

**EAGLE'S NEST METROPOLITAN DISTRICT**  
**Arapahoe County, Colorado**

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

**YEAR ENDED DECEMBER 31, 2023**

**EAGLE’S NEST METROPOLITAN DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2023**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND         CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>6</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>17</b>
<b>OTHER INFORMATION</b>	
<b>SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY     TAXES COLLECTED</b>	<b>19</b>



Board of Directors  
Eagle's Nest Metropolitan District  
Arapahoe County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Eagle's Nest Metropolitan District (the "District"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Eagle's Nest Metropolitan District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 District 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 (GAAP), 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from 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 GAAS, 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 District'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

## Other Matters

### Required Supplemental Information

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

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Information

Management is responsible for the other information included in our report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Wipfli LLP*

Wipfli LLP  
Denver, Colorado

December 2, 2024

## **BASIC FINANCIAL STATEMENTS**

**EAGLE'S NEST METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 17,562
Cash and Investments - Restricted	103,295
Receivable from County Treasurer	1,635
Total Assets	122,492
<b>LIABILITIES</b>	
Accounts Payable	3,283
Due to Other Governmental Entities	93,614
Total Liabilities	96,897
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	10,000
Unrestricted	15,595
Total Net Position	\$ 25,595

See accompanying Notes to Basic Financial Statements.

**EAGLE'S NEST METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 38,987	\$ -	\$ -	\$ -	\$ (38,987)
Interest and Related Costs on Long-Term Debt	46,751	-	-	-	(46,751)
Total Governmental Activities	\$ 85,738	\$ -	\$ -	\$ -	(85,738)
<b>GENERAL REVENUES</b>					
Property Taxes					386,145
Specific Ownership Taxes					27,629
Interest Income					10,822
Total General Revenues					424,596
<b>CHANGE IN NET POSITION</b>					338,858
Net Position - Beginning of Year					(313,263)
<b>NET POSITION - END OF YEAR</b>					\$ 25,595

See accompanying Notes to Basic Financial Statements.

**EAGLE'S NEST METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 17,562	\$ -	\$ 17,562
Cash and Investments - Restricted	10,000	93,295	103,295
Receivable from County Treasurer	1,316	319	1,635
Total Assets	\$ 28,878	\$ 93,614	\$ 122,492
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 3,283	\$ -	\$ 3,283
Due to Other Governmental Entities	-	93,614	93,614
Total Liabilities	3,283	93,614	96,897
<b>FUND BALANCES</b>			
Restricted for:			
Emergency Reserves	10,000	-	10,000
Assigned to:			
Subsequent Year's Expenditures	15,595	-	15,595
Total Fund Balances	25,595	-	25,595
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,878	\$ 93,614	\$ 122,492

Amounts reported for governmental activities in the statement of net position are the same.

**EAGLE'S NEST METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 310,800	\$ 65,927	\$ 376,727
Property Taxes - Regional Mill Levy	-	9,418	9,418
Specific Ownership Taxes	22,238	4,717	26,955
Specific Ownership Taxes - Regional Mill Levy	-	674	674
Interest Income	177	10,645	10,822
Total Revenues	333,215	91,381	424,596
<b>EXPENDITURES</b>			
Current:			
Accounting	6,772	-	6,772
Audit	5,600	-	5,600
County Treasurer's Fees	4,693	996	5,689
County Treasurer's Fees - Regional Mill Levy	-	142	142
Insurance	1,491	-	1,491
Legal	16,617	-	16,617
Paying Agent Fee	2,000	-	2,000
Miscellaneous	676	-	676
Debt Service:			
Bond Interest	-	40,683	40,683
Bond Principal	-	691,000	691,000
Regional Mill Levy Transfer	-	9,955	9,955
Total Expenditures	37,849	742,776	780,625
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	295,366	(651,395)	(356,029)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from (to) Other Funds	(282,135)	282,135	-
Total Other Financing Sources (Uses)	(282,135)	282,135	-
<b>NET CHANGE IN FUND BALANCES</b>	13,231	(369,260)	(356,029)
Fund Balances (Deficits) - Beginning of Year	12,364	369,260	381,624
<b>FUND BALANCES - END OF YEAR</b>	\$ 25,595	\$ -	\$ 25,595

See accompanying Notes to Basic Financial Statements.

**EAGLE'S NEST METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (356,029)

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

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Principal Payment 691,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Bond Interest - Change in Liability 3,887

Changes in Net Position of Governmental Activities \$ 338,858

**EAGLE'S NEST METROPOLITAN DISTRICT  
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 310,128	\$ 310,800	\$ 672
Specific Ownership Taxes	16,888	22,238	5,350
Interest Income	-	177	177
Total Revenues	327,016	333,215	6,199
<b>EXPENDITURES</b>			
Current:			
Accounting	7,600	6,772	828
Audit	5,700	5,600	100
County Treasurer's Fee	4,628	4,693	(65)
Insurance	3,400	1,491	1,909
Legal	7,500	16,617	(9,117)
Election	2,000	-	2,000
Paying Agent Fee	2,000	2,000	-
Miscellaneous	1,000	676	324
Contingency	17,301	-	17,301
Total Expenditures	51,129	37,849	13,280
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	275,887	295,366	19,479
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to Other Funds	(294,000)	(287,874)	6,126
Transfers from Other Funds	-	5,739	5,739
Total Other Financing Sources (Uses)	(294,000)	(282,135)	11,865
<b>NET CHANGE IN FUND BALANCE</b>	(18,113)	13,231	31,344
Fund Balance - Beginning of Year	18,113	12,364	(5,749)
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 25,595	\$ 25,595

See accompanying Notes to Basic Financial Statements.

**EAGLE'S NEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Eagle's Nest Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court of Arapahoe County (County) on November 29, 2007, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan which was approved by the City Council of the City of Aurora. The District was established to finance and construct certain public infrastructure improvements that benefit the property owners and taxpayers of the District.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes, public improvement fees, and intergovernmental revenues.

**EAGLE'S NEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are public improvement fees and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

**EAGLE'S NEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

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

The District reports the following major governmental funds:

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

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

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its budget for the year ended December 31, 2023.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November and December. The County Treasurer remits the taxes collected monthly to the District.

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

**EAGLE'S NEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Equity**

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

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

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

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

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

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

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

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

**EAGLE'S NEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 17,562
Cash and Investments - Restricted	103,295
Total Cash and Investments	<u>\$ 120,857</u>

Cash and investments as of December 31, 2023 consist of the following:

Deposits with Financial Institutions	\$ 120,857
Total Cash and Investments	<u>\$ 120,857</u>

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District's cash deposits had a bank balance of \$121,157 and a carrying balance of \$120,857.

**Investments**

The District has not adopted a formal investment policy wherein the District follows state statutes regarding investments.

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

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**EAGLE’S NEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Investments (Continued)**

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

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

As of December 31, 2023, the District had no investments.

**NOTE 4 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
General Obligation Bonds, Series 2008	\$ 691,000	\$ -	\$ 691,000	\$ -	\$ -
<b>Total Long-Term Obligations</b>	<b>\$ 691,000</b>	<b>\$ -</b>	<b>\$ 691,000</b>	<b>\$ -</b>	<b>\$ -</b>

The District issued \$2,000,000 of General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2008 (the “Series 2008 Bonds”) dated July 16, 2008. The Series 2008 Bonds were issued for the purposes of paying or reimbursing a portion of the costs of acquiring, constructing, relocating and installing certain public improvements, providing capitalized interest for payment of a portion of the interest of the Series 2008 Bonds, funding the Reserve Fund and paying the costs of issuance of the Series 2008 Bonds.

The Series 2008 Bonds are term bonds due on December 1, 2037, with mandatory sinking fund payments which started at \$10,000 on December 1, 2011 and increasing annually thereafter. The Series 2008 Bonds bear interest at 6.75% per annum, payable semiannually on each June 1 and December 1, which commenced on December 1, 2008. The Series 2008 Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000 on December 1, 2018, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

**EAGLE’S NEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

The Series 2008 Bonds are general obligations of the District secured by and payable from the Pledged Revenue, consisting of moneys derived by the District from a required mill levy, capital fees, the portion of specific ownership tax which is collected as a result of the imposition of the required mill levy and any other legally available moneys which the District determines to transfer to the Trustee for application as pledged revenue. The mill levy limitation can be removed when the ratio of the Series 2008 Bonds to the total assessed value of the property within the boundaries of the District is less than 50%.

As of December 31, 2023, the District has fully paid off its Series 2008 Bonds.

**Authorized Debt**

As of December 31, 2023, the District had remaining voted debt authorization of approximately \$208,000,000. The District has not budgeted to issue any additional debt in 2024. Per the District’s Service Plan and the Intergovernmental Agreement with the City of Aurora, the District shall have the authority to issue debt for regional improvements in an amount not to exceed \$15,000,000.

**NOTE 5 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position at December 31, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 10,000
Total Restricted Net Position	\$ 10,000

The District’s unrestricted net position at December 31, 2023, is \$15,595.

**NOTE 6 INTERFUND TRANSFERS**

The transfer from the General Fund to the Debt Service Fund was for the purpose of paying off the District’s Series 2008 Bonds.

**EAGLE'S NEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 7 AGREEMENTS**

**Intergovernmental Agreement**

On December 10, 2007, the District entered into an Intergovernmental Agreement with the City of Aurora (the "City IGA"). Under the City IGA, the District must obtain the approval of the Aurora City Council prior to any inclusion of property outside of the service area into the boundaries of the District. Prior to issuance of any privately placed debt, the District shall obtain a certificate from an External Financial Advisor certifying the reasonableness of the interest rate and the structure. Pursuant to the City IGA, the District is required to levy a regional mill levy and to remit it to an Aurora Regional Improvement (ARI) Authority or to the City under certain circumstances. The City IGA requires the District to dedicate public improvements to the City of Aurora or another appropriate jurisdiction for ownership and maintenance consistent with the approved development plan. The District is authorized, but not obligated to, operate and maintain the park and recreation improvements. Per the City IGA, the District shall not issue debt in excess of \$15,000,000.

**Establishment Agreement**

On November 10, 2008, and amended September 13, 2012, the District entered into an Aurora Regional Improvement No. 5 Establishment Agreement (the "Establishment Agreement"), pursuant to the Service Plan and the City IGA regarding the regional mill levy. Per the Establishment Agreement, the District, Cornerstar Metropolitan District, Wheatlands Metropolitan District and Aurora Crossroads Metropolitan District Nos. 1-3 established the Aurora Regional Improvement Authority No. 5 (the "Authority"). In 2018, the District entered into a Second Amendment to the Establishment Agreement to add Iliff Commons Metropolitan District No. 3 and Murphy Creek Metropolitan District Nos. 1, 2, 4 and 5 as members of the Authority. In 2017, Wheatlands Metropolitan District withdrew from the Authority.

The Authority was organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing the Regional Improvements designed in the ARI Master Plans, as defined in the Aurora Model Service Plan from the ARI mill levy revenues and/or the proceeds of revenue bonds to be issued by the Authority. Each of the Districts that is a party to this Establishment Agreement agrees that the Authority may fund its operations with the ARI mill levy revenues transferred to the Authority from each district.

The amount of money necessary to fund the operations of the Authority shall be allocated on a pro-rata basis between all of the districts. In the event there is a shortfall in funds necessary to operate the Authority, each district agrees to advance funds to the Authority on a pro-rata basis. The Authority shall reimburse any operational advances from the ARI mill levy revenue received from each district. Until such time as there is unanimous vote of the Members of the Authority, or a unanimous vote of a Project Committee, requiring the ARI mill levy revenue to be transferred to the Authority, the ARI mill levy revenue shall be held by the districts. As of December 31, 2023, the Authority has not requested transfer of the funds to the Authority.

**EAGLE'S NEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 8 RELATED PARTIES**

All members of the Board of Directors are officers or employees of an entity affiliated with the original developer and may have conflict of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed in accordance with applicable law.

**NOTE 9 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

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. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or benefit increases.

The District's management has taken steps it believes are necessary to comply with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**

**EAGLE'S NEST METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 65,785	\$ 65,927	\$ 65,927	\$ -
Property Taxes - Regional Mill Levy	9,397	9,418	9,418	-
Specific Ownership Taxes	3,582	4,717	4,717	-
Specific Ownership Taxes - Regional Mill Levy	513	674	674	-
Interest Income	-	10,645	10,645	-
Other Income	-	11,485	-	(11,485)
Total Revenues	<u>79,277</u>	<u>102,866</u>	<u>91,381</u>	<u>(11,485)</u>
<b>EXPENDITURES</b>				
Debt Service:				
County Treasurer's Fees	987	996	996	-
County Treasurer's Fees - Regional Mill Levy	141	142	142	-
Bond Interest	32,606	40,683	40,683	-
Bond Principal	43,000	43,000	43,000	-
Bond Principal - Optional Redemption	648,000	648,000	648,000	-
Regional Mill Levy Transfer	9,769	9,955	9,955	-
Contingency	3,212	11,485	-	11,485
Total Expenditures	<u>737,715</u>	<u>754,261</u>	<u>742,776</u>	<u>11,485</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	(658,438)	(651,395)	(651,395)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	-	(5,739)	(5,739)	-
Transfers from Other Funds	294,000	287,874	287,874	-
Total Other Financing Sources	<u>294,000</u>	<u>282,135</u>	<u>282,135</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(364,438)	(369,260)	(369,260)	-
Fund Balance - Beginning of Year	<u>364,438</u>	<u>369,260</u>	<u>369,260</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **OTHER INFORMATION**

**EAGLE'S NEST METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied			Property Taxes		Percent Collected to Levied
		General	Debt Service	RML	Levied	Collected	
2021	\$ 9,033,234	33.000	17.000	1.000	\$ 460,695	\$ 460,771	100.02 %
2022	9,554,093	33.000	17.000	1.000	487,259	483,593	99.25
2023	9,397,811	33.000	7.000	1.000	385,310	386,145	100.22
Estimated for Year Ending December 31, 2024	\$ 9,861,357	0.000	0.000	0.000	\$ -		

**NOTE:**

Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.