

**EAGLE CREEK METROPOLITAN DISTRICT
ANNUAL REPORT
TO
THE CITY OF COMMERCE CITY**

FISCAL YEAR ENDING DECEMBER 31, 2022

Pursuant to an Intergovernmental Agreement between the Eagle Creek Metropolitan District and the City of Commerce City, the District is required to provide an annual report to the City of Commerce City which includes the progress of the implementation of the Service Plan with regard to the following matters:

- A. Boundary changes made or proposed;
- B. Intergovernmental Agreements with other governmental bodies made or proposed;
- C. Changes or proposed changes in the District's policies;
- D. Changes or proposed changes in the District's operations;
- E. Any significant changes in the financial status of the District, including revenue projection or operating costs;
- F. A summary of any litigation which involves the District;
- G. Proposed plans for the year immediately following the year summarized in the annual report;
- H. Status of the District's public improvement construction schedule;
- I. Submission of current assessed valuation in the District;
- J. Information regarding District finances or operations as contained in an adopted budget, audit, filings required under the Securities and Exchange Commission rules or the Security Commission of the State of Colorado rules, official statements, and any reports required by the Division of Local Governments.

For the year ending December 31, 2022, the District makes the following report:

A. Boundary changes made or proposed.

There were no boundary changes made or proposed in 2022.

B. Intergovernmental Agreements with other governmental bodies made or proposed.

The District did not enter into any intergovernmental agreements with other governmental bodies made or proposed in 2022.

C. Changes or proposed changes in the District's policies.

There have been no changes in the District's policies nor are any changes proposed.

D. Changes or proposed changes in the District's operations.

There have been no changes in the District's operations nor are any changes proposed.

E. Any significant changes in the financial status of the District, including revenue projection or operating costs.

The current status of the financial condition of the District is reflected in the 2023 budget, attached as Exhibit A.

F. A summary of any litigation which involves the District.

There is no litigation of which we are aware currently pending or anticipated against the District.

G. Proposed plans for the year immediately following the year summarized in the annual report.

The District intends to continue ongoing maintenance to its parks and landscaping improvements, and to make repairs as needed.

H. Status of the District's public improvement construction schedule.

In 2022, the District completed construction of approx. 6,300 feet of split rail fencing improvements to replace similar improvements which had deteriorated.

I. Submission of current assessed valuation in the District.

The District received a certification of valuation from the Adams County Assessor that reports a taxable assessed valuation for the District for 2022 of \$9,567,180. The District certified a mill levy of 65.000 mills to be assessed against the property within the District for collection in 2023.

J. Information regarding District finances or operations as contained in an adopted budget, audit, filings required under the Securities and Exchange Commission rules or the Security Commission of the State of Colorado rules, official statements, and any reports required by the Division of Local Governments.

A copy of the adopted 2023 budget and the District's draft audit for 2022 are attached hereto as Exhibit A. We will supplement this report with the final audit with complete.

EXHIBIT A
2023 BUDGET AND 2022 DRAFT AUDIT

EAGLE CREEK METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**EAGLE CREEK METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 725,673	\$ 662,180	\$ 712,776
REVENUES			
Property taxes	560,921	652,306	621,867
Specific ownership tax	48,880	47,600	43,531
Interest income	632	9,940	10,950
CTF proceeds	8,939	8,400	8,500
Property taxes - Commerce City	29,522	-	-
Other revenue	17,261	-	-
Total revenues	<u>666,155</u>	<u>718,246</u>	<u>684,848</u>
TRANSFERS IN	<u>141,022</u>	<u>83,878</u>	<u>13,030</u>
Total funds available	<u>1,532,850</u>	<u>1,464,304</u>	<u>1,410,654</u>
EXPENDITURES			
General Fund	352,083	335,122	425,000
Debt Service Fund	230,344	236,200	240,000
Capital Projects Fund	147,221	96,328	-
Total expenditures	<u>729,648</u>	<u>667,650</u>	<u>665,000</u>
TRANSFERS OUT	<u>141,022</u>	<u>83,878</u>	<u>13,030</u>
Total expenditures and transfers out requiring appropriation	<u>870,670</u>	<u>751,528</u>	<u>678,030</u>
ENDING FUND BALANCES	<u>\$ 662,180</u>	<u>\$ 712,776</u>	<u>\$ 732,624</u>

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential	\$ 8,853,310	\$ 9,625,330	\$ 9,369,330
State assessed	3,870	14,130	5,830
Vacant land	10	10	10
Personal property	220,740	396,010	192,010
Certified Assessed Value	\$ 9,077,930	\$ 10,035,480	\$ 9,567,180
MILL LEVY			
General	34.750	40.000	40.000
Debt Service	27.000	25.000	25.000
Commerce City Contract	3.250	0.000	0.000
Total mill levy	65.000	65.000	65.000
PROPERTY TAXES			
General	\$ 315,458	\$ 401,419	\$ 382,687
Debt Service	245,104	250,887	239,180
Commerce City Contract	29,503	-	-
Levied property taxes	590,065	652,306	621,867
Adjustments to actual/rounding	378	-	-
Budgeted property taxes	\$ 590,443	\$ 652,306	\$ 621,867
BUDGETED PROPERTY TAXES			
General	\$ 315,660	\$ 401,419	\$ 382,687
Debt Service	245,261	250,887	239,180
Commerce City Contract	29,522	-	-
	\$ 590,443	\$ 652,306	\$ 621,867

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 544,084	\$ 451,303	\$ 472,922
REVENUES			
Property taxes	315,660	401,419	382,687
Specific ownership tax	28,576	29,300	26,788
Interest income	405	5,900	7,200
Other revenue	17,261	-	-
Property taxes - Commerce City	29,522	-	-
Total revenues	<u>391,424</u>	<u>436,619</u>	<u>416,675</u>
TRANSFERS IN			
Transfers from other funds	-	-	13,030
Total funds available	<u>935,508</u>	<u>887,922</u>	<u>902,627</u>
EXPENDITURES			
General and administrative			
Accounting	25,906	32,000	37,000
Auditing	4,000	4,200	4,700
County Treasurer's fee	4,738	6,021	5,740
Treasurer's fees - Commerce City	443	-	-
Directors' fees	2,300	2,000	3,000
Dues and licenses	551	548	600
Insurance and bonds	4,716	4,752	5,250
District management	15,122	17,000	19,000
Legal services	41,812	31,000	35,000
Miscellaneous	-	100	500
Payroll taxes	176	153	230
Election expense	-	1,636	10,000
Meetings/Conferences	-	-	3,000
Contingency	-	17,712	7,950
Debt service			
Principal Payment - Commerce City	23,248	-	-
Interest Payment - Commerce City	1,516	-	-
Operations and maintenance			
Repairs and maintenance	51,819	75,000	85,000
Snow Removal	10,806	15,000	15,000
Landscaping	61,216	70,000	75,000
Tree replacement/maintenance	19,761	3,000	20,000
Landscaping enhancements	34,963	5,000	25,000
Utilities	48,990	50,000	60,000
Conservation Trust Fund Projects	-	-	13,030
Total expenditures	<u>352,083</u>	<u>335,122</u>	<u>425,000</u>
TRANSFERS OUT			
Transfers to other fund	132,122	79,878	-
Total expenditures and transfers out requiring appropriation	<u>484,205</u>	<u>415,000</u>	<u>425,000</u>
ENDING FUND BALANCE	<u>\$ 451,303</u>	<u>\$ 472,922</u>	<u>\$ 477,627</u>
EMERGENCY RESERVE	\$ 11,700	\$ 13,100	\$ 12,500
RESERVE FOR CAPITAL REPLACEMENT	100,000	150,000	200,000
AVAILABLE FOR OPERATIONS	339,603	309,822	265,127
TOTAL RESERVE	<u>\$ 451,303</u>	<u>\$ 472,922</u>	<u>\$ 477,627</u>

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
CONSERVATION TRUST FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 40	\$ 4,480
REVENUES			
CTF proceeds	8,939	8,400	8,500
Interest income	1	40	50
Total revenues	<u>8,940</u>	<u>8,440</u>	<u>8,550</u>
Total funds available	<u>8,940</u>	<u>8,480</u>	<u>13,030</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to capital projects fund	<u>8,900</u>	<u>4,000</u>	<u>13,030</u>
Total expenditures and transfers out requiring appropriation	<u>8,900</u>	<u>4,000</u>	<u>13,030</u>
ENDING FUND BALANCE	<u>\$ 40</u>	<u>\$ 4,480</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 163,043	\$ 198,487	\$ 235,374
REVENUES			
Property taxes	245,261	250,887	239,180
Specific ownership tax	20,304	18,300	16,743
Interest income	223	3,900	3,700
Total revenues	265,788	273,087	259,623
Total funds available	428,831	471,574	494,997
EXPENDITURES			
Debt Service			
County Treasurer's fee	3,681	3,763	3,588
Paying agent fees	300	300	300
Contingency	-	-	3,524
Bond interest	96,363	92,137	87,588
Bond principal	130,000	140,000	145,000
Total expenditures	230,344	236,200	240,000
Total expenditures and transfers out requiring appropriation	230,344	236,200	240,000
ENDING FUND BALANCE	\$ 198,487	\$ 235,374	\$ 254,997

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 18,546	\$ 12,350	\$ -
REVENUES			
Interest income	3	100	-
Total revenues	<u>3</u>	<u>100</u>	<u>-</u>
TRANSFERS IN			
Transfers from general fund	132,122	79,878	-
Transfers from conservation trust funds	8,900	4,000	-
	<u>141,022</u>	<u>83,878</u>	<u>-</u>
Total funds available	<u>159,571</u>	<u>96,328</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Fencing	132,122	79,878	-
Parks and recreation	4,400	-	-
Playground improvements	10,699	4,000	-
Capital outlay	-	8,740	-
Contingency	-	3,710	-
Total expenditures	<u>147,221</u>	<u>96,328</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>147,221</u>	<u>96,328</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 12,350</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for the construction of street improvements, storm drainage, detention pond improvements, recreation improvements, safety protection facilities, and for the perpetual maintenance of street landscaping and lighting in its service area. The District's service area is located in Adams County, Colorado, entirely within the City of Commerce City.

The District was formed by District Court Order on January 8, 1997, with initial development beginning shortly thereafter. The organizational election for the District approved authorization to increase property taxes up to \$500,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Total debt authorization was also approved in the amount of \$3,000,000 for the above listed facilities, with a corresponding annual increase in taxes of up to \$3,450,000 for payment of the debt. In addition, on May 5, 1998, the voters authorized additional debt in the amount of \$540,030 for water and sewer improvements and \$150,000 for operations and maintenance expenditures, with a corresponding annual increase in taxes of up to \$2,874,138.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

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 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**EAGLE CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.50%.

Conservation Trust (Lottery Proceeds)

The District receives revenue from the State Lottery on a per capita basis ratio. The revenue is restricted for recreation purposes under State statutes.

Expenditures

Administrative Expenses

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, banking, meeting expense, and other administrative expenses.

Operations and Maintenance

Certain street landscaping and park improvements will be owned and maintained by the District. The estimated costs for repairs and maintenance of the improvements are found on page 3 of the budget.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2016 Bonds. (Discussed under Debt and Leases).

Debt and Leases

Taxable/Tax-Exempt General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Bonds, Series 2016. On May 17, 2016, the District issued \$3,540,000 of Taxable/Tax Exempt General Obligation Refunding and Improvement Bonds (the 2016 Bonds). The 2016 Bonds were initially issued as taxable bonds with an interest rate of 4.00% per annum. On September 30, 2016, the 2016 Bonds converted to tax exempt bonds with an interest rate of 3.25% to December 1, 2015, 3.75% to December 1, 2030, and 4.25% until maturity on December 1, 2036. Interest is payable semi-annually on June 1 and December 1, commencing on December 1, 2016. Mandatory principal payments are due on December 1, commencing on December 1, 2016, with final payment due on December 1, 2036. The 2016 Bonds cannot be prepaid prior to December 1, 2025.

**EAGLE CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The 2016 Bonds are secured by (1) the Required Mill Levy, (2) that portion of the Specific Ownership Tax allocable to the Required Mill Levy, and (3) any other legally available moneys with the District determines in its sole discretion to apply as pledged revenue. Proceeds of the 2016 bonds were used to (1) advance refund and defease (debt legally satisfied) its General Obligation Refunding Bonds, Series 2006, (2) finance the cost of construction and installation of park and recreation improvements, and (3) pay the costs of issuing the 2016 Bonds.

Once the Debt to Assessed Ratio is 50% or less, the Required Mill Levy shall be an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable, without limitation of rate and in amounts sufficient to make such payments when due. As of December 31, 2022, the debt to assessed ratio was 28%.

The District's current debt schedule is attached. The District has no operating or capital leases.

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2023, as defined under TABOR.

This information is an integral part of the accompanying budget.

**EAGLE CREEK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

	\$3,540,000	
	Taxable/Tax-Exempt General Obligation Refunding and Improvement Bonds Dated May 17, 2016	
	Interest Rate between 3.25% - 4.25%	
	Payable June 1 and December 1	
Year Ending December 31,	Principal Due December 1	
	Principal	Interest
2023	\$ 145,000	\$ 87,588
2024	155,000	82,875
2025	160,000	77,837
2026	160,000	83,813
2027	165,000	77,812
2028	175,000	71,625
2029	185,000	65,063
2030	195,000	58,125
2031	195,000	57,587
2032	210,000	49,300
2033	220,000	40,375
2034	230,000	31,025
2035	240,000	21,250
2036	260,000	11,050
	\$ 2,695,000	\$ 815,325

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN
DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022**

**EAGLE CREEK METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	20
CONSERVATION TRUST FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	21
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	22
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	24
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	25

INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

**EAGLE CREEK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 517,898
Cash and Investments - Restricted	255,308
Receivable - County Treasurer	3,848
Property Taxes Receivable	621,867
Prepaid Expenses	6,839
Capital Assets, Not Being Depreciated	741,291
Capital Assets, Net of Accumulated Depreciation	597,389
Total Assets	2,744,440
LIABILITIES	
Accounts Payable	28,515
Accrued Bond Interest Payable	7,299
Noncurrent Liabilities	
Due Within One Year	145,000
Due in More Than One Year	2,550,000
Total Liabilities	2,730,814
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	621,867
Total Deferred Inflows of Resources	621,867
NET POSITION	
Net Investment in Capital Assets	732,455
Restricted for:	
Emergency Reserves	14,000
Debt Service	230,663
Conservation Trust	4,826
Unrestricted	(1,590,185)
Total Net Position	\$ (608,241)

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 346,924	\$ -	\$ -	\$ 8,697	\$ (338,227)
Interest and Related Costs on Long-Term Debt	95,824	-	-	-	(95,824)
Total Governmental Activities	\$ 442,748	\$ -	\$ -	\$ 8,697	(434,051)
GENERAL REVENUES:					
Property Taxes					653,351
Specific Ownership Taxes					47,665
Net Investment Income					15,634
Total General Revenues					716,650
CHANGE IN NET POSITION					282,599
Net Position - Beginning					(890,840)
NET POSITION - ENDING					\$ (608,241)

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Conservation Trust	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 513,830	\$ -	\$ -	4,068	\$ 517,898
Cash and investments - Restricted	14,000	236,482	4,826	-	255,308
Receivable from County Treasurer	2,368	1,480	-	-	3,848
Property Taxes Receivable	382,687	239,180	-	-	621,867
Prepaid Expenses	6,839	-	-	-	6,839
	\$ 919,724	\$ 477,142	\$ 4,826	\$ 4,068	\$ 1,405,760
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 28,515	\$ -	\$ -	\$ -	\$ 28,515
Total Liabilities	28,515	-	-	-	28,515
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	382,687	239,180	-	-	621,867
Total Deferred Inflows of Resources	382,687	239,180	-	-	621,867
FUND BALANCES					
Nonspendable:					
Prepaid items	6,839	-	-	-	6,839
Restricted for:					
Emergencies (TABOR)	14,000	-	-	-	14,000
Debt Service	-	237,962	-	-	237,962
Conservation Trust Fund	-	-	4,826	-	4,826
Committed					
Capital Projects	-	-	-	4,068	4,068
Unassigned:					
General Government	487,683	-	-	-	487,683
Total Fund Balances	508,522	237,962	4,826	4,068	755,378
	\$ 919,724	\$ 477,142	\$ 4,826	\$ 4,068	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 919,724	\$ 477,142	\$ 4,826	\$ 4,068	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds. Capital assets, net
Long-term liabilities are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

1,338,680

(2,695,000)

(7,299)

Net Position of Governmental Activities \$ (608,241)

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Conservation Trust	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	\$ 402,062	\$ 251,289	\$ -	\$ -	\$ 653,351
Specific Ownership Tax	29,332	18,333	-	-	47,665
Conservation Trust Entitlement	-	-	8,697	-	8,697
Net Investment Income	9,391	6,056	89	98	15,634
Total Revenues	<u>440,785</u>	<u>275,678</u>	<u>8,786</u>	<u>98</u>	<u>725,347</u>
EXPENDITURES					
Accounting	31,420	-	-	-	31,420
Audit	4,200	-	-	-	4,200
County Treasurer's Fee	6,024	3,765	-	-	9,789
Directors' Fees	2,000	-	-	-	2,000
Insurance and Bonds	2,423	-	-	-	2,423
Dues and Licenses	548	-	-	-	548
Election	1,825	-	-	-	1,825
Legal	32,475	-	-	-	32,475
Miscellaneous	60	-	-	-	60
Payroll Taxes	153	-	-	-	153
Snow Removal	13,303	-	-	-	13,303
Landscaping Enhancements	3,780	-	-	-	3,780
Repairs and Maintenance	77,008	-	-	-	77,008
District Management	16,863	-	-	-	16,863
Landscape Maintenance	62,950	-	-	-	62,950
Tree Replacement	2,340	-	-	-	2,340
Utilities	45,956	-	-	-	45,956
Debt Service					
Bond Principal	-	140,000	-	-	140,000
Bond Interest	-	92,138	-	-	92,138
Paying Agent Fees	-	300	-	-	300
Capital Expenditures					
Playground Improvements	-	-	-	4,000	4,000
Capital Outlay	-	-	-	8,740	8,740
Fence Replacement	-	-	-	79,878	79,878
Total Expenditures	<u>303,328</u>	<u>236,203</u>	<u>-</u>	<u>92,618</u>	<u>632,149</u>
EXCESS OR REVENUES OVER (UNDER) EXPENDITURES	137,457	39,475	8,786	(92,520)	93,198
OTHER FINANCING SOURCES (USES)					
Transfers From (to) Other Funds	(80,238)	-	(4,000)	84,238	-
Total Other Financing Sources (Uses)	<u>(80,238)</u>	<u>-</u>	<u>(4,000)</u>	<u>84,238</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	57,219	39,475	4,786	(8,282)	93,198
Fund Balances - Beginning of Year	<u>451,303</u>	<u>198,487</u>	<u>40</u>	<u>12,350</u>	<u>662,180</u>
FUND BALANCES - END OF YEAR	<u>\$ 508,522</u>	<u>\$ 237,962</u>	<u>\$ 4,826</u>	<u>\$ 4,068</u>	<u>\$ 755,378</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
GENERAL FUND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund balances - Governmental Funds	\$	93,198
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the net capital outlay activity for the year:

Capital Outlay		92,618
Depreciation Expense		(43,596)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Bond Principal Payment		140,000
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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.

Accrued Interest on Bonds - Change in Liability		379
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Change in Net Position of Governmental Activities	\$	<u>282,599</u>
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See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 401,419	\$ 401,419	\$ 402,062	\$ 643
Specific Ownership Taxes	28,099	29,300	29,332	32
Net Investment Income	370	5,900	9,391	3,491
Total Revenues	<u>429,888</u>	<u>436,619</u>	<u>440,785</u>	<u>4,166</u>
EXPENDITURES				
Accounting	32,000	32,000	31,420	580
Audit	4,200	4,200	4,200	-
Contingency	11,449	17,712	-	17,712
County Treasurer's Fee	6,021	6,021	6,024	(3)
Directors' Fees	3,000	2,000	2,000	-
Meetings/Conferences	3,000	-	-	-
Election	10,000	1,636	1,825	(189)
Insurance and Bonds	6,000	4,752	2,423	2,329
Dues and Licenses	600	548	548	-
Legal	35,000	31,000	32,475	(1,475)
Miscellaneous	500	100	60	40
Payroll Taxes	230	153	153	-
Snow Removal	15,000	15,000	13,303	1,697
Landscaping Enhancements	25,000	5,000	3,780	1,220
Repairs and Maintenance	25,000	75,000	77,008	(2,008)
District Management	18,000	17,000	16,863	137
Landscape Maintenance	50,000	70,000	62,950	7,050
Tree Replacement	20,000	3,000	2,340	660
Utilities	60,000	50,000	45,956	4,044
Total Expenditures	<u>325,000</u>	<u>335,122</u>	<u>303,328</u>	<u>31,794</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	104,888	101,497	137,457	35,960
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds	-	(79,878)	(80,238)	(360)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(79,878)</u>	<u>(80,238)</u>	<u>(360)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	104,888	21,619	57,219	35,600
Fund Balances - Beginning of Year	<u>324,706</u>	<u>451,101</u>	<u>451,303</u>	<u>202</u>
FUND BALANCES - END OF YEAR	<u>\$ 429,594</u>	<u>\$ 472,720</u>	<u>\$ 508,522</u>	<u>\$ 35,802</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Eagle Creek Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County on January 8, 1997, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Adams County, Colorado, entirely within the City of Commerce City (the City). The District operates under a Service Plan approved by the City on July 15, 1996, which was amended in September 1997 and October 2005. The District was established to provide financing for the construction and installation of street improvements, landscaping, storm drainage, safety protection, and park and recreation improvements, and for the ongoing maintenance of certain streetscaping, landscaping, storm drainage, park and recreation improvements, in its service area.. Upon completion of construction of these improvements, the District may dedicate them, when appropriate, to the City or to such other entity as appropriate for the use and benefit of the District's taxpayers.

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.

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

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. 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 sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources is reported as net position.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds. 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.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major source of revenue subject to accrual are property and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

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 other funds.

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

The Conservation Trust Fund (a Capital Projects Fund) is used to account for the lottery proceeds received from the State. This revenue is restricted for parks and recreational purposes under State statutes.

The Capital Projects Fund was established to account for financial resources to be used for the acquisition and construction of capital facilities.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and other financial uses 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 requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2022.

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 fund's average equity balance in the total cash.

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 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns 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 acquisition value at the date of donation.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

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 fixed assets, as applicable.

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

Park Equipment	15 Years
Irrigation Systems	20 Years
Monuments	20 Years
Fencing	20 Years

The District does not depreciate its landscape assets.

Deferred Inflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 517,898
Cash and Investments – Restricted	255,308
Total Cash and Investments	<u>\$ 773,206</u>

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 4,129
Investments	<u>769,077</u>
Total Cash and Investments	<u><u>\$ 773,206</u></u>

Deposits with Financial Institutions

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 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, 2022, the District's cash deposits had a bank balance and a carrying balance of \$4,129.

Investments

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

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase and reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 days	<u>\$ 769,077</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (continued)

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022, follows:

	Balance at December 31, 2021	Additions	Retirements	Balance at December 31, 2022
Capital Assets, Not Being Depreciated				
Landscaping	\$ 741,291	\$ -	\$ -	\$ 741,291
Construction in Progress	132,122	79,878	212,000	-
Total Capital Assets, Not Being Depreciated	873,413	79,878	212,000	741,291
Capital Assets, Being Depreciated				
Fencing	208,731	212,000	-	420,731
Playground System	121,086	-	-	121,086
Irrigation Taps	58,425	-	-	58,425
Monument and Fencing	79,363	-	-	79,363
Climbing Wall	53,730	-	-	53,730
Picnic Shelter	26,497	-	-	26,497
Hardscape, Bridges, Walls	45,741	-	-	45,741
Basketball Court	28,357	-	-	28,357
Park Equipment	29,666	12,740	-	42,406
Total Capital Assets, Being Depreciated	651,596	224,740	-	876,336
Less: Accumulated Depreciation for:				
Fencing	(30,648)	(20,154)	-	(50,802)
Playground System	(24,326)	(8,072)	-	(32,398)
Irrigation Taps	(58,425)	-	-	(58,425)
Monument and Fencing	(27,202)	(2,892)	-	(30,094)
Climbing Wall	(20,786)	(3,582)	-	(24,368)
Picnic Shelter	(16,634)	(1,766)	-	(18,400)
Hardscape, Bridges, Walls	(29,615)	(3,049)	-	(32,664)
Basketball Court	(17,798)	(1,890)	-	(19,688)
Park Equipment	(9,917)	(2,191)	-	(12,108)
Total Accumulated Depreciation	(235,351)	(43,596)	-	(278,947)
Total Capital Assets, Being Depreciated, Net	416,245	181,144	-	597,389
Governmental Activities - Capital Assets, Net	<u>\$ 1,289,658</u>	<u>\$ 261,022</u>	<u>\$ 212,000</u>	<u>\$ 1,338,680</u>

Depreciation expense for 2022 was \$43,596.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2022:

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022	Due Within One Year
Governmental Activities					
General Obligation Bonds					
Series 2016	\$ 2,835,000	\$ -	\$ 140,000	\$ 2,695,000	\$ 145,000
Total Bonds Payable	<u>\$ 2,835,000</u>	<u>\$ -</u>	<u>\$ 140,000</u>	<u>\$ 2,695,000</u>	<u>\$ 145,000</u>

The details of the District’s long-term obligations are as follows:

On May 17, 2016, the District issued \$3,540,000 of Taxable/Tax Exempt General Obligation Refunding and Improvement Bonds (the 2016 Bonds). The 2016 Bonds were initially issued as taxable bonds with an interest rate of 4.00% per annum. On September 6, 2016, the 2016 Bonds converted to tax exempt bonds with an interest rate of 3.25% to December 1, 2025, 3.75% to December 1, 2030, and 4.25% until maturity on December 1, 2036. Interest is payable semi-annually on June 1 and December 1, commencing on December 1, 2016. Mandatory principal payments are due on December 1, commencing on December 1, 2016, with final payment due on December 1, 2036. The 2016 Bonds cannot be prepaid prior to December 1, 2025.

The 2016 Bonds are secured by (1) the Required Mill Levy, (2) that portion of the Specific Ownership Tax allocable to the Required Mill Levy, and (3) any other legally available moneys with the District determines in its sole discretion to apply as pledged revenue.

The 2016 Bonds have an average yield of 3.495%.

Once the Debt to Assessed Ratio is 50% or less, the Required Mill Levy shall be an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable, without limitation of rate and in amounts sufficient to make such payments when due. As of December 31, 2022, the Debt to Assessed Ratio was 28%.

To the extent principal on the 2016 Bonds is not paid when due, principal shall remain outstanding until paid, subject to discharge on December 1, 2036. To the extent interest on the 2016 Bonds is not paid when due, such unpaid interest shall compound on each interest payment date, at the rate then borne by the 2016 Bonds.

The 2016 Bonds are not subject to early termination. The Bonds are not subject to acceleration. The Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Bonds.

Events of Default of the Bonds

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term bonded general obligation debt matures as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 145,000	\$ 87,588	\$ 232,588
2024	155,000	82,875	237,875
2025	160,000	77,837	237,837
2026	160,000	83,813	243,813
2027	165,000	77,812	242,812
2028-2032	960,000	301,700	1,261,700
2033-2036	950,000	103,700	1,053,700
Total	<u>\$ 2,695,000</u>	<u>\$ 815,325</u>	<u>\$ 3,510,325</u>

Authorized Debt

On November 5, 1996, the District's electors authorized the incurrence of general obligation bonds totaling \$6,000,000 in principal. On November 2, 1998, the District's electors also authorized the incurrence of general obligation bonds totaling \$690,030 in principal at a rate not to exceed 15% (8% for operations and maintenance debt). As of December 31, 2022, the authorized debt from November 5, 1996 and November 2, 1998, has expired.

NOTE 6 NET POSITION

The District has net position consisting 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. As of December 31, 2022, the District had net investment in capital assets calculated as follows:

Governmental Activities

Net Investment in Capital Assets:	
Capital Assets, Net of Accumulated Depreciation	\$ 1,338,680
Less: Long-Term Obligations	<u>(606,225)</u>
Net Investment in Capital Assets	<u>\$ 732,455</u>

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other government or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2022, as follows:

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 NET POSITION (CONTINUED)

Governmental Activities (continued)

Restricted Net Position:

Emergency Reserves	\$ 14,000
Debt Service	230,663
Conservation Trust Fund	<u>4,826</u>
Total Restricted Net Position	<u>\$ 249,489</u>

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District has a deficit in unrestricted net position. This deficit amount is the result of the District being responsible for the financing and repayment of bonds issued for the construction of public improvements, which were dedicated to other entities for ownership and maintenance.

NOTE 7 RELATED PARTIES

Collectively, Amber Development LLC and Community Preservation and Management, LLC (CPandM) are related parties and are referred to as the Developers. Some members of the Board of Directors of the District are employees of, owners of, or associated with the Developers and may have conflicts of interest in dealing with the District. As of May 4, 2022, no remaining related parties occupy the Board of Directors of the District.

NOTE 8 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be 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). 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.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 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 which 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.

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.

On May 5, 1998, voters within the District approved election questions related to the issuance of additional debt in the amount of \$150,000 with a related annual tax increase of \$390,000, for the purpose of paying operations and maintenance costs of the District. These election questions allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

On November 6, 2012, voters within the District approved election questions allowing the District to receive grant revenues and collect fees without regard to any spending, revenue raising, or other limitation contained within TABOR.

SUPPLEMENTARY INFORMATION

**EAGLE CREEK METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive – (Negative)
REVENUES			
Property Taxes	\$ 250,887	\$ 251,289	\$ 402
Specific Ownership Taxes	17,562	18,333	771
Net Investment Income	200	6,056	5,856
Total Revenues	<u>268,649</u>	<u>275,678</u>	<u>7,029</u>
EXPENDITURES			
County Treasurer's Fee	3,763	3,765	(2)
Bond Principal	140,000	140,000	-
Bond Interest	92,137	92,138	(1)
Paying Agent Fees	300	300	-
Contingency	3,800	-	3,800
Total Expenditures	<u>240,000</u>	<u>236,203</u>	<u>3,797</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	28,649	39,475	10,826
Fund Balance - Beginning of Year	<u>198,007</u>	<u>198,487</u>	<u>480</u>
FUND BALANCE - END OF YEAR	<u>\$ 226,656</u>	<u>\$ 237,962</u>	<u>\$ 11,306</u>

**EAGLE CREEK METROPOLITAN DISTRICT
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Conservation Trust Entitlement	\$ 7,500	\$ 8,697	\$ 1,197
Net Investment Income	5	89	84
Total Revenues	<u>7,505</u>	<u>8,786</u>	<u>1,281</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,505	8,786	1,281
OTHER FINANCING SOURCES (USES)			
Transfers from (to) Other Funds	<u>(7,505)</u>	<u>(4,000)</u>	<u>3,505</u>
Total Other Financing Sources (Uses)	<u>(7,505)</u>	<u>(4,000)</u>	<u>3,505</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	4,786	4,786
Fund Balance - Beginning of Year	<u>-</u>	<u>40</u>	<u>40</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 4,826</u>	<u>\$ 4,826</u>

**EAGLE CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ -	\$ 100	\$ 98	\$ (2)
Total Revenues	-	100	98	(2)
EXPENDITURES				
Capital Outlay	-	8,740	8,740	-
Fence Replacement	-	79,878	79,878	-
Parks and Recreation	14,963	-	-	-
Playground Improvements	-	4,000	4,000	-
Contingency	-	3,710	-	3,710
Total Expenditures	14,963	96,328	92,618	3,710
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,963)	(96,228)	(92,520)	3,708
OTHER FINANCING SOURCES (USES)				
Transfers from Conservation Trust Fund	7,505	4,000	4,000	-
Transfers from (General Fund)	-	79,878	80,238	360
Total Other Financing Sources (Uses)	7,505	83,878	84,238	360
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(7,458)	(12,350)	(8,282)	4,068
Fund Balance - Beginning of Year	7,458	12,350	12,350	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 4,068	\$ 4,068

OTHER INFORMATION

**EAGLE CREEK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
			\$3,540,000
			Taxable/Tax-Exempt General Obligation Refunding and Improvement Bonds Dated May 17, 2016 Interest Rate between 3.25% - 4.25% Payable June 1 and December 1 Principal Due December 1
2023	\$ 145,000	\$ 87,588	\$ 232,588
2024	155,000	82,875	237,875
2025	160,000	77,837	237,837
2026	160,000	83,813	243,813
2027	165,000	77,812	242,812
2028	175,000	71,625	246,625
2029	185,000	65,063	250,063
2030	195,000	58,125	253,125
2031	195,000	57,587	252,587
2032	210,000	49,300	259,300
2033	220,000	40,375	260,375
2034	230,000	31,025	261,025
2035	240,000	21,250	261,250
2036	260,000	11,050	271,050
Total	<u>\$ 2,695,000</u>	<u>\$ 815,325</u>	<u>\$ 3,510,325</u>

**EAGLE CREEK METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General Operations	Debt Service	Levied	Collected	
		(1)				
2018	\$ 7,638,410	43.000	32.000	\$ 572,880	\$ 572,881	100.00 %
2019	7,644,880	38.000	32.000	535,141	535,142	100.00
2020	9,019,240	38.000	27.000	586,250	586,250	100.00
2021	9,077,930	38.000	27.000	590,065	590,443	100.06
2022	10,035,480	40.000	25.000	652,306	653,351	100.16
Estimated for Year Ending December 31, 2023	\$ 9,567,180	40.000	25.000	\$ 621,867		

(1) - General Operations mills levied include 6.000 mills for 2018-2020 and 3.250 mills for 2021. The taxes were levied annually for the Commerce City Reimbursement Agreement.

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.