

EAST CREEK METROPOLITAN DISTRICT NO. 1

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Lakewood, Colorado 80228-1898
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<https://www.colorado.gov/eastcreekmd>

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Glenn Nier	President	2022/May 2022
Michele Trujillo	Treasurer	2022/May 2022
Matthew Larsen	Secretary	2023/May 2023
<i>VACANT</i>		2023/May 2022
<i>VACANT</i>		2022/May 2022

DATE: October 26, 2020

TIME: 5:00 P.M.

PLACE: DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT BOARD MEETING WILL BE HELD BY ZOOM WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON. IF YOU WOULD LIKE TO ATTEND THIS MEETING, THE LINK IS BELOW. If you experience technical difficulties, email Peggy Ripko at pripko@sdmsi.com. Please email Peggy Ripko if there are any issues (pripko@sdmsi.com).

Join Zoom Meeting

<https://us02web.zoom.us/j/85671578902?pwd=YnBNTjhEdzBpSFJlUaHd3SndJQkg5dz09>

Meeting ID: 856 7157 8902

Passcode: 392864

1-669-900-6833

I. ADMINISTRATIVE MATTERS

A. Confirm Quorum and Present Conflict Disclosures.

B. Approve Agenda, confirm location of the meeting and posting of meeting notice.

C. Discuss vacancies on the Board and Consider the appointment of eligible electors Cameron Nelson and Greg Wright to the Board of Directors. Administer Oaths of Director.

- D. Review and approve Minutes of the June 29, 2020 special meeting (enclosure).

- E. Consider regular meeting dates for 2021. Review and consider approval of Resolution No. 2020-10-01; Resolution Establishing 2021 Regular Meeting Dates, Times and Location, and Designating Location for Posting of 24-Hour Notice (enclosure).

- F. Discuss §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2021.

II. PUBLIC COMMENTS

- A.

III. FINANCIAL MATTERS

- A. Review and ratify the approval of the payment of claims as follows (enclosures):

Fund	Period Ending July 16, 2020	Period Ending Aug. 10, 2020	Period Ending Sept. 9, 2020
General	\$ 17,334.72	\$ 12,876.57	\$ 6,015.94
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 17,334.72	\$ 12,876.57	\$ 6,015.94

Fund	Period Ending Oct. 9, 2020
General	\$ 5,873.37
Debt Service	\$ -0-
Capital Projects	\$ -0-
Total Claims	\$ 5,873.37

- B. Review and accept unaudited financial statements for the period ending September 30, 2020 and schedule of cash position ending September 30, 2020 (enclosure).

- C. Consider engagement of Schilling & Company, Inc. to prepare the 2020 Audit for an amount not to exceed \$4800.00 (enclosure).

- D. Conduct Public Hearing to consider Amendment to 2020 Budget and consider adoption of Resolution to Amend the 2020 Budget and Appropriate Expenditures, if necessary.
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- E. Conduct Public Hearing on the proposed 2021 Budget and consider adoption of Resolution to Adopt the 2021 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund _____, Debt Service Fund _____, and ARI mill at _____ for a total mill levy of _____ (enclosures – Preliminary Assessed Valuation, draft 2021 Budget, and Resolutions).
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- F. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
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- G. Consider adoption of Resolution No. 2020-10-__; Resolution Authorizing Adjustment of the District Mill Levy in Accordance with Colorado Constitution, Article X, Section 3 (to be distributed).
-

IV. LEGAL MATTERS

- A. Review and consider approval of Second Amendment to Operating Funding Agreement between the District and Meritage Homes of Colorado, Inc. (to be distributed)
-

V. COMMUNITY MANAGERS REPORT / COVENANT MATTERS

- A. _____
-

VI. CONSTRUCTION MATTERS

- A. Discuss status of development.
-

VII. OTHER BUSINESS

- A. _____

VIII. ADJOURNMENT

**THERE ARE NO MORE REGULAR MEETINGS SCHEDULED
FOR 2020.**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1 (THE "DISTRICT") HELD JUNE 29, 2020

A special meeting of the Board of Directors of the East Creek Metropolitan District No. 1 (the "District") was convened on Monday June 29, 2020 at 5:00 p.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by conference call without any individuals (neither District Representative nor the general public) attending in-person. The meeting was open to the public via conference call.

Directors In Attendance Were:

Glenn Nier
Michele Trujillo
Matthew Larsen

Also In Attendance Were:

Peggy Ripko and Jim Ruthven; Special District Management Services, Inc. ("SDMS")

Paula Williams, Esq.; McGeady Becher P.C.

Dawn Schilling; Schilling & Company, Inc.

Cameron Nelson; Resident

Greg Wright; Resident

Evelyn Buardt; Resident

Anna Espinoza; Resident

Marty Corley; Resident

RECORD OF PROCEEDINGS

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Williams requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Williams noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board approved the Agenda as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by conference call without any individuals (neither District Representative nor the general public) attending in-person. The Board further noted that notice of this location was duly posted within the boundaries of the District and the District has not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries.

Results of May 5, 2020 Regular Election: Ms. Ripko discussed with the Board the results of the May 5, 2020 Regular Election for Directors ("Election"). It was noted that the Election was cancelled, as permitted by statute and that Directors Bird and Larsen were deemed elected to three-year terms ending in 2023.

Resignation of Directors: The resignation of Directors Natalie Schutzius, effective February 26, 2020 and Michael Bird, effective May 8, 2020 were acknowledged by the Board of Directors.

Consideration of Board Appointment: It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy on the Board was made on June 10, 2020 in the Aurora Sentinel. No Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

RECORD OF PROCEEDINGS

Following discussion and upon motion duly made by Director Nier, seconded by Director Larsen to nominate District residents Cameron Nelson and Greg Wright to fill the vacancies and, upon vote, unanimously carried, the Board appointed Cameron Nelson and Greg Wright to fill the vacancies on the Board of Directors.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Glenn Nier
Treasurer	Michele Trujillo
Secretary	Matthew Larsen
Assistant Secretary	Cameron Nelson
Assistant Secretary	Greg Wright

Minutes: The Board reviewed the minutes of the October 28, 2019 special meeting.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board approved the minutes of the October 28, 2019 special meeting.

PUBLIC COMMENTS

Public Comments consisted of the following topics:

- Dead Plants.
- Landscaping.

Ms. Ripko answered questions regarding these matters and a special meeting will be scheduled.

FINANCIAL MATTERS

Claims: The Board considered the ratification of approval of the payment of claims as follows:

Fund	Period Ending Nov. 14, 2019	Period Ending Dec. 17, 2019	Period Ending Jan. 14, 2020
General	\$ 8,487.28	\$ 10,455.79	\$ 5,310.89
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 8,487.28	\$ 10,455.79	\$ 5,310.89

RECORD OF PROCEEDINGS

Fund	Period Ending Feb. 11, 2020	Period Ending Mar. 17, 2020	Period Ending Apr. 14, 2020
General	\$ 8,314.36	\$ 9,920.08	\$ 7,556.54
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 8,314.36	\$ 9,920.08	\$ 7,556.54

Fund	Period Ending May 14, 2020	Period Ending June 11, 2020
General	\$ 7,633.23	\$ 13,699.65
Debt Service	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-
Total Claims	\$ 7,633.23	\$ 13,699.65

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote unanimously carried, the Board ratified approval of the payment of claims, as presented.

Financial Statements and Schedule of Cash Position: Mr. Ruthven presented to the Board the unaudited financial statements dated May 31, 2020 and schedule of cash position statement ending May 31, 2020.

Following review and discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote unanimously carried, the Board accepted the unaudited financial statements dated May 31, 2020 and schedule of cash position statement ending May 31, 2020.

Prepare 2019 Audit: Ms. Schilling reviewed with the Board the engagement of Schilling & Company, Inc. for 2019 Audit services.

Following review, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote unanimously carried, the Board ratified approval of Schilling & Company Inc. for 2019 Audit services.

2019 Audit: Ms. Schilling presented the Board the 2019 Audited Financial Statements.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote unanimously carried, the Board approved the 2019 Audited Financial Statements and authorized execution of the Representations Letter.

RECORD OF PROCEEDINGS

LEGAL MATTERS

McGeady Becher P.C. Records Retention Policy: Attorney Williams presented to the Board the update to the McGeady Becher P.C. Document Retention Policy.

Following discussion, upon motion duly made by Director Nier, seconded by Director Larsen and, upon vote, unanimously carried, the Board approved the update and directed a copy of the approved updated McGeady Becher P.C. Document Retention Policy be attached to the minutes of this meeting. Accordingly, a copy of the updated McGeady Becher P.C. Document Retention Policy is attached hereto and incorporated herein by this reference.

COMMUNITY MANAGEMENT

Timeline for Landscape Transition to the District: The Board deferred discussion at this time.

CONSTRUCTION MATTERS

2020 Development / Construction Outlook: Director Nier gave an update. It was noted that they would finish landscaping once housing tracts are completed.

OTHER BUSINESS

There were no other business matters at this time.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Nier, seconded by Director Larsen, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

Document Retention Policy

Types of Documents

In representing you we will or may take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

Documents You Provide to Us

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, or cases where we have affirmatively agreed retain a document for safekeeping.

The District's Record

As a part our engagement, we will maintain the District's official public Record (the "**Record**"). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District – such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully-executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

Supplemental Documents

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.

Documents We Retain

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

Delivery of the Record

Once a matter is concluded or our representation terminated, we deliver the original, printed Record, together with any original documents we have accepted for safekeeping, to you or the District's designee, provided our fees and costs have been paid in full. If you do not designate someone to receive these records, we will deliver them to a then-current officer or director of the District. If we are unable to deliver these documents because of your failure to designate a recipient, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days following the conclusion of a matter or the termination of our representation.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.

RESOLUTION NO. 2020-10-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE EAST CREEK METROPOLITAN DISTRICT NO. 1
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online on a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Creek Metropolitan District No. 1 (the "**District**"), Arapahoe County, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2021 shall be held on June __ and October __, 2021 at 5:00 P.M., at the offices of Meritage Model Home, 16533 E. Virginia Avenue, Aurora, CO 80017 in Arapahoe County, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, <https://www.colorado.gov//eastcreekmd/>. and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) On the corner of South Airport Blvd. and E. Alameda Dr.

9. SDMS, Inc. is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on October 26, 2020.

**EAST CREEK METROPOLITAN
DISTRICT NO. 1**

By: _____
President

Attest:

Secretary

East Creek Metropolitan District No.1
July-20

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 17,334.72		\$ -	\$ 17,334.72
Total Disbursements from Checking Acct	\$ 17,334.72	\$0.00	\$0.00	\$ 17,334.72

East Creek Metropolitan District No. 1

Jul-20

Vendor	Invoice #	Due date	Amount	Account Number
McGeady Becher P.C.	1346W	05/20 07/16/20	\$ 280.00	1675
Schilling & Company, Inc	12695	07/16/20	\$ 4,600.00	1615
Special Dist Management !	D1 06/2020	07/16/20	\$ 8,387.89	Split
Special Dist Management !	D2 06/2020	07/16/20	\$ 1,526.58	Split
UNCC	220060430	07/16/20	\$ 131.12	1685
Waste Management of De	6485405-2514-0	07/16/20	\$ 1,095.39	1736
Waste Management of De	6536058-2514-6	07/16/20	\$ 1,299.50	1736
Xpress Bill Pay	49919	07/16/20	\$ 14.24	1721
			\$ 17,334.72	

East Creek Metropolitan District No.1
August-20

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 12,876.57		\$ -	\$ 12,876.57
Total Disbursements from Checking Acct	\$ 12,876.57	\$0.00	\$0.00	\$ 12,876.57

East Creek Metropolitan District

Aug-20

Vendor	Invoice #	Date	Due Date	Amount	Account Number
McGeady Becher P.C.	1346W 06/2020	6/30/2020	8/10/2020	\$ 3,081.00	1675
Special Dist Management Srvs	D2 07/2020	7/31/2020	8/10/2020	\$ 2.58	1685
Special Dist Management Srvs	D2 07/2020	7/31/2020	8/10/2020	\$ 714.00	1680
Special Dist Management Srvs	D2 07/2020	7/31/2020	8/10/2020	\$ 112.00	1612
Special Dist Management Srvs	D1 07/2020	7/31/2020	8/10/2020	\$ 831.23	1685
Special Dist Management Srvs	D1 07/2020	7/31/2020	8/10/2020	\$ 2,036.00	1710
Special Dist Management Srvs	D1 07/2020	7/31/2020	8/10/2020	\$ 42.00	1615
Special Dist Management Srvs	D1 07/2020	7/31/2020	8/10/2020	\$ 2,499.00	1680
Special Dist Management Srvs	D1 07/2020	7/31/2020	8/10/2020	\$ 1,092.00	1612
Special Dist Management Srvs	D1 07/2020	7/31/2020	8/10/2020	\$ 845.00	1721
UNCC	220070431	7/31/2020	8/10/2020	\$ 86.42	1685
Waste Management of Denver	6579429-2514-7	8/3/2020	8/10/2020	\$ 1,504.32	1736
Xpress Bill Pay	50560	8/1/2020	8/6/2020	\$ 31.02	1721
				\$ 12,876.57	

East Creek Metropolitan District No.1
September-20

	General	Debt	Capital	Totals
Disbursements	\$ 6,015.94		\$ -	\$ 6,015.94
Total Disbursements from Checking Acct	\$ 6,015.94	\$0.00	\$0.00	\$ 6,015.94

East Creek Metropolitan District

Sep-20

Vendor	Invoice #	Date	Due Date	Amount	Account Number
McGeady Becher P.C.	1346W 07/2020	7/31/2020	9/9/2020	\$ 468.00	1675
Special Dist Management Srvs	D2 08/2020	8/31/2020	9/9/2020	\$ 0.50	1685
Special Dist Management Srvs	D2 08/2020	8/31/2020	9/9/2020	\$ 56.00	1680
Special Dist Management Srvs	D2 08/2020	8/31/2020	9/9/2020	\$ 84.00	1612
Special Dist Management Srvs	D1 08/2020	8/31/2020	9/9/2020	\$ 347.51	1685
Special Dist Management Srvs	D1 08/2020	8/31/2020	9/9/2020	\$ 950.00	1710
Special Dist Management Srvs	D1 08/2020	8/31/2020	9/9/2020	\$ 14.00	1615
Special Dist Management Srvs	D1 08/2020	8/31/2020	9/9/2020	\$ 1,150.50	1680
Special Dist Management Srvs	D1 08/2020	8/31/2020	9/9/2020	\$ 770.00	1612
Special Dist Management Srvs	D1 08/2020	8/31/2020	9/9/2020	\$ 14.00	1670
Special Dist Management Srvs	D1 08/2020	8/31/2020	9/9/2020	\$ 533.00	1721
UNCC	220080445	8/31/2020	9/9/2020	\$ 74.50	1685
Waste Management of Denver	6632937-2514-4	9/1/2020	9/9/2020	\$ 1,537.39	1736
Xpress Bill Pay	51205	9/1/2020	9/9/2020	\$ 16.54	1721
				\$ 6,015.94	

East Creek Metropolitan District No.1
October-20

	General	Debt	Capital	Totals
Disbursements	\$ 5,873.37		\$ -	\$ 5,873.37
Total Disbursements from Checking Acct	\$ 5,873.37	\$0.00	\$0.00	\$ 5,873.37

East Creek Metropolitan District No. 1

Oct-20

Vendor	Invoice #	Date	Due Date	Amount	Account Number
Colorado Special Districts P&L Pool	POL-0004385	9/9/2020	10/9/2020	\$ 450.00	1143
McGeady Becher P.C.	1346W 08/2020	8/31/2020	10/9/2020	\$ 80.00	1675
Special Dist Management Srvs	D2 09/2020	9/30/2020	10/9/2020	\$ 5.00	1685
Special Dist Management Srvs	D2 09/2020	9/30/2020	10/9/2020	\$ 182.00	1680
Special Dist Management Srvs	D2 09/2020	9/30/2020	10/9/2020	\$ 56.00	1612
Special Dist Management Srvs	D1 09/2020	9/30/2020	10/9/2020	\$ 270.98	1685
Special Dist Management Srvs	D1 09/2020	9/30/2020	10/9/2020	\$ 1,064.00	1710
Special Dist Management Srvs	D1 09/2020	9/30/2020	10/9/2020	\$ 783.00	1680
Special Dist Management Srvs	D1 09/2020	9/30/2020	10/9/2020	\$ 630.00	1612
Special Dist Management Srvs	D1 09/2020	9/30/2020	10/9/2020	\$ 42.00	1670
Special Dist Management Srvs	D1 09/2020	9/30/2020	10/9/2020	\$ 604.50	1721
UNCC	220090439	9/30/2020	10/9/2020	\$ 26.82	1685
Waste Management of Denver	6676019-2514-8	10/1/2020	10/9/2020	\$ 1,665.27	1736
Xpress Bill Pay	51855	10/1/2020	10/9/2020	\$ 13.80	1721
				\$ 5,873.37	

EAST CREEK METROPOLITAN DISTRICT NO. 1
Schedule of Cash Position
September 30, 2020

	<u>Rate</u>	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Checking:					
Cash in Bank-1st Bank		\$ 44,047.11	\$ 104,569.80	\$ (21.77)	\$ 148,595.14
Trustee:					
UMB Sr. Bond Fund 149658.1			225,590.91		225,590.91
UMB Reserve Fund 149658.2			320,902.98		320,902.98
UMB Sr. Proj Fd Rest 658.4				405,215.47	405,215.47
UMB Sub Proj Fd Rest 659.2				65,325.11	65,325.11
TOTAL FUNDS:		<u>\$ 44,047.11</u>	<u>\$ 651,063.69</u>	<u>\$ 470,518.81</u>	<u>\$ 1,165,629.61</u>

2020 Mill Levy Information

Certified General Fund Mill Levy	11.132
Certified Debt Service Fund Mill Levy	55.664
Certified ARI Mill Levy	<u>1.113</u>
Total Certified Mill Levy	<u><u>67.909</u></u>

Board of Directors

Glenn Nier	*
Michelle Trujillo	*
Greg Wright	
Matthew Larsen	*
Cameron Nelson	*
Peggy Ripko	

*Authorized signer on Checking Account

EAST CREEK METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

September 30, 2020

EAST CREEK METROPOLITAN DISTRICT NO. 1
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 2020

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>LONG-TERM DEBT</u>	<u>TOTAL</u>
Assets					
Cash in Bank-1st Bank	\$ 44,047	\$ 104,570	\$ (22)	\$ -	\$ 148,595
Xpress Deposit Account	7,737	-	-	-	7,737
Property Taxes Receivable	-	-	-	-	-
Accounts Receivable	110	-	-	-	110
UMB Sr. Bond Fund 149658.1	-	225,591	-	-	225,591
UMB Reserve Fund 149658.2	-	320,903	-	-	320,903
UMB Sr. Proj Fd Rest 658.4	-	-	405,215	-	405,215
UMB Sub Proj Fd Rest 659.2	-	-	65,325	-	65,325
Total Current Assets	<u>51,894</u>	<u>651,064</u>	<u>470,519</u>	<u>-</u>	<u>1,173,476</u>
Other Debits					
Amount in Debt Service Fund	-	-	-	651,064	651,064
Amount to be Provided for Debt	-	-	-	3,942,936	3,942,936
Total Other Debits	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,594,000</u>	<u>4,594,000</u>
Total Assets	<u>\$ 51,894</u>	<u>\$ 651,064</u>	<u>\$ 470,519</u>	<u>\$ 4,594,000</u>	<u>\$ 5,767,476</u>
Liabilities					
Bonds Payable 2019A	\$ -	\$ -	\$ -	\$ 4,010,000	\$ 4,010,000
Bonds Payable 2019B	-	-	-	584,000	584,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,594,000</u>	<u>4,594,000</u>
Deferred Inflows of Resources					
Deferred Property Taxes	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance					
Fund Balance	25,019	656,121	467,615	-	1,148,754
Current Year Earnings	26,875	(5,057)	2,904	-	24,722
Total Fund Balances	<u>51,894</u>	<u>651,064</u>	<u>470,519</u>	<u>-</u>	<u>1,173,476</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 51,894</u>	<u>\$ 651,064</u>	<u>\$ 470,519</u>	<u>\$ 4,594,000</u>	<u>\$ 5,767,476</u>

EAST CREEK METROPOLITAN DISTRICT NO. 1
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the 9 Months Ending
September 30, 2020

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Tax Revenue	\$ 2,071	\$ 17,081	\$ 17,081	\$ 0	100.0%
Specific Ownership Taxes	343	792	1,025	(233)	77.2%
O & M Fees	26,192	73,797	60,000	13,797	123.0%
ARI Fees	537	2,270	1,708	562	1.33
Working Capital	-	6,600	-	6,600	-
Interest Income	-	4	-	4	0.0%
Miscellaneous Income	700	1,550	-	1,550	-
Total Revenues	<u>29,843</u>	<u>102,093</u>	<u>127,934</u>	<u>(25,841)</u>	<u>79.8%</u>
Expenditures					
Accounting	3,724	9,128	8,000	(1,128)	114.1%
Audit	5,566	6,252	5,000	(1,252)	125.0%
Election	70	1,872	1,500	(372)	124.8%
Insurance/SDA Dues	14	3,650	3,500	(150)	104.3%
Legal	3,829	6,932	15,000	8,068	46.2%
Management	9,419	13,659	15,000	1,342	91.1%
Miscellaneous	2,214	4,323	3,000	(1,323)	144.1%
Treasurer's Fees	9	256	256	(0)	100.1%
Covenant Control/Comm Mgmt	4,069	11,821	14,345	2,524	82.4%
Drainage	-	-	2,000	2,000	0.0%
Billing & Collection	2,196	5,949	7,200	1,251	82.6%
Landscaping	-	8,105	28,480	20,375	28.5%
Fencing	-	-	1,500	1,500	0.0%
Trash and Recycling	5,437	8,954	200	(8,754)	4477.2%
Park	-	-	4,680	4,680	0.0%
Utilities	-	-	7,500	7,500	0.0%
Monuments	-	-	1,000	1,000	0.0%
Mailboxes	-	-	750	750	0.0%
Contingency	-	-	3,000	3,000	0.0%
Covenant Enforcement - Legal	-	-	2,500	2,500	0.0%
Total Expenditures	<u>36,546</u>	<u>80,901</u>	<u>124,411</u>	<u>43,510</u>	<u>65.0%</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,703)	21,192	3,523	17,669	
Transfers and Other Sources (Uses)					
Emergency Reserve	-	-	(3,838)	3,838	
ARI Fees	-	-	(1,708)	1,708	
Transfer from District No. 2	3,730	5,683	5,122	561	
Total Transfers and Other Sources	<u>3,730</u>	<u>5,683</u>	<u>(424)</u>	<u>6,107</u>	
Change in Fund Balance	(2,973)	26,875	3,099	23,776	
Beginning Fund Balance	54,867	25,019	14,994	10,025	
Ending Fund Balance	<u>\$ 51,894</u>	<u>\$ 51,894</u>	<u>\$ 18,093</u>	<u>\$ 33,801</u>	

EAST CREEK METROPOLITAN DISTRICT NO. 1
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Debt Service Fund
For the 9 Months Ending
September 30, 2020

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Tax Revenue	\$ 10,358	\$ 85,412	\$ 85,412	\$ 0	100.0%
Specific Ownership Taxes	1,713	3,959	5,125	(1,166)	77.2%
Interest Income	449	4,415	4,000	415	110.4%
Total Revenues	<u>12,519</u>	<u>93,785</u>	<u>94,537</u>	<u>(752)</u>	<u>99.2%</u>
Expenditures					
Bond Interest	-	105,263	105,263	1	100.0%
Paying Agent Fees	18	7,461	1,500	(5,961)	497.4%
Treasurer's Fees	155	1,281	1,281	(0)	100.0%
Total Expenditures	<u>173</u>	<u>114,005</u>	<u>108,044</u>	<u>(5,961)</u>	<u>105.5%</u>
Excess (Deficiency) of Revenues Over Expenditures	12,346	(20,220)	(13,507)	(6,713)	
Other Financing Sources (Uses)					
Transfer From District No. 2	9,634	15,162	15,369	(207)	
Other Financing Sources (Uses)	<u>9,634</u>	<u>15,162</u>	<u>15,369</u>	<u>(207)</u>	
Change in Fund Balance	21,980	(5,057)	1,862	(6,919)	
Beginning Fund Balance	638,718	656,121	662,009	(5,888)	
Ending Fund Balance	<u>\$ 651,064</u>	<u>\$ 651,064</u>	<u>\$ 663,871</u>	<u>\$ (12,807)</u>	

EAST CREEK METROPOLITAN DISTRICT NO. 1
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the 9 Months Ending
September 30, 2020

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Interest Income	\$ 346	\$ 3,239	\$ 1,000	\$ 2,239	323.9%
Total Revenues	<u>346</u>	<u>3,239</u>	<u>1,000</u>	<u>2,239</u>	<u>323.9%</u>
Expenditures					
Miscellaneous	15	335	469,000	468,665	0.1%
Total Expenditures	<u>15</u>	<u>335</u>	<u>469,000</u>	<u>468,665</u>	<u>0.1%</u>
Excess (Deficiency) of Revenues Over Expenditures	331	2,904	(468,000)	470,904	
Beginning Fund Balance	470,188	467,615	468,000	(385)	
Ending Fund Balance	<u>\$ 470,519</u>	<u>\$ 470,519</u>	<u>\$ -</u>	<u>\$ 470,519</u>	



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

October 8, 2020

Board of Directors
East Creek Metropolitan District No. 1
c/o Special District Management Services, Inc.
141 S. Union Blvd., Suite 150
Lakewood, CO 80228

Board of Directors:

We are pleased to confirm our understanding of the services we are to provide East Creek Metropolitan District No. 1 (District) for the year ended December 31, 2020. We will audit the financial statements of the governmental activities and each major fund including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited, if presented:

- Management's Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- Debt Service Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

- Capital Project Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- Summary of Assessed Valuation, Mill Levy and Property Taxes Collected
- Schedule of Debt Service Requirements to Maturity

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the

engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected

fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Schilling & Company, Inc., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

With regard to an exempt offering document with which Schilling & Company, Inc. is not involved, you agree to clearly indicate in the exempt offering document that Schilling & Company, Inc. is not involved with the contents of such offering document.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

Dawn Schilling is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be \$4,800, which includes the preparation of the basic financial statements and related footnote disclosures. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Any calculations performed in connection with the District's TABOR compliance will be billed at our standard hourly rate of \$180.

In accordance with C.R.S. § 8-17.5-101, *et seq.*, the Schilling & Company, Inc. (Company) hereby certifies to the District that:

The Company hereby states to the District that the Company does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in § 8-17.5-101, C.R.S.) in order to confirm the employment eligibility of all employees of the Company who are newly hired to perform work under the Agreement.

In accordance with § 8-17.5-102, C.R.S., the Company shall not:

- (a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or
- (b) Enter into a contract with a subcontractor that fails to certify to the Company that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

The Company represents and warrants it has confirmed the employment eligibility of all of its employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

The Company is prohibited from using the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

If the Company obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Company shall:

- (a) Notify the subcontractor and the District within three days that the Company has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

- (b) Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Company shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

The Company shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation that the Department is undertaking, pursuant to the authority established in §8-17.5-102, C.R.S.

If the Company violates any provision of § 8-17.5-102, C.R.S., the District may terminate the Agreement immediately and the Company shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Company to the Colorado Secretary of State, as required by law.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

SCHILLING & COMPANY, INC.

Schilling & Company, Inc.

RESPONSE:

This letter correctly sets forth the understanding of East Creek Metropolitan District No. 1.

By: _____

Title: _____

Date: _____



OCT 15 2020

PK Kaiser, MBA, MS

Assessor

October 8, 2020

OFFICE OF THE ASSESSOR
5334 S. Prince Street
Littleton, CO 80120-1136
Phone: 303-795-4600
TDD: Relay-711
Fax: 303-797-1295

[HTTP://www.arapahoegov.com/assessor](http://www.arapahoegov.com/assessor)
assessor@arapahoegov.com

AUTH 4262 EAST CREEK METROPOLITAN
DISTRICT #1
SPECIAL DISTRICT MANAGEMENT
SERVICES INC
C/O LISA A. JOHNSON
141 UNION BLVD SUITE 150
LAKEWOOD CO 80228

Code # 4262

CERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2020 of:

\$3,008,028

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS
Arapahoe County Assessor

enc

CERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: October 8, 2020

NAME OF TAX ENTITY: EAST CREEK METRO DISTRICT #1

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2020:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	1,534,415
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	3,008,028
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	3,008,028
5. NEW CONSTRUCTION: *	5.	\$	1,668,866
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

- ‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution
- * New construction is defined as: Taxable real property structures and the personal property connected with the structure.
- ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
- Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2020:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	34,938,468
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	23,340,796
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

- ¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
- * Construction is defined as newly constructed taxable real property structures.
- § Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0
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NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

East Creek Metropolitan District No. 1
Assessed Value, Property Tax and Mill Levy Information

	2019 Actual	2020 Adopted Budget	2021 Preliminary Budget
Assessed Valuation	\$ 480,625	\$ 1,534,415	\$ 1,534,415
Mill Levy			
General Fund	65.277	11.132	11.132
Debt Service Fund	0.000	55.664	55.664
Temporary Mill Levy Reduction	0.000	0.000	0.000
Aurora Regional Improvement	0.000	1.113	1.113
Refunds and Abatements	0.000	0.000	0.000
Total Mill Levy	65.277	67.909	67.909
Property Taxes			
General Fund	\$ 31,374	\$ 17,081	\$ 17,081
Debt Service Fund	-	85,412	85,412
Temporary Mill Levy Reduction	-	-	-
Aurora Regional Improvement	-	1,708	1,708
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	\$ 31,374	\$ 104,201	\$ 104,201

EAST CREEK METROPOLITAN DISTRICT NO. 1

GENERAL FUND
2021 Preliminary Budget
with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated

	2019 Actual	01/20-06/20 YTD Actual	2020 Adopted Budget	2020 Estimated	2021 Preliminary Budget
Beginning Fund Balance	\$ (16,892)	25,019	14,994	\$ 25,019	\$ 49,259
REVENUE					
Property Tax Revenue	31,374	15,010	17,081	17,081	17,081
Specific Ownership Taxes	2,460	449	1,025	900	1,025
Developer Advance	52,273	-	48,120	-	10,000
Intergovernmental Revenue	999	7,556	-	7,556	-
O & M Fees	9,300	47,605	60,000	85,210	85,210
ARI Fees	-	1,546	1,708	1,708	1,708
Working Capital	5,770	6,600	-	6,600	-
Interest Income	11	4	-	10	10
Miscellaneous Income	50	850	-	850	500
Total Revenue	102,237	79,619	127,934	119,915	115,534
Total Funds Available	85,345	104,638	142,928	144,934	164,793
EXPENDITURES					
Accounting	10,814	5,404	8,000	10,000	10,000
Audit	42	686	5,000	686	5,000
Election	28	1,802	1,500	1,802	-
Insurance/SDA Dues	2,618	3,636	3,500	4,000	4,250
Legal	11,081	3,103	15,000	15,000	15,000
Management	19,322	4,240	15,000	15,000	15,000
Miscellaneous	5,579	2,108	3,000	3,000	2,000
Treasurer's Fees	471	248	256	256	256
Covenant Control/Comm Mgmt	4,172	7,752	14,345	14,345	14,345
Drainage	-	-	2,000	-	2,000
Billing & Collection	1,177	3,754	7,200	8,000	8,000
Landscaping	4,002	-	28,480	-	28,480
Snow Removal	-	8,105	-	12,000	20,000
Fencing	-	-	1,500	-	1,500
Trash and Recycling	1,021	3,518	200	7,500	7,500
Park	-	-	4,680	-	5,000
Utilities	-	-	7,500	7,500	7,500
Monuments	-	-	1,000	-	1,000
Mailboxes	-	-	750	-	750
Contingency	-	-	3,000	-	3,000
Covenant Enforcement - Legal	-	-	2,500	-	2,500
Total Expenditures	60,326	44,356	124,411	99,089	153,081
Transfers and Other Uses					
Emergency Reserve	-	-	3,838	-	512
ARI Fees	-	-	1,708	1,708	1,708
Transfer from District No. 2	-	2,033	5,122	5,122	-
Total Expenditures Requiring Appropriation	60,326	44,356	129,957	100,797	155,301
Ending Funds Available	\$ 25,019	\$ 60,283	\$ 18,093	\$ 49,259	\$ 9,491

DEBT SERVICE FUND
2021 Preliminary Budget
with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated

	2019 Actual	01/20-06/20 YTD Actual	2020 Adopted Budget	2020 Estimated	2021 Preliminary Budget
Beginning Fund Balance	-	656,121	662,009	\$ 656,121	\$ 549,517
Revenue					
Property Tax Revenue	-	75,055	85,412	85,412	85,412
Specific Ownership Taxes	-	2,246	5,125	4,250	5,125
Interest Income	12,122	3,966	4,000	5,000	2,500
Transfer From District No. 2	-	5,529	15,369	15,369	-
Transfer from Capital Projects Fund	-	-	-	2,615	-
Bond Proceeds	4,594,000	-	-	-	-
Total Revenue	4,606,122	86,795	109,906	112,646	93,036
Total Funds Available	4,606,122	742,916	771,915	768,767	642,553
Expenditures					
Bond Interest	131,578	105,263	105,263	210,526	210,525
Bond Issuance Cost	289,866	-	-	-	-
Paying Agent Fees	10,197	7,443	1,500	7,443	7,500
Treasurer's Fees	-	1,126	1,281	1,281	1,281
Total Expenditures	431,641	113,832	108,044	219,250	219,306
Transfers and Other Uses					
Transfer to Capital Projects Fund	3,518,360	-	-	-	-
Total Expenditures Requiring Appropriation	3,950,001	113,832	108,044	219,250	219,306
Ending Funds Available	\$ 656,121	\$ 629,084	\$ 663,871	\$ 549,517	\$ 423,247

EAST CREEK METROPOLITAN DISTRICT NO. 1

CAPITAL PROJECTS FUND
 2021 Preliminary Budget
 with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated

	2019 Actual	01/20-06/20 YTD Actual	2020 Adopted Budget	2020 Estimated	2021 Preliminary Budget
Beginning Fund Balance	\$ -	\$ 467,615	\$ 468,000	\$ 467,615	\$ 0
Revenue					
Interest Income	7,328	2,893	\$ 1,000	4,000	0
Transfer from Debt Service Fund	3,518,360	-	\$ -	-	-
Total Revenue	3,525,688	2,893	1,000	4,000	-
Total Funds Available	3,525,688	470,508	469,000	471,615	0
Expenditures					
Miscellaneous	714	319	469,000	469,000	-
Developer Reimbursement Principal	2,938,754	-	-	-	-
Developer Reimbursement Interest	118,605	-	-	-	-
Transfer to Debt Service Fund		-	-	2,615	-
Total Expenditures	3,058,073	319	469,000	471,615	-
Total Expenditures Requiring Appropriation	3,058,073	319	469,000	471,615	-
Ending Funds Available	\$ 467,615	\$ 470,188	\$ -	\$ 0	\$ 0

RESOLUTION NO. 2020 - 10 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1
TO ADOPT THE 2021 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the East Creek Metropolitan District No. 1 (“District”) has appointed the District Accountant to prepare and submit a proposed 2021 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2020, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 26, 2020, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Creek Metropolitan District No. 1:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the East Creek Metropolitan District No. 1 for the 2021 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 26th day of October, 2020.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, Matthew Larsen, hereby certify that I am the duly appointed Secretary of the East Creek Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the East Creek Metropolitan District No. 1 held on October 26, 2020.

By: _____

RESOLUTION NO. 2020 - 10 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the East Creek Metropolitan District No. 1 (“District”) has adopted the 2021 annual budget in accordance with the Local Government Budget Law on October 26, 2020; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2021 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Creek Metropolitan District No. 1:

1. That for the purposes of meeting all general fund expenses of the District during the 2021 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2021 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 26th day of October, 2020.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)