

**EAST CREEK
METROPOLITAN DISTRICT NO. 1
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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Independent Auditor's Report

Board of Directors
East Creek Metropolitan District No. 1
Arapahoe County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of East Creek Metropolitan District No. 1 (District) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 and each major fund of East Creek Metropolitan District No. 1, as of December 31, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
July 10, 2020

BASIC FINANCIAL STATEMENTS

EAST CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2019

ASSETS

Cash and investments - unrestricted	\$ 29,501
Cash and investments - restricted	1,123,736
Cash with County Treasurer	205
Property taxes receivable	104,201
Prepaid expense	3,179
Total assets	1,260,822

LIABILITIES

Accounts payable	4,738
Prepaid customer accounts	3,128
Accrued interest payable	8,772
Bonds and advances payable	
Due in more than one year	5,194,547
Total liabilities	5,211,185

DEFERRED INFLOWS OF RESOURCES

Property tax revenue	104,201
Total deferred inflows of resources	104,201

NET POSITION

Restricted for emergencies	1,500
Restricted for debt service	327,236
Restricted for capital	3,854
Unrestricted	(4,387,154)
Total net position	\$ (4,054,564)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

EAST CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General government	\$ 61,040	\$ 15,070	\$ 999	\$ -	\$ (44,971)
Interest and fiscal charges	624,224	-	-	-	(624,224)
	<u>\$ 685,264</u>	<u>\$ 15,070</u>	<u>\$ 999</u>	<u>\$ -</u>	<u>(669,195)</u>

General revenues:

Taxes:

Property taxes	31,374
Specific ownership taxes	2,460
Net investment income	19,461
Miscellaneous income	50
Total general revenues	<u>53,345</u>

Special item - developer advances for capital assets
conveyed directly to City (3,421,822)

Change in net position (4,037,672)

Net position - beginning (16,892)

Net position - ending \$ (4,054,564)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**EAST CREEK METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments - unrestricted	\$ 29,501	\$ -	\$ -	\$ 29,501
Cash and investments - restricted	-	656,121	467,615	1,123,736
Cash with County Treasurer	205	-	-	205
Property tax receivable	17,081	87,120	-	104,201
Prepaid expenditures	3,179	-	-	3,179
TOTAL ASSETS	<u>\$ 49,966</u>	<u>\$ 743,241</u>	<u>\$ 467,615</u>	<u>\$ 1,260,822</u>
LIABILITIES				
Accounts payable	\$ 4,738	\$ -	\$ -	\$ 4,738
Prepaid customer accounts	3,128	-	-	3,128
Total liabilities	<u>7,866</u>	<u>-</u>	<u>-</u>	<u>7,866</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	17,081	87,120	-	104,201
Total deferred inflows of resources	<u>17,081</u>	<u>87,120</u>	<u>-</u>	<u>104,201</u>
FUND BALANCES				
Nonspendable - prepaid items	3,179	-	-	3,179
Spendable:				
Restricted for:				
Emergencies	1,500	-	-	1,500
Debt service	-	656,121	-	656,121
Capital	-	-	467,615	467,615
Assigned for subsequent year's expenditures	315	-	-	315
Unassigned	20,025	-	-	20,025
Total fund balances	<u>25,019</u>	<u>656,121</u>	<u>467,615</u>	<u>1,148,755</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 49,966</u>	<u>\$ 743,241</u>	<u>\$ 467,615</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some liabilities, including bonds payable, developer advances and other accrued payables, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

General obligation bonds payable	(4,594,000)
Developer advances	(535,341)
Accrued interest payable - 2019A bonds	(8,772)
Accrued interest payable - 2019B bonds	(34,474)
Accrued interest payable - developer advances	(30,732)
	<u>(5,203,319)</u>
Net position of governmental activities	<u>\$ (4,054,564)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

EAST CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property tax	\$ 31,374	\$ -	\$ -	\$ 31,374
Specific ownership tax	2,460	-	-	2,460
Net investment income	11	12,122	7,328	19,461
Working capital fee	5,770	-	-	5,770
Operations fee	9,300	-	-	9,300
IGA revenue - East Creek Metro District No. 2	999	-	-	999
Miscellaneous	50	-	-	50
Total revenues	<u>49,964</u>	<u>12,122</u>	<u>7,328</u>	<u>69,414</u>
EXPENDITURES				
Current				
Management fees	19,322	-	-	19,322
Billing services	1,176	-	-	1,176
Accounting	10,814	-	-	10,814
Audit	42	-	-	42
Legal	11,081	-	-	11,081
Insurance	2,618	-	-	2,618
Election expense	28	-	-	28
Miscellaneous	5,579	-	714	6,293
County Treasurer's fees	471	-	-	471
Covenant control	4,172	-	-	4,172
Landscape maintenance	4,002	-	-	4,002
Trash and recycling	1,021	-	-	1,021
Debt service				
Bond interest	-	131,578	-	131,578
Paying agent fees and other fees	-	10,197	-	10,197
Bond issuance costs	-	289,866	-	289,866
Developer reimbursement - principal	-	-	2,938,754	2,938,754
Developer reimbursement - interest	-	-	118,605	118,605
Total expenditures	<u>60,326</u>	<u>431,641</u>	<u>3,058,073</u>	<u>192,618</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(10,362)</u>	<u>(419,519)</u>	<u>(3,050,745)</u>	<u>(3,480,626)</u>
OTHER FINANCING SOURCES (USES)				
Developer advances	52,273	-	-	52,273
Bond proceeds	-	4,594,000	-	4,594,000
Transfer to other funds	-	(3,518,360)	-	(3,518,360)
Transfer from other funds	-	-	3,518,360	3,518,360
Total other financing sources (uses)	<u>52,273</u>	<u>1,075,640</u>	<u>3,518,360</u>	<u>4,646,273</u>
NET CHANGE IN FUND BALANCES	41,911	656,121	467,615	1,165,647
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	<u>(16,892)</u>	<u>-</u>	<u>-</u>	<u>(16,892)</u>
FUND BALANCES - END OF YEAR	<u>\$ 25,019</u>	<u>\$ 656,121</u>	<u>\$ 467,615</u>	<u>\$ 1,148,755</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**EAST CREEK METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	\$ 1,165,647
<p>The repayment of the principal of long-term debt consumes current financial resources of governmental funds. However, it has no effect on net position.</p>	
Developer advances - principal	2,938,754
<p>The issuance of long-term debt provides for current financial resources of governmental funds. However, it has no effect on net position.</p>	
Bond proceeds	(4,594,000)
Developer advances - operating	(52,273)
Developer advances for capital assets conveyed directly to City	(3,421,822)
	(8,068,095)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in accrued interest payable - bonds	(43,246)
Change in accrued interest payable - developer advances	(30,732)
	(73,978)
Change in net position - Governmental activities	\$ (4,037,672)

These financial statements should be read only in connection with the accompanying notes to financial statements.

EAST CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property tax	\$ 31,374	\$ 31,374	\$ -
Specific ownership taxes	-	2,460	2,460
Net investment income	-	11	11
Operations fee	4,410	5,770	1,360
Working capital fee	-	9,300	9,300
IGA revenue - East Creek Metro District No. 2	-	999	999
Miscellaneous	-	50	50
Total Revenues	35,784	49,964	14,180
EXPENDITURES			
Management fees	15,000	19,322	(4,322)
Billing services	-	1,176	(1,176)
Accounting	8,000	10,814	(2,814)
Audit	1,000	42	958
Legal	15,000	11,081	3,919
Insurance	3,500	2,618	882
Election expense	-	28	(28)
Miscellaneous	3,000	5,579	(2,579)
County Treasurer's fees	471	471	-
Covenant control	14,345	4,172	10,173
Drainage	2,000	-	2,000
Landscape maintenance	28,480	4,002	24,478
Fencing	1,500	-	1,500
Park	4,680	-	4,680
Utilities	7,500	-	7,500
Monuments	1,000	-	1,000
Mailboxes	750	-	750
Trash and recycling	-	1,021	(1,021)
Contingency	3,000	-	3,000
Emergency reserves	1,500	-	1,500
Total Expenditures	110,726	60,326	50,400
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(74,942)	(10,362)	64,580
OTHER FINANCING SOURCES (USES)			
Developer advances	77,440	52,273	(25,167)
Total other financing sources (uses)	77,440	52,273	(25,167)
NET CHANGE IN FUND BALANCE	2,498	41,911	39,413
FUND BALANCE - BEGINNING OF YEAR	-	(16,892)	(16,892)
FUND BALANCE - END OF YEAR	\$ 2,498	\$ 25,019	\$ 22,521

These financial statements should be read only in connection with
the accompanying notes to financial statements.

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – DEFINITION OF REPORTING ENTITY

East Creek Metropolitan District No. 1 (District), a quasi-municipal corporation, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District was established to provide financing for the acquisition, construction, installation and/or operation of street improvements, water, sanitation, safety protection, park and recreation and transportation services.

In June 2018, the District entered into a Memorandum of Understanding (the MOU) with East Creek Metropolitan District No. 2 (District No. 2). Under the MOU, the District is to provide for the financing, construction, design, operation and maintenance of public improvements, as well as overall administration of the Districts. District No. 2 is to reimburse the District for all costs incurred by the District pursuant to the MOU on an allocable basis.

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

The statement of net position reports all financial and capital resources of the District, the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, being reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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

The District reports the following major governmental funds:

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

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

The Capital Projects Fund accounts for the financial resources to be used for the acquisition and construction of capital equipment and facilities.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

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

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget in the Debt Service Fund and Capital Projects Fund for the year ended December 31, 2019 for a bond issuance and repayment of developer advances.

Pooled Cash and Investments

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

Capital Assets

Capital assets, which include infrastructure improvements, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Any construction in process that will be dedicated to another entity is not depreciated. At December 31, 2019, the District had no depreciable assets as all assets were conveyed directly the City of Aurora by Meritage Homes, Inc. (the Developer) in 2019.

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 30 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.

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

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Deferred Inflows/Outflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable revenues are property taxes levied for the ensuing year.

Debt Issue Costs and Original Issue Discount/Premium

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method, with the unamortized amount included as a component of the debt. Debt issuance costs are treated as a period cost and expensed in the year incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance—amounts that are available for any purpose.

**EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
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When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

Operations and Transfer Fees

The District has imposed an Operations Fee in the amount of \$720 per year on each residential lot within the District. The Operations Fee is billed in quarterly amounts of \$180 and is to be used for operations and maintenance costs.

The District has imposed a Transfer Fee in order to offset administrative costs associated with a transfer of ownership of any unit located within the District. The Transfer Fee is \$300 per lot and is due and payable at the time of any sale, transfer or re-sale of any single-family dwelling which has a certificate of occupancy.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

Cash and investments - unrestricted	\$ 29,501
Cash and investments - restricted	1,123,736
	\$ 1,153,237

Cash and investments as of December 31, 2019 consist of the following:

Deposits with financial institutions	\$ 37,797
Investments	1,115,440
	\$ 1,153,237

Cash Deposits

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

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

**EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

At December 31, 2019, the District's cash deposits had a bank balance of \$47,595 and carrying balance of \$37,797.

Investments

The District has not adopted a formal investment policy; however, the District follows State Statutes regarding investments.

The District follows Colorado State Statutes which 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 and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

At December 31, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	\$ <u>1,115,440</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST is rated AAAM by Standard and Poor's. A designated custodial bank serves as custodian for COLOTRUST's portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for COLOTRUST's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotruster.com.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

Restricted Cash and Investments

At December 31, 2019, cash and investments in the amount of \$1,123,736 are restricted for debt service and capital in accordance with the indenture of trust related to the Series 2019A and B General Obligation Bonds (See Note 4).

NOTE 4 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2019:

	Balance at December 31, 2018	Additions	Retirements	Balance at December 31, 2019	Due Within One Year
General Obligation Bonds					
2019A	\$ -	\$ 4,010,000	\$ -	\$ 4,010,000	\$ -
2019B	-	584,000	-	584,000	-
Accrued interest on					
2019B bonds	-	34,474	-	34,474	-
Developer Advances - Capital	-	3,421,822	(2,938,754)	483,068	-
Accrued interest on					
Developer advances	-	146,028	(118,605)	27,423	-
Developer Advances - Ops	-	52,273	-	52,273	-
Accrued interest on					
Developer advances	-	3,309	-	3,309	-
	<u>\$ -</u>	<u>\$ 8,251,906</u>	<u>\$ (3,057,359)</u>	<u>\$ 5,194,547</u>	<u>\$ -</u>

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
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The detail of the District's long-term debt is as follows:

General Obligation Limited Tax Bonds, Series 2019A and 2019B

Series 2019A

On April 10, 2019, the District issued \$4,010,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A, (2019A Bonds), with interest of 5.250%. Proceeds of the 2019A Bonds were used for issuance costs and to reimburse the Developer for capital construction costs. The 2019A Bonds mature on December 1, 2048 with mandatory sinking fund payments each year beginning December 1, 2022 in varying amounts. Interest is due each June 1 and December 1, commencing June 1, 2019. The 2019A Bonds are subject to optional redemption, as a whole or in integral multiples of \$1,000 on any date, upon payment of par and accrued interest plus a redemption premium in varying rates beginning on June 1, 2024.

The 2019A Bonds are payable from pledged revenue, which includes the District's covenant to levy the required mill levy on all taxable property within the District to pay for debt scheduled payments, specific ownership taxes, capital fees, pledged fees from District No. 2 (see Capital Pledge Agreement below) and any other revenues designated as such and pledged to the payment of the 2019A Bonds by a resolution adopted by the Board. Prior to the Conversion Date (first date on which both the debt to assessed ratio is 50% or less; and no amounts of principal or interest on the 2019A Bonds are due but unpaid), the District is required to impose a mill levy sufficient to pay principal and interest on the 2019A Bonds as they come due, and if necessary, an amount sufficient to replenish the Reserve Fund to the amount of the Required Reserve, but (1) not in excess of 50.000 mills, and (2) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 50.000 mills; provided, however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2004, any change in law, change in method of calculation, the minimum and maximum mill levies shall be increased or decreased to reflect such changes. On and after the Conversion Date, the District is to impose a mill levy in an amount sufficient to pay the principal and interest on the 2019A Bonds as they come due. The District levied 55.664 mills for 2020 collection.

Pursuant to the Indenture of Trust, the District is required to establish a Reserve Fund for the 2019A Bonds with bond proceeds in the amount of \$320,112. At December 31, 2019, the balance was \$321,384.

Pledged revenue not required for the payment of the 2019A Bonds or the Reserve Fund shall be credited to the Surplus Fund up to a maximum amount of \$401,000. At December 31, 2019, the balance was \$0.

Series 2019B

On April 10, 2019 the District issued \$584,000 Subordinate General Obligation Limited Tax Bonds, Series 2019B (2019B Bonds), with interest of 8.00%. Proceeds of the 2019B Bonds were used for issuance costs and to reimburse the Developer for capital construction costs. The 2019B Bonds mature on December 15, 2048. Interest is payable on December 15 of each year, commencing on December 15, 2019. Unpaid interest shall compound annually on December 15 of each year.

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

The 2019B Bonds are only payable in any particular year to the extent that there are amounts available in the Subordinate Pledged Revenue Fund. The Subordinate Pledged Revenue Fund is to be funded from the Subordinate Required Mill Levy, specific ownership taxes, capital fees, pledged fees from District No. 2 (see Capital Pledge Agreement below) and any other revenues designated as such and pledged to the payment of the bonds by a resolution adopted by the Board. The Subordinate Required Mill Levy is 50.000 mills less the 2019A Bond mill levy. The 2019B Bonds will terminate on December 16, 2058, whereby any unpaid principal and interest will be deemed paid.

Capital Pledge Agreement

The District entered into the Capital Pledge Agreement with District No. 2. The Agreement outlines District No. 2's covenant to cause to be levied on all of the taxable property within District No. 2, commencing in December 2019, the amount of the Mandatory Capital levy of 30.000 mills provided, however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2004, any change in law, change in method of calculation, the maximum mill levy shall be increased or decreased to reflect such changes. The Capital Pledge Agreement will terminate on December 16, 2058 regardless of the amount of principal and interest paid prior to that date.

Facilities Funding and Acquisition Agreement

The District and the Developer entered into a Facilities Funding and Acquisition Agreement (FFA Agreement) on June 25, 2018, effective June 18, 2018.

Organization Costs

According to the terms of the FFA Agreement, the District shall reimburse the Developer for organization expenses incurred. Simple interest accrues on the organization expenses at a rate of 8% from the District's organization date.

Construction Costs

The parties to the FFA Agreement acknowledge that the District will incur construction related expenses in connection with the construction of certain public improvements in reliance upon the Developer's commitment to provide funding. In addition, the Developer has or will design, construct and complete certain improvements for District acquisition upon completion. To the extent that the public improvements are not designed, constructed and completed by the Developer for the District's acquisition upon completion, the Developer shall advance funds to the District necessary to fund the construction related expenses up to \$9,737,479. Simple interest accrues from the date the costs are incurred by the Developer at a rate of 8%. The District anticipates payment of the developer advances and/or verified costs to be from the proceeds of debt incurred by the District. Any obligation of the District to reimburse the Developer shall expire on December 31, 2058.

At December 31, 2019, the District owed the Developer \$483,068 in principal and \$27,423 in interest under the FFA Agreement.

**EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2018 Operation Funding Agreement

The District and the Developer entered into an Operation Funding Agreement on June 25, 2018 with an effective date of June 18, 2018 (2018 OFA). The 2018 OFA provides for the Developer to advance funds for ongoing operating expenses incurred by the District through December 31, 2018 in an amount not to exceed \$50,000. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 8% per annum. Any obligation of the District to reimburse the Developer shall expire on December 31, 2058.

On October 22, 2018, the District approved the First Amendment to the Operation Funding Agreement (the First Amendment). The First Amendment extended the term of developer advances through December 31, 2019 in an amount of \$100,000 and remains in effect until December 31, 2019.

At December 31, 2019, the District owed the Developer \$52,273 in principal and \$3,309 in interest under the 2018 OFA.

The District's 2019A General Obligation Bonds will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ -	\$ 210,525	\$ 210,525
2021	-	210,525	210,525
2022	15,000	210,525	225,525
2023	40,000	209,738	249,738
2024	50,000	207,638	257,638
2025-2029	315,000	995,136	1,310,136
2030-2034	495,000	894,337	1,389,337
2035-2039	710,000	743,136	1,453,136
2040-2044	1,000,000	528,152	1,528,152
2045-2048	1,385,000	211,575	1,596,575
	<u>\$ 4,010,000</u>	<u>\$ 4,421,287</u>	<u>\$ 8,431,287</u>

Annual debt service requirements of the District's Subordinate General Obligation Limited Tax Bonds, Series 2019B Bonds are not currently determinable since they are payable only from funds available from Subordinate Pledged Revenue.

**EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 – DEBT AUTHORIZATION

At December 31, 2019, the District had the following authorized by unissued indebtedness:

	Authorized May 3, 2018 Election	Authorization Used *	Remaining at December 31, 2019
Streets	\$ 9,737,479	\$ 1,322,709	\$ 8,414,770
Parks and recreation	\$ 9,737,479	-	9,737,479
Water	\$ 9,737,479	991,100	8,746,379
Sanitation	\$ 9,737,479	2,280,191	7,457,288
Public transportation	\$ 9,737,479	-	9,737,479
Mosquito control	\$ 9,737,479	-	9,737,479
Safety Protection	\$ 9,737,479	-	9,737,479
Fire Protection	\$ 9,737,479	-	9,737,479
TV relay	\$ 9,737,479	-	9,737,479
Security services	\$ 9,737,479	-	9,737,479
Operations	\$ 9,737,479	-	9,737,479
Refunding	\$ 9,737,479	-	9,737,479
IGA Debt	\$ 9,737,479	-	9,737,479
	<u>\$ 126,587,227</u>	<u>\$ 4,594,000</u>	<u>\$ 121,993,227</u>

* Authorization used is based on the estimated use of proceeds

The District's service plan limits the total debt issued to \$9,737,479. In the future, the District may issue a portion or all of the remaining authorized but unissued debt.

NOTE 6 – AGREEMENTS

Intergovernmental Agreement with Aurora

The District and the City of Aurora (City) are parties to an intergovernmental agreement (City IGA) dated March 5, 2018, pursuant to the requirements of the Service Plan. Under the City IGA, the District covenants to dedicate certain public improvements to the City or other appropriate jurisdiction, and covenants that all improvements will be constructed in compliance with the City's standards and specifications. The City IGA states that the District is not authorized to operate and maintain improvements, other than park and recreation improvements and landscape, access and drainage are improvements within certain tracts, unless otherwise agreed to by the City. The District is required to impose a mill levy for Aurora regional improvements (the ARI Mill Levy). The ARI Mill Levy is defined in the Service Plan as: (i) for the first 20 years (beginning in the first year of collection of a debt service mill levy by the District), one mill; (ii) for the next 20 years, five mills; and (iii) for the next 10 years, a mill levy equal to the average debt service mill levy imposed by the District in the 10 years prior to the date of repayment of the debt it issued to construct nonregional improvements. The District levied 1.113 mills for collection in 2020.

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 – FUND EQUITY

At December 31, 2019, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$3,179 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$1,500 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11). The restricted fund balance in the Debt Service Fund in the amount of \$656,121 is to be used exclusively for debt service requirements (see Note 4). The restricted fund balance in the Capital Projects Fund in the amount of \$467,615 is to be used exclusively for capital projects allowed by the 2019A and 2019B Bond documents (see Note 4).

NOTE 8 - NET POSITION

The District's net position consists of two components – restricted and unrestricted.

The restricted portion of net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District's restricted net position at December 31, 2019 is as follows:

Restricted net position:

Emergency reserves (see Note 11)	\$ 1,500
Debt Service	327,236
Capital	<u>3,854</u>
	<u><u>\$ 332,590</u></u>

The District's unrestricted net position at December 31, 2019 totaled \$(4,387,154). This deficit amount was a result of the District being responsible for repayment of bonds issued for public improvements conveyed to other governmental entities.

NOTE 9 – RELATED PARTIES

The property with the District is being developed by the Developer. During 2019, all of the members of the Board of Directors were officers or employees for, or otherwise associated with the Developer and may have conflicts of interest in matters involving the District.

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2019. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 11 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

On May 8, 2018, the District's electors authorized the District to increase taxes \$100,000 annually or by a lesser annual amount as may be necessary to pay the District's operations and maintenance and other expenses without limitation of rate. Further the District's electors authorized the District to collect, keep and expend all District revenues received in 2018 and each year thereafter, of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

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

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

EAST CREEK METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2019

	Original Budgeted Amounts	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ -	\$ -	\$ 12,122	\$ 12,122
Total Revenues	-	-	12,122	12,122
EXPENDITURES				
Bond interest	-	131,578	131,578	-
Paying agent and other fees	-	10,197	10,197	-
Bond issuance costs	-	289,866	289,866	-
Contingency	-	1,049,999	-	1,049,999
Total Expenditures	-	1,481,640	431,641	1,049,999
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	-	(1,481,640)	(419,519)	1,062,121
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	5,000,000	4,594,000	(406,000)
Transfers to other funds	-	(3,518,360)	(3,518,360)	-
Total other financing sources (uses)	-	1,481,640	1,075,640	(406,000)
NET CHANGE IN FUND BALANCE				
	-	-	656,121	656,121
FUND BALANCE - BEGINNING OF YEAR				
	-	-	-	-
FUND BALANCE - END OF YEAR				
	\$ -	\$ -	\$ 656,121	\$ 656,121

EAST CREEK METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2019

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Net investment income	\$ -	\$ -	\$ 7,328	\$ 7,328
Total Revenues	<u>-</u>	<u>-</u>	<u>7,328</u>	<u>7,328</u>
EXPENDITURES				
Miscellaneous	-	-	714	(714)
Developer reimbursement - principl	-	5,000,000	2,938,754	2,061,246
Developer reimbursement - interest	-	-	118,605	(118,605)
Total Expenditures	<u>-</u>	<u>5,000,000</u>	<u>3,058,073</u>	<u>1,941,927</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(5,000,000)</u>	<u>(3,050,745)</u>	<u>1,949,255</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	5,000,000	3,518,360	(1,481,640)
Total other financing sources (uses)	<u>-</u>	<u>5,000,000</u>	<u>3,518,360</u>	<u>(1,481,640)</u>
NET CHANGE IN FUND BALANCE	-	-	467,615	467,615
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 467,615</u>	<u>\$ 467,615</u>

OTHER INFORMATION

**EAST CREEK METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied				Property Taxes		Percentage Collected to Levied
		General	Debt	ARI	Total	Levied	Collected	
2019	\$ 480,625	65.277	0.000	0.000	65.277	\$ 31,374	\$ 31,374	100.0%
Estimated for year ending December 31, 2020	\$ 1,534,415	11.132	55.664	1.113	67.909	\$ 104,201		

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

EAST CREEK METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2019

\$4,010,000 General Obligation Limited Tax
(Convertible to Unlimited Tax) Bonds, Series 2019A
Dated April 10, 2019
Interest Rate of 5.250%
Principal Due December 1

Year Ending December 31,	Interest Due June 1 and December 1		
	Principal	Interest	Total
2020	\$ -	\$ 210,525	\$ 210,525
2021	-	210,525	210,525
2022	15,000 *	210,525	225,525
2023	40,000 *	209,738	249,738
2024	50,000 *	207,638	257,638
2025	50,000 *	205,013	255,013
2026	60,000 *	202,386	262,386
2027	60,000 *	199,237	259,237
2028	70,000 *	196,088	266,088
2029	75,000 *	192,412	267,412
2030	85,000 *	188,475	273,475
2031	90,000 *	184,012	274,012
2032	100,000 *	179,287	279,287
2033	105,000 *	174,038	279,038
2034	115,000 *	168,525	283,525
2035	120,000 *	162,487	282,487
2036	135,000 *	156,187	291,187
2037	140,000 *	149,100	289,100
2038	155,000 *	141,750	296,750
2039	160,000 *	133,612	293,612
2040	175,000 *	125,213	300,213
2041	185,000 *	116,025	301,025
2042	200,000 *	106,313	306,313
2043	210,000 *	95,813	305,813
2044	230,000 *	84,788	314,788
2045	240,000 *	72,713	312,713
2046	260,000 *	60,112	320,112
2047	270,000 *	46,463	316,463
2048	615,000	32,287	647,287
	<u>\$ 4,010,000</u>	<u>\$ 4,421,287</u>	<u>\$ 8,431,287</u>

* sinking fund redemptions