

EAGLE BEND METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**EAGLE BEND METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	<u>Governmental Funds</u>		<u>Business- Type Fund</u>	<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Enterprise Fund</u>	
ASSETS				
CURRENT ASSETS				
Cash - Checking (BBVA Compass)	\$ 39,325	\$ -	\$ 34,258	\$ 73,583
Colotrust	1,172,123	809,289	1,979,531	3,960,943
Certificates of Deposit	230,000	1,016,448	25,000	1,271,448
Accounts receivable	-	-	90,530	90,530
Receivable from County Treasurer	2,294	13,764	-	16,058
Total Current Assets	<u>1,443,742</u>	<u>1,839,501</u>	<u>2,129,319</u>	<u>5,412,562</u>
CAPITAL ASSETS				
Water and well costs	-	-	639,448	639,448
ECCV pipeline	-	-	686,758	686,758
Construction in progress	-	-	407,912	407,912
Accumulated depreciation	-	-	(327,188)	(327,188)
Total Capital Assets	<u>-</u>	<u>-</u>	<u>1,406,930</u>	<u>1,406,930</u>
TOTAL ASSETS	<u>\$ 1,443,742</u>	<u>\$ 1,839,501</u>	<u>\$ 3,536,249</u>	<u>\$ 6,819,492</u>
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	\$ 44,443	\$ -	\$ 90,764	\$ 135,207
Payroll taxes payable	782	-	-	782
Long-term payable - COA-ECCV pipeline	-	-	142,371	142,371
Total Current Liabilities	<u>45,225</u>	<u>-</u>	<u>233,135</u>	<u>278,360</u>
NET POSITION				
Net investment in capital assets	-	-	1,264,559	1,264,559
Unrestricted	1,398,517	1,839,501	-	3,238,018
Funds available	-	-	2,038,555	2,038,555
Total net position	<u>1,398,517</u>	<u>1,839,501</u>	<u>3,303,114</u>	<u>6,541,132</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,443,742</u>	<u>\$ 1,839,501</u>	<u>\$ 3,536,249</u>	<u>\$ 6,819,492</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**EAGLE BEND METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 354,219	\$ 351,868	\$ (2,351)
Specific ownership tax	23,879	20,632	(3,247)
Interest income	1,000	22,071	21,071
Other income	-	918	918
TOTAL REVENUES	<u>379,098</u>	<u>395,489</u>	<u>16,391</u>
EXPENDITURES			
Accounting	18,000	15,461	2,539
Audit	7,000	5,800	1,200
County Treasurer's fee	5,313	5,280	33
Directors' fees	6,000	5,200	800
Dues and memberships	-	1,238	(1,238)
Insurance	10,000	5,427	4,573
District management	48,000	24,575	23,425
Legal services	42,000	29,688	12,312
Miscellaneous	5,987	2,741	3,246
Meetings	3,000	1,608	1,392
Economic development	15,000	-	15,000
Payroll tax	1,000	1,228	(228)
Landscape and maintenance	45,000	31,832	13,168
HOA projects - cost sharing	50,000	45,429	4,571
Communication expenses	5,000	-	5,000
Utilities - Landscaping water	-	2,941	(2,941)
Utilities - Landscape electric	7,500	164	7,336
TOTAL EXPENDITURES	<u>268,800</u>	<u>178,612</u>	<u>90,188</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	110,298	216,877	106,579
OTHER FINANCING SOURCES (USES)			
HOA Cost Sharing	-	22,674	22,674
Transfers to Enterprise Fund	(34,000)	(34,000)	-
Transfers to Debt Service Fund	-	(1,000,000)	(1,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(34,000)</u>	<u>(1,011,326)</u>	<u>(977,326)</u>
NET CHANGE IN FUND BALANCES	76,298	(794,449)	(870,747)
FUND BALANCES - BEGINNING	<u>2,168,838</u>	<u>2,192,965</u>	<u>24,127</u>
FUND BALANCES - ENDING	<u>\$ 2,245,136</u>	<u>\$ 1,398,516</u>	<u>\$ (846,620)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

**EAGLE BEND METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 2,125,310	\$ 2,111,204	\$ (14,106)
Specific ownership tax	143,278	123,792	(19,486)
Interest income	50,000	22,899	(27,101)
TOTAL REVENUES	<u>2,318,588</u>	<u>2,257,895</u>	<u>(60,693)</u>
EXPENDITURES			
County Treasurer's fee	31,880	31,680	200
Loan interest - Series 2012	476,295	238,148	238,147
Bond interest - Series 2016	623,869	306,151	317,718
Loan principal - Series 2012	890,000	-	890,000
Bond principal - Series 2016	-	1,625,000	(1,625,000)
Paying agent fees	4,923	300	4,623
TOTAL EXPENDITURES	<u>2,026,967</u>	<u>2,201,279</u>	<u>(174,312)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	291,621	56,616	(235,005)
OTHER FINANCING SOURCES (USES)			
Transfers from General Fund	-	1,000,000	1,000,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
NET CHANGE IN FUND BALANCES	291,621	1,056,616	764,995
FUND BALANCES - BEGINNING	<u>759,261</u>	<u>782,883</u>	<u>23,622</u>
FUND BALANCES - ENDING	<u>\$ 1,050,882</u>	<u>\$ 1,839,499</u>	<u>\$ 788,617</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**EAGLE BEND METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS AVAILABLE
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**

ENTERPRISE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	-	29,633	29,633
HOA water sales - fixed	228,000	199,500	(28,500)
HOA water sales - variable	135,000	165,957	30,957
TOTAL REVENUES	363,000	395,090	32,090
EXPENDITURES			
District management	32,000	13,292	18,708
Legal services	20,000	7,362	12,638
Miscellaneous	4,000	309	3,691
Meetings	2,000	-	2,000
Repairs and maintenance - Wells	100,000	6,374	93,626
Water operations management	75,000	7,733	67,267
Consulting	12,000	58,332	(46,332)
Utilities - Well water lease	32,000	74,295	(42,295)
Utilities - Well electric costs	75,000	64,884	10,116
Utilities - Buchanan water meter	40,000	11,198	28,802
Engineering - pipeline costs	-	83,479	(83,479)
Raw water line	1,250,000	-	1,250,000
Contingency	38,471	-	38,471
TOTAL EXPENDITURES	1,680,471	327,258	1,353,213
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,317,471)	67,832	1,385,303
OTHER FINANCING SOURCES (USES)			
Transfers from General Fund	34,000	34,000	-
TOTAL OTHER FINANCING SOURCES (USES)	34,000	34,000	-
NET CHANGE IN FUNDS AVAILABLE	(1,283,471)	101,832	1,385,303
FUNDS AVAILABLE - BEGINNING	1,754,471	1,936,723	182,252
FUNDS AVAILABLE - ENDING	\$ 471,000	2,038,555	\$ 1,567,555
RECONCILIATION OF BUDGET TO GAAP			
Net investment in capital assets		1,264,559	
TOTAL NET POSITION		\$ 3,303,114	

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**EAGLE BEND METRO DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Eagle Bend Metropolitan District (“the District”) was organized on November 3, 1998 in the City of Aurora, Colorado as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to develop and provide streets, water and sanitation, safety controls, television relay, translator and parks and recreation services to users in the service area.

The Eagle Bend Metropolitan District Water Activity Enterprise (“the Enterprise”) was established in 2008 as a “water activity enterprise” of the District pursuant to Title 37, Article 45.1, Part 1, Colorado Revised Statutes (“the Act”). The Enterprise will continue all of the District’s water activities, including but not limited to water acquisition or water projects or facility activities, including the construction, operation, repair and replacement of water, wastewater or storm water facilities, using revenues generated by such water activities and held and managed in the District’s water enterprise fund. Pursuant to the Act, the Enterprise is excluded from the provisions of Article X, Section 20 of the Colorado Constitution.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to any inclusion of property in or exclusion of property from the boundaries of the District, any refunding of the bonds of the District and any consolidation with any other special district.

Pursuant to the Consolidated Service Plan, the aggregate combined debt for funding costs of improvements shall not exceed \$40,500,000 of which \$12,670,000 shall be Senior Bonds and the remaining \$27,830,000 as Subordinate Bonds. Obligations of the Districts in the IGAs do not count against the debt limitation. Additionally, all bonds issued by the Districts are payable from general ad valorem taxes not to exceed the maximum debt and general fund levy of 42.55. The 42.55 maximum mill service levy limit may be eliminated when the amount of all outstanding bonds, inclusive of Subordinate Bonds does not exceed 50% of the assessed valuation of the Taxing District.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The budgets are in accordance with the TABOR Amendment limitation. Emergency reserves required under TABOR have been provided.

**EAGLE BEND METRO DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

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

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County.

HOA Water Sales – Fixed

As authorized by the Service Plan, the District is authorized to impose fees for services related to service water. Related to these services the District charges a monthly Water Operation Fee to an Association.

HOA Water Sales – Variable

As authorized by the Service Plan, the District is authorized to impose fees for services related to service water. The District delivers water to an Association for irrigation of a golf course and certain other landscaped areas. The rate charged to the Association are variable and depend on season and the source of water.

Expenditures

Administrative and Operating Expenses

Operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, meeting expense, landscaping maintenance, and other administrative expenses.

**EAGLE BEND METRO DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On April 27, 2012, the District advance refunded its outstanding Series 2003 Bond totaling \$17,625,000 with a \$19,000,000 loan. The loan carries a coupon rate of 3.39% and calls for interest payments on June 1st and December 1st commencing December 1, 2012. Principal payments are due annually on December 1st commencing December 1, 2012 through 2033. The loan is subject to optional redemption on or after April 27, 2022 with no redemption premium. The refunding resulted in a present value savings of approximately \$1,072,000 to the District.

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

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2019, as defined under TABOR.

Balance as of 9/30/19	\$ 39,324.82	\$ -	\$ 34,258.11	\$ 73,582.93
Subsequent activities:				
10/2/19 - Transfer from Colotrust-General	20,000.00	-	55,000.00	75,000.00
10/9/19 - Vouchers payable	(32,248.21)	-	(56,498.96)	(88,747.17)
<i>Anticipated Balance</i>	<u>27,076.61</u>	<u>-</u>	<u>32,759.15</u>	<u>59,835.76</u>
Balance as of 9/30/19	1,172,122.97	809,288.54	1,979,531.25	3,960,942.76
Subsequent activities:				
10/2/19 - Transfer to Checking Account	(20,000.00)	-	(55,000.00)	(75,000.00)
10/10/17 - September property/SO taxes	2,293.83	13,763.67	-	16,057.50
Anticipated Deposits - HOA	-	-	90,530.00	90,530.00
<i>Anticipated Balance</i>	<u>1,154,416.80</u>	<u>823,052.21</u>	<u>2,015,061.25</u>	<u>3,992,530.26</u>
BBVA Compass Bank (anticipated) balance as of 9/30/19	<u>230,000.00</u>	<u>1,016,448.49</u>	<u>25,000.00</u>	<u>1,271,448.49</u>
<i>Anticipated Balance</i>	<u>230,000.00</u>	<u>1,016,448.49</u>	<u>25,000.00</u>	<u>1,271,448.49</u>
<i>Anticipated Balances</i>	<u>\$ 1,411,493.41</u>	<u>\$ 1,839,500.70</u>	<u>\$ 2,072,820.40</u>	<u>\$ 5,323,814.51</u>

Colotrust - 2.19%

BBVA Certificate of Deposits - 1.75% - 2.30%

1. Anticipated balance for BBVA CD accounts is based on June financials prepared by former accountant and known transactions to date. CLA currently does not have electronic access to District's BBVA accounts.

January	\$ 19,663.34	\$ -	\$ 15,549.32	\$ -	\$ (294.95)	\$ 34,917.71	0.79%	0.79%	\$ -	0.00%	0.00%	
February	845,199.52	1,571.00	19,532.38	-	(12,701.56)	853,601.34	34.15%	34.94%	-	0.00%	0.00%	
March	240,567.54	-	14,547.02	15.05	(3,608.74)	251,520.87	9.70%	44.65%	-	0.00%	0.00%	
April	451,824.28	(45.78)	12,410.99	(1.37)	(6,776.66)	457,411.46	18.22%	62.87%	-	0.00%	0.00%	
May	132,752.24	-	15,402.49	41.10	(1,991.90)	146,203.93	5.35%	68.22%	-	0.00%	0.00%	
June	743,246.18	543.22	17,073.26	397.49	(11,162.80)	750,097.35	30.00%	98.22%	-	0.00%	0.00%	
July	25,095.25	-	15,023.40	622.13	(385.76)	40,355.02	1.01%	99.23%	-	0.00%	0.00%	
August	3,258.65	-	17,963.83	107.24	(50.49)	21,279.23	0.13%	99.36%	-	0.00%	0.00%	
September	1,003.81	(1,607.21)	16,921.23	(273.43)	13.15	16,057.55	-0.02%	99.34%	-	0.00%	0.00%	
October	-	-	-	-	-	-	0.00%	99.34%	-	0.00%	0.00%	
November	-	-	-	-	-	-	0.00%	99.34%	-	0.00%	0.00%	
December	-	-	-	-	-	-	0.00%	99.34%	-	0.00%	0.00%	
	\$ 2,462,610.81	\$ 461.23	\$ 144,423.92	\$ 908.21	\$ (36,959.71)	\$ 2,571,444.46	99.34%	99.34%	\$ -	0.00%	0.00%	

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
--------------	-------------	--------------------------	------------------------------

Assessed Valuation	Mill Levy
--------------------	-----------

General Fund	\$ 354,219	14.29%	\$ 351,868.00	99.34%
Debt Service Fund	2,125,310	85.71%	2,111,204.04	99.34%
	<u>\$ 2,479,529</u>	<u>100.00%</u>	<u>\$ 2,463,072.04</u>	<u>99.34%</u>

	5.000
	30.000
<u>\$ 70,843,678</u>	<u>35.000</u>

General Fund	\$ 23,879	14.29%	\$ 20,631.49	86.40%
Debt Service Fund	143,278	85.71%	123,792.43	86.40%
	<u>\$ 167,157</u>	<u>100.00%</u>	<u>\$ 144,423.92</u>	<u>86.40%</u>

General Fund	\$ 5,313	14.29%	\$ 5,279.97	99.38%
Debt Service Fund	31,880	85.71%	31,679.74	99.37%
	<u>\$ 37,193</u>	<u>100.00%</u>	<u>\$ 36,959.71</u>	<u>99.37%</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**EAGLE BEND METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$19,000,000 General Obligation Refunding Loan, Series 2012 Interest Rate 3.39% Dated April 17, 2012 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2019	\$ 890,000	\$ 476,295	\$ 1,366,295
2020	925,000	446,123	1,371,123
2021	960,000	414,767	1,374,767
2022	990,000	382,223	1,372,223
2023	1,020,000	348,661	1,368,661
2024	1,055,000	314,084	1,369,084
2025	1,095,000	278,319	1,373,319
2026	1,130,000	241,198	1,371,198
2027	1,170,000	202,892	1,372,892
2028	1,215,000	163,228	1,378,228
2029	675,000	122,040	797,040
2030	700,000	99,158	799,158
2031	720,000	75,428	795,428
2032	740,000	51,020	791,020
2033	765,000	25,934	790,934
	\$ 14,050,000	\$ 3,641,370	\$ 17,691,370

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**EAGLE BEND METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$15,030,000 General Obligation Refunding Bonds, Series 2016 Interest Rate 3.125% to 5.00% Dated April 20, 2016 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2019	\$ 1,625,000	\$ 588,604	\$ 2,213,604
2020	-	573,088	573,088
2021	-	573,088	573,088
2022	-	573,088	573,088
2023	-	573,088	573,088
2024	-	573,088	573,088
2025	-	573,088	573,088
2026	-	573,088	573,088
2027	-	573,088	573,088
2028	-	573,088	573,088
2029	-	573,088	573,088
2030	-	573,088	573,088
2031	-	573,088	573,088
2032	490,000	573,088	1,063,088
2033	615,000	557,775	1,172,775
2034	1,475,000	527,025	2,002,025
2035	1,550,000	453,275	2,003,275
2036	1,665,000	375,775	2,040,775
2037	1,745,000	292,525	2,037,525
2038	1,875,000	205,275	2,080,275
2039	1,940,000	139,650	2,079,650
2040	2,050,000	71,750	2,121,750
	\$ 15,030,000	\$ 10,661,791	\$ 25,691,791

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.