

TOWN OF EAGLE, COLORADO

**FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT**

DECEMBER 31, 2020

TOWN OF EAGLE, COLORADO
FOR THE YEAR ENDED
December 31, 2020

TOWN COUNCIL

Scott Turnipseed – Mayor
Andy Jessen – Mayor Pro-Tem
Matt Solomon, Trustee
Mikel Kerst, Trustee
Ellen Bodenhemier, Trustee
Adam Palmer, Trustee
David Gaboury, Trustee

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021, on our consideration of the Town of Eagle's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Eagle's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Eagle's internal control over financial reporting and compliance.



MAGGARD & HOOD, P.C.

Glenwood Springs, Colorado

November 10, 2021

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2020 are as follows:

- In total the Town's *overall* net position increased \$6,566,506 (6.6%) from the previous fiscal year.
- The Town's *overall* General Revenues accounted for \$9,120,807 (43%) of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and non-program revenues. Program specific revenues, in the form of charges for services and program specific grants and contributions, accounted for \$11,965,235 (57%) of total revenues of \$21,086,042.
- *Overall* the Town had \$14,519,536 in expenses, of which \$8,665,274 were offset by program specific charges for services, as well as grants and contributions of \$3,299,961.

USING THE BASIC FINANCIAL STATEMENTS

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

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

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

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

REPORTING THE TOWN AS A WHOLE

Statement of Net Position and Statement of Activities

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

FUND FINANCIAL STATEMENTS - *CONTINUED*

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

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

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

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

Sales Tax Capital Improvement Projects Fund – used to account for the Town's ½% municipal sales tax securing and funding capital projects debt service for the Town's 2019 sales tax revenue bonds.

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

Conservation Trust Fund – accounts for funds received and restricted for use in parks and recreation acquisition, development and maintenance pursuant to Colorado Revised Statutes.

Open Space Preservation Fund – accounts for funds committed for the acquisition of open space lands, conservation and trail easements and development rights.

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

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

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

Refuse Fund – accounts for activities related to trash collection and disposal.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

THE TOWN AS A WHOLE

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

<i>(In Thousands)</i>	Governmental		Business-Type		Total	
	Activities	2020	Activities	2020	2019	2020
ASSETS:						
Current Assets	\$ 14,983	\$ 16,977	\$ 25,641	\$ 33,263	\$ 40,624	\$ 50,240
Noncurrent Assets (EHOP)	159	168	-	-	159	168
Capital Assets, Net	<u>36,422</u>	<u>38,282</u>	<u>62,379</u>	<u>50,962</u>	<u>98,801</u>	<u>89,244</u>
Total Assets	<u>51,564</u>	<u>55,427</u>	<u>88,020</u>	<u>84,225</u>	<u>139,584</u>	<u>139,652</u>
LIABILITIES:						
Current & Other Liabilities	1,364	6,388	4,212	4,237	5,576	10,625
Long-term Liabilities	<u>5,729</u>	<u>5,695</u>	<u>22,192</u>	<u>23,836</u>	<u>27,921</u>	<u>29,531</u>
Total Liabilities	<u>7,093</u>	<u>12,083</u>	<u>26,404</u>	<u>28,073</u>	<u>33,497</u>	<u>40,156</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue from Property Taxes	360	336	-	-	360	336
Total Deferred Inflows	<u>360</u>	<u>336</u>	<u>-</u>	<u>-</u>	<u>360</u>	<u>336</u>
NET POSITION:						
Invested in Capital Assets,						
Net of Related Debt	30,802	32,521	39,131	31,663	69,933	64,184
Restricted	2,520	2,313	1,125	1,073	3,645	3,386
Unrestricted	<u>10,789</u>	<u>8,174</u>	<u>21,360</u>	<u>23,416</u>	<u>32,149</u>	<u>31,590</u>
Total Net Position	<u><u>\$ 44,111</u></u>	<u><u>\$ 43,008</u></u>	<u><u>\$ 61,616</u></u>	<u><u>\$ 56,152</u></u>	<u><u>\$ 105,727</u></u>	<u><u>\$ 99,160</u></u>

As indicated earlier, net position may serve over time as a useful indicator of the Town's financial health. The Town's *overall* assets exceeded its liabilities and deferred inflows by \$105,726,812 at December 31, 2020.

By far the largest portion of the Town's Net Position (approximately 66%) reflects its net investment of \$69,933,940 in capital assets less the related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's Net Position, \$3,644,946 (approximately 3%) represents resources that are subject to restrictions as to how they may be used; this includes statutorily required TABOR emergency reserves and monies restricted for capital improvements/debt service, highway 6 devolution maintenance, community enhancement and conservation trust purposes.

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

THE TOWN AS A WHOLE – *CONTINUED*

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

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES:						
Program Revenues:						
Charges for Services/Sales	\$ 699	\$ 940	\$ 7,966	\$ 7,224	\$ 8,665	\$ 8,164
Operating Grants & Contrib.	576	543	14	15	590	558
Capital Grants & Contrib.	375	379	2,335	1,183	2,710	1,562
Total Program Revenues	<u>1,650</u>	<u>1,862</u>	<u>10,315</u>	<u>8,422</u>	<u>11,965</u>	<u>10,284</u>
General Revenues:						
Taxes	8,411	6,864	-	-	8,411	6,864
Intergovernmental Revenue	196	188	-	-	196	188
Impact Fees & Assessments	67	71	-	-	67	71
Interest/Investment Earnings	89	302	116	352	205	654
Other General Revenues	187	73	55	170	242	243
Total General Revenues	<u>8,950</u>	<u>7,498</u>	<u>171</u>	<u>522</u>	<u>9,121</u>	<u>8,020</u>
Total Revenues	<u>10,600</u>	<u>9,360</u>	<u>10,486</u>	<u>8,944</u>	<u>21,086</u>	<u>18,304</u>
PROGRAM EXPENSES:						
Town Council	139	-	-	-	139	-
General Government	740	755	-	-	740	755
General Administration	601	579	-	-	601	579
Community Development	822	834	-	-	822	834
Municipal Court	68	64	-	-	68	64
Public Safety	1,962	1,737	-	-	1,962	1,737
Public Works - Streets	1,743	1,125	-	-	1,743	1,125
Public Works - Bldg/Grounds	853	916	-	-	853	916
Information Center	31	145	-	-	31	145
Marketing	175	290	-	-	175	290
Engineering	209	230	-	-	209	230
Open Space Preservation	82	87	-	-	82	87
Interest - Gen'l. Obligations	224	227	-	-	224	227
Depreciation - Unallocated	1,848	1,734	-	-	1,848	1,734
Water Utility	-	-	2,134	2,122	2,134	2,122
Wastewater Utility	-	-	2,264	2,071	2,264	2,071
Refuse Utility	-	-	<u>624</u>	<u>606</u>	<u>624</u>	<u>606</u>
Total Expenses	<u>9,497</u>	<u>8,723</u>	<u>5,022</u>	<u>4,799</u>	<u>14,519</u>	<u>13,522</u>
Special/Extraordinary Items	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION	<u>\$ 1,103</u>	<u>\$ 637</u>	<u>\$ 5,464</u>	<u>\$ 4,145</u>	<u>\$ 6,567</u>	<u>\$ 4,782</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

THE TOWN AS A WHOLE – *CONTINUED*

Governmental Activities

Revenues

Revenues increased over the prior year which reflects the Town's continuing recovery over the previous several recessionary years, additional grant funding received, and insurance recoveries received on damaged assets.

Expenses

Program expenses decreased for governmental activities, primarily resulting from savings in general government and general administration expenses, while business-type activities expenses increased over the prior period, primarily from increases in personnel services and general water system maintenance.

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

<i>(In Thousands)</i>	Total Cost of Service		Net Cost of Services	
	2020	2019	2020	2019
Town Council	\$ 139	\$ -	\$ 139	\$ -
General Government	\$ 740	\$ 755	\$ 64	\$ 99
General Administration	601	579	601	579
Community Development	822	834	293	671
Municipal Court	68	64	68	64
Public Safety	1,962	1,737	1,886	1,638
Public Works - Streets	1,743	1,125	1,389	712
Public Works - Bldgs/Grounds	853	916	853	537
Information Center	31	145	23	4
Marketing	175	290	169	280
Engineering	209	230	209	230
Open Space Preservation	82	87	81	87
Interest - General Obligation Debt	224	227	224	227
Unallocated Depreciation	<u>1,848</u>	<u>1,734</u>	<u>1,848</u>	<u>1,734</u>
Total Expenses	<u><u>\$ 9,497</u></u>	<u><u>\$ 8,723</u></u>	<u><u>\$ 7,847</u></u>	<u><u>\$ 6,862</u></u>

The dependence on general revenues for governmental activities is apparent. Approximately 83% of fiscal 2020 program services were supported through taxes and other general revenues and 79% in 2019. The community as a whole is the primary support for the Town's activities.

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

<i>(In Thousands)</i>	Fiscal Year		Fiscal Year	
	2020	2019	2020	2019
Program Revenues	\$ 10,315		\$ 8,422	
Taxes and Other General Revenues	<u>171</u>		<u>522</u>	
Total Revenues	<u>10,486</u>		<u>8,944</u>	
Expenses	(5,022)		(4,799)	
Special/Extraordinary Items	<u>-</u>		<u>-</u>	
Net Income (Loss)	<u><u>\$ 5,464</u></u>		<u><u>\$ 4,145</u></u>	

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

THE TOWN AS A WHOLE – *CONTINUED*

Business-Type Activities, continued

Revenues

Charges for services for business-type activities increased over the prior year.

Expenses

Enterprise expenditures increased approximately \$223 thousand (5%), from the previous fiscal year, primarily from increases in personnel services and general water system maintenance.

THE TOWN'S FUNDS

Governmental Funds

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

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

Total governmental funds had revenues and other financing sources of \$10,553,641 and expenditures and other financing uses of \$7,697,651.

Governmental fund revenues increased approximately \$1.240 million from the prior fiscal year, primarily from increased sales tax collections and intergovernmental grants received.

Governmental fund expenditures increased approximately \$774 thousand from the prior fiscal year, primarily due to year-to-year changes in amounts expended on capital projects.

Overall governmental fund balances increased \$2,855,990 from the prior fiscal year. The ending combined fund balance of \$13,437,168 represents the amount available for future spending, which is represented as follows:

General Fund	\$ 4,893,510
Capital Projects Fund	6,975,139
Sales Tax Capital Impr Projects Fund	1,096,744
Special Revenue Funds	<u>471,775</u>
 Total Governmental Fund Balances	 <u>\$ 13,437,168</u>

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

THE TOWN'S FUNDS – *CONTINUED*

Proprietary Funds

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

- The Water Enterprise Fund ending net position increased from \$41,069,453 to \$45,422,198.
- The Wastewater Enterprise Fund ending net position increased from \$14,795,645 to \$15,906,953.
- The Refuse Enterprise Fund ending net position decreased from \$287,429 to \$286,938.

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

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

	Original	Revised	Increase (Decrease)
General Fund	\$ 7,357,888	\$ 7,122,666	\$ (235,222)
Capital Projects Fund	593,284	766,687	173,403
Sales Tax Cap Impr Projects Fund	551,774	374,460	(177,314)
Conservation Trust Fund	35,000	-	(35,000)
Open Space Preservation Fund	205,527	107,113	(98,414)
Water Fund	20,924,183	17,320,134	(3,604,049)
Wastewater Fund	2,980,748	2,801,376	(179,372)
Refuse Fund	638,414	643,091	4,677

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

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

GENERAL FUND BUDGETING HIGHLIGHTS - *CONTINUED*

General Fund Resources (Inflows)

The Town's final budgetary revenues and other financing sources in the amount of \$8,625,013 fell short of budgetary expectations of \$8,864,354 by \$239,341. It is not anticipated that the variance will have a significant effect on future services or liquidity. Further detail of individual line-item revenues for the general fund can be found in the 'Other Supplemental Information' section following the financial statements.

General Fund Charges to Appropriations (Outflows)

The Town's final budgetary expenditures and other financing uses of \$6,538,315 were \$584,351 less than the final appropriated fund balance of \$7,122,666. Positive variances were found throughout the majority of the Town's functional expenditure categories. Savings primarily occurred from unused personnel and purchased services appropriations. It is not anticipated that these variances will have a significant effect on future services or liquidity.

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

* * *

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the Town had a total of \$98,800,358 invested in capital assets, consisting of \$36,421,291 in governmental activities and \$62,379,067 in business-type activities. The following reflects the balances the current fiscal year compared to the prior fiscal year, net of depreciation and amortization:

<i>(In Thousands)</i>	Governmental		Business-Type		Total	
	Activities	2020	Activities	2020	2019	2020
<i>Net of Depreciation:</i>						
Land/Easements	\$ 4,080	\$ 4,080	\$ 378	\$ 378	\$ 4,458	\$ 4,458
Water Rights	-	-	9,144	9,144	9,144	9,144
Parks/Improvements	9,910	3,058	-	-	9,910	3,058
Buildings/Improvements	2,746	2,875	52	52	2,798	2,927
Rec Center/Pool/Ice Rink	3,360	3,465	-	-	3,360	3,465
Equipment	831	746	67	86	898	832
Infrastructure	15,256	16,903	38,106	27,215	53,362	44,118
Construction-in-Progress	239	7,155	14,632	14,087	14,871	21,242
	<u>\$ 36,422</u>	<u>\$ 38,282</u>	<u>\$ 62,379</u>	<u>\$ 50,962</u>	<u>\$ 98,801</u>	<u>\$ 89,244</u>

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

TOWN OF EAGLE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION - *CONTINUED*

Debt

At December 31, 2020 the Town had total outstanding long-term debt of \$29,578,929. Of this amount, governmental activities carry bonds of \$5,600,517 and compensated absences of \$128,891. Business-type activities carry \$22,774,344 of notes payable, \$1,018,842 of bonds payable and compensated absences of \$56,335. See *Note 5 Long-term Debt Obligations* for a detail of the terms and annual debt service requirements to amortize the Town's long-term debt.

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

The Town's theme for 2021 is economic recovery as local businesses suffered significant losses in revenues because of Covid-19. The Town is making investments in various economic recovery programs. There are a few businesses that took advantage of the expanded outdoor seating on Town property in 2020. The Town Council approved Eagle Bucks which is an extensive shop local program to encourage residents to support local businesses. The Town will continue to explore new programs that support businesses in 2021 using funds to help offset those who are impacted.

For the budget year 2021, the Town plans to execute its strategic plan and make investments in economic development, service delivery and organizational capacity. It has budgeted a modest increase in sales tax collections as well as licenses and permits as the overall economy continues to improve. While sales tax is strong, other revenues that the Town collects have decreased as compared to prior periods due to the ongoing pandemic. The Town will receive revenues from passed ballot measures which authorized the collection of a new tobacco tax and changed lodging taxes to a 6% lodging tax on rooms per night instead of a flat fee; however, even with the boost from lodging tax which funds Open Space and Market & Events programs, the Town anticipates a continued decrease in lodging taxes as a result of the ongoing pandemic.

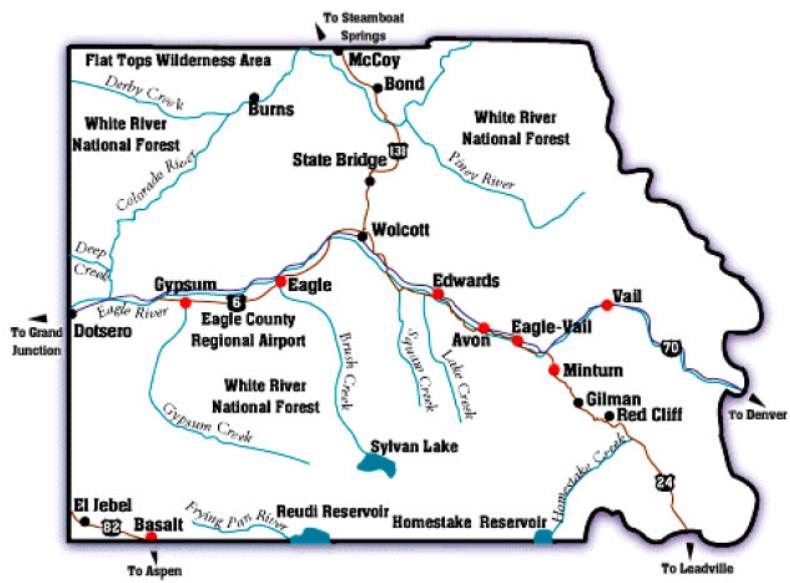
As most of the Town's revenues are generated by sales tax and economic development, it is important to ensure long-term financial stability; therefore, the Town has planned investments in economic development in 2021 which include: supporting the newly established Downtown Development Authority (DDA) for revitalization of Eagle's historic downtown; the Public Art and Beatification Gateway Project; various local marketing and events activities including outdoor events at Eagle River Park; improving broadband services; collaborating with the Red Development Property Partnership; soliciting development of the West Eagle Area Housing Project; and attracting technology and outdoor recreation industries to the Eagle area.

Long-term planning initiatives include rewrite of the land use code, continuance of the Highway 6/Grand Avenue corridor plan, and an Open Space Master Plan. The Town will continue its infrastructure and capital improvements for the Lower Basin Water Treatment Plant, ongoing pavement management, replacement of the water tank near the cemetery inclusive of installing communication towers to expand broadband services, and development of a 10-year Capital Improvement Plan. The Town will also continue its current projects to support sustainability, water, and land conservation.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

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



GOVERNMENT - WIDE FINANCIAL STATEMENTS

TOWN EAGLE, COLORADO
STATEMENT OF NET POSITION
December 31, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 10,406,680	\$ 17,937,235	\$ 28,343,915
Restricted Cash and Investments	3,141,653	7,079,905	10,221,558
Receivables – Net			
Due from County Treasurer	1,144	-	1,144
Taxes and Other Receivables	1,015,878	-	1,015,878
Property Taxes	359,642	-	359,642
Accounts Receivable, Net	-	558,576	558,576
Intergovernmental Grants	-	-	-
Inventory	-	8,130	8,130
Prepaid Expenses	58,456	56,930	115,386
Total Current Assets	<u>14,983,453</u>	<u>25,640,776</u>	<u>40,624,229</u>
Noncurrent Assets:			
Funds Held by Fiscal Agent (EHOP)	136,275	-	136,275
Notes Receivable (EHOP)	22,849	-	22,849
Non-Depreciable Capital Assets	4,318,729	24,153,665	28,472,394
Depreciable Capital Assets, Net	<u>32,102,562</u>	<u>38,225,402</u>	<u>70,327,964</u>
Total Noncurrent Assets	<u>36,580,415</u>	<u>62,379,067</u>	<u>98,959,482</u>
TOTAL ASSETS	<u>51,563,868</u>	<u>88,019,843</u>	<u>139,583,711</u>
LIABILITIES			
Accounts Payable	270,864	1,008,231	1,279,095
Retainage Payable	3,226	1,093,722	1,096,948
Accrued Liabilities	137,940	179,652	317,592
Unearned Revenues	13,075	272,628	285,703
Unearned Grant Revenues	-	-	-
Deposits and Other Liabilities	938,990	-	938,990
Long-term Debt:			
Portion Due or Payable within One Year:			
Loans Payable, Net of Premium	-	1,413,761	1,413,761
Bonds Payable, Net of Premium	145,879	243,603	389,482
Portion Due or Payable After One Year:			
Compensated Absences	128,891	56,335	185,226
Loans Payable, Net of Premium	-	21,360,583	21,360,583
Bonds Payable, Net of Premium	<u>5,454,638</u>	<u>775,239</u>	<u>6,229,877</u>
TOTAL LIABILITIES	<u>7,093,503</u>	<u>26,403,754</u>	<u>33,497,257</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue –			
From Property Taxes	<u>359,642</u>	-	<u>359,642</u>
Total Deferred Inflows of Resources	<u>359,642</u>	-	<u>359,642</u>
Net Position:			
Invested in Capital Assets, Net of Related Debt	30,802,446	39,130,594	69,933,040
Restricted	2,519,536	1,125,410	3,644,946
Unrestricted (Deficit)	<u>10,788,741</u>	<u>21,360,085</u>	<u>32,148,826</u>
TOTAL NET POSITION	<u>\$ 44,110,723</u>	<u>\$ 61,616,089</u>	<u>\$ 105,726,812</u>

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

TOWN EAGLE, COLORADO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2020

FUNCTION/PROGRAM ACTIVITIES	PRIMARY GOVERNMENT	EXPENSES	PROGRAM REVENUES		
			Charges For Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:					
Town Council		\$ 138,965	\$ -	\$ -	\$ -
General Government		740,204	622,641	53,581	-
General Administration		601,395	-	-	-
Community Development		822,048	6,589	147,726	375,000
Municipal Court		68,521	-	-	-
Public Safety		1,961,549	55,338	20,156	-
Public Works – Streets		1,743,294	-	354,303	-
Public Works – Buildings/Grounds		852,564	-	-	-
Information Center		30,621	7,755	45	-
Marketing		174,874	6,000	-	-
Engineering		209,376	-	-	-
Open Space Preservation		81,985	500	-	-
Interest on Long-term Debt		223,737	-	-	-
Depreciation – Unallocated (<i>See Note 1(G)</i>)		<u>1,848,236</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES		<u>9,497,369</u>	<u>698,823</u>	<u>575,811</u>	<u>375,000</u>
BUSINESS-TYPE ACTIVITIES:					
Water Utility		2,133,865	4,615,844	14,222	1,750,928
Wastewater Utility		2,264,454	2,728,957	-	584,000
Refuse Utility		623,848	621,650	-	-
TOTAL BUSINESS-TYPE ACTIVITIES		<u>5,022,167</u>	<u>7,966,451</u>	<u>14,222</u>	<u>2,334,928</u>
TOTAL PRIMARY GOVERNMENT		<u><u>\$ 14,519,536</u></u>	<u><u>\$ 8,665,274</u></u>	<u><u>\$ 590,033</u></u>	<u><u>\$ 2,709,928</u></u>

GENERAL REVENUES:

Taxes:

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

Grants and Entitlements Not Restricted to Specific Programs:

Intergovernmental Taxes – Cigarette and County Sales Tax
Intergovernmental Federal Mineral Lease Revenues

Impact Fees and Assessments

Gain (Loss) on Sale of Assets

Unrestricted Interest and Investment Earnings

Insurance Proceeds, Net of Fixed Asset Disposition

Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR

NET POSITION – END OF YEAR

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

**NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (138,965)	-	\$ (138,965)
(63,982)	-	(63,982)
(601,395)	-	(601,395)
(292,733)	-	(292,733)
(68,521)	-	(68,521)
(1,886,055)	-	(1,886,055)
(1,388,991)	-	(1,388,991)
(852,564)	-	(852,564)
(22,821)	-	(22,821)
(168,874)	-	(168,874)
(209,376)	-	(209,376)
(81,485)	-	(81,485)
(223,737)	-	(223,737)
<u>(1,848,236)</u>	<u>-</u>	<u>(1,848,236)</u>
<u>(7,847,735)</u>	<u>-</u>	<u>(7,847,735)</u>
\$ 4,247,129	4,247,129	4,247,129
1,048,503	1,048,503	1,048,503
<u>(2,198)</u>	<u>(2,198)</u>	<u>(2,198)</u>
<u>5,293,434</u>	<u>5,293,434</u>	<u>5,293,434</u>
<u>(7,847,735)</u>	<u>5,293,434</u>	<u>(2,554,301)</u>
335,665	-	335,665
16,701	-	16,701
6,457,304	-	6,457,304
743,105	-	743,105
858,530	-	858,530
196,073	-	196,073
261	-	261
66,737	-	66,737
37,976	-	37,976
88,936	115,573	204,509
82,826	-	82,826
66,565	<u>54,555</u>	<u>121,120</u>
<u>8,950,679</u>	<u>170,128</u>	<u>9,120,807</u>
1,102,944	5,463,562	6,566,506
<u>43,007,779</u>	<u>56,152,527</u>	<u>99,160,306</u>
<u>\$ 44,110,723</u>	<u>\$ 61,616,089</u>	<u>\$ 105,726,812</u>

FUND FINANCIAL STATEMENTS

TOWN OF EAGLE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	General Fund	Capital Projects Fund	Sales Tax Capital Imprvmt Projects Fund
ASSETS:			
Cash and Investments	\$ 4,097,454	\$ 5,104,085	\$ 855,804
Restricted Cash and Investments	822,884	2,034,227	172,502
Receivables – Net:			
Due from County Treasurer	1,144	-	-
Taxes and Other Receivables	888,193	47,923	66,268
Property Taxes	359,642	-	-
Intergovernmental Grants	-	-	-
Interfund	95,641	(95,641)	-
Prepaid Expenses	45,553	-	12,903
Funds Held by Fiscal Agent (EHOP)	136,275	-	-
Notes Receivable (EHOP)	<u>22,849</u>	<u>-</u>	<u>-</u>
 Total Assets	 <u>\$ 6,469,635</u>	 <u>\$ 7,090,594</u>	 <u>\$ 1,107,477</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 147,464	\$ 115,455	\$ 7,507
Retainage Payable	-	-	3,226
Accrued Liabilities	116,954	-	-
Unearned Revenues	13,075	-	-
Deposits and Other Liabilities	<u>938,990</u>	<u>-</u>	<u>-</u>
 Total Liabilities	 <u>1,216,483</u>	 <u>115,455</u>	 <u>10,733</u>
Deferred Inflows of Resources:			
Unavailable Revenues -			
From Property Taxes	<u>359,642</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows	<u>359,642</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Non-Spendable	204,677	-	12,903
Restricted for –			
Highway 6 Devolution Maintenance	-	1,859,083	-
Capital Improvements/Debt Service	-	-	161,769
Community Enhancement	-	175,144	-
Conservation Trust	-	-	-
Emergency Reserves	211,500	-	-
Committed for –			
Open-space Preservation	-	-	-
Assigned for –			
Capital Projects	-	4,940,912	922,072
Unassigned	<u>4,477,333</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	 <u>4,893,510</u>	 <u>6,975,139</u>	 <u>1,096,744</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 6,469,635</u>	 <u>\$ 7,090,594</u>	 <u>\$ 1,107,477</u>

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

Non-Major Special Revenue Funds	Total Governmental Funds
\$ 349,337	\$ 10,406,680
112,040	3,141,653
-	1,144
13,494	1,015,878
-	359,642
-	-
-	-
-	58,456
-	136,275
<u> </u>	<u>22,849</u>
<u> </u>	<u> </u>
<u>\$ 474,871</u>	<u>\$ 15,142,577</u>

\$ 438	\$ 270,864
-	3,226
2,658	119,612
-	13,075
<u> </u>	<u>938,990</u>
<u> </u>	<u> </u>
<u>3,096</u>	<u>1,345,767</u>

<u> </u>	<u>359,642</u>
<u> </u>	<u>359,642</u>

-	217,580
-	1,859,083
-	161,769
-	175,144
112,040	112,040
-	211,500
<u> </u>	<u> </u>
<u>359,735</u>	<u>359,735</u>
<u> </u>	<u> </u>
<u>-</u>	<u>5,862,984</u>
<u>-</u>	<u>4,477,333</u>
<u> </u>	<u> </u>
<u>471,775</u>	<u>13,437,168</u>
<u> </u>	<u> </u>
<u>\$ 474,871</u>	<u>\$ 15,142,577</u>

TOWN OF EAGLE, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2020

TOTAL GOVERNMENTAL FUND BALANCES \$ 13,437,168

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

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

Governmental Capital Assets	\$ 67,122,500	
Less Accumulated Depreciation	<u>(30,701,209)</u>	36,421,291

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

Accrued Interest on Long-term Liabilities	\$ (18,328)	
Current Portion of Long-term Liabilities	<u>(145,879)</u>	(164,207)

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

Compensated Absences	\$ (128,891)	
Bonds Payable, Net of Premium	<u>(5,454,638)</u>	<u>(5,583,529)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 44,110,723

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	General Fund	Capital Projects Fund	Sales Tax Capital Imprvmt Projects Fund
<u>Revenues:</u>			
Local Taxes and Assessments	\$ 7,135,677	\$ 495,929	\$ 743,105
Licenses and Permits	401,892	-	-
Intergovernmental	550,637	-	-
Charges for Services	219,750	-	-
Fines, Forfeits and Penalties	48,733	-	-
Information Center Sales	7,755	-	-
Interest	42,390	37,195	6,350
Miscellaneous	<u>713,981</u>	-	-
 Total Revenues	 <u>9,120,815</u>	 <u>533,124</u>	 <u>749,455</u>
<u>Expenditures:</u>			
Town Council	138,965	-	-
General Government	422,110	96,239	34,018
General Administration	597,749	-	-
Community Development	817,929	-	-
Municipal Court	68,576	-	-
Public Safety	1,872,276	141,550	-
Public Works – Streets	1,518,842	67,213	-
Public Works – Bldg & Grounds	694,267	231,295	-
Information Center	30,621	-	-
Marketing	170,269	-	-
Engineering	206,711	-	-
Open-Space Preservation	-	-	-
Debt Service:			
Principal	-	-	95,000
Interest	-	-	223,737
Capital Projects	<u>-</u>	<u>181,013</u>	<u>9,118</u>
 Total Expenditures	 <u>6,538,315</u>	 <u>717,310</u>	 <u>361,873</u>
 Excess Revenues Over (Under) Expenditures	 2,582,500	 (184,186)	 387,582
<u>Other Financing Sources (Uses):</u>			
Transfers in from Other Funds	95,641	-2,230,000	-
Transfers (to) from Other Funds	<u>(2,230,000)</u>	<u>(95,641)</u>	<u>-</u>
 Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	 448,141	 1,950,173	 387,582
 Fund Balances – Beginning	 <u>4,445,369</u>	 <u>5,024,966</u>	 <u>709,162</u>
 Fund Balances – Ending	 <u>\$ 4,893,510</u>	 <u>\$ 6,975,139</u>	 <u>\$ 1,096,744</u>

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

Non-Major Special Revenue Funds	Total Governmental Funds
\$ 103,331	\$ 8,478,042
-	401,892
43,415	594,052
-	219,750
-	48,733
-	7,755
3,001	88,936
<u>500</u>	<u>714,481</u>
<u>150,247</u>	<u>10,553,641</u>
 -	138,965
-	552,367
-	597,749
-	817,929
-	68,576
-	2,013,826
-	1,586,055
-	925,562
-	30,621
-	170,269
-	206,711
80,153	80,153
 -	95,000
-	223,737
<u>-</u>	<u>190,131</u>
<u>80,153</u>	<u>7,697,651</u>
 70,094	2,855,990
 -	2,325,641
<u>-</u>	<u>(2,325,641)</u>
 70,094	2,855,990
<u>401,681</u>	<u>10,581,178</u>
<u>\$ 471,775</u>	<u>\$ 13,437,168</u>

TOWN OF EAGLE, COLORADO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2020

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 2,855,990

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

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

Capital Outlay	\$ 478,505	
Depreciation	<u>(2,339,337)</u>	(1,860,832)

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

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

(34,202)

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

46,671

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

Current Debt Proceeds, Net of Premium	\$ -	
Current Period Debt Repayment	<u>95,000</u>	<u>95,000</u>

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,102,944

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

TOWN OF EAGLE, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Business-Type Activities Enterprise Funds			
	Water Fund	Wastewater Fund	Refuse Fund	Total
ASSETS:				
Current Assets:				
Cash and Investments	\$ 10,841,196	\$ 6,799,289	\$ 296,750	\$ 17,937,235
Restricted Cash and Investments	6,769,006	310,899	-	7,079,905
Accounts Receivable, Net	251,049	254,575	52,952	558,576
Intergovernmental Receivable	-	-	-	-
Inventory	8,130	-	-	8,130
Prepaid Expense	56,197	367	366	56,930
Total Current Assets	<u>17,925,578</u>	<u>7,365,130</u>	<u>350,068</u>	<u>25,640,776</u>
Non-Current Assets:				
Capital Assets, Net	<u>46,277,862</u>	<u>16,070,326</u>	<u>30,879</u>	<u>62,379,067</u>
Total Non-Current Assets	<u>46,277,862</u>	<u>16,070,326</u>	<u>30,879</u>	<u>62,379,067</u>
Total Assets	<u><u>\$ 64,203,440</u></u>	<u><u>\$ 23,435,456</u></u>	<u><u>\$ 380,947</u></u>	<u><u>\$ 88,019,843</u></u>
LIABILITIES AND NET POSITION:				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 870,176	\$ 86,363	\$ 51,692	\$ 1,008,231
Retainage Payable	1,093,722	-	-	1,093,722
Accrued Liabilities	91,951	87,701	-	179,652
Unearned Revenues	-	230,311	42,317	272,628
Unearned Grant Revenues	-	-	-	-
Current Maturities of Long-term Debt, Net	920,815	736,549	-	1,657,364
Total Current Liabilities	<u>2,976,664</u>	<u>1,140,924</u>	<u>94,009</u>	<u>4,211,597</u>
Non-Current Liabilities:				
Compensated Absences	32,118	24,217	-	56,335
Notes Payable, Net of Premium	14,997,221	6,363,362	-	21,360,583
Bonds Payable	775,239	-	-	775,239
Total Non-Current Liabilities	<u>15,804,578</u>	<u>6,387,579</u>	<u>-</u>	<u>22,192,157</u>
Total Liabilities	<u><u>18,781,242</u></u>	<u><u>7,528,503</u></u>	<u><u>94,009</u></u>	<u><u>26,403,754</u></u>
Net Position:				
Invested in Capital Assets,				
Net of Related Debt	30,203,013	8,896,702	30,879	39,130,594
Restricted for Debt Service	814,511	310,899	-	1,125,410
Unrestricted	14,404,674	6,699,352	256,059	21,360,085
Total Net Position	<u>45,422,198</u>	<u>15,906,953</u>	<u>286,938</u>	<u>61,616,089</u>
Total Liabilities and Net Position	<u><u>\$ 64,203,440</u></u>	<u><u>\$ 23,435,456</u></u>	<u><u>\$ 380,947</u></u>	<u><u>\$ 88,019,843</u></u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	Business-Type Activities Enterprise Funds			
	Water Fund	Wastewater Fund	Refuse Fund	Total
<u>OPERATING REVENUES:</u>				
Service Fees	\$ 4,506,203	\$ 2,728,957	\$ 621,650	\$ 7,856,810
Meters and Materials	109,641	-	-	109,641
Intergovernmental Operating Grant	<u>14,222</u>	<u>-</u>	<u>-</u>	<u>14,222</u>
TOTAL OPERATING REVENUES	<u>4,630,066</u>	<u>2,728,957</u>	<u>621,650</u>	<u>7,980,673</u>
<u>OPERATING EXPENSES:</u>				
Personnel Services	688,752	522,204	7,486	1,218,442
Supplies	199,612	129,658	33	329,303
Purchased Services	386,760	556,891	594,391	1,538,042
Insurance	60,518	34,842	958	96,318
Noncapitalized Improvements	-	-	-	-
Depreciation	<u>411,074</u>	<u>784,246</u>	<u>980</u>	<u>1,196,300</u>
TOTAL OPERATING EXPENSES	<u>1,746,716</u>	<u>2,027,841</u>	<u>603,848</u>	<u>4,378,405</u>
OPERATING INCOME (LOSS)	<u>2,883,350</u>	<u>701,116</u>	<u>17,802</u>	<u>3,602,268</u>
<u>NON-OPERATING REVENUE (EXPENSE):</u>				
Interest and Earnings on Investments	74,589	39,277	1,707	115,573
Accretion of Debt Premium	31,027	23,528	-	54,555
Insurance Proceeds, Net of Asset Disposition	-	-	-	-
Interest Expense and Fiscal Charges	(387,149)	(236,613)	-	(623,762)
Administrative Fee – General Fund	-	-	<u>(20,000)</u>	<u>(20,000)</u>
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>(281,533)</u>	<u>(173,808)</u>	<u>(18,293)</u>	<u>(473,634)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>2,601,817</u>	<u>527,308</u>	<u>(491)</u>	<u>3,128,634</u>
<u>CAPITAL CONTRIBUTIONS:</u>				
Tap and Improvement Fees	<u>1,750,928</u>	<u>584,000</u>	<u>-</u>	<u>2,334,928</u>
TOTAL CAPITAL CONTRIBUTIONS	<u>1,750,928</u>	<u>584,000</u>	<u>-</u>	<u>2,334,928</u>
<u>TRANSFERS:</u>				
Transfers In (Out)	-	-	-	-
CHANGE IN NET POSITION	4,352,745	1,111,308	(491)	5,463,562
FUND NET POSITION - BEGINNING	<u>41,069,453</u>	<u>14,795,645</u>	<u>287,429</u>	<u>56,152,527</u>
FUND NET POSITION - ENDING	<u>\$ 45,422,198</u>	<u>\$ 15,906,953</u>	<u>\$ 286,938</u>	<u>\$ 61,616,089</u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	Business-Type Activities Enterprise Funds			
	Water Fund	Wastewater Fund	Refuse Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 4,614,877	\$ 2,729,750	\$ 624,427	\$ 7,969,054
Cash Received from Intergovernmental Grants	14,222	-	-	14,222
Cash Payments for Personnel Services	(676,246)	(511,361)	(7,486)	(1,195,093)
Cash Payments for Goods and Services	<u>(669,010)</u>	<u>(748,090)</u>	<u>(591,622)</u>	<u>(2,008,722)</u>
NET CASH PROVIDED OPERATING ACTIVITIES	<u>3,283,843</u>	<u>1,470,299</u>	<u>25,319</u>	<u>4,779,461</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Inter-fund Administrative Fees – General Fund	-	-	(20,000)	(20,000)
NET CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Tap and Improvement Fees/Plant Investment Fees	1,750,928	584,000	-	2,334,928
Insurance Proceeds	-	-	-	-
Acquisition and Construction of Capital Assets	(12,268,289)	(344,993)	-	(12,613,282)
Principal Paid on Long-Term Debt	(880,374)	(695,563)	-	(1,575,937)
Interest Paid on Long-Term Debt	<u>(393,214)</u>	<u>(244,707)</u>	<u>-</u>	<u>(637,921)</u>
NET CASH PROVIDED FROM CAPITAL FINANCING ACTIVITIES	<u>(11,790,949)</u>	<u>(701,263)</u>	<u>-</u>	<u>(12,492,212)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Investments	74,589	39,277	1,707	115,573
NET CASH PROVIDED FROM INVESTING ACTIVITIES	<u>74,589</u>	<u>39,277</u>	<u>1,707</u>	<u>115,573</u>
NET INCREASE (DECREASE) IN CASH CASH AT BEGINNING OF YEAR	(8,432,517)	808,313	7,026	(7,617,178)
CASH AT END OF YEAR	<u>26,042,719</u>	<u>6,301,875</u>	<u>289,724</u>	<u>32,634,318</u>
	<u>\$ 17,610,202</u>	<u>\$ 7,110,188</u>	<u>\$ 296,750</u>	<u>\$ 25,017,140</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 2,883,350	\$ 701,116	\$ 17,802	\$ 3,602,268
Non-Cash Expenses Included in Operating Income – Depreciation	411,074	784,246	980	1,196,300
Change in Assets and Liabilities – Decrease (Increase) Receivables/Grants Rec'ble	13,255	(13,742)	4,943	4,456
Decrease (Increase) in Inventory	-	-	-	-
Decrease (Increase) in Prepaid Expense	828	-	-	828
Increase (Decrease) in Unearned Revenues/Grants	(14,222)	14,535	(2,166)	(1,853)
Increase (Decrease) in Accrued Payroll/Payables	<u>(10,442)</u>	<u>(15,856)</u>	<u>3,760</u>	<u>(22,538)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,283,843</u>	<u>\$ 1,470,299</u>	<u>\$ 25,319</u>	<u>\$ 4,779,461</u>

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Accounting

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

GOVERNMENTAL FUNDS

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

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Sales Tax Capital Improvement Projects Fund – The Sales Tax Capital Improvement Projects Fund is used to account for the Town's ½% municipal sales tax securing and funding capital projects debt service for the Town's 2016 sales tax revenue bonds.

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

PROPRIETARY FUNDS

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

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

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

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Budgets and Budgetary Accounting

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

Budget Calendar

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

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

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Cash and Investments

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

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

G. Capital Assets/Depreciation

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

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

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

H. Customer Accounts Receivable

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. Property Taxes Receivable and Deferred Inflows

Property taxes are levied on December 15, and attach as a lien on property the following January 1, and are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and payable the following year are reported as a receivable at December 31, net of an estimated uncollectible portion. However, since the taxes are not available to pay current liabilities, the net receivables are recorded as a deferred inflow of resources. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2019 were collected in 2020 and taxes certified in 2020 will be collected in 2021. Taxes are due on January 1st; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

J. Proprietary Funds – Unearned Revenue

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

K. Proprietary Funds – Operating Revenues and Expenses

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

L. Proprietary Funds – Contributed Capital

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

M. Inter-fund Transactions

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

N. Internal Balances

During the year, the Town may have transactions between funds to finance operations, provide services, and allocate combined cash balances. To the extent transactions or budget transfers between funds have not been paid or received as of year-end, inter-fund balances receivable or payable are recorded. Any inter-fund balances that exist within governmental activities are eliminated on the government-wide statement of net position. At December 31, 2020 there were no outstanding internal inter-fund balances.

O. Compensated Absences

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

P. Net Position and Fund Balances

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

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

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

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

P. Net Position and Fund Balances - continued

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

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

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

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Town Council). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts. Special revenue resources in the Open Space Preservation Fund are committed for the acquisition of open space lands, conservation and trail easements and development rights.

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

Unassigned – the residual for the general fund.

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Q. Use of Estimates

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

R. Fair Values of Financial Instruments

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

NOTE 2 - CASH AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - CASH AND INVESTMENTS - continued

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

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

Local Government Investment Pool (ColoTrust)

As of December 31, 2020 the Town had invested \$30,624,069 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. As of December 31, 2020, the Town had \$0 invested in COLOTRUST PRIME, and \$30,624,069 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - CASH AND INVESTMENTS – continued

Total Cash and Cash Equivalents

In order to facilitate the recording of cash transactions and maximize interest earnings, the Town has pooled cash deposits for all funds. The Town maintains accountability for each fund's equity in pooled cash and investments. Interest earnings for combined funds are generally distributed based on monthly cash balances. A summary of the Town's cash and cash equivalents at December 31, 2020 are classified below:

Checking/Savings	\$ 1,336,952
CWRPDA Project and Reserve Accounts	6,769,006
Local Government Investment Pool	<u>30,624,069</u>
Total Balances	38,730,27
Net Outstanding Items	<u>(164,554)</u>
Total Cash and Cash Equivalents	<u><u>\$ 38,565,473</u></u>

Of the above cash and cash equivalents, a total of \$13,548,333 is in governmental activities and \$25,017,140 in business-type activities.

The Town's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute, and had bank balances of \$1,336,952 of which \$250,000 was covered by FDIC insurance and \$1,086,952 by PDPA described above.

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

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Colotrust (Local Govt Investment Pool)	\$ 30,624,069	AAAm	Standard & Poors

Risk Disclosures

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

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

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

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - CASH AND INVESTMENTS – continued

Risk Disclosures - continued

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The Town maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows. There were no investments subject to interest rate risk disclosure as of December 31, 2020.

The Town was not subject to foreign currency risk as of December 31, 2020.

NOTE 3 - RESTRICTED CASH

The General Fund has a restricted deposit escrow and performance guarantee account for the Haymeadow development held at Colotrust.

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

The Sales Tax Capital Improvement Projects Fund has restricted balances for accumulated capital improvements liabilities and debt service reserves related to the Town's 2016 Sales Tax Revenue Bonds.

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

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

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

TOWN OF EAGLE, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2020 follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>01/01/20</u>	<u>Additions</u>	<u>Dispositions/ Reclassif.</u>	<u>Balances 12/31/20</u>
Non-depreciable Assets:				
Land and Easements	\$ 4,079,568	\$ -	\$ -	\$ 4,079,568
Construction in Progress	7,154,629	137,679	(7,053,147)	239,161
Depreciable Capital Assets:				
Park/Land Improvements	3,795,408	7,053,147	-	10,848,555
Buildings/Improvements	5,096,898	-	-	5,096,898
Rec Center/Pool/Ice Rink	5,235,122	-	-	5,235,122
Equipment	3,627,566	340,826	(222,502)	3,745,890
Infrastructure	37,877,306	-	-	37,877,306
Total at Historical Cost	66,866,497	7,531,652	(7,275,649)	67,122,500
<i>Less Accumulated Depreciation</i>	<u>(28,584,374)</u>	<u>(2,339,337)</u>	<u>222,502</u>	<u>(30,701,209)</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 38,282,123</u>	<u>\$ 5,192,315</u>	<u>\$ (7,053,147)</u>	<u>\$ 36,421,291</u>

For the fiscal year ending December 31, 2020, depreciation expense for governmental activities was recorded on the statement of activities as follows:

General Government	\$ 218,574
Public Safety	58,674
Public Works – Streets	149,483
Public Works – Buildings/Grounds	62,911
Open Space	1,459
Unallocated Depreciation	<u>1,848,236</u>
Total Governmental Depreciation	<u>\$ 2,339,337</u>

<u>BUSINESS-TYPE ACTIVITIES</u>	<u>Balances 01/01/20</u>	<u>Additions</u>	<u>Dispositions/ Reclassif.</u>	<u>Balances 12/31/20</u>
Non-depreciable Assets:				
Land and Easements	\$ 377,733	\$ -	\$ -	\$ 377,733
Water Rights	9,144,376	-	-	9,144,376
Construction in Progress	14,086,618	544,938	-	14,631,556
Depreciable Capital Assets:				
Buildings/Improvements	128,951	-	-	128,951
Equipment	426,206	-	(24,187)	402,019
Infrastructure-Plant/Facility	427,399	-	-	427,399
Infrastructure-Utility System	43,178,077	12,068,344	-	55,246,421
Total at Historical Cost	67,769,360	12,613,282	(24,187)	80,358,455
<i>Less Accumulated Depreciation</i>	<u>(16,807,275)</u>	<u>(1,196,300)</u>	<u>24,187</u>	<u>(17,979,388)</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$50,962,085</u>	<u>\$11,416,982</u>	<u>\$ -</u>	<u>\$ 62,379,067</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 - CAPITAL ASSETS - continued

For the fiscal year ending December 31, 2020, depreciation expense for business-type activities was recorded on the statement of activities as follows:

Water Utility	\$ 411,074
Wastewater Utility	784,246
Refuse Utility	<u>980</u>
Total Business-type Depreciation	<u>\$ 1,196,300</u>

NOTE 5 - LONG-TERM OBLIGATIONS

Changes in long-term obligations during fiscal year ended December 31, 2020 follows:

GOVERNMENTAL ACTIVITIES	Balances				Balances	Amounts Due Within One Year
	01/01/20	Additions	Reductions	12/31/20		
Bonds						
Series 2016	\$ 4,930,000	\$ -	\$ (95,000)	\$ 4,835,000	\$ 100,000	
'16 Premium	812,188	-	(46,671)	765,517	45,879	
Compensated Absences -	<u>94,689</u>	<u>135,884</u>	<u>(101,682)</u>	<u>128,891</u>	<u>-</u>	
GOVERNMENTAL LONG-TERM OBLIGATIONS	<u>\$ 5,836,877</u>	<u>\$ 135,884</u>	<u>\$ (243,353)</u>	<u>\$ 5,729,408</u>	<u>\$ 145,879</u>	

BUSINESS-TYPE ACTIVITIES	Balances				Balances	Amounts Due Within One Year
	01/01/20	Additions	Reductions	12/31/20		
Notes Payable						
'79 CWCB Loan	\$ 11,311	\$ -	\$ (11,311)	\$ -	\$ -	
'07 CWRPDA	6,770,412	-	(633,204)	6,137,208	649,408	
'07 Premium	211,752	-	(23,528)	188,224	23,528	
'11 CWRPDA	836,838	-	(62,359)	774,479	63,613	
'18 CWRPDA	16,026,200	-	(633,320)	15,392,880	648,043	
'18 Premium	312,580	-	(31,027)	281,553	29,169	
Bonds						
Series 2013P	1,255,396	-	(236,554)	1,018,842	243,603	
Compensated Absences -	<u>42,325</u>	<u>44,509</u>	<u>(30,499)</u>	<u>56,335</u>	<u>-</u>	
BUSINESS-TYPE LONG-TERM OBLIGATIONS	<u>\$25,466,814</u>	<u>\$ 44,509</u>	<u>\$ (1,661,802)</u>	<u>\$ 23,849,521</u>	<u>\$ 1,657,364</u>	

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS - continued

GOVERNMENTAL ACTIVITIES – LONG-TERM OBLIGATIONS

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

Bonds Payable:

2016 Series Sales Tax Revenue Bonds:

Sales Tax Revenue Bonds were issued on September 9, 2016 in the original amount of \$5,200,000, plus a premium of \$967,936. The interest rate varies from 4.00% to 5.00%, payable semi-annually on June 1 and December 1, principal payable December 1. The bonds were issued to: (i) acquire, develop and construct a river park in the town; (ii) improve, construct and maintain the Town's parks, multi-use recreational facilities and paved paths; (iii) fund the initial deposit to the bond reserve account; and (iv) pay costs of issuance in connection with the issuance of the bonds. The Bonds constitute special, limited obligations of the Town payable solely from "pledged revenues" consisting of proceeds derived by the Town from voter approved sales taxes at a rate of one-half of one percent (0.5%). The total outstanding balance at December 31, 2020 is \$4,835,000. The Town's Sales Tax Capital Improvement Projects Fund is being used to collect sales taxes and pay debt service on the Bonds. The annual requirements to amortize principal and interest on the bonds are as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$ 100,000	\$ 219,938	\$ 319,938
2022	105,000	215,937	320,937
2023	110,000	211,738	321,738
2024	115,000	207,337	322,337
2025	120,000	202,738	322,738
2026-2030	675,000	937,687	1,612,687
2031-2035	815,000	787,588	1,602,588
2036-2040	1,030,000	570,712	1,600,712
2041-2045	1,300,000	301,388	1,601,388
2046	465,000	14,725	479,725
	<u>\$ 4,835,000</u>	<u>\$ 3,669,788</u>	<u>\$ 8,504,788</u>

The premium on the 2016 Series Bonds is being accreted over the term of the bond as a percentage of annual interest which approximates accretion at the effective interest rate. Total current year premium accretion of \$46,671 is included in governmental activities interest and fiscal charges on long-term debt. The net outstanding premium at December 31, 2020 is \$765,517.

Accrued Liabilities – Compensated Absences

Accrued liabilities for compensated absences consist of the accrual for vacation time earned by the Town's employees but not taken by December 31, 2020. Total accrued compensated absences as of year-end for governmental activities were \$128,891.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS

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

Notes Payable:

1979 CWCB Loan

Water storage tank loan issued on October 1, 1979 in the original amount of \$245,950, payable to the Colorado Water Conservation Board in annual installments of \$10,815 through 2020 at 3.00%. The loan was carried in the Water Fund. The final remaining principal balance was paid in full during 2020; therefore there is no remaining obligation as of December 31, 2020.

2007 CWRPDA Loan

The Town entered into a water pollution control revolving fund loan agreement with the Colorado Water Resources and Power Development Authority dated May 31, 2007 in the original amount of \$11,505,912 plus a premium of \$494,088 for the purpose of expansion of the extended aeration activated sludge plant conversion to a conventional activated sludge process. The loan is a 21-year leveraged loan that carries an interest rate of 3.5% and is payable in 43 semi-annual installments February 1 and August 1. The total outstanding balance at December 31, 2020 is \$6,137,208. The loan is carried in the Wastewater Fund. The loan has a total annual administrative fee payable of \$92,047 through 2026, \$57,530 in 2027 and \$23,012 in 2028. Annual requirements to amortize principal and interest on the loan are as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$ 649,440	\$ 175,339	\$ 824,779
2022	703,560	155,499	859,059
2023	725,208	134,005	859,213
2024	746,856	111,851	858,707
2025	768,504	89,034	857,538
2026-2028	<u>2,543,640</u>	<u>128,324</u>	<u>2,671,964</u>
	<u><u>\$ 6,137,208</u></u>	<u><u>\$ 794,052</u></u>	<u><u>\$ 6,931,260</u></u>

The premium on the 2007 CWRPDA Note is being accreted annually at an equal rate over the term of the note which does not differ materially from the effective interest rate. Total current year premium accretion of \$23,528 is included in the business-type activities wastewater utility function. The net outstanding premium at December 31, 2020 is \$188,224.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Notes Payable - continued:

2007 CWRPDA Loan - continued

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

<u>Year Ended December 31,</u>	<u>Anticipated Savings</u>
2021	\$ 55,326
2022	58,711
2023	57,778
2024	58,020
2025	54,664
2026-2028	<u>171,099</u>
	<u><u>\$ 455,598</u></u>

2011 CWRPDA Loan

The Town entered into a water pollution control revolving fund loan agreement with the Colorado Water Resources and Power Development Authority dated January 21, 2011, in the original amount of \$1,288,966 for rehabilitation of the downtown wastewater collection system. The loan is a 20-year loan that carries an interest rate of 2.0% and is payable in 40 semi-annual installments (beginning May 1, 2012) on May 1 and November 1. The total outstanding balance at December 31, 2020 is \$774,479. The loan is carried in the Wastewater Fund. The loan has a total annual administrative fee payable as indicated below.

2021	\$ 10,000
2022	8,000
2023	7,000
2024	6,000
2025	4,500
2026-2030	8,235
2031	<u>-</u>
	<u><u>\$ 43,735</u></u>

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 63,613	\$ 5,173	\$ 68,786
2022	64,891	5,894	70,785
2023	66,196	5,590	71,786
2024	67,526	5,260	72,786
2025	68,883	5,402	74,285
2026-2030	365,750	19,944	385,694
2031	<u>77,620</u>	<u>1,166</u>	<u>78,786</u>
	<u><u>\$ 774,479</u></u>	<u><u>\$ 48,429</u></u>	<u><u>\$ 822,908</u></u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Notes Payable - continued:

2018 CWRPDA Loan

The Town entered into a drinking water revolving fund loan agreement with the Colorado Water Resources and Power Development Authority dated May 1, 2018, in the original amount of \$16,841,882 for construction of the new Lower Basin Water Treatment Plant, transmission line, and associated project components. The loan is a 22-year loan that carries an interest rate ranging from 2.5% to 5.0% and is payable in 45 semi-annual installments (beginning August 1, 2018) on August 1 and February 1. The total outstanding balance at December 31, 2020 is \$15,392,880. The loan is carried in the Water Fund. The loan has a total annual administrative fee payable as indicated below.

2021	\$ 168,419
2022	168,419
2023	168,419
2024	168,419
2025	168,419
2026-2030	842,094
2031-2035	724,201
2035-2040	<u>319,996</u>
	<u><u>\$ 2,728,836</u></u>

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

Year Ended <u>December 31,</u>	Principal	Interest	Total
2021	\$ 648,043	\$ 175,850	\$ 823,893
2022	653,299	168,850	822,149
2023	659,649	161,850	821,499
2024	669,583	154,975	824,558
2025	680,928	141,225	822,153
2025-2029	3,600,199	516,425	4,116,624
2030-2034	3,952,866	272,950	4,225,816
2035-2040	<u>4,528,313</u>	<u>105,244</u>	<u>4,633,557</u>
	<u><u>\$ 15,392,880</u></u>	<u><u>\$ 1,697,369</u></u>	<u><u>\$ 17,090,249</u></u>

The premium on the 2018 CWRPDA Note is being accreted annually based on annual interest amortization over the term of the note which does not differ materially from the effective interest rate. Total current year premium accretion of \$31,027 is included in the business-type activities water utility function. The net outstanding premium at December 31, 200 is \$281,553.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS - continued

BUSINESS-TYPE ACTIVITIES – LONG-TERM OBLIGATIONS - continued

Bonds Payable:

2013 Series Water Enterprise Revenue Refunding Bond:

Water Enterprise Revenue Refunding Bonds were issued July 26, 2013 in the amount of \$2,605,868 in order to refund the Town's 2004 Series Water Enterprise Revenue Bonds in the amount of \$2,555,000 plus bond issue costs of \$34,029 and accrued interest of \$16,839. The refunding did not result in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,555,000. The Town completed the refunding to reduce its total debt service payments through December 1, 2024 by \$192,803 and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$182,301. The net effective interest rate is 2.98%, payable semi-annually on June 1 and December 1, principal payable December 1, with final maturity December 1, 2024. The 2013 Bond does not constitute a general obligation of the Town and is a special, limited obligation of the Town, with the principal and interest payable solely from net revenues of the Town's water system. The Series 2013 Bond is subject to optional redemption, in whole, at 100% of the principal amount to be redeemed plus accrued interest to the redemption date. The total outstanding balance at December 31, 2020 is \$1,018,842. The Bonds are carried in the Water Fund. The Series 2013 Bond is subject to mandatory sinking fund redemption from sinking fund principal and interest installments as follows:

Year Ended <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 243,603	\$ 30,362	\$ 273,965
2022	250,863	23,102	273,965
2023	258,339	15,626	273,965
2024	266,037	7,928	273,965
	<u>\$ 1,018,842</u>	<u>\$ 77,018</u>	<u>\$ 1,095,860</u>

Accrued Liabilities – Compensated Absences

Compensated absences consist of the accrual for vacation time earned by the Town's employees but not taken by December 31, 2020. Total accrued compensated absences as of year-end for business-type activities were \$56,335.

TOWN OF EAGLE, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020

NOTE 6 - DEFINED CONTRIBUTION PLAN

The Town of Eagle provides a defined contribution pension plan for full time employees adopted as a prototype money purchase plan. Pension expense is recognized in accrual-based financial statements equal to the contributions and/or credits that the terms of the plan require in return for employee service in that year, as reduced by forfeitures under the plan. The Town contributes 6% of gross payroll per eligible employee annually to this plan, plus an additional matching contribution of 1% for contributing employees. There are no forfeiture provisions from employee accounts under the plan beyond vesting as described in the following paragraph.

Total covered payroll for the year subject to participation was \$2,426,497 compared to total payroll of \$3,417,748. The Town's retirement contribution for the year ended December 31, 2020 was \$169,855. All employees are vested at 20% per year of service and are 100% vested after 5 years of service. There was no outstanding employer liability at year-end.

NOTE 7 - PROPRIETARY FUND BUDGETS

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

	<u>WATER ENTERPRISE FUND</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
			Favorable
Revenues:			
GAAP Operating Revenues	\$ 4,559,900	\$ 4,630,066	\$ 70,166
GAAP Non-Operating Revenues	75,520	105,616	30,096
GAAP Capital Contributions	1,569,750	1,750,928	181,178
Less: Accretion of Debt Premium	-	(31,027)	(31,027)
Total Budgetary Revenues	6,205,170	6,455,583	250,413
Expenses:			
GAAP Operating Expenses	1,645,345	1,746,716	(101,371)
GAAP Non-Operating Expenses	393,195	387,149	6,046
Add: Debt Service Principal	880,374	880,374	-
Add: Capital Outlay	14,401,220	12,268,289	2,132,931
Change In: Accrued Interest	-	5,254	(5,254)
Change In: Vacation/Comp Time	-	11,633	(11,633)
Less: Depreciation & Amortization	-	(411,074)	411,074
Total Budgetary Expenditures	17,320,134	14,888,341	2,431,793
Net Income (Loss)-Budgetary	<u>\$(11,114,964)</u>	<u>\$ (8,432,758)</u>	<u>\$ 2,682,206</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - PROPRIETARY FUND BUDGETS - continued

<u>WASTEWATER ENTERPRISE FUND</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:			
GAAP Operating Revenues	\$ 2,716,000	\$ 2,728,957	\$ 12,957
GAAP Non-Operating Revenues	40,815	62,805	21,990
GAAP Capital Contributions	550,000	584,000	34,000
Add: Net Book Value of Asset Disp	-	200,440	200,440
Less: Accretion of Bond Premium	-	(23,528)	(23,528)
Total Budgetary Revenues	<u>3,306,815</u>	<u>3,552,674</u>	<u>245,859</u>
Expenses:			
GAAP Operating Expenses	1,451,106	2,027,841	(576,735)
GAAP Non-Operating Expenses	244,707	236,613	8,094
Add: Debt Service Principal	695,563	695,563	-
Add: Capital Outlay	410,000	344,993	65,007
Change In: Accrued Interest	-	8,094	(8,094)
Change In: Vacation/Comp Time	-	13,864	(13,864)
Less: Depreciation	-	(784,246)	784,246
Total Budgetary Expenditures	<u>2,801,376</u>	<u>2,542,722</u>	<u>258,654</u>
Net Income (Loss)-Budgetary	<u>\$ 505,439</u>	<u>\$ 1,009,952</u>	<u>\$ 504,513</u>

<u>REFUSE ENTERPRISE FUND</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:			
GAAP Operating Revenues	\$ 619,103	\$ 621,650	\$ 2,547
GAAP Non-Operating Revenues	1,725	1,707	(18)
Total Budgetary Revenues	<u>620,828</u>	<u>623,357</u>	<u>2,529</u>
Expenses:			
GAAP Operating Expenses	623,091	603,848	19,243
GAAP Non-Operating Expenses	20,000	20,000	-
Less: Depreciation	-	(980)	980
Total Budgetary Expenditures	<u>643,091</u>	<u>622,868</u>	<u>20,223</u>
Net Income (Loss)-Budgetary	<u>\$ (22,263)</u>	<u>\$ 489</u>	<u>\$ 22,752</u>

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 - RISK MANAGEMENT

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

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

The Town has established a partially self-funded health insurance plan to provide medical and dental benefits to eligible employees. A third party stop-loss provider has been contracted to provide coverage for claims in excess of \$25,000 per plan participant and up to an aggregate of 125% of anticipated claims for the year. The Town is responsible for the payment of stop-loss premiums as well as the claims up to \$25,000 per participant.

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

NOTE 9 - CONTINGENCIES

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. Management and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2020.

NOTE 10 - POST-EMPLOYMENT HEALTHCARE COVERAGE

The Town provides post-employment healthcare coverage as an employee benefit for eligible retirees. To be eligible, retirees must have 1) a hire date prior to January 1, 1991; and 2) twenty (20) years of service with the Town of Eagle and be sixty (60) years of age; or 3) thirty (30) years of service with the Town of Eagle and be fifty-five (55) years of age. This benefit ends when the retiree becomes eligible for Medicare. The plan is funded on a pay as you go basis, with payments charged to the fund most applicable to the retiree's former position. As of December 31, 2020 there are no material amounts for eligible retirees receiving post-employment healthcare coverage benefits; therefore, there is no Other Postemployment Benefit (OPEB) annual cost or net OPEB obligation reflected in the accompanying financial statements.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 11 - INTERGOVERNMENTAL AGREEMENTS

Eagle Pool and Ice Rink

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

NOTE 12 - EMPLOYEE HOME OWNERSHIP PROGRAM

In 2008, the Town approved an Employee Home Ownership Program (EHOP) to provide for primary residence down payment loan assistance. Regular full-time permanent employees with at least 18 months of service with the Town may be eligible for up to 20% of the purchase price or \$50,000, whichever is less. The employee must make a minimum contribution towards the purchase price and related settlement charges equal to \$3,000. Interest shall not accrue provided employment has been maintained through the loan term. In the event of loss of eligibility or default under terms of the Promissory Note and Deed of Trust, interest shall be applied retroactive to the original note date. In 2017, the Town modified EHOP to include regular full-time permanent employees with at least 6 months of service with the Town. Employees may be eligible for loans up to \$15,000. Loans will be payable monthly, immediately upon receiving the loan over the 15-year term. Loans will carry an interest rate established at the time of the loan and dependent upon the sum of the loan. As of December 31, 2020, two employees are currently enrolled in this program with remaining balances. Total notes receivable in the total amount of \$22,849 and available repaid balances of \$136,274 held by the program are recorded in the General Fund.

NOTE 13 - COMPLIANCE

- A. The Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511) addresses accounting for proceeds from the seizure of contraband. These funds must be used for the specific purpose of law enforcement activities. While these proceeds are exempt from the appropriation process, they are subject to the Local Government Audit Law (C.R.S. 29-1-601 to 608). For the year ended December 31, 2020 no such proceeds were received by the Town and as such are not included in the Town's audited financial statements.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 13 - COMPLIANCE-continued

B. According to the loan agreements dated January 1, 2011, and May 1, 2018, the Town of Eagle covenants to:

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

As of December 31, 2020, the Town believes it is in compliance with the loan covenants.

NOTE 14 - TAX, SPENDING AND DEBT LIMITATION

TABOR Amendment – Revenue and Spending Limitation Agreement

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

The initial base for local government spending and revenue limits was June 30, 1993 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic condition, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The required reserve at December 31, 2020 is \$211,500 as reflected in the General Fund.

TOWN OF EAGLE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 14 - TAX, SPENDING AND DEBT LIMITATION-continued

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

NOTE 15 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2020 through the issuance date of this report.

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

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

REQUIRED SUPPLEMENTAL INFORMATION

GENERAL & SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULES

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local Taxes and Assessments	\$ 5,448,659	\$ 6,746,342	\$ 7,135,677	\$ 389,335
Licenses and Permits	295,300	362,160	401,892	39,732
Intergovernmental	657,752	542,586	550,637	8,051
Charges for Services	312,231	202,750	219,750	17,000
Fines, Forfeits and Penalties	85,000	77,800	48,733	(29,067)
Information Center Sales	-	7,755	7,755	-
Interest	100,000	41,105	42,390	1,285
Miscellaneous – Rental Income	15,600	15,600	19,427	3,827
Miscellaneous – Local Grants	130,862	386,211	178,093	(208,118)
Miscellaneous – Other	75,000	482,045	20,659	(461,386)
Total Revenues	7,120,404	8,864,354	8,625,013	(239,341)
<u>Expenditures:</u>				
Town Council	111,281	141,622	138,965	2,657
General Government	433,328	425,589	422,110	3,479
General Administration	682,373	638,913	597,749	41,164
Community Development	1,025,330	903,587	817,929	85,658
Municipal Court	84,110	82,942	68,576	14,366
Public Safety	2,061,530	2,068,448	1,872,276	196,172
Public Works – Streets	1,550,839	1,603,529	1,518,842	84,687
Public Works – Buildings & Grounds	763,681	785,634	694,267	91,367
Information Center	43,739	36,906	30,621	6,285
Marketing	345,953	210,655	170,269	40,386
Engineering	255,724	224,841	206,711	18,130
Total Expenditures	7,357,888	7,122,666	6,538,315	584,351
Excess Revenues Over (Under) Expenditures	(237,484)	1,741,688	2,086,698	345,010
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	95,641	95,641	-
Transfers (Out)	(730,000)	(2,230,000)	(2,230,000)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(967,484)	(392,671)	(47,661)	345,010
Fund Balances – Beginning	3,188,090	4,445,369	3,370,972	(1,074,397)
Fund Balances – Ending	<u>\$ 2,220,606</u>	<u>\$ 4,052,698</u>	<u>\$ 3,323,311</u>	<u>\$ (729,387)</u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CONSERVATION TRUST FUND
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Intergovernmental Interest	\$ 33,785 1,200	\$ 33,785 640	\$ 35,753 595	\$ 1,968 (45)
Total Revenues	<u>34,985</u>	<u>34,425</u>	<u>36,348</u>	<u>1,923</u>
<u>Expenditures:</u>				
Capital Projects	<u>35,000</u>	-	-	-
Total Expenditures	<u>35,000</u>	-	-	-
Excess Revenues Over (Under) Expenditures	(15)	34,425	36,348	1,923
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(15)	34,425	36,348	1,923
Fund Balances – Beginning	<u>69,664</u>	<u>75,692</u>	<u>75,692</u>	<u>-</u>
Fund Balances – Ending	<u>\$ 69,649</u>	<u>\$ 110,117</u>	<u>\$ 112,040</u>	<u>\$ 1,923</u>

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

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – OPEN SPACE PRESERVATION
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local Taxes and Assessments	\$ 143,820	\$ 73,000	\$ 103,331	\$ 30,331
Other Revenues	-	500	500	-
Interest	3,000	2,500	2,406	(94)
Intergovernmental	-	-	7,662	7,662
Total Revenues - Budgetary	<u>146,820</u>	<u>76,000</u>	<u>113,899</u>	<u>37,899</u>
<u>Expenditures:</u>				
Open - space Preservation	<u>205,527</u>	<u>107,113</u>	<u>80,153</u>	<u>26,960</u>
Total Expenditures - Budgetary	<u>205,527</u>	<u>107,113</u>	<u>80,153</u>	<u>26,960</u>
Excess Revenues Over (Under) Expenditures	(58,707)	(31,113)	33,746	64,859
<u>Other Financing Sources (Uses):</u>				
Transfers In (Out)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(58,707)	(31,113)	33,746	64,859
Fund Balances-Beginning	<u>276,844</u>	<u>325,989</u>	<u>325,989</u>	<u>-</u>
Fund Balances-Ending	<u>\$ 218,137</u>	<u>\$ 294,876</u>	<u>\$ 359,735</u>	<u>\$ 64,859</u>

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

OTHER SUPPLEMENTAL INFORMATION

GENERAL FUND

TOWN OF EAGLE, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2020

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES & OTHER FINANCING SOURCES:			
TAXES – LOCAL:			
Real Property Taxes	\$ 336,326	\$ 335,665	\$ (661)
Specific Ownership Taxes	16,500	16,701	201
Sales Taxes – General	5,600,000	5,944,840	344,840
Sales Taxes – Marijuana	510,000	512,464	2,464
Severance Tax Refund	516	517	1
Franchise Taxes	210,000	223,192	13,192
Marketing Taxes	73,000	102,298	29,298
TOTAL TAXES - LOCAL	6,746,342	7,135,677	389,335
LICENSES & PERMITS:			
Business and Liquor Licenses	46,050	46,880	830
Marketing Fee	3,860	6,000	2,140
Building and Other Permits	312,250	349,012	36,762
TOTAL LICENSES & PERMITS	362,160	401,892	39,732
INTERGOVERNMENTAL:			
Motor Vehicle License Fee	30,000	32,391	2,391
Highway Users Tax	215,303	221,263	5,960
Cigarette Tax	6,283	6,283	-
Road & Bridge Tax	97,800	100,649	2,849
County Sales Tax	193,000	189,790	(3,210)
Federal Mineral Lease Revenues	200	261	61
Governmental Grants and Contributions	-	-	-
TOTAL INTERGOVERNMENTAL	542,586	550,637	8,051
CHARGES FOR SERVICES:			
Planning and Zoning Fees & Reimbursements	170,000	184,391	14,391
Facility Usage Fees & Deposits	7,250	6,589	(661)
Other Revenues and Reimbursable Income	5,500	8,770	3,270
Administrative Services – Refuse Fund	20,000	20,000	-
TOTAL CHARGES FOR SERVICES	202,750	219,750	17,000
FINES, FORFEITS & PENALTIES – TOTAL			
	77,800	48,733	(29,067)
INFORMATION CENTER SALES – TOTAL			
	7,755	7,755	-
INTEREST INCOME – TOTAL			
	41,105	42,390	1,285
MISCELLANEOUS:			
Rental Income	15,600	19,427	3,827
Local Grants and Contributions	386,211	178,093	(208,118)
Sale of Fixed Assets	35,650	37,976	2,326
Insurance Proceeds	53,129	82,826	29,697
Fee In Lieu - LERP	375,000	375,000	-
Other	18,266	20,659	2,393
TOTAL MISCELLANEOUS	883,856	713,981	(169,875)
OTHER FINANCING SOURCES:			
Transfers In	95,641	95,641	-
TOTAL OTHER FINANCING SOURCES	95,641	95,641	-
TOTAL REVENUES AND OTHER FINANCING SOURCES			
	\$ 8,959,995	\$ 9,216,456	\$ 256,461

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

TOWN OF EAGLE, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES— BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2020

	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES & OTHER FINANCING USES:			
TOWN COUNCIL:			
Personnel Services	\$ 36,645	\$ 36,638	\$ 7
Supplies	200	229	(29)
Purchased Services	73,444	73,865	(421)
Insurance	233	233	-
Community Requests/Grants	<u>31,100</u>	<u>28,000</u>	<u>3,100</u>
TOTAL TOWN COUNCIL	<u>141,622</u>	<u>138,965</u>	<u>2,657</u>
GENERAL GOVERNMENT:			
Personnel Services	\$ 183,112	\$ 176,796	\$ 6,316
Supplies	800	257	543
Purchased Services	223,135	226,515	(3,380)
Insurance	18,542	18,542	-
Community Requests/Grants	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL GOVERNMENT	<u>425,589</u>	<u>422,110</u>	<u>3,479</u>
GENERAL ADMINISTRATION:			
Personnel Services	406,288	392,398	13,890
Supplies	13,525	6,430	7,095
Purchased Services	214,093	195,798	18,295
Insurance	<u>5,007</u>	<u>3,123</u>	<u>1,884</u>
TOTAL GENERAL ADMINISTRATION	<u>638,913</u>	<u>597,749</u>	<u>41,164</u>
COMMUNITY DEVELOPMENT:			
Personnel Services	540,025	482,810	57,215
Supplies	12,038	9,955	2,083
Purchased Services	349,740	323,380	26,360
Insurance	<u>1,784</u>	<u>1,784</u>	<u>-</u>
TOTAL COMMUNITY DEVELOPMENT	<u>903,587</u>	<u>817,929</u>	<u>85,658</u>
MUNICIPAL COURT:			
Personnel Services	40,638	37,507	3,131
Supplies	1,050	82	968
Purchased Services	41,106	30,839	10,267
Insurance	<u>148</u>	<u>148</u>	<u>-</u>
TOTAL MUNICIPAL COURT	<u>82,942</u>	<u>68,576</u>	<u>14,366</u>
PUBLIC SAFETY:			
Personnel Services	1,581,191	1,410,027	171,164
Supplies	74,801	68,692	6,109
Purchased Services	376,767	362,867	13,900
Insurance	<u>35,689</u>	<u>30,690</u>	<u>4,999</u>
TOTAL PUBLIC SAFETY	<u>2,068,448</u>	<u>1,872,276</u>	<u>196,172</u>

(continued on next page)

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

(continued)

	Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC WORKS – STREETS:			
Personnel Services	511,685	487,167	24,518
Supplies	168,425	144,291	24,134
Purchased Services	899,889	863,856	36,033
Insurance	23,530	23,528	2
TOTAL PUBLIC WORKS - STREETS	1,603,529	1,518,842	84,687
PUBLIC WORKS – BUILDINGS & GROUNDS:			
Personnel Services	406,254	373,339	32,915
Supplies	102,767	67,689	35,078
Purchased Services	228,123	204,808	23,315
Insurance	43,360	44,045	(685)
Equipment Purchase	5,130	4,386	744
TOTAL PUBLIC WORKS – BLDGS & GROUNDS	785,634	694,267	91,367
INFORMATION CENTER:			
Personnel Services	27,758	23,729	4,029
Supplies	950	309	641
Purchased Services	7,167	5,558	1,609
Goods for Resale/Consignment and Sales Tax	1,031	1,025	6
TOTAL INFORMATION CENTER	36,906	30,621	6,285
MARKETING:			
Personnel Services	115,353	101,743	13,610
Supplies	11,950	1,500	10,450
Purchased Services	82,238	65,912	16,326
Insurance	1,114	1,114	-
TOTAL MARKETING	210,655	170,269	40,386
ENGINEERING:			
Personnel Services	169,117	158,642	10,475
Supplies	18,966	6,643	12,323
Purchased Services	35,351	40,019	(4,668)
Insurance	1,407	1,407	-
TOTAL ENGINEERING	224,841	206,711	18,130
OTHER FINANCING USES:			
Operating Transfers Out	2,230,000	2,230,000	-
TOTAL OTHER FINANCING USES	2,230,000	2,230,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 9,352,666	\$ 8,768,315	\$ 584,351

OTHER SUPPLEMENTAL INFORMATION

CAPITAL PROJECTS FUND

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Use Tax	\$ 250,000	\$ 300,000	\$ 381,269	\$ 81,269
Community Enhancement Tax	44,500	47,000	47,923	923
Impact Fees and Assessments	1,984,465	79,284	66,737	(12,547)
Interest	94,000	35,600	37,195	1,595
Total Revenues	2,372,965	461,884	533,124	71,240
Expenditures:				
General Government:				
Pool & Ice Rink Maintenance Fund	40,000	40,000	40,000	-
Town Hall Improvements	38,125	42,060	43,042	(982)
Town Shop Improvements	25,000	23,000	13,197	9,803
Public Art	50,000	-	-	-
Broadband System (THOR)	115,000	255,000	231,295	23,705
Public Safety:				
Police Department Equipment	24,585	25,138	24,778	360
Patrol Vehicles	119,574	118,774	116,772	2,002
Public Works – Streets:				
Grand Ave Improvements	-	67,215	67,213	2
Building and Grounds:				
Multipurpose Truck	35,000	58,500	57,621	879
Lawnmower	16,000	7,000	6,172	828
Loader	130,000	130,000	117,220	12,780
Total Expenditures	593,284	766,687	717,310	49,377
Excess Revenues Over (Under) Expenditures	1,779,681	(304,803)	(184,186)	120,617
Other Financing Sources (Uses):				
Transfers In (Out)	730,000	2,230,000	2,230,000	-
Transfers In (Out)	<u>(50,000)</u>	<u>(95,641)</u>	<u>(95,641)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	2,459,681	1,829,556	1,950,173	120,617
Fund Balances – Beginning	<u>4,865,013</u>	<u>5,024,966</u>	<u>5,024,966</u>	<u>-</u>
Fund Balances – Ending	<u>\$ 7,324,694</u>	<u>\$ 6,854,522</u>	<u>\$ 6,975,139</u>	<u>\$ 120,617</u>

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

OTHER SUPPLEMENTAL INFORMATION

SALES TAX CAPITAL IMPROVEMENT PROJECTS FUND

TOWN OF EAGLE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SALES TAX CAPITAL IMPROVEMENT PROJECTS FUND
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Sales Tax	\$ 585,836	\$ 700,000	\$ 743,105	\$ 43,105
Intergovernmental	11,000	-	-	-
Interest	18,000	6,250	6,350	100
Total Revenues	614,836	706,250	749,455	43,205
Expenditures:				
General Government:				
Purchased Services	15,036	39,036	34,018	5,018
Capital Outlay	218,000	16,686	9,118	7,568
Debt Service:				
Principal	95,000	95,000	95,000	-
Interest	223,738	223,738	223,737	1
Total Expenditures	551,774	374,460	361,873	12,587
Excess Revenues Over (Under) Expenditures	63,062	331,790	387,582	55,792
Other Financing Sources (Uses):				
Transfers In (Out)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	63,062	331,790	387,582	55,792
Fund Balances – Beginning	<u>432,961</u>	<u>709,163</u>	<u>709,162</u>	<u>1</u>
Fund Balances – Ending	<u>\$ 496,023</u>	<u>\$ 1,040,953</u>	<u>\$ 1,096,744</u>	<u>\$ 55,793</u>

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

OTHER SUPPLEMENTAL INFORMATION

NON-MAJOR SPECIAL REVENUE FUNDS

TOWN OF EAGLE, COLORADO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2020

<u>Special Revenue Funds</u>			
	Conservation Trust Fund	Open Space Preservation Fund	Total
Assets:			
Current Assets:			
Cash and Investments	\$ -	\$ 349,337	\$ 349,337
Restricted Cash and Investments	112,040	-	112,040
Taxes and Other Receivables	-	13,494	13,494
 Total Assets	 \$ 112,040	 \$ 362,831	 \$ 474,871
Liabilities and Fund Balances			
Current Liabilities:			
Accounts Payable	\$ -	\$ 438	\$ 438
Accrued Liabilities	-	2,658	2,658
 Total Liabilities	 -	 3,096	 3,096
 Fund Balances:			
Restricted for Conservation Trust	112,040	-	112,040
Committed for Open Space Preservation	-	359,735	359,735
 Total Fund Balances	 112,040	 359,735	 471,775
 Total Liabilities and Fund Equity	 \$ 112,040	 \$ 362,831	 \$ 474,871

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

TOWN OF EAGLE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2020

	<u>Special Revenue Funds</u>		
	Conservation Trust Fund	Open Space Preservation Fund	Total
<u>Revenues:</u>			
Local Taxes and Assessments	\$ -	\$ 103,331	\$ 103,331
Intergovernmental	35,753	7,662	43,415
Interest and Other Revenues	<u>595</u>	<u>2,906</u>	<u>3,501</u>
Total Revenues	<u>36,348</u>	<u>113,899</u>	<u>150,247</u>
<u>Expenditures:</u>			
Open-space Preservation	- -	80,153	80,153
Total Expenditures	- -	80,153	80,153
Excess Revenues Over (Under) Expenditures	36,348	33,746	70,094
<u>Other Financing Sources (Uses):</u>			
Transfers In (Out)	- -	- -	- -
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	36,348	33,746	70,094
Fund Balances – Beginning	<u>75,692</u>	<u>325,989</u>	<u>401,681</u>
Fund Balances – Ending	<u>\$ 112,040</u>	<u>\$ 359,735</u>	<u>\$ 471,775</u>

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

OTHER SUPPLEMENTAL INFORMATION

PROPRIETARY (ENTERPRISE) FUNDS

TOWN OF EAGLE, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
- BUDGET AND ACTUAL - WATER ENTERPRISE FUND
For the Year Ended December 31, 2020

	<u>Water Enterprise Fund</u>			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<u>Budgetary Revenues:</u>				
GAAP Operating Revenues:				
Service Fees	\$ 4,078,799	\$ 4,474,900	\$ 4,506,203	\$ 31,303
Meters and Materials	38,000	85,000	109,641	24,641
Intergovt Operating Grants	-	-	14,222	14,222
GAAP Non-Operating Revenues:				
Interest & Investment Earnings	120,900	75,520	74,589	(931)
Accretion of Bond Premium	-	-	31,027	31,027
GAAP Capital Contributions:				
Tap and Improvement Fees	1,225,000	1,569,750	1,750,928	181,178
Less: Accretion of Debt Premium	-	-	(31,027)	(31,027)
Total Budgetary Revenues	<u>5,462,699</u>	<u>6,205,170</u>	<u>6,455,583</u>	<u>250,413</u>
<u>Budgetary Expenditures:</u>				
GAAP Operating Expenses:				
Personnel Services	772,146	741,004	688,752	52,252
Supplies	267,571	272,615	199,612	73,003
Purchased Services	564,119	521,208	386,760	134,448
Insurance	37,054	60,518	60,518	-
Contingency	50,000	50,000	-	50,000
Depreciation	-	-	411,074	(411,074)
GAAP Non-Operating Expenses:				
Interest and Fiscal Charges	393,195	393,195	387,149	6,046
Debt Service Principal	880,374	880,374	880,374	-
Capital Outlay	17,959,724	14,401,220	12,268,289	2,132,931
Change in Accrued Interest	-	-	5,254	(5,254)
Change in Vacation/Comp Time Accrual	-	-	11,633	(11,633)
Less: Depreciation	-	-	(411,074)	411,074
Total Budgetary Expenditures	<u>20,924,183</u>	<u>17,320,134</u>	<u>14,888,341</u>	<u>2,431,793</u>
Budgetary Net Income (Loss)	<u>\$ (15,461,484)</u>	<u>\$ (11,114,964)</u>	<u>\$ (8,432,758)</u>	<u>\$ 2,682,206</u>

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

TOWN OF EAGLE, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
— BUDGET AND ACTUAL —WASTEWATER ENTERPRISE FUND
For the Year Ended December 31, 2020

	<u>Wastewater Enterprise Fund</u>			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<u>Budgetary Revenues:</u>				
GAAP Operating Revenues:				
Service Fees	\$ 2,593,080	\$ 2,716,000	\$ 2,728,957	\$ 12,957
GAAP Non-Operating Revenues:				
Interest & Earnings on Investments	20,000	40,755	39,277	(1,478)
Accretion of Bond Premium	-	-	23,528	23,528
Miscellaneous	-	60	-	(60)
GAAP Capital Contributions:				
Tap and Improvement Fees	300,000	550,000	584,000	34,000
Add: Net Book Value of Asset Disp	-	-	200,440	200,440
Less: Accretion of Bond Premium	-	-	(23,528)	(23,528)
 Total Budgetary Revenues	 2,913,080	 3,306,815	 3,552,674	 245,859
<u>Budgetary Expenditures:</u>				
GAAP Operating Expenses:				
Personnel Services	542,014	537,160	522,204	14,956
Supplies	153,053	136,960	129,658	7,302
Purchased Services	600,869	692,144	556,891	135,253
Insurance	29,542	34,842	34,842	-
Contingency	50,000	50,000	-	50,000
Depreciation	-	-	784,246	(784,246)
GAAP Non-Operating Expenses:				
Interest and Fiscal Charges	-	244,707	236,613	8,094
Debt Service Principal	940,270	695,563	695,563	-
Capital Outlay	665,000	410,000	344,993	65,007
Change in Accrued Interest	-	-	8,094	(8,094)
Change in Vacation/Comp Time	-	-	13,864	(13,864)
Less: Depreciation	-	-	(784,246)	784,246
 Total Budgetary Expenditures	 2,980,748	 2,801,376	 2,542,722	 258,654
 Budgetary Net Income (Loss)	 \$ (67,668)	 \$ 505,439	 \$ 1,009,952	 \$ 504,513

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

TOWN OF EAGLE, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET AND ACTUAL – REFUSE ENTERPRISE FUND
For the Year Ended December 31, 2020

	<u>Refuse Enterprise Fund</u>			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<u>Budgetary Revenues:</u>				
GAAP Operating Revenues:				
Service Fees	\$ 643,468	\$ 619,103	\$ 621,650	\$ 2,547
GAAP Non-Operating Revenues:				
Interest & Earnings on Investments	<u>3,000</u>	<u>1,725</u>	<u>1,707</u>	<u>(18)</u>
Total Budgetary Revenues	<u>646,468</u>	<u>620,828</u>	<u>623,357</u>	<u>2,529</u>
<u>Budgetary Expenditures:</u>				
GAAP Operating Expenses:				
Personnel Services	9,751	9,751	7,486	2,265
Supplies	3,500	3,500	33	3,467
Purchased Services	608,882	608,882	594,391	14,491
Insurance	-	958	958	-
Noncapitalized Improvements	-	-	-	-
Depreciation	-	-	980	(980)
GAAP Non-Operating Expenses:				
Administrative Fee – General Fund	16,281	20,000	20,000	-
Less: Depreciation	<u>-</u>	<u>-</u>	<u>(980)</u>	<u>980</u>
Total Budgetary Expenditures	<u>638,414</u>	<u>643,091</u>	<u>622,868</u>	<u>20,223</u>
Budgetary Net Income (Loss)	<u>\$ 8,054</u>	<u>\$ (22,263)</u>	<u>\$ 489</u>	<u>\$ 22,752</u>

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

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Eagle, Colorado
		YEAR ENDING : DECEMBER 2020
This Information From The Records Of Town of Eagle, Colorado		Prepared By: JILL E.KANE Phone: 970-328-6354

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

**III. DISBURSEMENTS FOR ROAD
AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	67,215
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	977,550
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	189,010
3. Other local imposts (from page 2)	1,083,105	c. Other	203,926
4. Miscellaneous local receipts (from page 2)	158,803	d. Total (a. through c.)	392,936
5. Transfers from toll facilities		4. General administration & miscellaneous	95,713
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	45,000
a. Bonds - Original Issues		6. Total (1 through 5)	1,578,413
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	1,241,908	b. Redemption	
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	253,655	2. Notes:	
D. Receipts from Federal Government (from page 2)		a. Interest	
E. Total receipts (A.7 + B + C + D)	1,495,563	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,578,413

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,750,652	1,495,563	1,578,413	1,667,801	0

Notes and Comments:

The Town received Devolution proceeds to take over a portion of highway 6 in 2017. We received \$1,671,649. The Town has earned \$91,793.05 in interest on these proceeds from 2017 through 2020. The Town is saving these proceeds specifically for Grand Ave projects. In 2020 the Town spent \$95,641 to begin the redevelopment of Grand Ave.

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING:
December 2020

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	12,790
b. Other local imposts:		b. Traffic Fines & Penalties	45,364
1. Sales Taxes & Use Tax	1,026,779	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	39,625	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	16,701	g. Other Misc. Receipts	0
6. Total (1. through 5.)	1,083,105	h. Other Road & Bridge Tax	100,648
c. Total (a. + b.)	1,083,105	i. Total (a. through h.)	158,803
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	221,263	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	32,391	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	32,391	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	253,655	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		33,608	33,608
(3). System Preservation			0
(4). System Enhancement & Operation		33,607	33,607
(5). Total Construction (1) + (2) + (3) + (4)	0	67,215	67,215
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	67,215	67,215
			(Carry forward to page 1)

Notes and Comments:

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

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control and Compliance

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Eagle, Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town of Eagle's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 10, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Maggard & Hood, P.C." The signature is fluid and cursive, with "Maggard" and "Hood" connected by a horizontal stroke.

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
November 10, 2021