

RESOLUTION NO. 2023 - 10 - 02
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1
TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the East Creek Metropolitan District No. 1 (“District”) has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 23, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

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

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

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

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

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the East Creek Metropolitan District No. 1 for the 2024 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

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

ADOPTED this 23rd day of October, 2023.

A handwritten signature in black ink, appearing to be "FR" followed by a long horizontal stroke.

Secretary

EXHIBIT A
(Budget)

EAST CREEK METROPOLITAN DISTRICT NO.1

2024 Budget Message

Introduction

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

In June 2018, the District entered into a Memorandum of Understanding (the “MOU”) with East Creek Metropolitan District No. 2 (“District No. 2”). Under the MOU, the District “shall provide for the financing, construction, design, operation and maintenance of the Improvements, as well as overall administration of the Districts.” District No. 2 is to reimburse District No. 1 for all costs incurred by District No. 1 pursuant to the MOU, on an allocable basis.

The 2024 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2024 fiscal year based on available revenues.

The District’s 2023 assessed value is \$5,684,703, an increase from the prior year value of \$4,721,534. The District certified 36,796 mills in the General Fund, 30.000 mills in the Debt Service Fund and 1.300 mills for the Aurora Regional Improvement (ARI) for taxes collected in the 2024 fiscal year, for a total mill levy of 68.096 mills. The final assessed value was adjusted to restore the residential property reduction from Senate Bill 23B-01 for purposes of ARI collection, in accordance with the covenants of the District’s debt agreement with the City of Aurora.

Budgetary Basis of Accounting

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

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax, developer advances, operations and maintenance and working capital fees, and expenditures which include district

administration, legal services, operations and maintenance of landscape, parks and open space, and other expenses related to statutory operations of a local government.

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

Debt

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

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Series 2019A General Obligation Bonds

Year Ending December 31,	Principal	Interest	Total
2024	50,000	207,638	257,638
2025	50,000	205,013	255,013
2026-2030	350,000	978,598	1,328,598
2031-2035	530,000	868,349	1,398,349
2036-2040	765,000	705,862	1,470,862
2041-2045	1,065,000	475,652	1,540,652
2046-2048	1,145,000	138,862	1,283,862
Totals	\$ 3,955,000	\$ 3,579,974	\$ 7,534,974

Emergency Reserve

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

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

	2022		2023		2024
	Actual		Adopted Budget		Adopted Budget
Assessed Valuation	\$ 4,933,411	\$	4,721,534	\$	5,684,703
SB23B-01 Property Tax Credit Adjustment	-		-		538,010
Mill Levy					
General Fund	11.132		11.132		36.796
Debt Service Fund	55.664		55.664		30.000
Aurora Regional Improvement	1.113		1.145		1.188
Incremental ARI Mill Adjustment	-		-		0.112
Adjusted ARI Levy	1.113		1.145		1.300
Total Mill Levy	<u>67.909</u>		<u>67.941</u>		<u>68.096</u>
Property Taxes					
General Fund	\$ 54,919	\$	52,560	\$	209,174
Debt Service Fund	274,613		262,819		170,541
Aurora Regional Improvement	5,491		5,406		7,390
Actual/Budgeted Property Taxes	<u>\$ 335,023</u>	<u>\$</u>	<u>320,786</u>	<u>\$</u>	<u>387,105</u>

EAST CREEK METROPOLITAN DISTRICT NO. 1

GENERAL FUND

2024 Adopted Budget

with 2022 actual, 2023 adopted, and 2023 estimated

	2022 Actual	2023 Adopted Budget	2023 Estimated	2024 Adopted Budget
Fund Balance	\$ 27,229	\$ 30,175	\$ (139,992)	\$ 669
REVENUE				
Property Tax Revenue	54,881	52,560	52,560	\$ 209,174
Specific Ownership Taxes	3,467	3,154	3,154	12,550
O & M Fees	110,580	112,560	112,560	112,560
ARI Fees	5,834	5,406	5,406	7,390
Working Capital	2,400	-	-	-
Interest Income	59	-	-	-
Miscellaneous Income	3,275	-	-	-
Total Revenue	180,496	173,680	173,680	341,675
Total Funds Available	207,725	203,855	33,688	342,344
EXPENDITURES				
Accounting	15,303	15,100	15,100	15,100
Audit	5,000	5,500	5,500	5,500
Election	410	5,000	1,280	-
Insurance/SDA Dues	4,168	4,800	3,945	4,800
Legal	22,124	12,000	16,000	15,000
Management	16,088	13,000	13,000	15,000
Miscellaneous	7,391	2,000	10,000	2,000
Treasurer's Fees	1,137	788	788	3,138
Covenant Control/Comm Mgmt	28,397	16,500	16,500	16,500
Drainage	-	2,000	-	-
Billing & Collection	6,903	6,000	6,000	6,000
Landscaping	57,660	27,600	27,600	27,600
Snow Removal	94,985	30,000	55,000	55,000
Fencing	-	1,500	1,500	-
Trash and Recycling	27,867	28,900	28,900	28,900
Park	-	5,000	5,000	-
Utilites	64,827	7,500	7,500	20,000
Monuments	-	1,000	-	-
Mailboxes	-	750	-	-
Contingency	-	8,000	-	-
IGA Expense- East Creek Metro District No. 2	1,791	-	-	-
Covenant Enforcement - Legal	-	2,500	-	-
Total Expenditures	354,051	195,438	213,613	214,538
Transfers and Other Sources (Uses)				
Emergency Reserve	-	(1,577)	-	(6,275)
ARI Fees	6,696	(5,406)	(5,406)	(7,390)
Transfer to Capital Proj. Fund	-	-	-	-
Transfer to District 2	-	-	-	-
Transfer from District No. 2	13,030	-	186,000	-
Total Expenditures Requiring Appropriation	360,747	202,421	219,019	228,203
Ending Funds Available	\$ (139,992)	\$ 1,434	\$ 669	\$ 114,141

EAST CREEK METROPOLITAN DISTRICT NO. 1

DEBT SERVICE FUND

2024 Adopted Budget

with 2022 actual, 2023 adopted, and 2023 estimated

	2022 Actual	2023 Adopted Budget	2023 Estimated	2024 Adopted Budget
Fund Balance	\$ 534,232	\$ 656,393	\$ 638,026	\$ 727,232
Revenue				
Property Tax Revenue	274,427	262,819	262,819	\$ 170,541
Specific Ownership Taxes	17,337	15,769	15,769	10,232
Interest Income	6,203	2,500	6,000	3,000
Total Revenue	297,967	281,089	284,588	183,774
Total Funds Available	832,199	937,482	922,614	911,006
Expenditures				
Bond Interest	218,689	209,738	-	-
Bond Principal	294,000	40,000	-	-
Zions Bank 2023 Loan Principal	-	-	70,000	20,000
Zions Bank 2023 Loan Interest	-	-	161,266	225,211
Loan Issuance Cost	-	-	-	-
Payment to Escrow Agent	-	-	-	-
Paying Agent Fees	7,279	7,500	7,500	7,500
Treasurer's Fees	3,885	3,942	3,942	2,558
Total Expenditures	523,853	261,180	242,708	255,269
Transfers and Other Sources (Uses)				
Loan Proceeds	-	-	4,577,000	-
Transfer From District No. 2	35,282	47,170	47,326	61,777
Transfer from Capital Projects	294,398	-	-	-
Total Expenditures Requiring Appropriation	523,853	261,180	242,708	255,269
Ending Funds Available	\$ 638,026	\$ 723,472	\$ 727,232	\$ 717,513

I, Peggy Ripko, hereby certify that I am the duly appointed Secretary of the East Creek Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of the East Creek Metropolitan District No. 1 held on October 23, 2023.

By:  _____
Secretary

RESOLUTION NO. 2023 - 10 - 03
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST CREEK METROPOLITAN DISTRICT NO. 1
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the East Creek Metropolitan District No. 1 (“District”) has adopted the 2024 annual budget in accordance with the Local Government Budget Law on October 23, 2023; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2024 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

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

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

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

1. That for the purposes of meeting all general fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

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

ADOPTED this 23rd day of October, 2023.



Secretary

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the East Creek Metropolitan District No. 1,

the Board of Directors
(taxing entity)^A

of the East Creek Metropolitan District No. 1
(governing body)^B
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 5,684,703 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 5,684,703 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/09/2024 for budget/fiscal year 2024
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>36.796</u> mills	\$ <u>209,174</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u>0.000</u> > mills	\$ < <u>0</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>36.796</u> mills	\$ <u>209,174</u>
3. General Obligation Bonds and Interest ^J	<u>30.000</u> mills	\$ <u>170,541</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): <u>Aurora Regional Improvement</u>	<u>1.300</u> mills	\$ <u>7,390</u>
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>68.096</u> mills	\$ <u>387,105</u>

Contact person: James H. Ruthven Daytime phone: (303) 987-0835
Signed: [Signature] Title: District Accountant

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

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

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

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	Repay 2019 Senior G.O. Bonds & 2019 Subordinate G.O. Bonds
	Series:	General Obligation Refunding Loan Series 2023
	Date of Issue:	April 13, 2023
	Coupon Rate:	5.44%
	Maturity Date:	December 1, 2052
	Levy:	30.000
	Revenue:	\$170,541

2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	


CONTRACTS^K:

3.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

4.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

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

I, Peggy Ripko, hereby certify that I am the duly appointed Secretary of the East Creek Metropolitan District No. 1, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the East Creek Metropolitan District No. 1 held on October 23, 2023.


Secretary