

EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
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NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Greg Wright	President	2025/May 2025
Martin Corley	Treasurer	2025/May 2025
Cameron Nelson	Assistant Secretary	2027/May 2027
Stephen Doherty	Assistant Secretary	2025/May 2025
VACANT		2027/May 2025
Peggy Ripko	Secretary	

DATE: June 24, 2024

TIME: 5:00 P.M.

PLACE: VIA ZOOM If you experience technical difficulties, email Peggy Ripko at pripko@sdmsi.com.

Join Zoom Meeting:

<https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUIZZc1VMWTJFZjFHdz09>

Meeting ID: 862 6755 0643

Passcode: 987572

Call In Number: 1-719-359-4580

I. ADMINISTRATIVE MATTERS

A. Confirm Quorum and Present Conflict Disclosures.

B. Approve Agenda, confirm location of the meeting, posting of meeting notice and designate 24-hour posting location.

C. Review and approve Minutes of the March 18, 2024 regular meeting for East Creek Metropolitan District No. 1 (“District No. 1”) and the October 23, 2023 statutory annual meeting and regular meeting for East Creek Metropolitan District No. 2 (“District No. 2”) (enclosures).

D. Review and approve Minutes from the June 4, 2024 Regular Meeting (enclosure).

II. PUBLIC COMMENTS (Items Not on the Agenda. As a courtesy to others, public comments are limited to three minutes per person. Please state and spell your name before speaking and wait for confirmation before proceeding in order to facilitate notes).

A. _____

III. FINANCIAL MATTERS

- A. Review and ratify the approval of the payment of claims for East Creek Metropolitan District No. 1 as follows (enclosures):

Fund	Period Ending March 31, 2024	Period Ending April 30, 2024
General	\$ 21,502.33	\$ 29,167.74
Debt Service	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-
Total Claims	\$ 21,502.33	\$ 29,167.74

- B. Review and ratify the approval of the payment of claims for East Creek Consolidated Metropolitan District as follows (enclosures):

Fund	Period Ending May 31, 2024	Period Ending June 30, 2024
General	\$ 17,719.13	\$ 17,665.99
Debt Service	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-
Total Claims	\$ 17,719.13	\$ 17,665.99

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- C. Review and accept unaudited financial statements for the period ending March 31, 2024 and the cash position statement for the period ending March 31, 2024 (to be distributed).

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- E. Review and ratify approval of the execution and filing of the Application for Exemption from Audit for 2023 for East Creek Metropolitan District No. 2 (enclosure).

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- F. Review and consider approval of the 2023 Audit and authorize execution of Representations Letter for East Creek Metropolitan District No. 1 (enclosure).

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- G. Conduct Public Hearing on the proposed 2024 Budget and consider adoption of Resolution to Adopt the 2024 Budget and Appropriate Sums of Money (enclosures, draft 2024 Budget, and Resolution).
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IV. LEGAL MATTERS

- A. Website – Update re Extension; Document Conversion
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V. OPERATIONS MATTERS

- A. Discuss and consider granting a non-exclusive utility easement (Ouray St. & Virginia Ave.) to Public Service Company of Colorado (to be distributed).
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- A. Review and consider approval of a Service Agreement for Installation of Prairie Dog Fencing with Animal & Pest Control Specialist, Inc. in the amount of \$3,800.00 (to be distributed).
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- B. Discuss Sump Pump Issues.
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- C. Discuss Courtesy Notice from City of Aurora regarding dead trees at S. Norfolk Way and E. Alameda Parkway and authorize necessary actions in connection therewith (to be distributed).
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1. Review and consider approval of Change Order No. 2 to Service Agreement for Landscape Maintenance Services with Consolidated Divisions, Inc. d/b/a Nature's Workforce for tree replacements in the amount of \$144,901.50 (to be distributed).
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- D. Review and consider approval of Change Order No. 3 to Service Agreement for Landscape Maintenance Services with Consolidated Divisions, Inc. d/b/a Nature's Workforce for winter watering in the amount of \$2,015.35 (to be distributed).
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VI. OTHER BUSINESS

- A. _____

- VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR OCTOBER 28, 2024.**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1 HELD MARCH 18, 2024

A Regular meeting of the Board of Directors of the East Creek Metropolitan District No. 1 (the “**District**”) was convened on Monday, March 18, 2024 at 5:00 p.m. This District Board Meeting was held via Zoom video/telephone conference. The meeting was open to the public via Zoom.

Directors In Attendance Were:

Greg Wright
Martin Corley
Cameron Nelson
Stephen Doherty

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc.

Jeffrey Erb, Esq.; Erb Law, LLC

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board noted a quorum was present and discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No disclosures were made, and it was noted that all Directors are residents of the District.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District’s regular meeting.

Following discussion, upon motion duly made by Director Nelson, seconded by Director Corley 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, the Board noted this meeting was held by Zoom. The Board further noted that notice of this meeting and the

RECORD OF PROCEEDINGS

conference/video access was duly posted and it had not received any objections to the format of the meeting or any requests that the meeting format be changed by taxpaying electors within the District's boundaries.

Designation of 24-hour Posting Location: Following discussion, upon motion duly made by Director Nelson, seconded by Director Corley and, upon vote, unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted on the District's website, or if the website is unavailable for posting, notices shall be posted within the boundaries of the District on the corner of South Airport Boulevard and East Alameda Drive, at least 24 hours prior to each meeting.

Minutes: The Board reviewed the minutes of the October 23, 2023 regular meeting and the October 23, 2023 statutory annual meeting

Following discussion, upon motion duly made by Director Nelson, seconded by Director Corley and, upon vote, unanimously carried, the Board approved the minutes of the October 23, 2023 regular meeting and the October 23, 2023 statutory annual meeting, as presented.

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

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

President	Greg Wright
Treasurer	Martin Corley
Secretary	Peggy Ripko
Assistant Secretary	Cameron Nelson
Assistant Secretary	Stephen Doherty

Newsletter Topics: The Board discussed newsletter topics. No action was taken.

PUBLIC COMMENT There was no public comment.

FINANCIAL MATTERS

Payment of Claims: The Board reviewed the payment of claims as follows:

RECORD OF PROCEEDINGS

Fund	Period Ending Nov. 30, 2023	Period Ending Dec. 31, 2023	Period Ending Jan. 31, 2024
General	\$ 35,820.72	\$ 18,086.72	\$ 17,433.11
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 35,820.72	\$ 18,086.72	\$ 17,433.11

Fund	Period Ending Feb. 29, 2023
General	\$ 20,227.27
Debt Service	\$ -0-
Capital Projects	\$ -0-
Total Claims	\$ 20,227.27

Following discussion, upon motion duly made by Director Corley, seconded by Director Wright and, upon vote, unanimously carried, the Board approved the payment of claims, as presented.

Unaudited Financial Statements and Cash Position: The Board deferred discussion at this time.

LEGAL MATTERS

Consolidation with East Creek Metropolitan District No. 2: Attorney Erb updated the Board regarding the proposed consolidation with East Creek Metropolitan District No. 2. It was noted that the consolidation passed. It will be recorded and the consolidated District will take over.

OPERATIONS AND MAINTENANCE

Non-Exclusive Utility Easement: The Board deferred discussion at this time.

Service Agreement for Installation of Prairie Dog Fencing with Animal & Pest Control Specialist, Inc.: The Board deferred discussion at this time.

Sump Pump Issues: The Board deferred discussion at this time.

Courtesy Notice from City of Aurora: The Board deferred discussion at this time.

Change Order No. 2 to Service Agreement for Landscape Maintenance Services with Consolidated Divisions, Inc. d/b/a Nature's Workforce: The Board deferred discussion at this time.

Change Order No. 3 to Service Agreement for Landscape Maintenance Services with Consolidated Divisions, Inc. d/b/a Nature's Workforce: The Board deferred discussion at this time.

RECORD OF PROCEEDINGS

OTHER BUSINESS None.

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

Respectfully submitted,

By _____
Secretary for the Meeting

RESOLUTION TO FURTHER AMEND 2023 BUDGET
EAST CREEK METROPOLITAN DISTRICT NO. 1

WHEREAS, the Board of Directors of the East Creek Metropolitan District No. 1 adopted an amended budget and appropriated funds for the fiscal year 2023 as follows:

General Fund	\$ 202,421
Debt Service Fund	\$ 5,246,450

WHEREAS, the necessity has arisen for additional expenditures in the General Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2023; and

WHEREAS, funds are available for such expenditures in the General Fund from the fund balance.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Creek Metropolitan District No. 1 shall and hereby does amend the amended Budget for the fiscal year 2023 and adopts a supplemental budget and appropriation for the General Fund for the fiscal year 2023:

General Fund	\$ 315,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this _____ day of June, 2024.

EAST CREEK METROPOLITAN DISTRICT NO. 1

By: _____
Secretary

RECORD OF PROCEEDINGS

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MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE EAST CREEK METROPOLITAN DISTRICT NO. 2 (THE “DISTRICT”) HELD OCTOBER 23, 2023

A Regular meeting of the Board of Directors of the East Creek Metropolitan District No. 2 (the “District”) was convened on Monday, October 23, 2023 at 4:00 p.m. This District Board Meeting was held via Zoom (neither District Representative nor the general public) attending in-person. The meeting was open to the public via Zoom.

Directors In Attendance Were:

Chelsey Green

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Tim O’Connor, Esq.; McGeady Becher P.C.

**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. Ms. Ripko requested that the Directors consider whether they had any additional conflicts of interest to disclose. Ms. Ripko 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 and seconded by Director Green and, upon vote, unanimously carried, the Agenda was approved, 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, the Board noted this meeting was held by Zoom. The Board further noted that notice of this meeting and the conference/video access was duly posted and it had not received any objections to

RECORD OF PROCEEDINGS

the format of the meeting or any requests that the meeting format be changed by taxpaying electors within the District’s boundaries.

Minutes: The Board reviewed the minutes of the August 7, 2023 special meeting.

Following discussion, upon motion duly made and seconded by Director Green and, upon vote, unanimously carried, the Board approved the minutes of the August 7, 2023 special meeting.

Resolution No. 2023-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, Establish District Website, and Designating Location for Posting of 24-Hour Notices: Mrs. Ripko discussed with the Board Resolution No. 2023-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, Establish District Website, and Designating Location for Posting of 24-Hour Notices.

The Board determined to meet at 4:00 p.m. on June 24, 2024 and October 28, 2024 via zoom.

Following discussion, upon motion duly made and seconded by Director Green and, and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-10-01; Establishing Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for Posting of 24–Hour Notices.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2019: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2024.

PUBLIC COMMENT There was no public comment.

FINANCIAL MATTERS

Payment of Claims: The Board reviewed the payment of claims as follows:

Fund	Period Ending June 30, 2023	Period Ending July 31, 2023	Period Ending Aug. 31, 2023	Period Ending Sept. 30, 2023
General	\$ 624.40	\$ 961.20	\$ 582.40	\$ 859.80
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 624.40	\$ 961.20	\$ 582.40	\$ 859.80

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Period Ending Oct. 31, 2023	
\$	368.60
\$	-0-
\$	-0-
\$	368.60

Following discussion, upon motion duly made and seconded by Director Green and, upon vote, unanimously carried, the Board approved the payment of claims, as presented.

Financial Statements: The Board discussed the unaudited financial statements dated September 30, 2023.

Following discussion, upon motion duly made and seconded by Director Green and, upon vote, unanimously carried, the Board accepted the unaudited financial statements dated September 30, 2023.

Application for Exemption of 2023 Audit: The Board considered the appointment of the District Accountant to prepare and file the Application for Exemption of the 2023 Audit.

Following discussion, upon motion duly made and seconded by Director Green and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare and file the Application for Exemption of the 2023 Audit.

2023 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2023 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Following review and discussion, Director Green moved to adopt the Resolution to Amend 2023 Budget and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-11-02 to Amend the 2023 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2024 Budget Hearing: The President opened the public hearing to consider the proposed 2024 Budget and discuss related issues.

RECORD OF PROCEEDINGS

It was noted that publication of Notice stating that the Board would consider adoption of the 2024 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

Mrs. Williams reviewed the estimated year-end 2023 revenues and expenditures and the proposed 2024 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2023-10-03 to Adopt the 2024 Budget and Appropriate Sums of Money and to Set Mill Levies (for the General Fund at 10.000 mills, the Debt Service Fund at 30.000 mills, and ARI mill at 1.000 mill, for a total of 41.000 mills). Upon motion duly made by Director Green and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2023. Ms. Ripko was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County and the Division of Local Government not later than December 15, 2023. Ms. Ripko was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2024. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered 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.

Following discussion, upon motion duly made and seconded by Director Green and, and, upon vote, unanimously carried, the Board authorized 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.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3: The Board reviewed Resolution No. 2023-10-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

Following discussion, upon motion duly made and seconded by Director Green and, and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-10-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

RECORD OF PROCEEDINGS

LEGAL MATTERS

Consolidation with East Creek Metropolitan District No. 1: Attorney ????? updated the Board on the Consolidation with East Creek Metropolitan District No. 1.

Resolution Amending Policy on Colorado Open Records Act Requests: The Board discussed adoption of Resolution No. 2023-10-06, Amending Policy on Colorado Open Records Act Requests.

Following discussion, upon motion duly made and seconded by Director Green and, and, upon vote, unanimously carried, the Board adopted the Resolution amending policy on Colorado Open Records Act Requests.

OTHER BUSINESS

There was no other business to discuss at this time.

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF THE STATUTORY ANNUAL MEETING OF THE EAST CREEK METROPOLITAN DISTRICT NO. 2 (“District”) HELD OCTOBER 23, 2023

Pursuant to Section 32-1-903(6), C.R.S., a statutory annual meeting of the District was convened on October 23, 2023, at 4:30 p.m., via video / telephone conference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Chelsey Green

Also In Attendance Were:

Peggy Ripko and James Ruthven; Special District Management Services, Inc.
Paula Williams, Esq. and Tim O’Conner, Esq.; McGeady Becher P.C.

ANNUAL MEETING ITEMS

Confirmation of Posting of Annual Meeting Notice: It was noted for the record that notice of the time, date and location of the annual meeting was duly posted on the District’s website and that no objections to the means of hosting the meeting by taxpaying electors within the District’s boundaries have been received.

Presentation Regarding the Status of the Public Infrastructure Projects Within the District and Outstanding Bonds, as appropriate: The District consultants presented information regarding the status of public infrastructure projects within the District, including the status of the District’s outstanding loan.

Unaudited Financial Statements, Including Year-to-Date Revenue and Expenditures of the District in Relation to its Adopted Budget, for the Calendar Year: The District consultants presented the District’s Unaudited Financial Statements, including year-to-date revenue and expenditures of the District in relation to the District’s adopted budget, for the calendar year.

Public Questions: There were no public questions. Mr. Doherty expressed his interest in serving on the Board and commented that the District’s landscaping has improved over the past year and is happy with how well the District has been handled.

CONCLUSION

There being no further business, the statutory annual meeting was concluded.

Respectfully submitted,

By _____
Secretary for the Annual Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT HELD JUNE 4, 2024

A Special meeting of the Board of Directors of the East Creek Consolidated Metropolitan District (the “**District**”) was convened on Monday, June 4, 2024 at 9:00 a.m. This District Board Meeting was held via Zoom video/telephone conference. The meeting was open to the public via Zoom.

Directors In Attendance Were:

Greg Wright
Cameron Nelson
Stephen Doherty
Chelsey Green

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc.

Jeffrey Erb, Esq.; Erb Law, LLC

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board noted a quorum was present and discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No disclosures were made, and it was noted that all Directors are residents of the District.

ADMINISTRATIVE MATTERS

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

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, upon vote, unanimously carried, the Board approved the Agenda.

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, the Board noted this meeting was held by Zoom. The Board further noted that notice of this meeting and the

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conference/video access was duly posted and it had not received any objections to the format of the meeting or any requests that the meeting format be changed by taxpaying electors within the District's boundaries.

Designation of 24-hour Posting Location: Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, upon vote, unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted on the District's website, or if the website is unavailable for posting, notices shall be posted within the boundaries of the District on the corner of South Airport Boulevard and East Alameda Drive, at least 24 hours prior to each meeting.

Resolution No. 2024-06-01; 2024 Annual Administrative Resolution: Ms. Ripko reviewed with the Board Resolution No. 2024-06-01; 2024 Annual Administrative Resolution.

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, and, upon vote, unanimously carried, the Board adopted the Resolution No. 2024-06-01; 2024 Annual Administrative Resolution.

Resolution regarding Adoption of the Special Districts Records Management Manual: The Board reviewed Resolution regarding Adoption of the Special Districts Records Management Manual.

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, and, upon vote, unanimously carried, the Board adopted the Resolution regarding Adoption of the Special Districts Records Management Manual.

Resolution re Defense and Indemnification of the Directors and Employees of the District: The Board reviewed Resolution re Defense and Indemnification of the Directors and Employees of the District.

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, and, upon vote, unanimously carried, the Board adopted the Resolution re Defense and Indemnification of the Directors and Employees of the District.

Resolution Adopting Website Accessibility Plan and Policy: The Board reviewed Resolution Adopting Website Accessibility Plan and Policy.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, and, upon vote, unanimously carried, the Board adopted the Resolution Adopting Website Accessibility Plan and Policy.

Resolution Adopting Policy re Colorado Open Records Act: The Board reviewed Resolution Adopting Policy re Colorado Open Records Act.

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, and, upon vote, unanimously carried, the Board adopted the Resolution Adopting Policy re Colorado Open Records Act.

Resolution Adopting Public Comment Policy: The Board reviewed Resolution Adopting Public Comment Policy.

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, and, upon vote, unanimously carried, the Board adopted the Resolution Adopting Public Comment Policy.

PUBLIC COMMENT There was no public comment.

FINANCIAL MATTERS

Conversion of 2023 Bonds from Taxable to Tax Exempt: The Board discussed the Conversion of 2023 Bonds from Taxable to Tax Exempt.

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, upon vote, unanimously carried, the Board approved the Conversion of 2023 Bonds from Taxable to Tax Exempt.

Unaudited Financial Statements and Cash Position: The Board deferred discussion at this time.

INSURANCE MATTERS

Membership in the Colorado Special District Association: The Board discussed the membership in the Colorado Special District Association.

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, upon vote, unanimously carried, the Board approved the membership in the Colorado Special District Association.

Intergovernmental Agreement with the Colorado Special District Property and Liability Insurance Pool: The Board discussed the Intergovernmental Agreement with the Colorado Special District Property and Liability Insurance Pool.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, upon vote, unanimously carried, the Board approved the Intergovernmental Agreement with the Colorado Special District Property and Liability Insurance Pool.

CONSULTANT MATTERS

Engagement of Erb Law, LLC for Legal Services: The Board discussed the Engagement of Erb Law, LLC for Legal Services.

Following discussion, upon motion duly made by Director Doherty, seconded by Director Wright and, upon vote, unanimously carried, the Board approved the Engagement of Erb Law, LLC for Legal Services.

Engagement of Special District Management Services, Inc. for management and accounting services: The Board discussed the Engagement of Special District Management Services, Inc. for management and accounting services.

Following discussion, upon motion duly made by Director Wright, seconded by Director Doherty and, upon vote, unanimously carried, the Board approved the Engagement of Special District Management Services, Inc. for management and accounting services.

OPERATIONS AND MAINTENANCE

Notice from Aurora re Removal and Replacement of Trees: Attorney Erb updated the Board regarding the Notice from Aurora re Removal and Replacement of Trees. It was noted that he drafted a letter to the City of Aurora and has not heard back.

OTHER BUSINESS

Preparation of Updated Boundary Map: The Board discussed the preparation of the updated Boundary Map. It was noted that legal and management are working on this.

Assignment Service Agreements to East Creek Consolidated Metropolitan District: The Board discussed the Assignment Service Agreements to East Creek Consolidated Metropolitan District. It was noted that legal and management will be working to get the agreements assigned.

Board Resignation: The Board acknowledged the resignation of Chelsey Green from the Board of Directors.

RECORD OF PROCEEDINGS

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

East Creek Metropolitan District No.1

March-24

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Altitude Community Law P.C.	1834 2.2024	2/29/2024	2/29/2024	\$ 26.55	Legal	1675
Animal & Pest Control Specialist, Inc	97548	2/13/2024	2/13/2024	\$ 135.00	Miscellaneous	1685
Animal & Pest Control Specialist, Inc	97198	1/20/2024	1/20/2024	\$ 135.00	Miscellaneous	1685
Aurora Water	A124166 2.2024	2/21/2024	3/22/2024	\$ 43.77	Utilites	1750
Aurora Water	A124167 2.2024	2/21/2024	3/22/2024	\$ 43.77	Utilites	1750
Aurora Water	A124168 2.2024	2/21/2024	3/22/2024	\$ 20.23	Utilites	1750
CDI Consolidated Division, Inc.	2013212	3/1/2024	3/16/2024	\$ 3,895.31	Landscaping	1730
CDI Consolidated Division, Inc.	2012931	2/4/2024	2/19/2024	\$ 5,025.00	Snow Removal	1731
CDI Consolidated Division, Inc.	2013062	2/11/2024	2/26/2024	\$ 440.00	Snow Removal	1731
Diversified Underground, Inc.	29294	2/29/2024	3/10/2024	\$ 20.00	Miscellaneous	1685
McGeady Becher P.C.	1346W 01.2024	1/31/2024	1/31/2024	\$ 1,040.14	Legal	1675
Pet Scoop	530215	2/29/2024	3/15/2024	\$ 438.00	Covenant Control/Comm Mgmt	1710
Special Dist Management Svcs	2.2024	2/29/2024	2/29/2024	\$ 198.62	Miscellaneous	1685
Special Dist Management Svcs	2.2024	2/29/2024	2/29/2024	\$ 1,858.20	Covenant Control/Comm Mgmt	1710
Special Dist Management Svcs	2.2024	2/29/2024	2/29/2024	\$ 2,580.70	Management	1680
Special Dist Management Svcs	2.2024	2/29/2024	2/29/2024	\$ 2,095.60	Accounting	1612
Special Dist Management Svcs	2.2024	2/29/2024	2/29/2024	\$ 584.00	Billing & Collection	1721
Special District Association	2024 Renewal	2/14/2024	2/14/2024	\$ 454.25	Insurance/SDA Dues	1670
Utility Notification Center of Colorado	224020451	2/29/2024	2/29/2024	\$ 5.16	Miscellaneous	1685
Waste Management of Denver	8637991-2514-2	3/1/2024	3/31/2024	\$ 2,423.06	Trash and Recycling	1736
Xcel Energy	865826214	2/20/2024	2/20/2024	\$ 16.66	Utilites	1750
Xpress Bill Pay	INV-XPR010285	2/29/2024	3/5/2024	\$ 23.31	Billing & Collection	1721
				\$ 21,502.33		

East Creek Metropolitan District No.1
March-24

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 21,502.33		\$ -	\$ 21,502.33
Total Disbursements from Checking Acct	\$ 21,502.33	\$0.00	\$0.00	\$ 21,502.33

East Creek Metropolitan District No.1

April-24

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Animal & Pest Control Specialist, Inc	97549	3/27/2024	3/27/2024	\$ 135.00	Miscellaneous	1685
Aurora Water	A124168 3.2024	3/21/2024	4/20/2024	\$ 20.23	Utilites	1750
Aurora Water	A124166 3.2024	3/21/2024	4/20/2024	\$ 43.77	Utilites	1750
Aurora Water	A124167 3.2024	3/21/2024	4/20/2024	\$ 43.77	Utilites	1750
CDI Consolidated Division, Inc.	2013488	3/15/2024	3/30/2024	\$ 11,955.00	Snow Removal	1731
CDI Consolidated Division, Inc.	2013590	4/1/2024	4/16/2024	\$ 3,895.31	Landscaping	1730
CDI Consolidated Division, Inc.	2013310	3/6/2024	3/21/2024	\$ 790.25	Landscaping	1730
CDI Consolidated Division, Inc.	2013565	3/23/2024	4/7/2024	\$ 741.00	Landscaping	1730
Diversified Underground, Inc.	29458	3/31/2024	4/10/2024	\$ 35.00	Miscellaneous	1685
Erb Law, LLC	493	2/29/2024	3/30/2024	\$ 855.00	Legal	1675
Erb Law, LLC	525	3/31/2024	4/30/2024	\$ 642.50	Legal	1675
Erb Law, LLC	526	3/31/2024	4/30/2024	\$ 560.00	Legal	1675
McGeady Becher P.C.	1346W 02.2024	2/29/2024	2/29/2024	\$ 1,339.26	Legal	1675
Pet Scoop	536322	3/31/2024	4/15/2024	\$ 492.75	Covenant Control/Comm Mgmt	1710
RLI	1117647	3/13/2024	3/13/2024	\$ 250.00	Prepaid Expenses	1143
Special Dist Management Srvs	3.2024	3/31/2024	3/31/2024	\$ 102.47	Miscellaneous	1685
Special Dist Management Srvs	3.2024	3/31/2024	3/31/2024	\$ 2,074.80	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	3.2024	3/31/2024	3/31/2024	\$ 1,721.90	Management	1680
Special Dist Management Srvs	3.2024	3/31/2024	3/31/2024	\$ 625.30	Accounting	1612
Special Dist Management Srvs	3.2024	3/31/2024	3/31/2024	\$ 448.00	Billing & Collection	1721
Utility Notification Center of Colorado	224030462	3/31/2024	3/31/2024	\$ 9.03	Miscellaneous	1685
Waste Management of Denver	8689941-2514-4	4/1/2024	5/1/2024	\$ 2,352.47	Trash and Recycling	1736
Xcel Energy	869947682	3/20/2024	3/20/2024	\$ 16.56	Utilites	1750
Xpress Bill Pay	INV-XPR011118	3/31/2024	4/5/2024	\$ 18.37	Billing & Collection	1721
				\$ 29,167.74		

East Creek Metropolitan District No.1
April-24

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 29,167.74		\$ -	\$ 29,167.74
Total Disbursements from Checking Acct	\$ 29,167.74	\$0.00	\$0.00	\$ 29,167.74

East Creek Consolidated Metropolitan District No.1

May-24

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Altitude Community Law P.C.	1834 4.2024	4/23/2024	4/23/2024	\$ 320.00	Legal	1675
Aurora Water	A124166 4.2024	4/19/2024	5/19/2024	\$ 43.77	Utilites	1750
Aurora Water	A124167 4.2024	4/19/2024	5/19/2024	\$ 43.77	Utilites	1750
Aurora Water	A124168 4.2024	4/19/2024	5/19/2024	\$ 20.23	Utilites	1750
CDI Consolidated Division, Inc.	2013824	4/6/2024	4/21/2024	\$ 369.00	Landscaping	1730
CDI Consolidated Division, Inc.	2013991	5/1/2024	5/16/2024	\$ 3,895.31	Landscaping	1730
Diversified Underground, Inc.	29610	5/2/2024	5/12/2024	\$ 85.00	Miscellaneous	1685
Erb Law, LLC	556	4/30/2024	5/30/2024	\$ 1,033.00	Legal	1675
McGeady Becher P.C.	1346W 03.2024	3/31/2024	3/31/2024	\$ 2,366.52	Legal	1675
Pet Scoop	542689	4/30/2024	5/15/2024	\$ 492.75	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	D1 04.2024	4/30/2024	4/30/2024	\$ 221.21	Miscellaneous	1685
Special Dist Management Srvs	D1 04.2024	4/30/2024	4/30/2024	\$ 2,701.80	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	D1 04.2024	4/30/2024	4/30/2024	\$ 740.90	Management	1680
Special Dist Management Srvs	D1 04.2024	4/30/2024	4/30/2024	\$ 1,470.30	Accounting	1612
Special Dist Management Srvs	D1 04.2024	4/30/2024	4/30/2024	\$ 768.00	Billing & Collection	1721
Special Dist Management Srvs	D2 04.2024	4/30/2024	4/30/2024	\$ 85.90	Management	1680
Special Dist Management Srvs	D2 04.2024	4/30/2024	4/30/2024	\$ 625.30	Accounting	1612
Utility Notification Center of Colorado	224040490	4/30/2024	4/30/2024	\$ 2.58	Miscellaneous	1685
Waste Management of Denver	8740727-2514-4	5/1/2024	5/31/2024	\$ 2,344.17	Trash and Recycling	1736
Xcel Energy	874069050	4/18/2024	4/18/2024	\$ 16.09	Utilites	1750
Xpress Bill Pay	INV-XPR011952	4/30/2024	5/5/2024	\$ 73.53	Billing & Collection	1721
				\$ 17,719.13		

East Creek Consolidated Metropolitan District No.1
May-24

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 17,719.13		\$ -	\$ 17,719.13
Total Disbursements from Checking Acct	\$ 17,719.13	\$0.00	\$0.00	\$ 17,719.13

East Creek Consolidated Metropolitan District No.1

June-24

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Animal & Pest Control Specialist, Inc	97551	5/24/2024	5/24/2024	\$ 135.00	Miscellaneous	1685
Aurora Media Group	107788	6/3/2024	6/3/2024	\$ 109.10	Miscellaneous	1685
Aurora Water	A124168 5.2024	5/20/2024	6/19/2024	\$ 20.23	Utilites	1750
Aurora Water	A124166 5.2024	5/20/2024	6/19/2024	\$ 43.77	Utilites	1750
Aurora Water	A124167	5/20/2024	6/19/2024	\$ 43.77	Utilites	1750
CDI Consolidated Division, Inc.	2014359	6/1/2024	6/16/2024	\$ 3,895.31	Landscaping	1730
Diversified Underground, Inc.	29832	5/31/2024	6/10/2024	\$ 60.00	Miscellaneous	1685
Erb Law, LLC	589	5/31/2024	6/30/2024	\$ 2,779.50	Legal	1675
McGeady Becher P.C.	1347W 04.2024	4/30/2024	4/30/2024	\$ 12.05	Legal	1675
Special Dist Management Srvs	5.2024	5/31/2024	5/31/2024	\$ 145.31	Miscellaneous	1685
Special Dist Management Srvs	5.2024	5/31/2024	5/31/2024	\$ 2,553.60	Covenant Control/Comm Mgmt	1710
Special Dist Management Srvs	5.2024	5/31/2024	5/31/2024	\$ 1,996.20	Management	1680
Special Dist Management Srvs	5.2024	5/31/2024	5/31/2024	\$ 2,687.10	Accounting	1612
Special Dist Management Srvs	5.2024	5/31/2024	5/31/2024	\$ 792.00	Billing & Collection	1721
Utility Notification Center of Colorado	224050509	5/31/2024	5/31/2024	\$ 14.19	Miscellaneous	1685
Waste Management of Denver	8791058-2514-2	6/3/2024	7/3/2024	\$ 2,322.07	Trash and Recycling	1736
Xcel Energy	878087066	5/17/2024	5/17/2024	\$ 15.21	Utilites	1750
Xpress Bill Pay	INV-XPR012792	5/31/2024	6/5/2024	\$ 41.58	Billing & Collection	1721
				\$ 17,665.99		

East Creek Consolidated Metropolitan District No.1
June-24

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 17,665.99		\$ -	\$ 17,665.99
Total Disbursements from Checking Acct	\$ 17,665.99	\$0.00	\$0.00	\$ 17,665.99

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

IF EITHER REVENUES OR EXPENDITURES EXCEED \$100,000, USE THE LONG FORM.

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 in the year.

EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA).

Any preparer of an Application for Exemption from Audit-SHORT FORM must be a person skilled in governmental accounting.

Approval for an exemption from audit is granted only upon the review by the OSA.

READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END.

FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END. APPLICATIONS FOR EXEMPTION FROM AUDIT ARE NOT ELIGIBLE FOR AN EXTENSION OF TIME

GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS
PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED. FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT:

APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

CHECKLIST

- Has the preparer signed the application?
- Has the entity corrected all Prior Year Deficiencies as communicated by the OSA?
- Has the application been PERSONALLY reviewed and approved by the governing body?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted electronically?
 - If yes, have you read and understand the new Electronic Signature Policy? See [Click Here](#) new policy ->
 - or--
 - If yes, have you included a resolution?
 - Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
 - Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution.)
- Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
- If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

Checkout our web portal. Register your account and submit electronic Applications for Exemption From Audit, Extension of Time to File requests, Audited Financial Statements, and more! See the link below.

[Click here to go to the portal](#)

FILING METHODS

Register and submit your Applications at our web portal! For faster processing the web portal is the preferred method for submission

WEB PORTAL: <https://apps.leg.co.gov/osa/lg>

MAIL: Office of the State Auditor
Local Government Audit Division
1525 Sherman St., 7th Floor
Denver, CO 80203

Please Note: The OSA's email addresses have changed as of December 1, 2023. Please ensure you are using the email address noted below.

QUESTIONS? Email: osa.lg@coleg.gov OR Phone: 303-869-3000

IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, AN AUDIT SHALL BE REQUIRED.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

East Creek Metropolitan District No. 2
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, CO 80228-1898
Peggy Ripko
303-987-0835
pripko@sdmsi.com

For the Year Ended
12/31/23
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE

Kaitlyn Toman
Accountant
Special District Management Services, Inc.
141 Union Blvd., Suite 150, Lakewood, CO 80228-1898
303-987-0835

PREPARER <small>(SIGNATURE REQUIRED)</small>	DATE PREPARED
<i>Kaitlyn Toman</i>	04 / 10 / 2024

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 61,790	
2-2	Specific ownership	\$ 3,944	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 65,734	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 7,921	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 237	
3-7	Accounting and legal fees	\$ 5,477	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other : Transfer to District No. 1	\$ 47,442	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 61,077	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No		
4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain below: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain below: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

**Subscription Based Information Technology Arrangements

*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	<div style="border: 1px solid black; padding: 2px;">5/8/2018</div>	
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<div style="border: 1px solid black; padding: 2px;">\$ -</div>	

Part 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, **MUST** explain: Yes No

6-3 Complete the following capital & right-to-use assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Part 6 - Please use this space to provide any explanations/comments or attach documentation, if needed:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

	\$ -
--	------

Part 7 - Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, **MUST** explain: Yes No N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, **MUST** explain: Yes No N/A
-

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund	
General	\$	12,000
Debt Service	\$	49,000

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, **MUST** explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

10-1 Is this application for a newly formed governmental entity?

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

Plan, design, acquire, construct, install, relocate, redevelop and finance public improvements

10-4 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

East Creek Metropolitan District No. 1- financing of public improvements

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during the

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills		30.000
General/Other mills		11.000
Total mills		41.000

Yes

No

N/A

10-7 **NEW 2023!** If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain.

Please use this space to provide any additional explanations or comments not previously included:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below.		A MAJORITY of the members of the governing body must sign below.
Board Member 1	Print Board Member's Name Chelsey Green	I <u>Chelsey Green</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Chelsey Green</u> Date: <u>04/10/2024</u> My term Expires: <u>May 2025</u>
Board Member 2	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 3	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

EXAMPLE - DO NOT FILL OUT THIS PAGE

This sample resolution/ordinance for exemption from audit is provided as an example of the documentation that is required. The wording may be used as a basis for your own local government document, if needed; however you MUST draft your own ordinance or resolution making any changes where applicable. Legal counsel should be consulted regarding any questions.

RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 20XX FOR THE **(name of government)**, STATE OF COLORADO.

WHEREAS, the **(governing body)** of **(name of government)** wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenue nor expenditures for **(name of government)** exceeded \$100,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual)**, a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for **(name of government)** exceeded \$750,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual or firm)**, an independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the **(governing body)** of the **(name of government)** that the application for exemption from audit for **(name of government)** for the Fiscal Year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the **(governing body)** of the **(name of government)**; that those members of the **(governing body)** have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the **(name of government)** for the fiscal year ended _____, 20XX.

ADOPTED THIS ___ day of _____, A.D. 20XX.

EXAMPLE - DO NOT FILL OUT THIS PAGE

Mayor/President/Chairman, etc.

ATTEST:

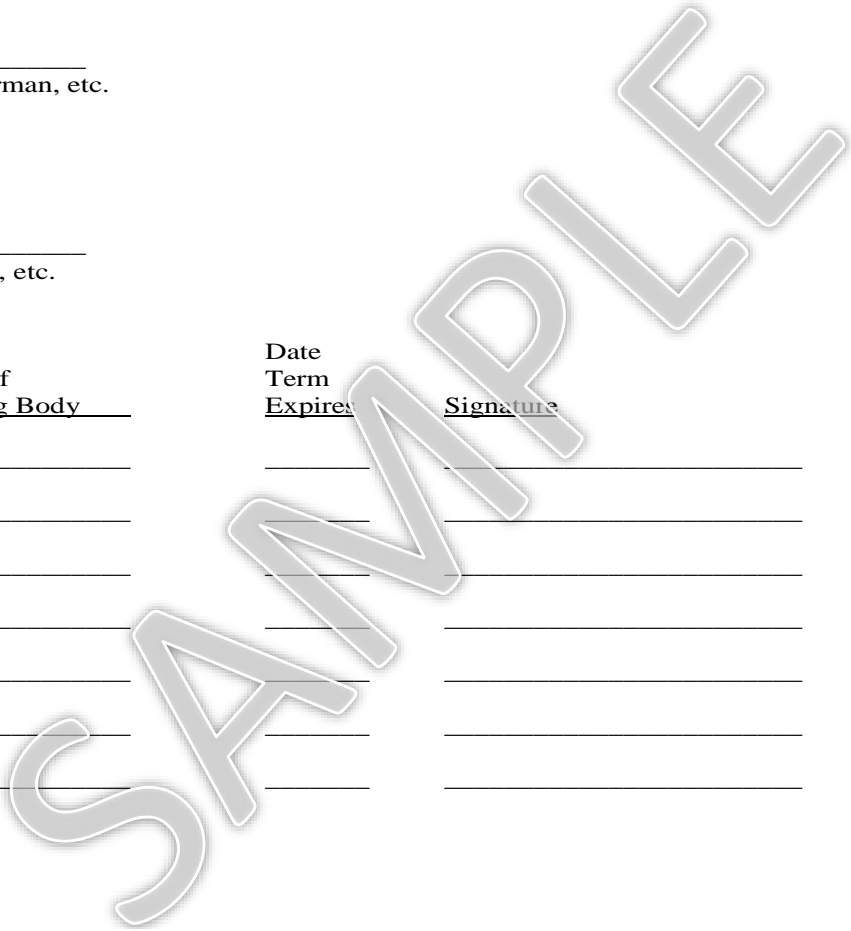
Town Clerk, Secretary, etc.

Type or Print Names of
Members of Governing Body _____

Date
Term
Expires _____

Signature _____

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____



Title	East Creek #2
File name	2023_short_form_ECMD2.pdf
Document ID	bb21e5cf9229eb7b022d88c6d6c02c74010fd1bc
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



SENT

04 / 10 / 2024

15:08:43 UTC

Sent for signature to Chelsey Green (chelsey.green@meritagehomes.com) and Kaitlyn Toman (ktoman@sdmsi.com) from pripko@sdmsi.com
IP: 50.78.200.153



VIEWED

04 / 10 / 2024

15:09:23 UTC

Viewed by Kaitlyn Toman (ktoman@sdmsi.com)
IP: 50.78.200.153



SIGNED

04 / 10 / 2024

15:09:59 UTC

Signed by Kaitlyn Toman (ktoman@sdmsi.com)
IP: 50.78.200.153



VIEWED

04 / 10 / 2024

16:40:26 UTC

Viewed by Chelsey Green (chelsey.green@meritagehomes.com)
IP: 119.13.193.80



SIGNED

04 / 10 / 2024

16:41:27 UTC

Signed by Chelsey Green (chelsey.green@meritagehomes.com)
IP: 163.116.139.117



COMPLETED

04 / 10 / 2024

16:41:27 UTC

The document has been completed.

Pending:
* General Fund Budget Amendment
* Operating mill levy in 2024 Budget

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DRAFT 6/21/2024 - REVISED

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SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

Independent Auditor's Report

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

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Supplementary 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. Such 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.

Other Information

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
 , 2024

BASIC FINANCIAL STATEMENTS

DRAFT 6/21/2024 - REVISED

EAST CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2023

ASSETS

Cash and investments - restricted	\$	104,018
Cash with County Treasurer		1,361
Accounts receivable		48,887
Due from East Creek Metropolitan District No. 2		719
Property taxes receivable		387,105
Prepaid expense		4,006
Capital assets, not being depreciated		1,080,201
Capital assets, being depreciated		969,169
Total assets		2,595,466

DEFERRED OUTFLOWS OF RESOURCES

Loss on bond refunding, net		183,916
Total deferred outflows of resources		183,916

LIABILITIES

Accounts payable		27,397
Accrued interest payable		19,497
Bonds, loans and advances payable		
Due within one year		20,000
Due in more than one year		5,047,512
Total liabilities		5,114,406

DEFERRED INFLOWS OF RESOURCES

Property tax revenue		387,105
Total deferred inflows of resources		387,105

NET POSITION

Net Investment in capital assets		559,115
Restricted for emergencies		5,800
Restricted for debt service		371,822
Unrestricted		(3,658,866)
Total net position		\$ (2,722,129)

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, 2023

<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	\$ 442,064	\$ 125,117	\$ 47,441	\$ -	\$ (269,506)
Interest and fiscal charges	485,833	-	-	-	(485,833)
	<u>\$ 927,897</u>	<u>\$ 125,117</u>	<u>\$ 47,441</u>	<u>\$ -</u>	<u>(755,339)</u>
General revenues:					
Taxes:					
					315,410
					20,665
					5,761
					8,948
					3,105
					<u>353,889</u>
					(401,450)
					<u>(2,320,679)</u>
					<u>\$ (2,722,129)</u>

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, 2023**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments - restricted	\$ -	\$ 104,018	\$ 104,018
Cash with County Treasurer	246	1,115	1,361
Accounts receivable	48,887	-	48,887
Due from East Creek Metropolitan District No. 2	719	-	719
Property tax receivable	216,564	170,541	387,105
Prepaid expenditures	4,006	-	4,006
Due from other funds	-	286,186	286,186
TOTAL ASSETS	<u>\$ 270,422</u>	<u>\$ 561,860</u>	<u>\$ 832,282</u>
LIABILITIES			
Accounts payable	\$ 27,397	\$ -	\$ 27,397
Due to other funds	286,186	-	286,186
Total liabilities	<u>313,583</u>	<u>-</u>	<u>313,583</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	216,564	170,541	387,105
Total deferred inflows of resources	<u>216,564</u>	<u>170,541</u>	<u>387,105</u>
FUND BALANCES			
Nonspendable - prepaid items	4,006	-	4,006
Spendable:			
Restricted for:			
Emergencies	5,800	-	5,800
Debt service	-	391,319	391,319
Unassigned	(269,531)	-	(269,531)
Total fund balances	<u>(259,725)</u>	<u>391,319</u>	<u>131,594</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 270,422</u>	<u>\$ 561,860</u>	

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

Some long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds. Capital assets, net	<u>2,049,370</u>
Some items are reported as expenditures in the governmental funds, but are instead deferred and amortized in the governmental activities financial statements. Loss on refunding, net of accumulated amortization	<u>183,916</u>
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. Refunding Loan, Series 2023 Developer advances Accrued interest payable - 2023 Refunding Loan Accrued interest payable - developer advances	<u>(4,530,000)</u> <u>(429,336)</u> <u>(19,497)</u> <u>(108,176)</u> <u>(5,087,009)</u>
Net position of governmental activities	<u>\$ (2,722,129)</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 (DEFICITS) - GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property tax	\$ 52,565	\$ 262,845	\$ 315,410
Specific ownership tax	3,444	17,221	20,665
Net investment income	6	8,942	8,948
Operations fee	124,517	-	124,517
Working capital fee	600	-	600
ARI taxes	5,761	-	5,761
IGA revenue - East Creek Metro District No. 2	57	47,384	47,441
Miscellaneous	3,105	-	3,105
Total revenues	<u>190,055</u>	<u>336,392</u>	<u>526,447</u>
EXPENDITURES			
Current			
Management fees	19,905	-	19,905
Billing and collections	8,041	-	8,041
Accounting	17,826	-	17,826
Audit	5,000	-	5,000
Legal	21,836	-	21,836
Insurance	3,945	-	3,945
Election expense	1,424	-	1,424
Miscellaneous	11,001	-	11,001
County Treasurer's fees	870	3,942	4,812
Covenant control / Community management	28,047	-	28,047
Covenant control - legal	10,524	-	10,524
Landscape maintenance	64,021	-	64,021
Snow removal	46,564	-	46,564
Trash and recycling	29,152	-	29,152
Utilities	35,952	-	35,952
ARI payment to City of Aurora	5,680	-	5,680
Debt service			
Loan principal	-	70,000	70,000
Loan interest	-	161,266	161,266
Paying agent fees and other fees	-	855	855
Loan commitment fee	-	23,000	23,000
Bond issuance costs	-	178,000	178,000
Total expenditures	<u>309,788</u>	<u>437,063</u>	<u>746,851</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>(119,733)</u>	<u>(100,671)</u>	<u>(220,404)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	4,600,000	4,600,000
Payment to Escrow Agent	-	(4,746,035)	(4,746,035)
Total other financing sources (uses)	<u>-</u>	<u>(146,035)</u>	<u>(146,035)</u>
NET CHANGE IN FUND BALANCES	(119,733)	(246,706)	(366,439)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR			
	(139,992)	638,025	498,033
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (259,725)</u>	<u>\$ 391,319</u>	<u>\$ 131,594</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 (DEFICITS) OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023**

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	<u>\$ (366,439)</u>
<p>Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. Instead the cost of the asset is allocated over its estimated useful life, and recorded as depreciation expense in each of those years.</p>	
Depreciation expense	<u>(128,334)</u>
	<u>(128,334)</u>
<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>	
Refunding Loan, Series 2023 - Principal	<u>70,000</u>
<p>The issuance of long-term debt provides for current financial resources of governmental funds. However, it has no effect on net position.</p>	
Loan proceeds	(4,600,000)
Payment to refunding escrow	4,746,035
Current year interest expense included in payment to escrow agent	<u>(74,256)</u>
	<u>71,779</u>
<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/loan	(3,021)
Change in accrued interest payable - developer advances	(34,347)
Amortization of loss on bond refunding	<u>(11,088)</u>
	<u>(48,456)</u>
Change in net position - Governmental activities	<u>\$ (401,450)</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 BALANCE (DEFICIT) - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property tax	\$ 52,560	\$ 52,565	\$ 52,565	\$ -
Specific ownership taxes	3,154	3,444	3,444	-
Net investment income	-	6	6	-
Operations fee	112,560	124,517	124,517	-
Working capital fee	-	600	600	-
ARI taxes	5,406	5,761	5,761	-
IGA revenue - East Creek Metro District No. 2	-	57	57	-
Miscellaneous	-	3,105	3,105	-
Total Revenues	<u>173,680</u>	<u>190,055</u>	<u>190,055</u>	<u>-</u>
EXPENDITURES				
Management fees	13,000	13,000	19,905	(6,905)
Billing and collections	6,000	6,000	8,041	(2,041)
Accounting	15,100	15,100	17,826	(2,726)
Audit	5,500	5,500	5,000	500
Legal	12,000	12,000	21,836	(9,836)
Insurance	4,800	4,800	3,945	855
Election expense	5,000	5,000	1,424	3,576
Miscellaneous	2,000	2,000	11,001	(9,001)
County Treasurer's fees	788	788	870	(82)
Covenant control/ Community management	16,500	16,500	28,047	(11,547)
Covenant control - legal	2,500	2,500	10,524	(8,024)
Drainage	2,000	2,000	-	2,000
Landscape maintenance	27,600	27,600	64,021	(36,421)
Snow removal	30,000	30,000	46,564	(16,564)
Fencing	1,500	1,500	-	1,500
Park	5,000	5,000	-	5,000
Monuments	1,000	1,000	-	1,000
Mailboxes	750	750	-	750
Trash and recycling	28,900	28,900	29,152	(252)
Utilities	7,500	7,500	35,952	(28,452)
ARI payment to City of Aurora	5,406	5,406	5,680	(274)
Contingency	8,000	120,579	-	120,579
Emergency reserves	1,577	1,577	-	1,577
Total Expenditures	<u>202,421</u>	<u>315,000</u>	<u>309,788</u>	<u>5,212</u>
NET CHANGE IN FUND BALANCE	(28,741)	(124,945)	(119,733)	5,212
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	30,175	30,175	(139,992)	(170,167)
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 1,434</u>	<u>\$ (94,770)</u>	<u>\$ (259,725)</u>	<u>\$ (164,955)</u>

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, 2023

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.

The District entered into a Memorandum of Understanding (the MOU) with East Creek Metropolitan District No. 2 (District No. 2) with an effective date of June 18, 2018. 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. See Note 12 – Subsequent Event for discussion of the consolidation of the District and District No. 2.

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)

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
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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 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, specific ownership taxes, operations and working capital fees. 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.

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

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

The District amended its annual budget in the General Fund and Debt Service Fund for the year ended December 31, 2023.

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. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Retaining Wall	15 years
Shelters	12 years
Monuments	10 years
Irrigation	10 years
Playground equipment	12 years
Trails/walks	5-10 years

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.

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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.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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.

**EAST CREEK METROPOLITAN DISTRICT NO. 1
 NOTES TO FINANCIAL STATEMENTS
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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.

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 and an additional \$120 per year on each Townhome Unit within the District. The Operations Fee is billed in quarterly amounts and is to be used for operations and maintenance costs.

The District has imposed a Transfer Fee 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, 2023 are classified in the accompanying financial statements as follows:

Cash and investments - restricted	\$ 104,018
	\$ 104,018

Cash and investments as of December 31, 2023 consist of the following:

Deposits with financial institutions	\$ 103,254
Investments	764
	\$ 104,018

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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.

At December 31, 2023, the District's cash deposits had a bank balance and a carrying balance of \$103,254.

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, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
Fidelity Money Market Government Portfolio – Class III	Weighted average of 34 days	\$ <u>764</u>

Fidelity Investments Money Market Government Portfolio

The debt service money that is included in the trust accounts at Zion Bancorporation, N/A is invested in the Fidelity Investments Money Market Government Portfolio III. This portfolio is a

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NOTES TO FINANCIAL STATEMENTS
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money market fund that is managed by Fidelity Investments and each share is equal in value to \$1.00. The fund is AAAM rated and invests exclusively in U.S. Government securities and/or repurchase agreements collateralized by cash or U.S. Government securities. The average maturity of the underlying securities is 34 days. The fund records its investment based on amortized costs. The District records its investment in the fund using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

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 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 valued by 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.

Restricted Cash and Investments

At December 31, 2023, cash and investments in the amount of \$104,078 are restricted for debt service in accordance with the indenture of trust related to the Series 2023 General Obligation Refunding Loan (See Note 5).

DRAFT 6/21/2024 - REVISED

**EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

<u>Governmental Activities</u>	<u>Balance at January 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2023</u>
Capital assets, not being depreciated:				
Land and land improvements	\$ 1,080,201	\$ -	\$ -	\$ 1,080,201
Total capital assets, not being depreciated	<u>1,080,201</u>	<u>-</u>	<u>-</u>	<u>1,080,201</u>
Capital assets, being depreciated:				
Retaining wall	185,726	-	-	185,726
Shelters	38,070	-	-	38,070
Monuments	48,700	-	-	48,700
Irrigation Systems	286,674	-	-	286,674
Playground Equipment	93,916	-	-	93,916
Trails/sidewalks/paths	701,085	-	-	701,085
Total capital assets, being depreciated	<u>1,354,171</u>	<u>-</u>	<u>-</u>	<u>1,354,171</u>
Less accumulated depreciation for:				
Retaining wall	(24,764)	(12,382)	-	(37,146)
Shelters	(6,346)	(3,173)	-	(9,519)
Monuments	(9,740)	(4,870)	-	(14,610)
Irrigation Systems	(57,334)	(28,667)	-	(86,001)
Playground Equipment	(15,652)	(7,826)	-	(23,478)
Trails/sidewalks/paths	(142,832)	(71,416)	-	(214,248)
Total accumulated depreciation	<u>(256,668)</u>	<u>(128,334)</u>	<u>-</u>	<u>(385,002)</u>
Total capital assets, being depreciated, net	<u>1,097,503</u>	<u>(128,334)</u>	<u>-</u>	<u>969,169</u>
Governmental activities capital assets, net	<u>\$ 2,177,704</u>	<u>\$ (128,334)</u>	<u>\$ -</u>	<u>\$ 2,049,370</u>

Depreciation is charged to the general government function.

**EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2023:

	<u>Balance at December 31, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2023</u>	<u>Due Within One Year</u>
<u>General Obligation Bonds:</u>					
2019A	\$ 3,766,000	\$ -	\$ (3,766,000)	\$ -	\$ -
2019B	534,000	-	(534,000)	-	-
Accrued interest on 2019B bonds	176,775	2,212	(178,987)	-	-
<u>Direct Borrowing:</u>					
2023 Refunding Loan	-	4,600,000	(70,000)	4,530,000	20,000
<u>Direct Placements:</u>					
Developer Advances-Capital	377,063	-	-	377,063	-
Accrued interest on Developer advances-Capital	57,974	30,165	-	88,139	-
Developer Advances-Ops	52,273	-	-	52,273	-
Accrued interest on Developer advances-Ops	15,855	4,182	-	20,037	-
	<u>\$ 4,979,940</u>	<u>\$ 4,636,559</u>	<u>\$ (4,548,987)</u>	<u>\$ 5,067,512</u>	<u>\$ 20,000</u>

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 16, 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

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
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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.

In the event there are any moneys remaining in the Restricted Account of the Project Fund of the 2019A and 2019B Bonds on March 31, 2022, in amounts sufficient to redeem any bonds, such moneys shall be credited to the Excess Proceeds Redemption Fund and applied to the mandatory redemption of all or any portion of the 2019A and 2019B Bonds. On March 31, 2022, unspent bond proceeds of \$229,004.34 in the 2019A Project Fund and \$65,393.27 in the 2019B Project Fund, were transferred to the 2019A and 2019B Excess Proceeds Redemption Fund Accounts in accordance with the Indenture of Trust and subsequently paid down principal and interest on the 2019A and 2019B Bonds.

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, 2023, the balance was \$0, as the bonds were advance refunded and defeased during 2023.

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, 2023, the balance was \$0, as the bonds were advance refunded and defeased during 2023.

Series 2019B

On April 16, 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.

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. These bonds were advance refunded and defeased on April 13, 2023.

Refunding Loan, Series 2023

On April 13, 2023, Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado issued a loan to the District (2023 Loan) in the amount of \$4,600,000. The 2023 Loan bears interest at 5.44% per annum until the Tax-Exempt Reissuance Date; and 4.70% per annum on and after the Tax-Exempt Reissuance Date (and subject to the Interest Rate Reset Date). The 2023 Loan is a

EAST CREEK METROPOLITAN DISTRICT NO. 1
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term loan with annual installments of principal due on December 1 of each year beginning on December 1, 2023. Interest will be paid semiannually on June 1 and December 1 of each year, commencing December 1, 2023. The Loan matures on December 1, 2052.

The 2023 Loan is 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 2023 Loan 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 2023 Loan is due but unpaid), the District is required to impose a mill levy sufficient to pay principal and interest on the 2023 Loan as they come due, but not in excess of 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 loan as they come due, but not in excess of 99.000 mills.

Bond Refunding

On April 13, 2023, the District advance refunded and defeased (debt legally satisfied) \$3,766,000 of General Obligation Bonds, Series 2019A and \$534,000 of General Obligation Bonds, Series 2019B with interest of 5.250% and 8.00%, respectively. The defeased bonds are not considered a liability of the District since sufficient funds (\$4,567,048) were deposited with a trustee and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds when due.

The District increased its aggregate debt service payments by \$519,262 over the next 25 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$1,758. The District incurred a cost on refunding in the amount of \$195,004, which has been deferred and is being amortized over the life of the new debt.

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 less the number of mills necessary to pay any unlimited mill levy debt 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 Meritage Homes of Colorado, Inc. (Developer) entered into a Facilities Funding and Acquisition Agreement (FFA Agreement) on June 25, 2018, effective June 18, 2018.

EAST CREEK METROPOLITAN DISTRICT NO. 1
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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.

As of December 31, 2023, the District owed the Developer \$377,063 in principal and \$88,139 in interest under the FFA Agreement.

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 Operation Funding Agreement (the First Amendment) with an effective date of January 1, 2019. 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.

As of December 31, 2023, the District owed the Developer \$52,273 in principal and \$20,037 in interest under the 2018 OFA.

**EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
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The District's 2023 Refunding Loan will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 20,000	\$ 225,211	\$ 245,211
2025	50,000	214,914	264,914
2026	55,000	212,531	267,531
2027	60,000	209,910	269,910
2028	70,000	207,619	277,619
2029-2033	425,000	981,699	1,406,699
2034-2038	610,000	863,942	1,473,942
2039-2043	855,000	690,904	1,545,904
2044-2049	1,450,000	498,707	1,948,707
2050-2052	935,000	86,957	1,021,957
	<u>\$ 4,530,000</u>	<u>\$ 4,192,394</u>	<u>\$ 8,722,394</u>

NOTE 6 – DEBT AUTHORIZATION

At December 31, 2023, the District had the following authorized by unissued indebtedness:

	Authorized May 3, 2018 Election	Authorization Used *	Remaining at December 31, 2023
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	4,600,000	5,137,479
IGA Debt	9,737,479	-	9,737,479
	<u>\$ 126,587,227</u>	<u>\$ 9,194,000</u>	<u>\$ 117,393,227</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 7 – 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

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 1.300 mills for collection in 2024.

NOTE 8 – FUND EQUITY

At December 31, 2023, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$4,006 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 \$5,800 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 \$391,319 is to be used exclusively for debt service requirements (see Note 4).

Deficit Fund Balance

The District reported an unassigned fund balance deficit of \$269,531 in the General Fund. The District anticipates that taxes, operations fees and IGA revenue from East Creek Metro District No. 2 will eliminate the deficit fund balance in future years.

NOTE 9 - NET POSITION

The District's net position consists of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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, 2023 is as follows:

EAST CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Restricted net position:

Emergency reserves (see Note 11)	\$ 5,800
Debt Service	<u>371,822</u>
	<u>\$ 377,622</u>

The District's unrestricted net position at December 31, 2023 totaled \$(3,658,866). 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 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, 2023. 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.

EAST CREEK METROPOLITAN DISTRICT NO. 1
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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.

NOTE 12 – SUBSEQUENT EVENT

On November 7, 2023, the District's electors authorized the consolidation of the District and East Creek Metropolitan District No. 2 (District No. 2), collectively, the "Districts", as the East Creek Consolidated Metropolitan District (Consolidated District) in accordance with Section 32-1-601, C.R.S, et. seq., and the plan for consolidation. The Petition for Order and Decree for Consolidation was approved by the District Court in Arapahoe County on March 7, 2024.

The plan for consolidation is outlined in the Consolidation Agreement by and between the District and District No. 2 dated September 18, 2023. The Consolidation Date of the Districts is January 1, 2024. The Consolidated District is to be governed by the members of the board of the Districts in office at the time of the election. The powers and boundaries of the Consolidated District are to be the same prior to the consolidation, without material change. The service plan for the District and District No. 2 shall be read together to constitute the service plan of the Consolidated District.

District No. 1 has issued a Loan Agreement with Zions Bancorporation in the amount of \$4,600,000 to which the Districts have entered into a Capital Pledge Agreement whereby District No. 2 is obligated to levy on all taxable property within District No. 2 the amount of the Mandatory Capital Levy until termination of the Capital Pledge Agreement on December 16, 2058. The Mandatory Capital Levy is different than the mill levy required to be imposed by the District for repayment of the 2023 Loan (see Note 5). The Consolidated District will continue to have different mill levies for debt service for the properties within each district.

The Districts may continue to have different mill levies for general operating expenses based on the ratio of difference in effect as of the Consolidation Date and the mill levy certified by the Consolidated District against the real property located in the area currently with in the District and District no. 2 and shall maintain the differential ratio in effect on the Consolidation Date.

The Consolidated District will continue to have the statutory right to assess and impose fees, rates, tolls, penalties and charges, as it sees fit and as are permitted by statutes, to cover the cost of, inter alia, the services received by the area that comprises the District and no such fees shall be imposed upon the area that comprises District No. 2.

All intergovernmental agreements in place as of the Consolidation Date shall be superseded, terminated, and shall no longer be of any force or effect other than the Capital Pledge Agreement.

As of December 31, 2023, the District and District No. 2 no longer exist as corporate entities however, any matters that arise that require winding up actions or efforts on the part of either District, the Consolidated District is authorized and obligated to take such actions, as may be necessary.

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

SUPPLEMENTAL INFORMATION

DRAFT 6/21/2024 - REVISED

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, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 262,819	\$ 262,819	\$ 262,845	\$ 26
Specific ownership taxes	14,770	15,769	17,221	1,452
Net investment income	2,500	2,500	8,942	6,442
Intergovernmental revenue - District No. 2	47,170	47,170	47,384	214
Total Revenues	<u>327,259</u>	<u>328,258</u>	<u>336,392</u>	<u>8,134</u>
EXPENDITURES				
Bond principal	40,000	-	-	-
Bond interest	209,738	-	-	-
Loan principal	-	70,000	70,000	-
Loan interest	-	167,865	161,266	6,599
Paying agent and other fees	7,500	7,500	855	6,645
County treasurer's fees	3,942	3,942	3,942	-
Loan commitment fee	-	-	23,000	(23,000)
Loan issuance costs	-	256,433	178,000	78,433
Total Expenditures	<u>261,180</u>	<u>505,740</u>	<u>437,063</u>	<u>68,677</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>66,079</u>	<u>(177,482)</u>	<u>(100,671)</u>	<u>76,811</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	4,650,000	4,600,000	(50,000)
Payment to Escrow Agent	-	(4,740,710)	(4,746,035)	(5,325)
Total other financing sources (uses)	<u>-</u>	<u>(90,710)</u>	<u>(146,035)</u>	<u>(55,325)</u>
NET CHANGE IN FUND BALANCE	66,079	(268,192)	(246,706)	21,486
FUND BALANCE - BEGINNING OF YEAR	<u>656,393</u>	<u>656,393</u>	<u>638,025</u>	<u>(18,368)</u>
FUND BALANCE - END OF YEAR	<u>\$ 722,472</u>	<u>\$ 388,201</u>	<u>\$ 391,319</u>	<u>\$ 3,118</u>

OTHER INFORMATION

DRAFT 6/21/2024 - REVISED

**EAST CREEK METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2023**

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%
2020	\$ 1,534,415	11.132	55.664	1.113	67.909	\$ 104,201	\$ 102,493	98.4%
2021	\$ 3,008,028	11.132	55.664	1.113	67.909	\$ 204,272	\$ 200,924	98.4%
2022	\$ 4,933,411	11.132	55.664	1.113	67.909	\$ 335,023	\$ 329,308	98.3%
2023	\$ 4,721,534	11.132	55.664	1.145	67.941	\$ 320,785	\$ 315,410	98.3%
Estimated for year ending December 31, 2024	\$ 5,684,703	36.796	30.000	1.300	68.096	\$ 387,105		

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.

DRAFT 6/21/2024 - REVISED

**EAST CREEK METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2023**

**\$4,600,000 General Obligation Refunding
Loan, Series 2023
Dated April 13, 2023
Interest Rate of 5.440%
Principal Due December 1
Interest Due June 1 and December 1**

<u>Year Ending December 31,</u>	<u>Interest Due June 1 and December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 20,000	\$ 225,211	\$ 245,211
2025	50,000	214,914	264,914
2026	55,000	212,531	267,531
2027	60,000	209,910	269,910
2028	70,000	207,619	277,619
2029	70,000	203,716	273,716
2030	80,000	200,380	280,380
2031	85,000	196,568	281,568
2032	95,000	193,045	288,045
2033	95,000	187,990	282,990
2034	105,000	183,463	288,463
2035	110,000	178,460	288,460
2036	125,000	173,692	298,692
2037	130,000	167,261	297,261
2038	140,000	161,066	301,066
2039	150,000	154,395	304,395
2040	160,000	147,651	307,651
2041	170,000	139,623	309,623
2042	180,000	131,522	311,522
2043	195,000	117,713	312,713
2044	210,000	109,114	319,114
2045	220,000	99,234	319,234
2046	235,000	89,197	324,197
2047	245,000	78,475	323,475
2048	265,000	67,481	332,481
2049	275,000	55,206	330,206
2050	295,000	42,659	337,659
2051	310,000	29,200	339,200
2052	330,000	15,098	345,098
	<u>\$ 4,530,000</u>	<u>\$ 4,192,394</u>	<u>\$ 8,722,394</u>

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT**

For the Calendar Year 2024: (1) Summarizing Expenditures and Revenues for Each Fund and Adopting a Budget; and (2) Appropriating Sums of Money to Each Fund in the Amounts and for the Purposes Set Forth Herein

Recitals

A. The East Creek Consolidated Metropolitan District is a quasi-municipal corporation and political subdivision of the State of Colorado organized pursuant to the Colorado Special District Act, article 1, Title 32, C.R.S.; and

B. The East Creek Consolidated Metropolitan District was created following the consolidation of the East Creek Metropolitan District 1 (“**District 1**”) and East Creek Metropolitan District No. 2 (“**District 2**”) as set forth in the Order and Decree for Consolidation entered by the Arapahoe County District Court on March 7, 2024 in Case No. 2018 CV 30708; and

C. Pursuant to the consolidation, the East Creek Consolidated Metropolitan District is the recipient of the property tax revenue levied by District 1 and District 2 for the 2024 fiscal year; and

D. The Board of Directors of the East Creek Consolidated Metropolitan District (the “**District**”) has authorized its budget officer to prepare and submit a proposed budget to said governing body at the proper time; and

E. The proposed budget has been submitted to the Board of Directors of the District for its consideration; and

F. Upon due and proper notice, published in accordance with law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on June 24, 2024, and interested electors were given the opportunity to file or register any objections to said proposed budget prior to the budget’s final adoption. A copy of the Meeting Notice and Affidavit of Publication is attached as **Exhibit A**; and

G. The budget adopted by the District has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

H. 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; and

I. The District’s budget has made provisions for revenues in an amount equal to or greater than the total proposed expenditures and desires to appropriate the revenues, reserves and expenditures provided in the budget.

NOW THEREFORE, be it resolved by the Boad of Directors of the East Creek Consolidated Metropolitan District as follows:

1. Adoption of Budget. That the budget as submitted, amended and summarized by fund attached to this Resolution as **Exhibit B** is approved and adopted as the budget of the District for fiscal year 2024 (the “**Budget**”).

a. General Operating Expenses. The Budget indicated that the amount of money necessary to balance the budget for the general operating expenses from property tax revenue is \$XXX. The revenue for 2024 operating expenses is provided via revenue received from the East Creek Metropolitan District No. 1 and East Creek Metropolitan District No. 2, which imposed property tax levies for the 2024 fiscal year prior to consolidation.

b. Debt Service – General Obligation Bonds and Interest. The Budget indicated that the amount of money necessary to balance the budget for making all bond principal and interest payments from property tax revenue is \$_____. The revenue for 2024 debt service is provided via revenue received from the East Creek Metropolitan District No. 1 and East Creek Metropolitan District No. 2, which imposed property tax levies for the 2024 fiscal year prior to consolidation.

2. Appropriations. That the amounts set forth as expenditures, transfers and balances remaining, as specified in the Budget, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated.

3. Budget Certification. That this Resolution and Budget be certified by the Secretary of Assistant Secretary of the District.

APPROVED AND ADOPTED this 24th day of June, 2024.

EAST CREEK CONSOLIDATED
METROPOLITAN DISTRICT

By: _____

Greg Wright, President, Board of Directors

ATTEST:

By: _____

Name: _____

Secretary or Assistant Secretary

CERTIFICATION

I, _____, hereby certify that I am the duly elected and qualified Secretary or Assistant Secretary of the East Creek Consolidated Metropolitan District, and certify that the Resolution, Budget and all attached exhibits constitutes a true and correct copy of the Resolution, Budget and all exhibits adopted and approved at a meeting of the Board of Directors of the District held on June 24 2024.

Dated this ____ day of _____, 2024.

By: _____

Name: _____

Title: _____

EXHIBIT A

Meeting Notice and Affidavit of Publication

EXHIBIT B

Budget and Budget Message