretion of Bond Premium | - | (23,528) | (23,528) |
| Total Budgetary Revenues | 3,538,230 | 3,612,935 | 74,705 |
| <u>Expenses:</u> | | | |
| GAAP Operating Expenses | 1,590,630 | 2,192,747 | 602,117 |
| GAAP Non-Operating Expenses | 267,535 | 248,197 | 19,338 |
| Add: Debt Service Principal | 768,451 | 768,451 | - |
| Add: Capital Outlay | 30,800 | 12,815 | 17,985 |
| Change In: Accrued Interest | - | (8,986) | 8,986 |
| Change In: Vacation/Comp Time | - | 9,526 | (9,526) |
| Less: Depreciation | - | (792,417) | 792,417 |
| Total Budgetary Expenditures | 2,657,416 | 2,430,333 | 227,083 |
| Net Income (Loss)-Budgetary | \$ 880,814 | \$ 1,182,602 | \$ 301,788 |

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 - PROPRIETARY FUND BUDGETS - continued

| | REFUSE ENTERPRISE FUND | | |
|------------------------------|------------------------|------------|----------------------------|
| | Budget | Actual | Favorable (Unfavorable) |
| <u>Revenues:</u> | | | |
| GAAP Operating Revenues | \$ 692,900 | \$ 691,415 | \$ (1,485) |
| GAAP Non-Operating Revenues | 3,645 | 5,522 | 1,577 |
| Total Budgetary Revenues | 696,545 | 696,637 | 92 |
| <u>Expenses:</u> | | | |
| GAAP Operating Expenses | 668,085 | 649,863 | 18,222 |
| GAAP Non-Operating Expenses | 20,000 | 20,000 | - |
| Less: Depreciation | - | (980) | 980 |
| Total Budgetary Expenditures | 688,085 | 668,883 | 19,202 |
| Net Income (Loss)-Budgetary | \$ 8,460 | \$ 27,754 | \$ 19,294 |

| | STORMWATER ENTERPRISE FUND | | |
|------------------------------|----------------------------|-----------|----------------------------|
| | Budget | Actual | Favorable (Unfavorable) |
| <u>Revenues:</u> | | | |
| GAAP Operating Revenues | \$ 90,000 | \$ 90,202 | \$ 202 |
| GAAP Non-Operating Revenues | 1,270 | 1,674 | 404 |
| Total Budgetary Revenues | 91,270 | 91,876 | 606 |
| <u>Expenses:</u> | | | |
| GAAP Operating Expenses | 38,965 | 3,876 | 35,089 |
| Total Budgetary Expenditures | 38,965 | 3,876 | 35,089 |
| Net Income (Loss)-Budgetary | \$ 52,305 | \$ 88,000 | \$ 35,695 |

NOTE 9 - 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, 2022

NOTE 10 - 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, 2022.

NOTE 11 - 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, 2022 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 12 - 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 13 - 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, 2022, two employees are currently enrolled in this program with remaining balances. Total notes receivable in the total amount of \$11,599 and available repaid balances of \$148,043 held by the program are recorded in the General Fund.

NOTE 14 - 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, 2022 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, 2022

NOTE 14 - 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, 2022, the Town believes it is in compliance with the loan covenants.

NOTE 15 - 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, 2022 is \$290,000 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, 2022

NOTE 16 - RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE

The Town has implemented the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 87, *Leases*, which requires retroactive restatement under provisions of the standard; therefore, the Beginning Net Position of Governmental Activities and the Beginning Fund Balance of the General Fund have been restated as follows:

| | |
|--|----------------------|
| Net Position of Governmental Activities | |
| as of December 31, 2021, <i>as previously stated</i> | \$ 47,452,543 |
| 2021 Right-to-use Lease Asset, Net | 132,731 |
| 2021 Lease Commitment Liability | (131,744) |
| 2021 Leases Receivable, Net | 43,323 |
| 2021 Deferred Inflows Related to Leases | <u>(39,777)</u> |
| Net Position of Governmental Activities | |
| as of December 31, 2021, <i>as Restated</i> | <u>\$ 47,457,076</u> |
| General Fund Balance as of December 31, | |
| 2021, <i>as previously stated</i> | \$ 6,841,809 |
| 2021 Leases Receivable, Net | 43,323 |
| 2021 Deferred Inflows Related to Leases | <u>(39,777)</u> |
| Net Position of Governmental Activities | |
| as of December 31, 2021, <i>as Restated</i> | <u>\$ 6,845,355</u> |

NOTE 17 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2022 through the issuance date of this report. There have been no material events noted during this period that would impact the result reflected in this report or the Town’s results going forward.

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, 2022

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|-----------------|--------------|--|
| <u>Revenues:</u> | | | | |
| Local Taxes and Assessments | \$ 8,939,054 | \$ 9,526,023 | \$ 9,796,846 | \$ 270,823 |
| Licenses and Permits | 397,940 | 518,464 | 687,933 | 169,469 |
| Intergovernmental | 672,433 | 706,333 | 727,204 | 20,871 |
| Charges for Services | 414,779 | 455,752 | 490,043 | 34,291 |
| Fines, Forfeits and Penalties | 79,000 | 63,000 | 68,164 | 5,164 |
| Grants | 52,925 | 87,873 | 109,219 | 21,346 |
| Interest | 9,000 | 154,200 | 207,851 | 53,651 |
| Miscellaneous | 35,000 | 76,925 | 50,512 | (26,413) |
| Total Revenues | 10,600,131 | 11,588,570 | 12,137,772 | 549,202 |
| <u>Expenditures:</u> | | | | |
| Town Council | 240,383 | 150,681 | 163,317 | (12,636) |
| General Government | 659,898 | 453,123 | 348,335 | 104,788 |
| General Administration | 965,020 | 767,925 | 681,226 | 86,699 |
| Community Development | 1,429,105 | 1,126,587 | 1,074,133 | 52,454 |
| Municipal Court | 81,180 | 81,070 | 74,975 | 6,095 |
| Public Safety | 2,705,097 | 2,578,605 | 2,288,785 | 289,820 |
| Public Works – Streets | 1,807,948 | 1,878,102 | 1,749,197 | 128,905 |
| Public Works – Buildings & Grounds | 1,146,109 | 963,080 | 786,326 | 176,754 |
| Information Center | 47,910 | 24,759 | 20,688 | 4,071 |
| Marketing | 454,711 | 417,047 | 365,534 | 51,513 |
| Engineering | 341,317 | 322,717 | 296,587 | 26,130 |
| Information Technology | 725,913 | 712,685 | 616,318 | 96,367 |
| Total Expenditures | 10,604,591 | 9,476,381 | 8,465,421 | 1,010,960 |
| Excess Revenues Over (Under) Expenditures | (4,460) | 2,112,189 | 3,672,351 | 1,560,162 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers in from Other Funds | 15,855 | 15,855 | 13,328 | (2,527) |
| Transfers (to) Other Funds | (150,000) | (3,215,000) | (3,215,000) | - |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | (138,605) | (1,086,956) | 470,679 | 1,557,635 |
| Fund Balances – Beginning (Restated) | 4,953,417 | 6,841,809 | 6,845,355 | 18,640,581 |
| Fund Balances – Ending | \$ 4,814,812 | \$ 5,754,853 | \$ 7,316,034 | \$ 20,198,216 |

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, 2022

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|----------------------------|-------------------------|-------------------|---|
| <u>Revenues:</u> | | | | |
| Intergovernmental | \$ 36,000 | \$ 45,000 | \$ 47,859 | \$ 2,859 |
| Interest | 120 | 1,710 | 2,462 | 752 |
| Total Revenues | <u>36,120</u> | <u>46,710</u> | <u>50,321</u> | <u>3,611</u> |
| <u>Expenditures:</u> | | | | |
| Capital Projects | <u>25,000</u> | <u>24,000</u> | <u>23,984</u> | <u>16</u> |
| Total Expenditures | <u>25,000</u> | <u>24,000</u> | <u>23,984</u> | <u>16</u> |
| Excess Revenues Over (Under) Expenditures | 11,120 | 22,710 | 26,337 | 3,627 |
| <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) | 11,120 | 22,710 | 26,337 | 3,627 |
| Fund Balances – Beginning | <u>114,320</u> | <u>118,589</u> | <u>118,589</u> | <u>-</u> |
| Fund Balances – Ending | <u>\$ 125,440</u> | <u>\$ 141,299</u> | <u>\$ 144,926</u> | <u>\$ 3,627</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, 2022

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|----------------------------|-------------------------|-------------------|---|
| <u>Revenues:</u> | | | | |
| Local Taxes and Assessments | \$ 195,700 | \$ 245,700 | \$ 250,206 | \$ 4,506 |
| Intergovernmental | - | 2,062 | 2,062 | - |
| Interest | 203 | 9,300 | 11,708 | 2,408 |
| | <u>195,903</u> | <u>257,062</u> | <u>263,976</u> | <u>6,914</u> |
| <u>Expenditures:</u> | | | | |
| Open - space Preservation | <u>457,225</u> | <u>373,802</u> | <u>329,696</u> | <u>44,106</u> |
| | <u>457,225</u> | <u>373,802</u> | <u>329,696</u> | <u>44,106</u> |
| Excess Revenues Over (Under) Expenditures | (261,322) | (116,740) | (65,720) | 51,020 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers in from Other Funds | 150,000 | 150,000 | 150,000 | - |
| Transfers (to) Other Funds | <u>(15,855)</u> | <u>(15,855)</u> | <u>(13,328)</u> | <u>2,527</u> |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | (127,177) | 17,405 | 70,952 | 53,547 |
| Fund Balances–Beginning | <u>625,350</u> | <u>694,982</u> | <u>694,981</u> | <u>(1)</u> |
| Fund Balances–Ending | <u>\$ 498,173</u> | <u>\$ 712,387</u> | <u>\$ 765,933</u> | <u>\$ 53,546</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 – EAGLE DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended December 31, 2022

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|----------------------------|-------------------------|-----------------|---|
| <u>Revenues:</u> | | | | |
| Local Taxes and Assessments | \$ - | \$ - | \$ 14 | \$ 14 |
| Total Revenues - Budgetary | - | - | 14 | 14 |
| <u>Expenditures:</u> | | | | |
| Community Development | - | 65,000 | 58,653 | 6,347 |
| Total Expenditures - Budgetary | - | 65,000 | 58,653 | 6,347 |
| Excess Revenues Over (Under) Expenditures | - | (65,000) | (58,639) | 6,361 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers in from Other Funds | - | 65,000 | 65,000 | - |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | - | - | 6,361 | 6,361 |
| Fund Balances—Beginning | - | - | - | - |
| Fund Balances—Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,361</u> | <u>\$ 6,361</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, 2022

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|----------------------|----------------------|--|
| REVENUES & OTHER FINANCING SOURCES: | | | |
| TAXES – LOCAL: | | | |
| Real Property Taxes | \$ 385,512 | \$ 384,916 | \$ (596) |
| Specific Ownership Taxes | 20,000 | 20,796 | 796 |
| Sales Taxes – General | 7,736,000 | 7,988,190 | 252,190 |
| Sales Taxes – Marijuana | 882,000 | 859,065 | (22,935) |
| Severance Tax Refund | 234 | 234 | - |
| Federal Mineral Lease | 277 | 277 | - |
| Franchise Taxes | 257,000 | 293,818 | 36,818 |
| Marketing Taxes | 245,000 | 249,550 | 4,550 |
| TOTAL TAXES - LOCAL | <u>9,526,023</u> | <u>9,796,846</u> | <u>270,823</u> |
| LICENSES & PERMITS: | | | |
| Business, Liquor, Tobacco/Marijuana Licenses | 73,854 | 63,328 | (10,526) |
| Building and Other Permits | 444,610 | 624,605 | 179,995 |
| TOTAL LICENSES & PERMITS | <u>518,464</u> | <u>687,933</u> | <u>169,469</u> |
| INTERGOVERNMENTAL: | | | |
| Motor Vehicle License Fee | 38,500 | 35,269 | (3,231) |
| Highway Users Tax | 258,170 | 267,587 | 9,417 |
| Road & Bridge Tax | 113,000 | 113,519 | 519 |
| County Sales Tax | 263,000 | 277,166 | 14,166 |
| Intergovernmental Contributions | 33,663 | 33,663 | - |
| TOTAL INTERGOVERNMENTAL | <u>706,333</u> | <u>727,204</u> | <u>20,871</u> |
| CHARGES FOR SERVICES: | | | |
| Planning and Zoning Fees & Reimbursements | 191,000 | 205,589 | 14,589 |
| Facility Usage Fees & Deposits | 61,603 | 77,664 | 16,061 |
| Broadband Service Fees | - | 21,540 | 21,540 |
| Other Revenues and Reimbursable Income | 28,870 | 35,597 | 6,727 |
| Administrative Services – Enterprise Funds | 174,279 | 149,653 | (24,626) |
| TOTAL CHARGES FOR SERVICES | <u>455,752</u> | <u>490,043</u> | <u>34,291</u> |
| FINES, FORFEITS & PENALTIES – TOTAL | <u>63,000</u> | <u>68,164</u> | <u>5,164</u> |
| GRANTS – TOTAL | <u>87,873</u> | <u>109,219</u> | <u>21,346</u> |
| INTEREST INCOME – TOTAL | <u>154,200</u> | <u>207,851</u> | <u>53,651</u> |
| MISCELLANEOUS: | | | |
| Rental Income | 20,000 | 18,347 | (1,653) |
| Insurance Proceeds | 27,337 | 8,278 | (19,059) |
| Sale of Capital Assets | 14,000 | 14,000 | - |
| Other Miscellaneous Revenues | 15,588 | 9,887 | (5,701) |
| TOTAL MISCELLANEOUS | <u>76,925</u> | <u>50,512</u> | <u>(26,413)</u> |
| OPERATING TRANSFERS IN - TOTAL | <u>15,855</u> | <u>13,328</u> | <u>(2,527)</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>\$ 11,604,425</u> | <u>\$ 12,151,100</u> | <u>\$ 546,675</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, 2022

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|-------------------------|------------------|---|
| EXPENDITURES & OTHER FINANCING USES: | | | |
| TOWN COUNCIL: | | | |
| Personnel Services | \$ 49,315 | \$ 49,346 | \$ (31) |
| Supplies | - | 56 | (56) |
| Purchased Services | 49,565 | 64,126 | (14,561) |
| Insurance | 801 | 301 | 500 |
| Community Requests/Grants | <u>51,000</u> | <u>49,488</u> | <u>1,512</u> |
| TOTAL TOWN COUNCIL | <u>150,681</u> | <u>163,317</u> | <u>(12,636)</u> |
| GENERAL GOVERNMENT: | | | |
| Personnel Services | 195,934 | 122,882 | 73,052 |
| Supplies | 500 | 377 | 123 |
| Purchased Services | 236,189 | 205,283 | 30,906 |
| Insurance | <u>20,500</u> | <u>19,793</u> | <u>707</u> |
| TOTAL GENERAL GOVERNMENT | <u>453,123</u> | <u>348,335</u> | <u>104,788</u> |
| GENERAL ADMINISTRATION: | | | |
| Personnel Services | 513,707 | 463,545 | 50,162 |
| Supplies | 8,095 | 4,030 | 4,065 |
| Purchased Services | 230,623 | 200,019 | 30,604 |
| Insurance | <u>15,500</u> | <u>13,632</u> | <u>1,868</u> |
| TOTAL GENERAL ADMINISTRATION | <u>767,925</u> | <u>681,226</u> | <u>86,699</u> |
| COMMUNITY DEVELOPMENT: | | | |
| Personnel Services | 687,239 | 633,571 | 53,668 |
| Supplies | 6,300 | 5,645 | 655 |
| Purchased Services | 430,940 | 433,309 | (2,369) |
| Insurance | <u>2,108</u> | <u>1,608</u> | <u>500</u> |
| TOTAL COMMUNITY DEVELOPMENT | <u>1,126,587</u> | <u>1,074,133</u> | <u>52,454</u> |
| MUNICIPAL COURT: | | | |
| Personnel Services | 43,877 | 40,927 | 2,950 |
| Supplies | 1,200 | 509 | 691 |
| Purchased Services | 35,893 | 33,455 | 2,438 |
| Insurance | <u>100</u> | <u>84</u> | <u>16</u> |
| TOTAL MUNICIPAL COURT | <u>81,070</u> | <u>74,975</u> | <u>6,095</u> |
| PUBLIC SAFETY: | | | |
| Personnel Services | 1,982,647 | 1,705,589 | 277,058 |
| Supplies | 133,631 | 143,457 | (9,826) |
| Purchased Services | 417,127 | 405,233 | 11,894 |
| Insurance | <u>45,200</u> | <u>34,506</u> | <u>10,694</u> |
| TOTAL PUBLIC SAFETY | <u>2,578,605</u> | <u>2,288,785</u> | <u>289,820</u> |

(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 | \$ 524,525 | \$ 450,116 | \$ 74,409 |
| Supplies | 175,160 | 176,361 | (1,201) |
| Purchased Services | 1,161,878 | 1,106,256 | 55,622 |
| Insurance | 16,539 | 16,464 | 75 |
| | <u>1,878,102</u> | <u>1,749,197</u> | <u>128,905</u> |
| TOTAL PUBLIC WORKS - STREETS | | | |
| PUBLIC WORKS – BUILDINGS & GROUNDS: | | | |
| Personnel Services | 519,263 | 443,804 | 75,459 |
| Supplies | 119,022 | 79,949 | 39,073 |
| Purchased Services | 270,821 | 210,299 | 60,522 |
| Insurance | 51,474 | 52,274 | (800) |
| Capital Outlay | 2,500 | - | 2,500 |
| | <u>963,080</u> | <u>786,326</u> | <u>176,754</u> |
| TOTAL PUBLIC WORKS – BLDGS & GROUNDS | | | |
| INFORMATION CENTER: | | | |
| Personnel Services | 22,509 | 20,756 | 1,753 |
| Supplies | 1,700 | (156) | 1,856 |
| Purchased Services | 550 | 88 | 462 |
| | <u>24,759</u> | <u>20,688</u> | <u>4,071</u> |
| TOTAL INFORMATION CENTER | | | |
| MARKETING: | | | |
| Personnel Services | 190,750 | 161,954 | 28,796 |
| Supplies | 7,550 | 7,459 | 91 |
| Purchased Services | 217,050 | 194,955 | 22,095 |
| Insurance | 1,697 | 1,166 | 531 |
| | <u>417,047</u> | <u>365,534</u> | <u>51,513</u> |
| TOTAL MARKETING | | | |
| ENGINEERING: | | | |
| Personnel Services | 288,476 | 285,040 | 3,436 |
| Supplies | 12,050 | 3,517 | 8,533 |
| Purchased Services | 20,000 | 6,339 | 13,661 |
| Insurance | 2,191 | 1,691 | 500 |
| | <u>322,717</u> | <u>296,587</u> | <u>26,130</u> |
| TOTAL ENGINEERING | | | |
| INFORMATION TECHNOLOGY: | | | |
| Personnel Services | 107,481 | 97,707 | 9,774 |
| Supplies | 83,000 | 68,131 | 14,869 |
| Purchased Services | 521,093 | 449,369 | 71,724 |
| Insurance | 1,111 | 1,111 | - |
| | <u>712,685</u> | <u>616,318</u> | <u>96,367</u> |
| TOTAL INFORMATION TECHNOLOGY | | | |
| OPERATING TRANSFERS OUT - TOTAL | | | |
| | <u>3,215,000</u> | <u>3,215,000</u> | <u>-</u> |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | | | |
| | <u>\$ 12,691,381</u> | <u>\$ 11,680,421</u> | <u>\$ 1,010,960</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, 2022

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|---------------------|----------------------|----------------------|--|
| <u>Revenues:</u> | | | | |
| Local Taxes and Assessments | \$ 528,512 | \$ 851,345 | \$ 976,674 | \$ 125,329 |
| Intergovernmental | - | - | 68,750 | 68,750 |
| Interest | 5,341 | 116,680 | 149,316 | 32,636 |
| Total Revenues | <u>533,853</u> | <u>968,025</u> | <u>1,194,740</u> | <u>226,715</u> |
| <u>Expenditures:</u> | | | | |
| General Government: | | | | |
| Pool & Ice Rink Maintenance Fund | 50,000 | 50,000 | 50,000 | - |
| Town Hall Improvements | 503,000 | 272,500 | 182,644 | 89,856 |
| Town Parks Improvements | 20,000 | 20,000 | 19,807 | 193 |
| Town Shop Improvements | 107,700 | 7,700 | 11,653 | (3,953) |
| Public Art | 25,000 | 200,000 | 43,031 | 156,969 |
| Project THOR Service Fees | 50,000 | 167,697 | 124,289 | 43,408 |
| Public Safety: | | | | |
| Police Department Equipment | 25,259 | 11,259 | 5,593 | 5,666 |
| Patrol Vehicles | 290,061 | 290,061 | 256,236 | 33,825 |
| Public Works – Streets: | | | | |
| Right-of-Way Improvements | 338,600 | 31,500 | - | 31,500 |
| Traffic Control Improvements | 89,250 | 89,250 | 20,496 | 68,754 |
| Grand Ave Improvements | 400,000 | 322,000 | 208,988 | 113,012 |
| Street Sweeper | 309,000 | 309,000 | 289,214 | 19,786 |
| Public Works - Building and Grounds: | | | | |
| Snow Removal / Multipurp. Equip | 103,000 | 100,000 | - | 100,000 |
| Lawnmower | 41,200 | 41,200 | 38,814 | 2,386 |
| Total Expenditures | <u>2,352,070</u> | <u>1,912,167</u> | <u>1,250,765</u> | <u>661,402</u> |
| Excess Revenues Over (Under) Expenditures | (1,818,217) | (944,142) | (56,025) | 888,117 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Developer Contribution | 340,000 | - | - | - |
| Transfers in from Other Funds | - | 3,000,000 | 3,000,000 | - |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | (1,478,217) | 2,055,858 | 2,943,975 | 888,117 |
| Fund Balances – Beginning | <u>8,159,511</u> | <u>8,301,332</u> | <u>8,301,331</u> | <u>(1)</u> |
| Fund Balances – Ending | <u>\$ 6,681,294</u> | <u>\$ 10,357,190</u> | <u>\$ 11,245,306</u> | <u>\$ 888,116</u> |

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, 2022

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|-----------------|--------------|--|
| <u>Revenues:</u> | | | | |
| Local Taxes and Assessments | \$ 853,300 | \$ 967,000 | \$ 998,524 | \$ 31,524 |
| Interest | 880 | 23,306 | 35,234 | 11,928 |
| Miscellaneous | 5,000 | 5,000 | 5,000 | - |
| Total Revenues | 859,180 | 995,306 | 1,038,758 | 43,452 |
| <u>Expenditures:</u> | | | | |
| General Government: | | | | |
| Purchased Services | 41,036 | 15,500 | 3,851 | 11,649 |
| Town Park Improvements | 100,000 | 100,000 | 3,189 | 96,811 |
| River Park Improvements | 555,331 | 550,331 | 187,125 | 363,206 |
| Debt Service: | | | | |
| Principal | 105,000 | 105,000 | 105,000 | - |
| Interest | 215,938 | 215,938 | 215,937 | 1 |
| Total Expenditures | 1,017,305 | 986,769 | 515,102 | 471,667 |
| Excess Revenues Over (Under) Expenditures | (158,125) | 8,537 | 523,656 | 515,119 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In (Out) | - | - | - | - |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | (158,125) | 8,537 | 523,656 | 515,119 |
| Fund Balances – Beginning | 1,436,872 | 1,543,519 | 1,543,518 | (1) |
| Fund Balances – Ending | \$ 1,278,747 | \$ 1,552,056 | \$ 2,067,174 | \$ 515,118 |

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
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2022

| | Non-Major Special Revenue Funds | | | Total |
|--|---------------------------------|------------------------------------|---|-------------------|
| | Conservation Trust Fund | Open Space Preservation Fund | Eagle Downtown Development Authority | |
| <u>Assets:</u> | | | | |
| Current Assets: | | | | |
| Cash and Investments | \$ - | \$ 740,479 | \$ - | \$ 740,479 |
| Restricted Cash & Investments | 144,926 | - | 23,956 | 168,882 |
| Taxes and Other Receivables | - | 31,198 | - | 31,198 |
| | <u>\$ 144,926</u> | <u>\$ 771,677</u> | <u>\$ 23,956</u> | <u>\$ 940,559</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ - | \$ 1,186 | \$ 17,595 | 18,781 |
| Accrued Liabilities | - | 4,558 | - | 4,558 |
| | <u>-</u> | <u>5,744</u> | <u>17,595</u> | <u>23,339</u> |
| Fund Balances: | | | | |
| Restricted for – | | | | |
| Community Enhancement | - | - | 6,361 | 6,361 |
| Conservation Trust | 144,926 | - | - | 144,926 |
| Committed for – | | | | |
| Open Space Preservation | - | 765,933 | - | 765,933 |
| | <u>144,926</u> | <u>765,933</u> | <u>6,361</u> | <u>917,220</u> |
| Total Fund Balances | <u>144,926</u> | <u>765,933</u> | <u>6,361</u> | <u>917,220</u> |
| Total Liabilities and Fund Balances | <u>\$ 144,926</u> | <u>\$ 771,677</u> | <u>\$ 23,956</u> | <u>\$ 940,559</u> |

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
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2022

| | Non-Major Special Revenue Funds | | | |
|--|---------------------------------|------------------------------------|---|------------|
| | Conservation Trust Fund | Open Space Preservation Fund | Eagle Downtown Development Authority | Total |
| <u>Revenues:</u> | | | | |
| Local Taxes and Assessments | \$ - | \$ 250,206 | \$ - | \$ 250,206 |
| Intergovernmental | 47,859 | 2,062 | - | 49,921 |
| Interest and Other Revenues | 2,462 | 11,708 | 14 | 14,184 |
| Total Revenues | 50,321 | 263,976 | 14 | 314,311 |
| <u>Expenditures:</u> | | | | |
| Community Development | - | - | 58,653 | 58,653 |
| Open-space Preservation | - | 329,696 | - | 329,696 |
| Capital Projects | 23,984 | - | - | 23,984 |
| Total Expenditures | 23,984 | 329,696 | 58,653 | 412,333 |
| Excess Revenues Over (Under) Expenditures | 26,337 | (65,720) | (58,653) | (98,022) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers in from Other Funds | - | 150,000 | 65,000 | 215,000 |
| Transfers (to) Other Funds | - | (13,328) | - | (13,328) |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | 26,337 | 70,952 | 6,361 | 103,650 |
| Fund Balances – Beginning | 118,589 | 694,981 | - | 813,570 |
| Fund Balances – Ending | \$ 144,926 | \$ 765,933 | \$ 6,361 | \$ 917,220 |

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, 2022

| | Water Enterprise Fund | | | |
|--|------------------------------|----------------------------|----------------------------|--|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
| <u>Budgetary Revenues:</u> | | | | |
| GAAP Operating Revenues: | | | | |
| Service Fees | \$ 4,471,561 | \$ 4,443,295 | \$ 4,467,031 | \$ 23,736 |
| Meters and Materials | 87,000 | 101,500 | 90,410 | (11,090) |
| GAAP Non-Operating Revenues: | | | | |
| Interest & Investment Earnings | 6,500 | 198,000 | 246,119 | 48,119 |
| Accretion of Bond Premium | - | - | 28,008 | 28,008 |
| GAAP Capital Contributions: | | | | |
| Tap and Improvement Fees | 650,000 | 935,000 | 996,673 | 61,673 |
| Grants & Contributions | - | - | 5,000 | 5,000 |
| <i>Adjustments to Budgetary Basis:</i> | | | | |
| Less: Accretion of Debt Premium | - | - | (28,008) | (28,008) |
| Total Budgetary Revenues | <u>5,215,061</u> | <u>5,677,795</u> | <u>5,805,233</u> | <u>127,438</u> |
| <u>Budgetary Expenditures:</u> | | | | |
| GAAP Operating Expenses: | | | | |
| Personnel Services | 994,490 | 882,707 | 764,001 | 118,706 |
| Supplies | 321,683 | 260,835 | 248,990 | 11,845 |
| Purchased Services | 770,516 | 823,644 | 600,526 | 223,118 |
| Insurance | 51,823 | 74,707 | 74,623 | 84 |
| Depreciation | - | - | 801,176 | (801,176) |
| Contingency | 50,000 | 50,000 | - | 50,000 |
| GAAP Non-Operating Expenses: | | | | |
| Interest and Fiscal Charges | 360,371 | 360,371 | 356,811 | 3,560 |
| Administrative Fee – General Fund | 89,473 | 89,473 | 75,199 | 14,274 |
| <i>Adjustments to Budgetary Basis:</i> | | | | |
| Debt Service Principal | 904,162 | 904,162 | 904,161 | 1 |
| Capital Outlay | 6,176,145 | 302,000 | 254,865 | 47,135 |
| Change in Accrued Interest | - | - | (3,540) | 3,540 |
| Change in Vacation/Comp Accrual | - | - | 6,702 | (6,702) |
| Less: Depreciation | - | - | (801,176) | 801,176 |
| Total Budgetary Expenditures | <u>9,718,663</u> | <u>3,747,899</u> | <u>3,282,338</u> | <u>465,561</u> |
| Budgetary Net Income (Loss) | <u>\$ (4,503,602)</u> | <u>\$ 1,929,896</u> | <u>\$ 2,522,895</u> | <u>\$ 592,999</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, 2022

| | Wastewater Enterprise Fund | | | Variance |
|--|----------------------------|-------------------|---------------------|----------------------------|
| | Original Budget | Final Budget | Actual | Favorable (Unfavorable) |
| <u>Budgetary Revenues:</u> | | | | |
| GAAP Operating Revenues: | | | | |
| Service Fees | \$ 2,936,530 | \$ 2,885,230 | \$ 2,881,999 | \$ (3,231) |
| GAAP Non-Operating Revenues: | | | | |
| Interest & Earnings on Investments | 5,000 | 88,000 | 133,136 | 45,136 |
| Accretion of Bond Premium | - | - | 23,528 | 23,528 |
| GAAP Capital Contributions: | | | | |
| Tap and Improvement Fees | 550,000 | 565,000 | 597,800 | 32,800 |
| <i>Adjustments to Budgetary Basis:</i> | | | | |
| Less: Accretion of Bond Premium | - | - | (23,528) | (23,528) |
| Total Budgetary Revenues | <u>3,491,530</u> | <u>3,538,230</u> | <u>3,612,935</u> | <u>74,705</u> |
| <u>Budgetary Expenditures:</u> | | | | |
| GAAP Operating Expenses: | | | | |
| Personnel Services | 712,989 | 635,238 | 609,310 | 25,928 |
| Supplies | 134,087 | 143,540 | 135,869 | 7,671 |
| Purchased Services | 697,152 | 726,852 | 620,724 | 106,128 |
| Insurance | 38,827 | 35,000 | 34,427 | 573 |
| Depreciation | - | - | 792,417 | (792,417) |
| Contingency | 50,000 | 50,000 | - | 50,000 |
| GAAP Non-Operating Expenses: | | | | |
| Interest and Fiscal Charges | 202,729 | 202,729 | 193,743 | 8,986 |
| Administrative Fee – General Fund | 64,806 | 64,806 | 54,454 | 10,352 |
| <i>Adjustments to Budgetary Basis:</i> | | | | |
| Debt Service Principal | 768,451 | 768,451 | 768,451 | - |
| Capital Outlay | 868,136 | 30,800 | 12,815 | 17,985 |
| Change in Accrued Interest | - | - | (8,986) | 8,986 |
| Change in Vacation/Comp Time | - | - | 9,526 | (9,526) |
| Less: Depreciation | - | - | (792,417) | 792,417 |
| Total Budgetary Expenditures | <u>3,537,177</u> | <u>2,657,416</u> | <u>2,430,333</u> | <u>227,083</u> |
| Budgetary Net Income (Loss) | <u>\$ (45,647)</u> | <u>\$ 880,814</u> | <u>\$ 1,182,602</u> | <u>\$ 301,788</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 – REFUSE ENTERPRISE FUND
For the Year Ended December 31, 2022

| | Refuse Enterprise Fund | | | |
|--|------------------------|-----------------|------------|--|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
| <u>Budgetary Revenues:</u> | | | | |
| GAAP Operating Revenues: | | | | |
| Service Fees | \$ 684,794 | \$ 692,900 | \$ 691,415 | \$ (1,485) |
| GAAP Non-Operating Revenues: | | | | |
| Interest & Earnings on Investments | 120 | 3,645 | 5,222 | 1,577 |
| Total Budgetary Revenues | 684,914 | 696,545 | 696,637 | 92 |
| <u>Budgetary Expenditures:</u> | | | | |
| GAAP Operating Expenses: | | | | |
| Personnel Services | 10,817 | 10,875 | 9,961 | 914 |
| Supplies | 750 | 725 | 103 | 622 |
| Purchased Services | 649,815 | 655,300 | 638,134 | 17,166 |
| Insurance | 143 | 1,185 | 685 | 500 |
| Depreciation | - | - | 980 | |
| GAAP Non-Operating Expenses: | | | | |
| Administrative Fee – General Fund | 20,000 | 20,000 | 20,000 | - |
| <i>Adjustments to Budgetary Basis:</i> | | | | |
| Less: Depreciation | - | - | (980) | 980 |
| Total Budgetary Expenditures | 681,625 | 688,085 | 668,883 | 19,202 |
| Budgetary Net Income (Loss) | \$ 3,289 | \$ 8,460 | \$ 27,754 | \$ 19,294 |

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, 2022

| | Stormwater Enterprise Fund | | | |
|------------------------------------|----------------------------|-----------------|-----------|--|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
| <u>Budgetary Revenues:</u> | | | | |
| GAAP Operating Revenues: | | | | |
| Service Fees | \$ 90,000 | \$ 90,000 | \$ 90,202 | \$ 202 |
| GAAP Non-Operating Expenses: | | | | |
| Interest & Earnings on Investments | - | 1,270 | 1,674 | 404 |
| Total Budgetary Revenues | 90,000 | 91,270 | 91,876 | 606 |
| <u>Budgetary Expenditures:</u> | | | | |
| GAAP Operating Expenses: | | | | |
| Purchased Services | 88,000 | 38,365 | 3,784 | 34,581 |
| Insurance | 1,466 | 600 | 92 | 508 |
| Total Budgetary Expenditures | 89,466 | 38,965 | 3,876 | 35,089 |
| Budgetary Net Income (Loss) | \$ 534 | \$ 52,305 | \$ 88,000 | \$ 35,695 |

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 | STATE: Colorado |
| | YEAR ENDING (mm/yy): 12/22 |

This Information From The Records Of:
Town of Eagle, Colorado

Prepared By:
Jill Kane

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) | 257,873 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 1,304,730 |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | |
| 2. General fund appropriations | | b. Snow and ice removal | 324,680 |
| 3. Other local imposts (from page 2) | 1,495,557 | c. Other | 33,750 |
| 4. Miscellaneous local receipts (from page 2) | 174,900 | d. Total (a. through c.) | 358,430 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | 62,410 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | |
| a. Bonds - Original Issues | | 6. Total (1 through 5) | 1,983,443 |
| 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) | 1,670,457 | b. Redemption | |
| B. Private Contributions | | c. Total (a. + b.) | 0 |
| C. Receipts from State government (from page 2) | 342,181 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 0 | a. Interest | |
| E. Total receipts (A.7 + B + C + D) | 2,012,638 | 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) | 1,983,443 |

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) | | | | 0 |
| 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 |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | 1,668,606 | 2,012,638 | 1,983,443 | 1,697,801 | 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 \$121,793 in interest on these proceeds from 2017 through 2022. 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.

PREVIOUS EDITIONS OBSOLETE

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
12/22

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 | | a. Interest on investments | 29,195 |
| b. Other local imposts: | | b. Traffic Fines & Penalties | 32,186 |
| 1. Sales Taxes & Use Tax | 1,441,813 | c. Parking Garage Fees | |
| 2. Infrastructure & Impact Fees | 32,948 | d. Parking Meter Fees | |
| 3. Liens | | e. Sale of Surplus Property | |
| 4. Licenses | | f. Charges for Services | |
| 5. Specific Ownership &/or Other | 20,796 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 1,495,557 | h. Other Road & Bridge Tax | 113,519 |
| c. Total (a. + b.) | 1,495,557 | i. Total (a. through h.) | 174,900 |
| (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 | 267,588 | 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 | 35,269 | d. Federal Transit Admin | |
| d. Other (Specify) | | e. U.S. Corps of Engineers | |
| e. Other (Specify) CDOT Grant | 39,324 | f. Other Federal | |
| f. Total (a. through e.) | 74,593 | g. Total (a. through f.) | |
| 4. Total (1. + 2. + 3.f) | 342,181 | 3. Total (1. + 2.g) | |
| (Carry forward to page 1) | | (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 | | | |
| b. Engineering Costs | | 229,484 | 229,484 |
| c. Construction: | | | |
| (1). New Facilities | | | |
| (2). Capacity Improvements | | | |
| (3). System Preservation | | | |
| (4). System Enhancement & Operation | | 28,389 | 28,389 |
| (5). Total Construction (1) + (2) + (3) + (4) | | 28,389 | 28,389 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | | 257,873 | 257,873 |
| (Carry forward to page 1) | | | |

Notes and Comments: