

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

FISCAL YEAR ENDING DECEMBER 31, 2019

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, 2019, the District makes the following report:

A. Boundary changes made or proposed.

There were no boundary changes made or proposed in 2019.

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 2019.

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 2020 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.

Park and playground repairs are continuing in 2020.

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

The District installed and replaced certain playground improvements within its park during 2019, using grant funds obtained from the Adams County Open Space Grant. The District intends to complete the project by the summer of 2020.

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 2019 of \$9,019,240. The District certified a mill levy of 65.000 mills to be assessed against the property within the District for collection in 2020.

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 2020 budget and the District's draft audit for 2019 are attached hereto as Exhibit A.

EXHIBIT A
2020 BUDGET AND 2019 DRAFT AUDIT



CliftonLarsonAllen LLP
www.CLAconnect.com

Accountants' Compilation Report

Board of Directors
Eagle Creek Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Eagle Creek Metropolitan District for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Eagle Creek Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 14, 2020

**EAGLE CREEK METROPOLITAN DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 578,450	\$ 516,055	\$ 550,927
REVENUES			
Property taxes	527,050	489,272	532,135
Specific ownership tax	50,020	42,600	46,880
Interest income	15,172	16,340	9,605
CTF proceeds	6,359	7,940	7,500
Property taxes - Commerce City	45,830	45,869	54,115
Grant funds	-	-	73,414
Other revenue	12	-	1,000
Total revenues	644,443	602,021	724,649
TRANSFERS IN	18,794	-	16,552
Total funds available	1,241,687	1,118,076	1,292,128
EXPENDITURES			
General Fund	212,274	270,000	330,000
Debt Service Fund	227,030	228,295	233,000
Capital Projects Fund	267,534	68,854	39,675
Conservation Trust Fund	-	-	1,000
Total expenditures	706,838	567,149	603,675
TRANSFERS OUT	18,794	-	16,552
Total expenditures and transfers out requiring appropriation	725,632	567,149	620,227
ENDING FUND BALANCES	\$ 516,055	\$ 550,927	\$ 671,901

This financial information should be read only in connection with the accompanying accountant's
compilation report and summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/20

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
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ASSESSED VALUATION

Residential	\$ 7,547,810	\$ 7,550,950	\$ 8,845,900
State assessed	300	310	2,650
Vacant land	10	10	10
Personal property	90,290	93,610	170,680
Certified Assessed Value	<u>\$ 7,638,410</u>	<u>\$ 7,644,880</u>	<u>\$ 9,019,240</u>

MILL LEVY

General	37.000	32.000	32.000
Debt Service	32.000	32.000	27.000
Commerce City Contract	6.000	6.000	6.000
Total mill levy	<u>75.000</u>	<u>70.000</u>	<u>65.000</u>

PROPERTY TAXES

General	\$ 282,621	\$ 244,636	\$ 288,616
Debt Service	244,429	244,636	243,519
Commerce City Contract	45,830	45,869	54,115
Levied property taxes	<u>572,880</u>	<u>535,141</u>	<u>586,250</u>
Budgeted property taxes	<u>\$ 572,880</u>	<u>\$ 535,141</u>	<u>\$ 586,250</u>

BUDGETED PROPERTY TAXES

General	\$ 282,621	\$ 244,636	\$ 288,616
Debt Service	244,429	244,636	243,519
Commerce City Contract	45,830	45,869	54,115
	<u>\$ 572,880</u>	<u>\$ 535,141</u>	<u>\$ 586,250</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 254,778	\$ 407,944	\$ 462,749
REVENUES			
Property taxes	282,621	244,636	288,616
Specific ownership tax	28,678	23,000	27,400
Interest income	8,299	11,300	7,300
Other revenue	12	-	-
Property taxes - Commerce City	45,830	45,869	54,115
Total revenues	365,440	324,805	377,431
Total funds available	620,218	732,749	840,180
EXPENDITURES			
General and administrative			
Accounting	24,528	25,000	27,000
Auditing	3,960	3,960	4,000
County Treasurer's fee	4,240	3,670	4,330
Treasurer's fees - Commerce City	688	688	812
Directors' fees	2,900	2,800	3,000
Dues and licenses	512	465	550
Insurance and bonds	3,857	4,239	6,000
District management	12,010	14,400	15,000
Legal services	39,783	38,000	35,000
Miscellaneous	7	-	500
Payroll taxes	222	215	230
Election expense	1,021	-	1,500
Meetings/Conferences	-	-	2,500
Contingency	-	5,782	14,723
Debt service			
Principal Payment - Commerce City	37,449	39,982	49,473
Interest Payment - Commerce City	7,693	5,799	3,830
Operations and maintenance			
Repairs and maintenance	19,821	35,000	46,552
Landscaping	34,968	39,000	45,000
Tree replacement/maintenance	-	21,000	20,000
Landscaping enhancements	-	-	20,000
Utilities	18,615	30,000	30,000
Total expenditures	212,274	270,000	330,000
Total expenditures and transfers out requiring appropriation	212,274	270,000	330,000
ENDING FUND BALANCE	\$ 407,944	\$ 462,749	\$ 510,180
EMERGENCY RESERVE	\$ 11,000	\$ 9,700	\$ 11,300
RESERVE FOR CAPITAL REPLACEMENT	-	-	150,000
AVAILABLE FOR OPERATIONS	396,944	453,049	348,880
TOTAL RESERVE	\$ 407,944	\$ 462,749	\$ 510,180

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
CONSERVATION TRUST FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 13,011	\$ 907	\$ 8,927
REVENUES			
CTF proceeds	6,359	7,940	7,500
Interest income	331	80	125
Other revenue	-	-	1,000
Total revenues	6,690	8,020	8,625
Total funds available	19,701	8,927	17,552
EXPENDITURES			
General and administrative			
Contingency	-	-	1,000
Total expenditures	-	-	1,000
TRANSFERS OUT			
Transfers to other funds	18,794	-	16,552
Total expenditures and transfers out requiring appropriation	18,794	-	17,552
ENDING FUND BALANCE	\$ 907	\$ 8,927	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 46,931	\$ 89,041	\$ 129,542
REVENUES			
Property taxes	244,429	244,636	243,519
Specific ownership tax	21,342	19,600	19,480
Interest income	3,369	4,560	2,180
Total revenues	269,140	268,796	265,179
Total funds available	316,071	357,837	394,721
EXPENDITURES			
Debt Service			
County Treasurer's fee	3,667	3,670	3,655
Paying agent fees	300	300	300
Contingency	-	-	3,620
Bond interest	108,063	104,325	100,425
Bond principal	115,000	120,000	125,000
Total expenditures	227,030	228,295	233,000
Total expenditures and transfers out requiring appropriation	227,030	228,295	233,000
ENDING FUND BALANCE	\$ 89,041	\$ 129,542	\$ 161,721

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 263,730	\$ 18,163	\$ (50,291)
REVENUES			
Interest income	3,173	400	-
Grant Funds	-	-	73,414
Total revenues	3,173	400	73,414
TRANSFERS IN			
Transfers from other funds	18,794	-	16,552
Total funds available	285,697	18,563	39,675
EXPENDITURES			
General and Administrative			
Legal services	1,090	-	-
Capital Projects			
Fencing	156,180	53,000	-
Playground improvements	110,264	15,854	39,675
Total expenditures	267,534	68,854	39,675
Total expenditures and transfers out requiring appropriation	267,534	68,854	39,675
ENDING FUND BALANCE	\$ 18,163	\$ (50,291)	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**Eagle Creek Metropolitan District
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provided 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.

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.

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 8% of the property taxes collected.

**Eagle Creek Metropolitan District
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

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.

Grant Funds

The District anticipates receiving funds from an Adams County Open Space Grant in 2020 to help fund playground improvements.

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 4 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).

Capital Projects

The District anticipates installing additional playground improvements in 2020.

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
2020 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, 2019, the debt to assessed ratio was 34%.

Reimbursement Agreement – The District entered into an Agreement for Reimbursement of Costs with the City of Commerce City (the City) dated September 22, 1997, and amended on November 21, 2005 (the Agreement). Pursuant to the Agreement, the District has agreed to reimburse the City \$270,015 for the cost of construction of water and wastewater lines necessary to serve the development within the District and \$92,243 for the cost of installing a stone fence. The District is further obligated to install landscaping along Highway 2, or to reimburse the City for the cost of such landscaping, at a principal cost of up to \$120,000 at the time that Highway 2 is widened, which has not yet occurred. The District's obligation bears interest at the rate of 5.00%. The District is required to make minimum payments to the City equal to the amount of revenue generated by 6.000 mills each year, with final repayment by December 31, 2018, which has been amended to have a final payment date of December 31, 2021. Payments under the Agreement are subject to annual appropriation by the Board of Directors of the District.

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 2020, 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**

Year Ending December 31,	\$3,540,000		\$362,258	
	Taxable/Tax-Exempt General Obligation Refunding and Improvement Bonds Dated May 17, 2016		Reimbursement Agreement with Commerce City Dated September 22, 1997	
	Interest Rate between 3.25% - 4.25% Payable June 1 and December 1		Interest of 5% Payment Made with 6 Mills of the District's Assessed Valuation	
	Principal Due December 1		Due Annually	
	Principal	Interest	Principal	Interest
2020	\$ 125,000	\$ 100,425	\$ 49,473	\$ 3,830
2021	130,000	96,363	27,120	1,356
2022	140,000	92,137	-	-
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	-	-
	<u>\$ 3,090,000</u>	<u>\$ 1,104,250</u>	<u>\$ 76,593</u>	<u>\$ 5,186</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2019**

**EAGLE CREEK METROPOLITAN DISTRICT
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INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

EAGLE CREEK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Cash and Investments	\$ 479,297
Cash and Investments - Restricted	146,794
Receivable - County Treasurer	3,334
Property Taxes Receivable	586,250
Prepaid Expenses	395
Capital Assets, Not Being Depreciated	741,291
Capital Assets, Net of Accumulated Depreciation	389,429
Total Assets	<u>2,346,790</u>
LIABILITIES	
Accounts Payable	54,584
Accrued Bond Interest Payable	8,369
Noncurrent Liabilities	
Due Within One Year	174,468
Due in More Than One Year	2,992,228
Total Liabilities	<u>3,229,649</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	586,250
Total Deferred Inflows of Resources	<u>586,250</u>
NET POSITION	
Net Investment in Capital Assets	524,495
Restricted for:	
Emergency Reserves	10,000
Debt Service - Series 2006 Bonds	121,412
Capital Projects	(42,668)
Conservation Trust	8,487
Unrestricted	<u>(2,090,835)</u>
Total Net Position	<u>\$ (1,469,109)</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS	<u>Expenses</u>				
Primary Government:					
Governmental Activities:					
General Government	\$ 236,993	\$ -	\$ -	\$ 7,492	\$ (229,501)
Interest and Related Costs on Long-Term Debt	114,537	-	-	-	(114,537)
	<u>\$ 351,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,492</u>	<u>(344,038)</u>
GENERAL REVENUES:					
Property Taxes					535,141
Specific Ownership Taxes					43,743
Net Investment Income					15,544
Total General Revenues					<u>594,428</u>
CHANGE IN NET POSITION					250,390
Net Position - Beginning					<u>(1,719,499)</u>
NET POSITION - ENDING					<u>\$ (1,469,109)</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Debt Service	Conservation Trust Fund	Capital Projects - Grants	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 479,297	\$ -	\$ -	\$ -	\$ 479,297
Cash and investments - Restricted	10,000	128,257	8,487	50	146,794
Receivable from County Treasurer	1,810	1,524	-	-	3,334
Property Taxes Receivable	342,731	243,519	-	-	586,250
Due from Other Funds	42,718	-	-	-	42,718
Prepaid Expenses	395	-	-	-	395
Total Assets	<u>\$ 876,951</u>	<u>\$ 373,300</u>	<u>\$ 8,487</u>	<u>\$ 50</u>	<u>\$ 1,258,788</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 54,584	\$ -	\$ -	\$ -	\$ 54,584
Due to Other Funds	-	-	-	42,718	42,718
Total Liabilities	<u>54,584</u>	<u>-</u>	<u>-</u>	<u>42,718</u>	<u>97,302</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	342,731	243,519	-	-	586,250
Total Deferred Inflows of Resources	<u>342,731</u>	<u>243,519</u>	<u>-</u>	<u>-</u>	<u>586,250</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	395	-	-	-	395
Restricted for:					
Emergencies (TABOR)	10,000	-	-	-	10,000
Debt Service - Series 2016 Bonds	-	129,781	-	-	129,781
Conservation Trust Fund	-	-	8,487	-	8,487
Capital Projects	-	-	-	(42,668)	(42,668)
Unassigned:					
General Government	469,241	-	-	-	469,241
Total Fund Balances	<u>479,636</u>	<u>129,781</u>	<u>8,487</u>	<u>(42,668)</u>	<u>575,236</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 876,951</u>	<u>\$ 373,300</u>	<u>\$ 8,487</u>	<u>\$ 50</u>	

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

1,130,720

Long-term liabilities are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Bonds Payable

(3,090,000)

Accrued Bond Interest Payable

(8,369)

Commerce City Reimbursement Agreement

(76,696)

Net Position of Governmental Activities

\$ (1,469,109)

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, 2019

	General	Debt Service	Conservation Trust Fund	Capital Projects - Grants	Total Governmental Funds
REVENUES					
Property Taxes	\$ 244,636	\$ 244,636	\$ -	\$ -	\$ 489,272
Property Taxes - Commerce City	45,869	-	-	-	45,869
Specific Ownership Taxes	23,746	19,997	-	-	43,743
Conservation Trust Entitlement	-	-	7,492	-	7,492
Net Investment Income	10,780	4,402	88	274	15,544
Total Revenues	325,031	269,035	7,580	274	601,920
EXPENDITURES					
Accounting	22,608	-	-	-	22,608
Audit	3,960	-	-	-	3,960
County Treasurer's Fee	3,670	3,670	-	-	7,340
Treasurer's Fee - Commerce City	688	-	-	-	688
Directors' Fees	2,700	-	-	-	2,700
Insurance and Bonds	4,239	-	-	-	4,239
Dues and Licenses	465	-	-	-	465
Legal	34,810	-	-	-	34,810
Payroll Taxes	207	-	-	-	207
Repairs and Maintenance	35,295	-	-	-	35,295
District Management	13,200	-	-	-	13,200
Landscape Maintenance	32,465	-	-	-	32,465
Tree Replacement	20,862	-	-	-	20,862
Utilities	32,991	-	-	-	32,991
Debt Service					
Bond Principal - Series 2016	-	120,000	-	-	120,000
Bond Interest - Series 2016	-	104,325	-	-	104,325
Principal Payment - Commerce City	39,302	-	-	-	39,302
Interest Payment - Commerce City	5,879	-	-	-	5,879
Paying Agent Fees	-	300	-	-	300
Capital Expenditures					
Playground Improvements	-	-	-	8,554	8,554
Fence Replacement	-	-	-	52,551	52,551
Total Expenditures	253,341	228,295	-	61,105	542,741
NET CHANGE IN FUND BALANCES	71,690	40,740	7,580	(60,831)	59,179
Fund Balances - Beginning of Year	407,946	89,041	907	18,163	516,057
FUND BALANCES - END OF YEAR	<u>\$ 479,636</u>	<u>\$ 129,781</u>	<u>\$ 8,487</u>	<u>\$ (42,668)</u>	<u>\$ 575,236</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, 2019**

Net Change in Fund Balances - Governmental Funds	\$	59,179
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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	61,105	
Depreciation Expense		(29,521)

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	120,000	
Principal Payment on Commerce City Reimbursement Agreement		39,302

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		325
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Change in Net Position of Governmental Activities	\$	250,390
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**EAGLE CREEK METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 244,636	\$ 244,636	\$ 244,636	\$ -
Property Taxes - Commerce City	45,869	45,869	45,869	-
Specific Ownership Taxes	17,400	23,000	23,746	746
Net Investment Income	6,600	11,300	10,780	(520)
Total Revenues	314,505	324,805	325,031	226
EXPENDITURES				
Accounting	26,000	25,000	22,608	2,392
Audit	4,000	3,960	3,960	-
Contingency	13,108	5,782	-	5,782
County Treasurer's Fee	4,243	3,670	3,670	-
Treasurer's Fee - Commerce City	688	688	688	-
Directors' Fees	3,000	2,800	2,700	100
Meetings/Conferences	1,000	-	-	-
Insurance and Bonds	6,000	4,239	4,239	-
Dues and Licenses	550	465	465	-
Legal	30,000	38,000	34,810	3,190
Miscellaneous	500	-	-	-
Payroll Taxes	230	215	207	8
Repairs and Maintenance	7,500	35,000	35,295	(295)
District Management	15,000	14,400	13,200	1,200
Landscape Maintenance	20,000	39,000	32,465	6,535
Tree Replacement	18,000	21,000	20,862	138
Utilities	30,000	30,000	32,991	(2,991)
Principal Payment - Commerce City	39,382	39,982	39,302	680
Interest Payment - Commerce City	5,799	5,799	5,879	(80)
Total Expenditures	225,000	270,000	253,341	16,659
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	89,505	54,805	71,690	16,885
Fund Balances - Beginning of Year	398,341	407,944	407,946	2
FUND BALANCES - END OF YEAR	<u>\$ 487,846</u>	<u>\$ 462,749</u>	<u>\$ 479,636</u>	<u>\$ 16,887</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 perpetual maintenance of street landscaping and lighting 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, 2019**

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, 2019**

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, 2019.

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, 2019**

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, 2019**

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.

Deficits

The Capital Projects Fund reported a deficit in the fund financial statements as of December 31, 2019. The deficit will be eliminated with the receipt of grant funds in 2020.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 479,297
Cash and Investments – Restricted	<u>146,794</u>
Total Cash and Investments	<u><u>\$ 626,091</u></u>

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	\$ 9,370
Investments	<u>616,721</u>
Total Cash and Investments	<u><u>\$ 626,091</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, 2019, the District's cash deposits had a bank balance and a carrying balance of \$9,370.

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.

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

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- . 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, 2019, 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>\$ 616,721</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 is 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. 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 is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2019, follows:

	Balance at December 31, 2018	Additions	Retirements	Balance at December 31, 2019
Capital Assets, Not Being Depreciated				
Landscaping	\$ 741,291	\$ -	\$ -	\$ 741,291
Total Capital Assets, Not Being Depreciated	741,291	-	-	741,291
Capital Assets, Being Depreciated				
Fencing	156,180	52,551	-	208,731
Playground System	112,532	8,554	-	121,086
Irrigation Taps	58,425	-	-	58,425
Monument and Fencing	22,506	-	-	22,506
Climbing Wall	29,461	-	-	29,461
Picnic Shelter	26,497	-	-	26,497
Hardscape, Bridges, Walls	45,741	-	-	45,741
Basketball Court	28,357	-	-	28,357
Park Equipment	14,567	-	-	14,567
Total Capital Assets, Being Depreciated	494,266	61,105	-	555,371
Less: Accumulated Depreciation for:				
Fencing	(651)	(9,123)	-	(9,774)
Playground System	(1,250)	(7,502)	-	(8,752)
Irrigation Taps	(50,149)	(2,921)	-	(53,070)
Monument and Fencing	(22,506)	-	-	(22,506)
Climbing Wall	(12,602)	(1,964)	-	(14,566)
Picnic Shelter	(11,334)	(1,767)	-	(13,101)
Hardscape, Bridges, Walls	(19,565)	(3,382)	-	(22,947)
Basketball Court	(12,128)	(1,890)	-	(14,018)
Park Equipment	(6,236)	(972)	-	(7,208)
Total Accumulated Depreciation	(136,421)	(29,521)	-	(165,942)
Total Capital Assets, Being Depreciated, Net	357,845	31,584	-	389,429
Governmental Activities - Capital Assets, Net	\$ 1,099,136	\$ 31,584	\$ -	\$ 1,130,720

Depreciation expense for 2019 was \$29,521.

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2018	Additions	Retirements	Balance - December 31, 2019	Due Within One Year
General Obligation Bonds					
Series 2016	\$ 3,210,000	\$ -	\$ 120,000	\$ 3,090,000	\$ 125,000
Reimbursement Agreement - City of Commerce City	115,998	-	39,302	76,696	49,468
Total	\$ 3,325,998	\$ -	\$ 159,302	\$ 3,166,696	\$ 174,468

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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 that 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, 2019, the Debt to Assessed Ratio was 34%.

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>
2020	\$ 125,000	\$ 100,425	\$ 225,425
2021	130,000	96,363	226,363
2022	140,000	92,137	232,137
2023	145,000	87,588	232,588
2024	155,000	82,875	237,875
2025-2029	845,000	376,150	1,221,150
2030-2034	1,050,000	236,412	1,286,412
2035-2036	500,000	32,300	532,300
Total	<u>\$ 3,090,000</u>	<u>\$ 1,104,250</u>	<u>\$ 4,194,250</u>

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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). At December 31, 2019, the District has authorized but unissued indebtedness for the following purposes:

	Authorized November 6, 1996 Election	Authorized May 5, 1998 Election	Total Authorized Debt
Street Improvements	\$ 1,970,000	\$ -	\$ 1,970,000
Parks and Recreation	1,030,000	-	1,030,000
Water	-	270,015	270,015
Sanitary Sewer	-	270,015	270,015
Operations and Maintenance	-	150,000	150,000
Debt Refunding	3,000,000	-	3,000,000
Total	<u>\$ 6,000,000</u>	<u>\$ 690,030</u>	<u>\$ 6,690,030</u>

	Authorization Used				Remaining at December 31, 2019
	Series 2001 Bonds	Series 2001 Bonds	Series 2006 Bonds	Series 2016 Bonds	
Street Improvements	\$ 1,970,000	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	680,000	-	74,965	801	274,234
Water	-	-	-	270,015	-
Sanitary Sewer	-	-	-	270,015	-
Operations and Maintenance	-	-	-	150,000	-
Debt Refunding	-	-	475,035	130,188	2,394,777
Total	<u>\$ 2,650,000</u>	<u>\$ -</u>	<u>\$ 550,000</u>	<u>\$ 821,019</u>	<u>\$ 2,669,011</u>

Reimbursement Agreement

The District entered into an Agreement for Reimbursement of Costs with the City of Commerce City (the City) dated September 22, 1997, and amended on November 21, 2005 (the Agreement). Pursuant to the Agreement, the District has agreed to reimburse the City \$270,015 for the cost of construction of water and wastewater lines necessary to serve the development within the District and \$92,243 for the cost of installing a stone fence. The District is further obligated to install landscaping along Highway 2, or to reimburse the City for the cost of such landscaping, at a principal cost of up to \$120,000 at the time that Highway 2 is widened. The District's obligation bears interest at the rate of 5.00%. The District is required to make minimum payments to the City equal to the amount of revenue generated by 6 mills each year. On December 8, 2017, the Agreement was amended to extend the final repayment from December 31, 2018, to December 31, 2021. Payments under the Agreement are subject to annual appropriation by the Board of Directors of the District. As of December 31, 2019, the outstanding balance owed was \$76,696.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019, the District had net investment in capital assets calculated as follows:

Governmental Activities

Net Investment in Capital Assets:	
Capital Assets, Net of Accumulated Depreciation	\$ 1,130,720
Less: Long-Term Obligations	<u>(606,225)</u>
Net Investment in Capital Assets	<u><u>\$ 524,495</u></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, 2019, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 10,000
Debt Service	121,412
Conservation Trust Fund	8,487
Capital Projects	<u>(42,668)</u>
Total Restricted Net Position	<u><u>\$ 97,231</u></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 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.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 8 AGREEMENTS WITH DEVELOPERS

On October 9, 2009, the District entered into a contract with Community Preservation and Management, LLC (CPandM) for 2010 – 2011 snow removal services. Rates range between \$50-\$100 per hour depending upon the service performed. The contract has been renewed each year since 2012. During 2019, the District paid CPandM \$24,811 for snow removal and other maintenance expenses.

NOTE 9 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.

NOTE 10 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.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 10 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 244,636	\$ 244,636	\$ -
Specific Ownership Taxes	14,600	19,997	5,397
Net Investment Income	1,500	4,402	2,902
Total Revenues	<u>260,736</u>	<u>269,035</u>	<u>8,299</u>
EXPENDITURES			
County Treasurer's Fee	3,670	3,670	-
Bond Principal - Series 2016	120,000	120,000	-
Bond Interest - Series 2016	104,325	104,325	-
Paying Agent Fees	300	300	-
Contingency	2,705	-	2,705
Total Expenditures	<u>231,000</u>	<u>228,295</u>	<u>2,705</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,736	40,740	11,004
Fund Balances - Beginning of Year	<u>87,828</u>	<u>89,041</u>	<u>1,213</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 117,564</u></u>	<u><u>\$ 129,781</u></u>	<u><u>\$ 12,217</u></u>

**EAGLE CREEK METROPOLITAN DISTRICT
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Conservation Trust Entitlement	\$ 6,500	\$ 7,492	\$ 992
Net Investment Income	100	88	(12)
Other Revenue	1,000	-	(1,000)
Total Revenues	<u>7,600</u>	<u>7,580</u>	<u>(20)</u>
EXPENDITURES			
Contingency	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Expenditures	<u>1,000</u>	<u>-</u>	<u>1,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,600	7,580	980
OTHER FINANCING SOURCES (USES)			
Transfers from (to) Other Funds	<u>(6,600)</u>	<u>-</u>	<u>6,600</u>
Total Other Financing Sources (Uses)	<u>(6,600)</u>	<u>-</u>	<u>6,600</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	7,580	7,580
Fund Balances - Beginning of Year	<u>-</u>	<u>907</u>	<u>907</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 8,487</u></u>	<u><u>\$ 8,487</u></u>

**EAGLE CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Grant Funds	\$ 73,414	\$ -	\$ (73,414)
Net Investment Income	500	274	(226)
Total Revenues	<u>73,914</u>	<u>274</u>	<u>(73,640)</u>
EXPENDITURES			
Fence Replacement	47,355	52,551	(5,196)
Playground Improvements	100,000	8,554	91,446
Total Expenditures	<u>147,355</u>	<u>61,105</u>	<u>86,250</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(73,441)	(60,831)	12,610
OTHER FINANCING SOURCES (USES)			
Transfers from (to) Other Funds	6,600	-	(6,600)
Total Other Financing Sources (Uses)	<u>6,600</u>	<u>-</u>	<u>(6,600)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(66,841)	(60,831)	6,010
Fund Balances - Beginning of Year	<u>66,841</u>	<u>18,163</u>	<u>(48,678)</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ (42,668)</u>	<u>\$ (42,668)</u>

**EAGLE CREEK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2019**

<u>Year Ending December 31,</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		\$362,258 Reimbursement Agreement with Commerce City Dated September 22, 1997 Interest of 5% Payment Made with 6 Mills of the District's Assessed Valuation Due Annually	
	Principal	Interest	Principal	Interest
2020	\$ 125,000	\$ 100,425	\$ 49,468	\$ 3,835
2021	130,000	96,363	27,228	1,361
2022	140,000	92,137	-	-
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	-	-
Total	<u>\$ 3,090,000</u>	<u>\$ 1,104,250</u>	<u>\$ 76,696</u>	<u>\$ 5,196</u>

**EAGLE CREEK METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied	
		General	Debt	Levied	Collected		
		Operations	Service				
		(1)					
2015	\$ 3,895,020	45.000	43.000	\$ 342,762	\$ 341,011		99.49%
2016	5,320,050	50.000	33.000	441,564	441,564		100.00
2017	5,971,450	44.000	36.000	477,716	477,716		100.00
2018	7,638,410	43.000	32.000	572,880	572,880		100.00
2019	7,644,880	38.000	32.000	535,141	535,141		100.00
Estimated for Year Ending December 31, 2020	\$ 9,019,240	38.000	27.000	\$ 586,250			

(1) - General Operations mills levied include 6 mills levied annually for Commerce City Reimbursement Agreement.

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