

EAGLE BEND METROPOLITAN DISTRICT

Arapahoe County, Colorado

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**EAGLE BEND METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2023**

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Independent Auditor's Report

Board of Directors
Eagle Bend Metropolitan District
Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Eagle Bend Metropolitan District (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, the business-type activities and each major fund of the Eagle Bend Metropolitan District, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 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.

Responsibility of Management for the Financial Statements

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

Required Supplementary 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 basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information 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 we do not express an opinion or any form of assurance thereon.

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.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
September 9, 2024

BASIC FINANCIAL STATEMENTS

**EAGLE BEND METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 1,000,275	\$ 781,047	\$ 1,781,322
Cash and Investments - Restricted	2,602,440	-	2,602,440
Accounts Receivable	-	40,299	40,299
Prepaid Insurance	5,899	-	5,899
Receivable from County Treasurer	9,991	-	9,991
Property Tax Receivable	2,353,341	-	2,353,341
Bond Insurance Cost	35,052	-	35,052
Capital Assets:			
Capital Assets Net of Depreciation	1,116,485	758,417	1,874,902
Total Assets	<u>7,123,483</u>	<u>1,579,763</u>	<u>8,703,246</u>
DEFERRED OUTFLOWS OF RESOURCES			
Cost of Refunding, Net	946,334	-	946,334
Total Deferred Outflows of Resources	<u>946,334</u>	<u>-</u>	<u>946,334</u>
LIABILITIES			
Accounts Payable	6,740	14,382	21,122
Accrued Interest	65,051	-	65,051
Noncurrent Liabilities:			
City of Aurora	-	757,865	757,865
Due Within One Year	953,000	-	953,000
Due in More Than One Year	22,509,354	-	22,509,354
Total Liabilities	<u>23,534,145</u>	<u>772,247</u>	<u>24,306,392</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	2,353,341	-	2,353,341
Total Deferred Inflows of Resources	<u>2,353,341</u>	<u>-</u>	<u>2,353,341</u>
NET POSITION			
Net Investment in Capital Assets	1,116,485	552	1,117,037
Restricted For:			
Emergency Reserve	15,600	-	15,600
Debt Service	2,530,300	-	2,530,300
Net Position - Unrestricted	<u>(21,480,054)</u>	<u>806,964</u>	<u>(20,673,090)</u>
Total Net Position	<u>\$ (17,817,669)</u>	<u>\$ 807,516</u>	<u>\$ (17,010,153)</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental Activities:							
General Government	\$ 745,757	\$ -	\$ -	\$ -	\$ (745,757)	\$ -	\$ (745,757)
Interest on Long-Term Debt and Related Costs	875,979	-	-	-	(875,979)	-	(875,979)
Total Governmental Activities	<u>\$ 1,621,736</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(1,621,736)	-	(1,621,736)
Business-Type Activities:							
Water/Sewer Facilities	\$ 301,318	\$ 309,032	\$ -	\$ -	-	7,714	7,714
Total Business-Type Activities	<u>\$ 301,318</u>	<u>\$ 309,032</u>	<u>\$ -</u>	<u>\$ -</u>	-	7,714	7,714
GENERAL REVENUES							
Property Taxes					2,354,732	-	2,354,732
Specific Ownership Taxes					155,687	-	155,687
Interest Income					219,133	34,425	253,558
Other Revenue					91,840	-	91,840
Transfers From General Fund					(34,346)	34,346	-
Total General Revenues and Transfers					<u>2,787,046</u>	<u>68,771</u>	<u>2,855,817</u>
CHANGES IN NET POSITION							
Net Position - Beginning of Year					(18,982,979)	731,031	(18,251,948)
NET POSITION - END OF YEAR							
					<u>\$ (17,817,669)</u>	<u>\$ 807,516</u>	<u>\$ (17,010,153)</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

ASSETS	General	Debt Service	Total Governmental Funds
Cash and Investments	\$ 1,000,275	\$ -	\$ 1,000,275
Cash and Investments - Restricted	15,600	2,586,840	2,602,440
Receivable from County Treasurer	1,480	8,511	9,991
Prepaid Insurance	5,899	-	5,899
Property Tax Receivable	412,867	1,940,474	2,353,341
Total Assets	\$ 1,436,121	\$ 4,535,825	\$ 5,971,946
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 6,740	\$ -	\$ 6,740
Total Liabilities	6,740	-	6,740
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	412,867	1,940,474	2,353,341
Total Deferred Inflows of Resources	412,867	1,940,474	2,353,341
FUND BALANCES			
Nonspendable:			
Prepaid Expense	5,899	-	5,899
Restricted For:			
Emergency Reserves	15,600	-	15,600
Debt Service	-	2,595,351	2,595,351
Unassigned	995,015	-	995,015
Total Fund Balances	1,016,514	2,595,351	3,611,865
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,436,121	\$ 4,535,825	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			1,116,485
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.			
Cost of Refunding, Net			946,334
Bond Insurance Cost			35,052
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued Bond/Loan Interest Payable			(65,051)
Bond/Loan Payable, Net of Premium			(23,462,354)
Net Position of Governmental Activities			\$ (17,817,669)

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 348,849	\$ 2,005,883	\$ 2,354,732
Specific Ownership Taxes	23,065	132,622	155,687
Interest Income	54,364	164,769	219,133
HOA Cost Sharing	91,840	-	91,840
Total Revenues	<u>518,118</u>	<u>2,303,274</u>	<u>2,821,392</u>
EXPENDITURES			
Current:			
Accounting	47,052	-	47,052
Auditing	4,700	-	4,700
County Treasurer's Fee	5,242	30,142	35,384
Directors' Fees	2,400	-	2,400
District Management	16,075	-	16,075
Dues And Membership	183	-	183
Election	3,358	-	3,358
Insurance	6,045	-	6,045
Landscape And Maintenance	62,290	-	62,290
Legal	22,988	-	22,988
Miscellaneous	308	-	308
Payroll Taxes	184	-	184
Utilities - Landscaping Water	3,442	-	3,442
Utilities - Landscape Electric	493	-	493
HOA Projects - Cost Sharing	247,562	-	247,562
Debt Service:			
Bond Interest	-	573,088	573,088
Laon Interest	-	227,507	227,507
Loan Principal	-	931,000	931,000
Paying Agent Fees	-	300	300
Total Expenditures	<u>422,322</u>	<u>1,762,037</u>	<u>2,184,359</u>
EXCESS OF REVENUES OVER EXPENDITURES	95,796	541,237	637,033
OTHER FINANCING (USES)			
Transfers (Out)	(34,346)	-	(34,346)
Total Other Financing Uses	<u>(34,346)</u>	<u>-</u>	<u>(34,346)</u>
NET CHANGE IN FUND BALANCES	61,450	541,237	602,687
Fund Balances - Beginning of Year	<u>955,064</u>	<u>2,054,114</u>	<u>3,009,178</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,016,514</u>	<u>\$ 2,595,351</u>	<u>\$ 3,611,865</u>

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds \$ 602,687

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

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

Depreciation Expense (323,434)

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

Loan Principal - Current Year 931,000

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/Loan Interest Payable - Change in Liability	1,707
Amortization of Bond Insurance Costs	(2,702)
Amortization of Bond Premium	48,130
Amortization of Cost of Bond/Loan Refunding	<u>(92,078)</u>

Changes in Net Position of Governmental Activities \$ 1,165,310

**EAGLE BEND 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)
REVENUES			
Property Taxes	\$ 348,849	\$ 348,849	\$ -
Specific Ownership Taxes	20,931	23,065	2,134
Interest Income	10,000	54,364	44,364
HOA Cost Sharing	75,000	91,840	16,840
Total Revenues	<u>454,780</u>	<u>518,118</u>	<u>63,338</u>
EXPENDITURES			
Accounting	35,000	47,052	(12,052)
Auditing	6,500	4,700	1,800
County Treasurer's Fee	5,233	5,242	(9)
Directors' Fees	2,500	2,400	100
District Management	27,000	16,075	10,925
Dues And Membership	1,200	183	1,017
Election	40,000	3,358	36,642
Insurance	6,000	6,045	(45)
Landscape And Maintenance	65,000	62,290	2,710
Legal	23,000	22,988	12
Miscellaneous	2,277	308	1,969
Meetings	1,000	-	1,000
Payroll Taxes	191	184	7
Utilities - Landscaping Water	7,000	3,442	3,558
Utilities - Landscape Electric	600	493	107
HOA Projects - Cost Sharing	200,000	247,562	(47,562)
Total Expenditures	<u>422,501</u>	<u>422,322</u>	<u>179</u>
EXCESS OF REVENUES OVER EXPENDITURES	32,279	95,796	63,517
OTHER FINANCING (USES)			
Transfers To Enterprise Fund	(44,150)	(34,346)	9,804
Total Other Financing (Uses)	<u>(44,150)</u>	<u>(34,346)</u>	<u>9,804</u>
NET CHANGE IN FUND BALANCE	(11,871)	61,450	73,321
Fund Balance - Beginning of Year	<u>878,482</u>	<u>955,064</u>	<u>76,582</u>
FUND BALANCE - END OF YEAR	<u>\$ 866,611</u>	<u>\$ 1,016,514</u>	<u>\$ 149,903</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023**

	Enterprise
ASSETS	
CURRENT ASSETS	
Cash and Investments	\$ 781,047
Accounts Receivable	40,299
Total Current Assets	821,346
NONCURRENT ASSETS	
Capital Assets:	
ECCV Pipeline	686,758
Water and Well Costs	650,898
Less: Accumulated Depreciation	(579,239)
Total Capital Assets	758,417
Total Assets	\$ 1,579,763
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	\$ 14,382
Total Current Liabilities	14,382
LONG-TERM LIABILITIES	
Long-Term Payable - COA	757,865
Total Long-Term Liabilities	757,865
NET POSITION	
Net Investment in Capital Assets	552
Unrestricted	806,964
Total Net Position	807,516
Total Liabilities and Net Position	\$ 1,579,763

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023**

	Enterprise
OPERATING REVENUES	
Service Charges	\$ 309,032
Total Operating Revenues	309,032
OPERATING EXPENSES	
District Management	10,717
Legal	18,062
Water Operations Management	24,321
Repairs and Maintenance - Wells	4,370
Utilities - Water	136,265
Utilities - Electricity	29,778
Depreciation expense	50,865
Total Operating Expenses	274,378
OPERATING INCOME	34,654
NONOPERATING REVENUES AND EXPENSES	
Interest Payments to City of Aurora for Raw Water Pipeline	(26,940)
Interest income	34,425
Total Nonoperating Revenues and Expenses	7,485
OTHER FINANCING SOURCES	
Transfers In	34,346
Total Other Financing Sources	34,346
CHANGE IN NET POSITION	76,485
Total Net Position - Beginning of Year	731,031
TOTAL NET POSITION - END OF YEAR	\$ 807,516

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023**

	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 274,492
Payments to Suppliers	<u>(224,732)</u>
Net Cash Provided by Operating Activities	49,760
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers In	<u>34,346</u>
Net Cash Provided by Noncapital Financing Activities	34,346
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments to City of Aurora - ECCV	<u>(48,913)</u>
Net Cash Used by Capital and Related Financing Activities	(48,913)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>34,425</u>
Net Cash Provided by Investing Activities	<u>34,425</u>
INCREASE IN CASH AND CASH EQUIVALENTS	69,618
Cash and Cash Equivalents - Beginning of Year	<u>711,429</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 781,047</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 34,654
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	50,865
(Increase) Decrease in:	
Accounts Receivable	(34,540)
Increase (Decrease) in:	
Accounts Payable	<u>(1,219)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 49,760</u></u>

See accompanying Notes to Basic Financial Statements.

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Eagle Bend Metropolitan District (the District) is a quasi-municipal corporation and political sub-division of the state of Colorado organized by order and decree of the District Court for Arapahoe County on November 5, 1998 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Arapahoe County, Colorado. The District was established to develop and provide streets, water and sanitation, safety controls, television relay, translator and parks and recreation services to users in the service area.

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

The District has no employees, and contracts for all of its management and professional services.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

The District reports the following major proprietary fund:

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

**EAGLE BEND 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)**

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

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

Budgets

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

Pooled Cash and Investments

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

Cash Equivalents

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

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

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

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

Accounts Receivable, Allowance for Doubtful Accounts

The allowance for doubtful accounts is determined principally on the basis of past collection experience as well as consideration of current economic conditions. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

Original Issue Discount/Premium

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

Cost of Bond Refunding

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

Deferred Outflows/Inflows of Resources

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

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

Equity

Net Position

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

Fund Balance

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

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

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 1,781,322
Cash and Investments - Restricted	<u>2,602,440</u>
Total Cash and Investments	<u><u>\$ 4,383,762</u></u>

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

Deposits with Financial Institutions	\$ 65,750
Investments	<u>4,318,012</u>
Total Cash and Investments	<u><u>\$ 4,383,762</u></u>

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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

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

At December 31, 2023, the District's cash deposits had a bank statement balance of \$66,927 and carrying balance of \$65,750.

Investments

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

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

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

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

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted-Average Under 60 Days	\$ 4,318,012
		<u>\$ 4,318,012</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ is rated AAAM by Standard & Poor’s. COLOTRUST EDGE is rated AA Af/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

The District holds all its investments in the COLOTRUST PLUS+ portfolio.

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 as follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Being Depreciated:				
Landscaping	\$ 6,468,676	\$ -	\$ -	\$ 6,468,676
Total Capital Assets, Being Depreciated	6,468,676	-	-	6,468,676
Less Accumulated Depreciation for:				
Landscaping	5,028,757	323,434	-	5,352,191
Total Accumulated Depreciation	5,028,757	323,434	-	5,352,191
Total Capital Assets, Being Depreciated, Net	1,439,919	(323,434)	-	1,116,485
Governmental Activities Capital Assets, Net	<u>\$ 1,439,919</u>	<u>\$ (323,434)</u>	<u>\$ -</u>	<u>\$ 1,116,485</u>
	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Business-Type Activities:				
Capital Assets, Being Depreciated:				
ECCV Pipeline	\$ 686,758	\$ -	\$ -	\$ 686,758
Wells and Equipment	650,898	-	-	650,898
Total Capital Assets, Being Depreciated	1,337,656	-	-	1,337,656
Less Accumulated Depreciation for:				
ECCV Pipeline	231,782	17,169	-	248,951
Wells and Equipment	296,592	33,696	-	330,288
Total Accumulated Depreciation	528,374	50,865	-	579,239
Total Capital Assets, Being Depreciated, Net	809,282	(50,865)	-	758,417
Business-Type Activities Capital Assets, Net	<u>\$ 809,282</u>	<u>\$ (50,865)</u>	<u>\$ -</u>	<u>\$ 758,417</u>

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

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

Governmental Activities:

General Government	\$ 323,434
Total Depreciation Expense - Governmental Activities	\$ 323,434

Business-Type Activities:

Water/Sewer Facilities	\$ 50,865
Total Depreciation Expense - Business-Type Activities	\$ 50,865

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Government Activities:					
General Obligation Loan/Bonds Payable:					
Series 2016 Refunding Bonds	\$ 13,405,000	\$ -	\$ -	\$ 13,405,000	\$ -
Series 2021 Refunding Loan	10,364,000	-	931,000	9,433,000	953,000
Total Bond/Loan Payable	23,769,000	-	931,000	22,838,000	\$ 953,000
Bond Premium/Discount:					
Bond Premium - Series 2016	672,484	-	48,130	624,354	
Total Long-Term Obligations	\$ 24,441,484	\$ -	\$ 979,130	\$ 23,462,354	
Business-Type Activities:					
City of Aurora	\$ 779,838	\$ -	\$ 21,973	\$ 757,865	
	\$ 779,838	\$ -	\$ 21,973	\$ 757,865	

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

General Obligation Refunding Loan – Series 2021

On October 1, 2021, the District amended and re-issued its outstanding Series 2012 Refunding Loan to reflect a reduced interest rate, modified principal payments and revised prepayment date (Series 2021 Loan). The Series 2021 Loan carries a fixed interest rate of 2.20% and calls for interest payments on June 1 and December 1 commencing December 1, 2021. Principal payments are due annually on December 1 commencing December 1, 2021 through 2033. The Series 2021 Loan is subject to optional redemption on or after April 27, 2032 with no redemption premium. The amendment and re-issuance resulted in a present value savings of approximately \$698,600 to the District.

The Series 2021 Loan is not subject to early termination. The Series 2021 Loan is not subject to acceleration. The Series 2021 Loan does not have any unused lines of credit. No assets have been pledged as collateral on the Series 2021 Loan.

General Obligation Refunding Bonds – Series 2016

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

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

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

The Series 2016 Bonds are not subject to early termination. The Series 20016 Bonds are not subject to acceleration. The Series 2016 Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Series 2016 Bonds.

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default

Events of default occur if the District fails to pay the principal, premium or interest of the Series 2016 Bonds when due, defaults in performance of its covenants in the Bond Resolution, and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District by the Owners of 25% in aggregate principal amount of the Bonds then Outstanding; or files a petition under the federal bankruptcy laws and other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 953,000	\$ 780,614	\$ 1,733,614
2025	973,000	759,648	1,732,648
2026	994,000	738,242	1,732,242
2027	1,017,000	716,374	1,733,374
2028	1,040,000	694,000	1,734,000
2029-2033	5,561,000	3,112,367	8,673,367
2034-2038	8,310,000	1,853,875	10,163,875
2039-2040	3,990,000	211,400	4,201,400
Total	<u>\$ 22,838,000</u>	<u>\$ 8,866,520</u>	<u>\$ 31,704,520</u>

At December 31, 2023, the District has no authorized but unissued debt.

City of Aurora

The District has entered into Intergovernmental Agreements with the City of Aurora. See Agreements Note 7 for additional information about these agreements.

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets calculated as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 1,116,485	\$ 552
Net Investment in Capital Assets	<u>\$ 1,116,485</u>	<u>\$ 552</u>

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NET POSITION (CONTINUED)

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

	Governmental Activities	Business- Type Activities
Restricted Net Position:		
Emergencies	\$ 15,600	\$ -
Debt Service Reserve	2,530,300	-
Total Restricted Net Position	\$ 2,545,900	\$ -

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

NOTE 7 AGREEMENTS

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

The District, previously known as Eagle Bend Metropolitan District No. 2, and the City of Aurora Water Department (the City) entered into a Memorandum of Understanding (MOU) on August 22, 2007 to fund and construct a connection to the East Cherry Creek Valley (ECCV Connection) waterline. The District is to reimburse the City of Aurora \$557,089 for design and construction costs associated with the ECCV Connection through water rate charges and a one-time down payment of \$100,000. Reimbursement for the project costs will be charged to the District based on the difference between the current City domestic irrigation rate less the City raw water rate. When the project costs have been reimbursed, the City will charge all water delivered through the ECCV connection to the District at the then current City raw water rate.

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Intergovernmental Agreement with the City of Aurora

The District and the City of Aurora entered into an Intergovernmental Agreement on August 7, 2018, to construct a pipeline connection to the Rampart raw water supply (Raw Water Pipeline) waterline. The Agreement allows the District to use and withdraw groundwater from two existing wells including potable water from the Buchanan Tap and raw water from the Raw Water Pipeline. Pursuant to the Agreement, the District agreed to incur the fees related to the design, engineering, and cost estimation (District Costs) of the project which totaled \$440,481. The District also reimbursed the City of Aurora through a one-time down payment of \$1,500,000, less the District Costs incurred by the District. In 2020, the District paid an additional \$1,250,000 which was applied to the remaining project construction costs incurred by the City of Aurora. Reimbursement for the remaining project construction costs of \$779,838 are made by the District through monthly payments over a 29-year period and includes the remaining reimbursement due under the ECCV Connection, discussed above. Interest related to the monthly payment is 3.0% per annum.

As of December 31, 2023, the amount remaining under the MOU and Intergovernmental Agreement with the City of Aurora is \$757,865.

Cost Sharing Policy

Effective October 31, 2019, the District; Heritage Eagle Bend Master Association, Inc. and Creekside Eagle Bend Owners Association, Inc. (collectively the Associations) adopted a cost sharing policy (Policy). The Policy stipulates the District's desire to work with the Association's to provide services and amenities to the constituents of the community. Per the terms of the Policy, the District agrees to consider and contribute to capital and operational projects in cooperation with the Associations under the restriction that the projects should be in areas that can be accessed by or benefit the public, that is adjacent or owned by the District, benefit a large segment of the community, and outside the Heritage Eagle Bend perimeter fence.

NOTE 8 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the 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, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**EAGLE BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 TAX, SPENDING, AND DEBT LIMITATION

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10.00% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

On November 3, 1998, a majority of the District's electors authorized the District to impose a mill levy, unlimited as to rate or amount, and may increase such levy from year to year and collect, expend or retain annual District revenues generated from such mill levy or any other legally available revenues in 1999 and each year thereafter through the year 2019 inclusive for the payment of operations and maintenance and other general or administrative expenses of the District without regard to any expenditure, revenue-raising or other limitation contained in Section 29-1-301 Colorado Revised Statutes or any other law. In light of recent legislation regarding property tax limitations, the District is currently evaluating its position and may consider asking voters for additional authorization in future years.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an enterprise, will require judicial interpretation.

NOTE 10 INTERFUND TRANSFERS

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

SUPPLEMENTARY INFORMATION

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

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 2,005,883	\$ 2,005,883	\$ -
Specific Ownership Taxes	120,353	132,622	12,269
Interest Income	20,000	164,769	144,769
Total Revenues	<u>2,146,236</u>	<u>2,303,274</u>	<u>157,038</u>
EXPENDITURES			
County Treasurer's Fee	30,088	30,142	(54)
Paying Agent Fees	300	300	-
Bond Interest	573,088	573,088	-
Loan Interest	228,008	227,507	501
Loan Principal	931,000	931,000	-
Contingency	3,910	-	3,910
Total Expenditures	<u>1,766,394</u>	<u>1,762,037</u>	<u>4,357</u>
NET CHANGE IN FUND BALANCE	379,842	541,237	161,395
Fund Balance - Beginning of Year	<u>2,026,645</u>	<u>2,054,114</u>	<u>27,469</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,406,487</u>	<u>\$ 2,595,351</u>	<u>\$ 188,864</u>

**EAGLE BEND METROPOLITAN DISTRICT
 PROPRIETARY FUND –
 SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUNDS AVAILABLE
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
HOA Water Sales - Fixed	\$ 155,000	\$ 155,000	\$ -
HOA Water Sales - Variable	280,000	154,032	(125,968)
Interest Income	6,500	34,425	27,925
Total Revenues	<u>441,500</u>	<u>343,457</u>	<u>(98,043)</u>
EXPENDITURES			
Administration and General Expenses:			
District Management	18,000	10,717	7,283
Legal	18,000	18,062	(62)
Water Operations Management	25,000	24,321	679
Operations and Maintenance:			
Repairs And Maintenance - Wells	25,000	4,370	20,630
Water - North & South	500	4,835	(4,335)
Water - Buchanan Tap	850	875	(25)
Water - Pipeline	280,000	130,555	149,445
Electricity - North & South	20,000	29,778	(9,778)
Fixed Capital - Pipeline	41,926	48,913	(6,987)
Contingency	13,231	-	13,231
Total Expenditures	<u>442,507</u>	<u>272,426</u>	<u>170,081</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,007)	71,031	72,038
OTHER FINANCING SOURCES			
Transfers In	44,150	34,346	(9,804)
Total Other Financing Sources	<u>44,150</u>	<u>34,346</u>	<u>(9,804)</u>
NET CHANGE IN FUND BALANCE	43,143	105,377	62,234
Fund Balance - Beginning of Year	<u>675,414</u>	<u>701,586</u>	<u>26,172</u>
FUND BALANCE - END OF YEAR	<u>\$ 718,557</u>	<u>\$ 806,963</u>	<u>\$ 88,406</u>

**EAGLE BEND METROPOLITAN DISTRICT
 PROPRIETARY FUND –
 RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2023**

	Actual
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) (BUDGETARY BASIS)	\$ 105,377
Add:	
Payment to City of Aurora - ECCV (Principal Portion)	21,973
Deduct:	
Depreciation	(50,865)
CHANGE IN NET POSITION	76,485
Total Net Position - Beginning of Year	731,031
TOTAL NET POSITION - END OF YEAR	\$ 807,516

**EAGLE BEND METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

Bonds/Loans and Interest Maturing in the Year Ending December 31,	\$12,235,000 General Obligation Refunding Loan Series 2021 Interest Rate: 2.20% Date: October 1, 2021 Interest Payable June 1 and December 1 Principal Payable December 1			\$15,030,000 General Obligation Refunding Bond Series 2016 Interest Rate: 3.125% to 5.00% Date: April 20, 2016 Interest Payable June 1 and December 1 Principal Payable December 1			Total of All Debt			
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
	2024	\$ 953,000	\$ 207,526	\$ 1,160,526	\$ -	\$ 573,088	\$ 573,088	\$ 953,000	\$ 780,614	\$ 1,733,614
	2025	973,000	186,560	1,159,560	-	573,088	573,088	973,000	759,648	1,732,648
2026	994,000	165,154	1,159,154	-	573,088	573,088	994,000	738,242	1,732,242	
2027	1,017,000	143,286	1,160,286	-	573,088	573,088	1,017,000	716,374	1,733,374	
2028	1,040,000	120,912	1,160,912	-	573,088	573,088	1,040,000	694,000	1,734,000	
2029	1,062,000	98,032	1,160,032	-	573,088	573,088	1,062,000	671,120	1,733,120	
2030	1,086,000	74,668	1,160,668	-	573,088	573,088	1,086,000	647,756	1,733,756	
2031	1,110,000	50,776	1,160,776	-	573,088	573,088	1,110,000	623,864	1,733,864	
2032	634,000	26,356	660,356	490,000	573,088	1,063,088	1,124,000	599,444	1,723,444	
2033	564,000	12,408	576,408	615,000	557,775	1,172,775	1,179,000	570,183	1,749,183	
2034	-	-	-	1,475,000	527,025	2,002,025	1,475,000	527,025	2,002,025	
2035	-	-	-	1,550,000	453,275	2,003,275	1,550,000	453,275	2,003,275	
2036	-	-	-	1,665,000	375,775	2,040,775	1,665,000	375,775	2,040,775	
2037	-	-	-	1,745,000	292,525	2,037,525	1,745,000	292,525	2,037,525	
2038	-	-	-	1,875,000	205,275	2,080,275	1,875,000	205,275	2,080,275	
2039	-	-	-	1,940,000	139,650	2,079,650	1,940,000	139,650	2,079,650	
2040	-	-	-	2,050,000	71,750	2,121,750	2,050,000	71,750	2,121,750	
Total	\$ 9,433,000	\$ 1,085,678	\$ 10,518,678	\$ 13,405,000	\$ 7,780,842	\$ 21,185,842	\$ 22,838,000	\$ 8,866,520	\$ 31,704,520	

CONTINUING DISCLOSURE OBLIGATION

**EAGLE BEND METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2023**

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

	2019	2020	2021	2022	2023
REVENUES					
Property Taxes	\$ 353,328	408,446	\$ 340,994	\$ 356,833	\$ 348,849
Specific Ownership Taxes	27,769	28,980	23,899	22,574	23,065
Net Investment Income	38,967	5,232	312	18,041	54,364
HOA Cost Sharing	22,674	-	95,802	-	91,840
Other Income	918	-	-	-	-
Total Revenues	<u>443,656</u>	<u>442,658</u>	<u>461,007</u>	<u>397,448</u>	<u>518,118</u>
EXPENDITURES					
Accounting and Audit	38,508	35,291	35,159	35,322	51,752
Communications Expense	2,425	-	915	-	-
County Treasurer's Fees	5,303	6,130	5,113	5,354	5,242
Director's Fee	6,100	2,000	2,800	2,800	2,400
District Management	29,845	18,074	10,791	20,127	16,075
Dues and Memberships	1,306	2,407	1,334	1,057	183
Election	-	30,579	391	4,950	3,358
HOA Projects - Cost Sharing	45,429	48,460	254,467	82,512	247,562
Insurance	5,427	5,004	6,144	4,857	6,045
Landscape and Maintenance	48,267	49,195	43,001	39,620	62,290
Legal	36,023	14,648	11,808	19,682	22,988
Meetings	1,608	150	300	2,935	-
Miscellaneous	3,204	2,451	1,366	200	308
Payroll Tax	1,297	153	214	214	184
Utilities	4,370	7,326	7,691	4,031	3,935
Total Expenditures	<u>229,112</u>	<u>221,868</u>	<u>381,494</u>	<u>223,661</u>	<u>422,322</u>
EXCESS OF REVENUES OVER EXPENDITURES	214,544	220,790	79,513	173,787	95,796
OTHER FINANCING (USES)					
Operating Transfers (Out)	(1,815,000)	(36,000)	(35,244)	(40,292)	(34,346)
Total Other Financing Uses	<u>(1,815,000)</u>	<u>(36,000)</u>	<u>(35,244)</u>	<u>(40,292)</u>	<u>(34,346)</u>
NET CHANGE IN FUND BALANCES	(1,600,456)	184,790	44,269	133,495	61,450
Fund Balances - Beginning of Year	<u>2,192,966</u>	<u>592,510</u>	<u>777,300</u>	<u>821,569</u>	<u>955,064</u>
FUND BALANCES - END OF YEAR	<u>\$ 592,510</u>	<u>\$ 777,300</u>	<u>\$ 821,569</u>	<u>\$ 955,064</u>	<u>\$ 1,016,514</u>

**EAGLE BEND METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Property Taxes	\$ 2,119,965	\$ 2,287,294	\$ 2,301,706	\$ 2,230,206	\$ 2,005,883
Specific Ownership Taxes	166,621	162,291	161,317	141,087	132,622
Net Investment Income	30,271	8,428	-	50,076	164,769
Total Revenues	<u>2,316,857</u>	<u>2,458,013</u>	<u>2,463,023</u>	<u>2,421,369</u>	<u>2,303,274</u>
EXPENDITURES					
County Treasurer's Fees	31,820	34,329	34,512	33,463	30,142
Debt Service	3,583,990	1,944,212	1,992,339	1,732,079	1,731,595
Paying Agent Fees	300	300	300	300	300
Interest Expense	-	-	87	-	-
Total Expenditures	<u>3,616,110</u>	<u>1,978,841</u>	<u>2,027,238</u>	<u>1,765,842</u>	<u>1,762,037</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,299,253)	479,172	435,785	655,527	541,237
OTHER FINANCING SOURCES					
Transfers In	1,000,000	-	-	-	-
Total Other Financing Sources	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(299,253)	479,172	435,785	655,527	541,237
Fund Balances - Beginning of Year	<u>782,883</u>	<u>483,630</u>	<u>962,802</u>	<u>1,398,587</u>	<u>2,054,114</u>
FUND BALANCES - END OF YEAR	<u>\$ 483,630</u>	<u>\$ 962,802</u>	<u>\$ 1,398,587</u>	<u>\$ 2,054,114</u>	<u>\$ 2,595,351</u>

**EAGLE BEND METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

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

Levy/ Collection Year	Assessed Valuation		Mill Levies		
	Assessed Valuation	Percent Change	General Fund	Debt Service	Total
2019/2020	\$ 81,790,932	15.5%	5.000	28.000	33.000
2020/2021	86,691,197	6.0%	4.000	27.000	31.000
2021/2022	89,392,208	3.1%	4.000	25.000	29.000
2022/2023	87,212,291	-2.4%	4.000	23.000	27.000
2023/2024	103,216,726	18.4%	4.000	18.800	22.800

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

Levy/ Collection Year	Taxes Levied	Current Tax Collections	Collection Rate
2018/2019	\$ 2,479,529	\$ 2,473,293	99.75%
2019/2020	2,699,101	2,695,740	99.88%
2020/2021	2,687,427	2,642,700	98.34%
2021/2022	2,592,372	2,587,039	99.79%
2022/2023	2,354,732	2,354,732	100.00%

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Arapahoe Assessor and Treasurer.