

RESOLUTION NO. 2022 - 10 - 03  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1  
TO ADOPT THE 2023 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 2023 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, 2022, 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 24, 2022, 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 2023 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 24th day of October, 2022.

A handwritten signature in black ink, consisting of a stylized 'P' followed by a horizontal line and a small flourish.

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Secretary

EXHIBIT A  
(Budget)

# **EAST CREEK METROPOLITAN DISTRICT NO.1**

## **2023 Budget Message**

### **Introduction**

The District was formed in 2018 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements. Some of these improvements will be dedicated to the City of Aurora, Arapahoe County, or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

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 “shall provide for the financing, construction, design, operation and maintenance of the Improvements, as well as overall administration of the Districts.” District No. 2 is to reimburse District No. 1 for all costs incurred by District No. 1 pursuant to the MOU, on an allocable basis.

The 2023 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2023 fiscal year based on available revenues.

The District’s 2022 assessed value is \$4,721,534, a decrease from the prior year value of \$4,933,411. The District certified 11.132 mills in the General Fund, 55.664 mills in the Debt Service Fund and 1.145 mills for the Aurora Regional Improvement for taxes collected in the 2023 fiscal year, for a total mill levy of 67.941 mills.

The District’s Service Plan authorizes an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2004, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property taxes commencing on and after January 1, 2017, and House Bill 19-255 setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%), for property taxes commencing on and after January 1, 2019, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property. Senate Bill 21-293 further reduced the assessment ratio for real residential property to 6.95% for property tax years commencing on January 1, 2022 and January 1, 2023. The Service Plan allows for a total mill levy imposition, as noted in the following paragraph, so the District’s revenue is neither diminished nor enhanced.

### **Budgetary Basis of Accounting**

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60-days of the end of the current fiscal period. Expenditures, other than the interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid.

### **Fund Summaries**

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax, developer advances, operations and maintenance and working capital fees, and expenditures which include district administration, legal services, operations and maintenance of landscape, parks and open space, and other expenses related to statutory operations of a local government.

**Debt Service Fund** is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. The primary source of revenue for the Debt Service Fund comes from property taxes.

### **Debt**

On April 16, 2019, the District issued Series 2019A general obligation bonds and 2019B subordinate general obligation limited tax bonds in the amounts of \$4,010,000 and \$584,000, respectively. Proceeds from the sale of the bonds are being used to fund a portion of the costs of acquiring, constructing and installing certain public infrastructure to serve the development and paying the costs of issuing the Bonds. The Series A bonds bear an interest rate of 5.25% and mature on December 1, 2048. Interest is payable semi-annually on June 1 and December 1, and principal is payable annually on December 1. The Series B bonds bear an interest rate of 8.00%, and are structured as "cashflow" bonds, meaning that there are no scheduled payments of principal prior to their maturity date of December 15, 2048, except to the extent there is subordinate pledged revenue available.

**Series 2019A General Obligation Bonds**

Year Ending December 31,	Principal	Interest	Total
2023	\$ 40,000	\$ 209,738	\$ 249,738
2024	50,000	207,638	257,638
2025	50,000	205,013	255,013
2026-2030	350,000	978,598	1,328,598
2031-2035	530,000	868,349	1,398,349
2036-2040	765,000	705,862	1,470,862
2041-2045	1,065,000	475,652	1,540,652
2046-2048	1,145,000	138,862	1,283,862
Totals	<u>\$ 3,995,000</u>	<u>\$3,789,712</u>	<u>\$7,784,712</u>

**Emergency Reserve**

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

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

<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Actual</b>	<b>Adopted Budget</b>	<b>Adopted Budget</b>

Assessed Valuation	\$	3,008,028	\$	4,933,411	\$	4,721,534
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**Mill Levy**

General Fund	11.132	11.132	11.132
Debt Service Fund	55.664	55.664	55.664
Aurora Regional Improvement	1.113	1.113	1.145

<b>Total Mill Levy</b>	<b>67.909</b>	<b>67.909</b>	<b>67.941</b>
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**Property Taxes**

General Fund	\$	33,485	\$	54,919	\$	52,560
Debt Service Fund		167,439		274,613		262,819
Aurora Regional Improvement		3,348		5,491		5,406

<b>Actual/Budgeted Property Taxes</b>	<b>\$</b>	<b>204,272</b>	<b>\$</b>	<b>335,023</b>	<b>\$</b>	<b>320,786</b>
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# EAST CREEK METROPOLITAN DISTRICT NO. 1

## GENERAL FUND 2023 Adopted Budget with 2021 Actual, 2022 Adopted Budget, and 2022 Estimated

	2021 Actual	2022 Adopted Budget	2022 Estimated	2023 Adopted Budget
<b>Fund Balance</b>	\$ 39,129	\$ 64,823	\$ 27,229	\$ 30,175
<b>REVENUE</b>				
Property Tax Revenue	33,485	54,919	54,919	\$ 52,560
Specific Ownership Taxes	2,308	3,295	3,295	3,154
O & M Fees	105,119	112,560	112,560	112,560
ARI Fees	3,579	5,491	5,491	5,406
Working Capital	4,095	-	300	-
Interest Income	159	-	100	-
Miscellaneous Income	1,645	-	600	-
<b>Total Revenue</b>	150,390	176,265	177,265	173,680
<b>Total Funds Available</b>	189,519	241,088	204,494	203,855
<b>EXPENDITURES</b>				
Accounting	13,314	14,000	14,000	15,100
Audit	4,800	5,250	5,000	5,500
Election	-	25,000	340	5,000
Insurance/SDA Dues	4,450	5,250	4,168	4,800
Legal	14,753	16,000	16,000	12,000
Management	22,730	17,000	17,000	13,000
Miscellaneous	4,076	2,000	4,000	2,000
Treasurer's Fees	502	824	824	788
Covenant Control/Comm Mgmt	9,415	15,250	15,250	16,500
Drainage	675	2,000	2,000	2,000
Billing & Collection	4,100	8,000	8,000	6,000
Landscaping	15,990	25,080	25,080	27,600
Snow Removal	-	10,000	10,000	30,000
Fencing	-	1,500	1,500	1,500
Trash and Recycling	23,363	28,900	28,900	28,900
Park	-	5,000	5,000	5,000
Utilities	50,651	7,500	7,500	7,500
Monuments	-	1,000	1,000	1,000
Mailboxes	-	750	750	750
Contingency	-	10,000	10,000	8,000
Covenant Enforcement - Legal	-	2,500	2,500	2,500
<b>Total Expenditures</b>	168,819	202,804	178,812	195,438
<b>Transfers and Other Sources (Uses)</b>				
Emergency Reserve	-	(1,648)	-	(1,577)
ARI Fees	(3,348)	(5,491)	(5,491)	(5,406)
Transfer to Capital Proj. Fund	(27)	-	-	-
Transfer to District 2	-	-	(1,791)	-
Transfer from District No. 2	9,904	11,388	11,775	-
<b>Total Expenditures Requiring Appropriation</b>	172,194	209,943	186,094	202,421
<b>Ending Funds Available</b>	\$ 27,229	\$ 42,533	\$ 30,175	\$ 1,434



**DEBT SERVICE FUND**  
**2023 Adopted Budget**  
with 2021 Actual, 2022 Adopted Budget, and 2022 Estimated


	<b>2021 Actual</b>	<b>2022 Adopted Budget</b>	<b>2022 Estimated</b>	<b>2023 Adopted Budget</b>
<b>Fund Balance</b>	\$ 548,269	\$ 489,526	\$ 534,232	\$ 656,393
<b>Revenue</b>				
Property Tax Revenue	167,439	274,613	274,613	\$ 262,819
Specific Ownership Taxes	11,540	16,477	16,477	15,769
Interest Income	201	2,500	2,500	2,500
<b>Total Revenue</b>	<b>179,180</b>	<b>293,590</b>	<b>293,590</b>	<b>281,089</b>
<b>Total Funds Available</b>	<b>727,448</b>	<b>783,116</b>	<b>827,822</b>	<b>937,482</b>
<b>Expenditures</b>				
Bond Interest	210,525	210,525	210,526	209,738
Bond Principal	-	15,000	279,000	40,000
Paying Agent Fees	7,044	7,500	7,500	7,500
Treasurer's Fees	2,512	4,119	4,119	3,942
<b>Total Expenditures</b>	<b>220,081</b>	<b>237,144</b>	<b>501,145</b>	<b>261,180</b>
<b>Transfers and Other Sources (Uses)</b>				
Transfer From District No. 2	26,865	35,174	35,318	47,170
Transfer from Capital Projects	-	-	294,398	-
<b>Total Expenditures Requiring Appropriation</b>	<b>220,081</b>	<b>237,144</b>	<b>501,145</b>	<b>261,180</b>
<b>Ending Funds Available</b>	<b>\$ 534,232</b>	<b>\$ 581,146</b>	<b>\$ 656,393</b>	<b>\$ 723,472</b>

**EAST CREEK METROPOLITAN DISTRICT NO. 1**

**CAPITAL PROJECTS FUND**  
**2023 Adopted Budget**  
**with 2021 Actual, 2022 Adopted Budget, and 2022 Estimated**

	<b>2021 Actual</b>	<b>2022 Adopted Budget</b>	<b>2022 Estimated</b>	<b>2023 Adopted Budget</b>
<b>Fund Balance</b>	\$ 470,670	\$ -	\$ 294,300	\$ -
<b>Revenue</b>				
Interest Income	158	-	97	-
<b>Total Revenue</b>	158	-	97	-
<b>Total Funds Available</b>	470,829	-	294,397	-
<b>Expenditures</b>				
Miscellaneous	36	-	-	-
<b>Total Expenditures</b>	36	-	-	-
<b>Transfers and Other Sources (Uses)</b>				
Developer Reimbursement	(176,520)	-	-	-
Transfer to Debt Service Fund	-	-	(294,398)	-
Transfer from General Fund	27	-	-	-
<b>Total Expenditures Requiring Appropriation</b>	176,556	-	294,398	-
<b>Ending Funds Available</b>	\$ 294,300	\$ -	\$ -	\$ -

I, Peggy Ripko, 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 2023, duly adopted at a meeting of the Board of Directors of the East Creek Metropolitan District No. 1 held on October 24, 2022.

By:  \_\_\_\_\_  
Secretary

RESOLUTION NO. 2022 - 10 - 04  
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 2023 annual budget in accordance with the Local Government Budget Law on October 24, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 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 2023 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 2023 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 24th day of October, 2022.

  
\_\_\_\_\_  
Secretary

**EXHIBIT A**  
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of

Arapahoe County

, Colorado.

On behalf of the

East Creek Metropolitan District No. 1

(taxing entity)<sup>A</sup>

the

Board of Directors

(governing body)<sup>B</sup>

of the

East Creek Metropolitan District No. 1

(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$

4,721,534

assessed valuation of:

(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$

4,721,534

(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted:

12/12/2022

for budget/fiscal year

2023

(no later than Dec. 15)

(mm/dd/yyyy)

(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	11.132 mills	\$ 52,560
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< 0.000 > mills	\$ < 0 >
SUBTOTAL FOR GENERAL OPERATING:	11.132 mills	\$ 52,560
3. General Obligation Bonds and Interest <sup>J</sup>	55.664 mills	\$ 262,819
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify): Aurora Regional Improvement	1.145 mills	\$ 5,406
	mills	\$
TOTAL: [ Sum of General Operating Subtotal and Lines 3 to 7 ]	67.941 mills	\$ 320,785

Contact person:

(print)

Signed:

James H. Ruthven

Daytime phone:

( 303 )

Title:

District Accountant

987-0835

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1.	Purpose of Issue:	<b>2019 Senior General Obligation Bonds - \$4,010,000</b>
	Series:	<b>Series 2019A</b>
	Date of Issue:	<b>April 16, 2019</b>
	Coupon Rate:	<b>5.25%</b>
	Maturity Date:	<b>December 1, 2048</b>
	Levy:	<b>55.664</b>
	Revenue:	<b>\$262,819</b>
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2.	Purpose of Issue:	<b>2019 Subordinate General Obligation Bonds - \$584,000</b>
	Series:	<b>Series 2019B</b>
	Date of Issue:	<b>April 16, 2019</b>
	Coupon Rate:	<b>8.000%</b>
	Maturity Date:	<b>December 15, 2048</b>
	Levy:	<b>0.000</b>
	Revenue:	<b>\$0</b>

**CONTRACTS<sup>K</sup>:**

3.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____
<hr/>		
4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.