

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

FISCAL YEAR ENDING DECEMBER 31, 2021

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, 2021, the District makes the following report:

A. Boundary changes made or proposed.

There were no boundary changes made or proposed in 2021.

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 2021.

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 2022 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.

Replacement of 6,400 lineal feet of split-rail wood fencing between private and district property was started in October 2021 and continues into 2022. Completion is scheduled for Summer 2022.

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

The District installed and replaced certain playground improvements within its park during 2021, using grant funds obtained from the Adams County Open Space Grant. The project was completed in 2021.

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 2021 of \$10,035,480. The District certified a mill levy of 65.000 mills to be assessed against the property within the District for collection in 2022.

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 2022 budget and the District's final audit for 2021 are attached hereto as Exhibit A.

EXHIBIT A
2022 BUDGET AND 2021 FINAL AUDIT

EAGLE CREEK METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**EAGLE CREEK METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 575,236	\$ 725,673	\$ 530,171
REVENUES			
Property taxes	532,135	560,562	652,306
Specific ownership tax	43,023	48,000	45,661
Interest income	4,600	612	575
CTF proceeds	7,394	8,900	7,500
Property taxes - Commerce City	54,115	29,503	-
Grant funds	69,540	-	-
Other revenue	1,592	17,261	-
Total revenues	712,399	664,838	706,042
	-		
TRANSFERS IN	15,943	223,900	7,505
Total funds available	1,303,578	1,614,411	1,243,718
EXPENDITURES			
General Fund	308,313	395,000	325,000
Debt Service Fund	229,380	230,340	240,000
Capital Projects Fund	24,269	235,000	14,963
Total expenditures	561,962	860,340	579,963
TRANSFERS OUT	15,943	223,900	7,505
Total expenditures and transfers out requiring appropriation	577,905	1,084,240	587,468
ENDING FUND BALANCES	\$ 725,673	\$ 530,171	\$ 656,250

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/22

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Residential	\$ 8,845,900	\$ 8,853,310	\$ 9,625,330
State assessed	2,650	3,870	14,130
Vacant land	10	10	10
Personal property	170,860	220,740	396,010
Certified Assessed Value	<u>\$ 9,019,420</u>	<u>\$ 9,077,930</u>	<u>\$ 10,035,480</u>

MILL LEVY

General	32.000	34.750	40.000
Debt Service	27.000	27.000	25.000
Commerce City Contract	6.000	3.250	0.000
Total mill levy	<u>65.000</u>	<u>65.000</u>	<u>65.000</u>

PROPERTY TAXES

General	\$ 288,621	\$ 315,458	\$ 401,419
Debt Service	243,524	245,104	250,887
Commerce City Contract	54,117	29,503	-
Levied property taxes	<u>586,262</u>	<u>590,065</u>	<u>652,306</u>
Adjustments to actual/rounding	(12)	-	-
Budgeted property taxes	<u>\$ 586,250</u>	<u>\$ 590,065</u>	<u>\$ 652,306</u>

BUDGETED PROPERTY TAXES

General	\$ 288,616	\$ 315,458	\$ 401,419
Debt Service	243,519	245,104	250,887
Commerce City Contract	54,115	29,503	-
	<u>\$ 586,250</u>	<u>\$ 590,065</u>	<u>\$ 652,306</u>

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 479,636	\$ 544,084	\$ 324,706
REVENUES	-		
Property taxes	288,616	315,458	401,419
Specific ownership tax	25,152	28,000	28,099
Interest income	3,286	400	370
Other revenue	1,592	17,261	-
Property taxes - Commerce City	54,115	29,503	-
Total revenues	372,761	390,622	429,888
Total funds available	852,397	934,706	754,594
EXPENDITURES			
General and administrative			
Accounting	22,893	28,000	32,000
Auditing	3,960	4,000	4,200
County Treasurer's fee	4,331	4,732	6,021
Treasurer's fees - Commerce City	812	443	-
Directors' fees	2,000	2,800	3,000
Dues and licenses	266	551	600
Insurance and bonds	4,134	4,716	6,000
District management	15,619	16,000	18,000
Legal services	20,095	38,000	35,000
Miscellaneous	-	-	500
Payroll taxes	153	214	230
Election expense	345	-	10,000
Meetings/Conferences	-	-	3,000
Contingency	-	5,780	11,449
Debt service			
Principal Payment - Commerce City	49,473	23,248	-
Interest Payment - Commerce City	3,647	1,516	-
Operations and maintenance			
Repairs and maintenance	24,177	60,000	25,000
Snow Removal	445	20,000	15,000
Landscaping	42,610	65,000	50,000
Tree replacement/maintenance	16,770	20,000	20,000
Landscaping enhancements	56,857	40,000	25,000
Utilities	39,726	60,000	60,000
Total expenditures	308,313	395,000	325,000
TRANSFERS OUT			
Transfers to other fund	-	215,000	-
Total expenditures and transfers out requiring appropriation	308,313	610,000	325,000
ENDING FUND BALANCE	\$ 544,084	\$ 324,706	\$ 429,594
EMERGENCY RESERVE	\$ 11,200	\$ 11,700	\$ 12,900
RESERVE FOR CAPITAL REPLACEMENT	-	100,000	150,000
AVAILABLE FOR OPERATIONS	532,884	213,006	266,694
TOTAL RESERVE	\$ 544,084	\$ 324,706	\$ 429,594

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
CONSERVATION TRUST FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 8,487	\$ -	\$ -
REVENUES	-		
CTF proceeds	7,394	8,900	7,500
Interest income	62	-	5
Total revenues	7,456	8,900	7,505
Total funds available	15,943	8,900	7,505
	-		
EXPENDITURES			
Total expenditures	-	-	-
TRANSFERS OUT			
Transfers to capital projects fund	15,943	8,900	7,505
Total expenditures and transfers out requiring appropriation	15,943	8,900	7,505
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 129,781	\$ 163,043	\$ 198,007
REVENUES	-		
Property taxes	243,519	245,104	250,887
Specific ownership tax	17,871	20,000	17,562
Interest income	1,252	200	200
Total revenues	262,642	265,304	268,649
Total funds available	392,423	428,347	466,656
EXPENDITURES			
Debt Service			
County Treasurer's fee	3,655	3,677	3,763
Paying agent fees	300	300	300
Contingency	-	-	3,800
Bond interest	100,425	96,363	92,137
Bond principal	125,000	130,000	140,000
Total expenditures	229,380	230,340	240,000
Total expenditures and transfers out requiring appropriation	229,380	230,340	240,000
ENDING FUND BALANCE	\$ 163,043	\$ 198,007	\$ 226,656

No assurance provided. See summary of significant assumptions.

**EAGLE CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (42,668)	\$ 18,546	\$ 7,458
REVENUES			
Interest income	-	12	-
Grant Funds	69,540	-	-
Total revenues	69,540	12	-
TRANSFERS IN			
Transfers from other funds	-	215,000	-
Transfers from conservation trust funds	15,943	8,900	7,505
	15,943	223,900	7,505
Total funds available	42,815	242,458	14,963
EXPENDITURES			
Capital Projects			
Fencing	-	215,000	-
Parks and recreation	-	4,558	14,963
Playground improvements	24,269	15,442	-
Total expenditures	24,269	235,000	14,963
Total expenditures and transfers out requiring appropriation	24,269	235,000	14,963
ENDING FUND BALANCE	\$ 18,546	\$ 7,458	\$ -

No assurance provided. See summary of significant assumptions.

**Eagle Creek Metropolitan District
2022 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 7% of the property taxes collected.

**Eagle Creek Metropolitan District
2022 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 0.10%.

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).

Capital Projects

The District has budgeted additional park and recreational improvements, using conservation trust funds.

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
2022 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 mill levy for the final payment in 2021 was adjusted to 3.250. See below for the 2021 activity on the Reimbursement Agreement. The District made the final payment in 2021.

	Balance 12/31/20	Additions	Reductions	Balance 12/31/21
Commerce City Agreement				
Principal	\$ 23,248	\$ -	\$ 23,248	\$ -
Interest	-	1,516	1,516	-
	<u>\$ 23,248</u>	<u>\$ 1,516</u>	<u>\$ 24,764</u>	<u>\$ -</u>

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 2022, 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 Principal Due December 1			
Year Ending December 31,	Principal		Interest
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
	\$	2,835,000	\$ 907,462

No assurance provided. See summary of significant assumptions.

EAGLE CREEK METROPOLITAN DISTRICT
Adams County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

**EAGLE CREEK METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2021**

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Board of Directors
Eagle Creek Metropolitan District
Adams County, Colorado

Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Eagle Creek Metropolitan District (the "District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Eagle Creek Metropolitan District as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC Company's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Wipfli LLP

Wipfli LLP

Lakewood, Colorado

April 6, 2022

BASIC FINANCIAL STATEMENTS

**EAGLE CREEK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 448,823
Cash and Investments - Restricted	221,024
Receivable - County Treasurer	4,461
Property Taxes Receivable	652,306
Prepaid Expenses	4,752
Capital Assets, Not Being Depreciated	873,413
Capital Assets, Net of Accumulated Depreciation	416,245
Total Assets	<u>2,621,024</u>
LIABILITIES	
Accounts Payable	16,880
Accrued Bond Interest Payable	7,678
Noncurrent Liabilities:	
Due Within One Year	140,000
Due in More Than One Year	2,695,000
Total Liabilities	<u>2,859,558</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	652,306
Total Deferred Inflows of Resources	<u>652,306</u>
NET POSITION	
Net Investment in Capital Assets	688,789
Restricted for:	
Emergency Reserves	12,000
Debt Service - Series 2016 Bonds	190,809
Capital Projects	12,350
Conservation Trust	40
Unrestricted	<u>(1,794,828)</u>
Total Net Position	<u><u>\$ (890,840)</u></u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

		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	\$ 362,736	\$ -	\$ -	\$ 8,939	\$ (353,797)
Interest and Related Costs on Long-Term Debt	101,951	-	-	-	(101,951)
Total Governmental Activities	<u>\$ 464,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,939</u>	(455,748)
GENERAL REVENUES:					
Property Taxes					590,443
Specific Ownership Taxes					48,880
Net Investment Income					632
Other Revenue					17,261
Total General Revenues					<u>657,216</u>
SPECIAL ITEMS:					
Debt Forgiveness					3,975
Total Special Items					<u>3,975</u>
CHANGE IN NET POSITION					205,443
Net Position - Beginning of Year					<u>(1,096,283)</u>
NET POSITION - END OF YEAR					<u>\$ (890,840)</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Conservation Trust Fund	Capital Projects - Grants	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 448,823	\$ -	\$ -	\$ -	\$ 448,823
Cash and Investments - Restricted	12,000	196,634	40	12,350	221,024
Receivable from County Treasurer	2,608	1,853	-	-	4,461
Property Taxes Receivable	401,419	250,887	-	-	652,306
Prepaid Expenses	4,752	-	-	-	4,752
Total Assets	<u>\$ 869,602</u>	<u>\$ 449,374</u>	<u>\$ 40</u>	<u>\$ 12,350</u>	<u>\$ 1,331,366</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 16,880	\$ -	\$ -	\$ -	\$ 16,880
Total Liabilities	16,880	-	-	-	16,880
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	401,419	250,887	-	-	652,306
Total Deferred Inflows of Resources	401,419	250,887	-	-	652,306
FUND BALANCES					
Nonspendable:					
Prepaid items	4,752	-	-	-	4,752
Restricted for:					
Emergencies (TABOR)	12,000	-	-	-	12,000
Debt Service - Series 2016 Bonds	-	198,487	-	-	198,487
Conservation Trust Fund	-	-	40	-	40
Capital Projects	-	-	-	12,350	12,350
Unassigned:					
General Government	434,551	-	-	-	434,551
Total Fund Balances	<u>451,303</u>	<u>198,487</u>	<u>40</u>	<u>12,350</u>	<u>662,180</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 869,602</u>	<u>\$ 449,374</u>	<u>\$ 40</u>	<u>\$ 12,350</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

1,289,658

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

Bonds Payable

(2,835,000)

Accrued Bond Interest Payable

(7,678)

Net Position of Governmental Activities

\$ (890,840)

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, 2021

	General	Debt Service	Conservation Trust Fund	Capital Projects - Grants	Total Governmental Funds
REVENUES					
Property Taxes	\$ 315,660	\$ 245,261	\$ -	\$ -	\$ 560,921
Property Taxes - Commerce City	29,522	-	-	-	29,522
Specific Ownership Tax	28,576	20,304	-	-	48,880
Other Revenue	17,261	-	-	-	17,261
Conservation Trust Entitlement	-	-	8,939	-	8,939
Net Investment Income	405	223	1	3	632
Total Revenues	391,424	265,788	8,940	3	666,155
EXPENDITURES					
Accounting	25,906	-	-	-	25,906
Audit	4,000	-	-	-	4,000
County Treasurer's Fee	4,738	3,681	-	-	8,419
Treasurer's Fee - Commerce City	443	-	-	-	443
Directors' Fees	2,300	-	-	-	2,300
Insurance and Bonds	4,716	-	-	-	4,716
Dues and Licenses	551	-	-	-	551
Legal	41,812	-	-	-	41,812
Payroll Taxes	176	-	-	-	176
Repairs and Maintenance	51,819	-	-	-	51,819
District Management	15,122	-	-	-	15,122
Landscape Maintenance	61,216	-	-	-	61,216
Landscape Enhancements	34,963	-	-	-	34,963
Tree Replacement	19,761	-	-	-	19,761
Snow Removal	10,806	-	-	-	10,806
Utilities	48,990	-	-	-	48,990
Debt Service:					
Bond Principal - Series 2016	-	130,000	-	-	130,000
Bond Interest - Series 2016	-	96,363	-	-	96,363
Principal Payment - Commerce City	23,248	-	-	-	23,248
Interest Payment - Commerce City	1,516	-	-	-	1,516
Paying Agent Fees	-	300	-	-	300
Capital Expenditures:					
Playground Improvements	-	-	-	10,699	10,699
Parks and Recreation	-	-	-	4,400	4,400
Fence Replacement	-	-	-	132,122	132,122
Total Expenditures	352,083	230,344	-	147,221	729,648
EXCESS OR REVENUES OVER (UNDER)					
EXPENDITURES	39,341	35,444	8,940	(147,218)	(63,493)
OTHER FINANCING SOURCES (USES)					
Transfers From (to) Other Funds	(132,122)	-	(8,900)	141,022	-
Total Other Financing Sources (Uses)	(132,122)	-	(8,900)	141,022	-
NET CHANGE IN FUND BALANCES	(92,781)	35,444	40	(6,196)	(63,493)
Fund Balances - Beginning of Year	544,084	163,043	-	18,546	725,673
FUND BALANCES - END OF YEAR	<u>\$ 451,303</u>	<u>\$ 198,487</u>	<u>\$ 40</u>	<u>\$ 12,350</u>	<u>\$ 662,180</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
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, 2021**

Net Change in Fund Balances - Governmental Funds	\$ (63,493)
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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	147,221
Depreciation Expense	(35,860)

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	130,000
Principal Payment on Commerce City Reimbursement Agreement	23,248
Forgiveness of Commerce City Debt	3,975

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	352
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Change in Net Position of Governmental Activities	\$ 205,443
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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, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 315,459	\$ 315,458	\$ 315,660	\$ 202
Property Taxes - Commerce City	29,503	29,503	29,522	19
Specific Ownership Tax	24,100	28,000	28,576	576
Other Revenue	-	17,261	17,261	-
Net Investment Income	2,700	400	405	5
Total Revenues	371,762	390,622	391,424	802
EXPENDITURES				
Accounting	25,000	28,000	25,906	2,094
Audit	4,000	4,000	4,000	-
Contingency	12,035	5,780	-	5,780
County Treasurer's Fee	4,732	4,732	4,738	(6)
Treasurer's Fee - Commerce City	443	443	443	-
Directors' Fees	3,000	2,800	2,300	500
Meetings/Conferences	2,500	-	-	-
Insurance and Bonds	6,000	4,716	4,716	-
Dues and Licenses	500	551	551	-
Legal	23,000	38,000	41,812	(3,812)
Miscellaneous	500	-	-	-
Payroll Taxes	230	214	176	38
Repairs and Maintenance	25,000	20,000	51,819	(31,819)
District Management	16,000	16,000	15,122	878
Landscape Maintenance	48,000	105,000	61,216	43,784
Landscape Enhancements	50,000	40,000	34,963	5,037
Tree Replacement	20,000	20,000	19,761	239
Snow Removal	10,000	20,000	10,806	9,194
Utilities	50,000	60,000	48,990	11,010
Principal Payment - Commerce City	27,223	23,248	23,248	-
Interest Payment - Commerce City	1,837	1,516	1,516	-
Total Expenditures	330,000	395,000	352,083	42,917
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	41,762	(4,378)	39,341	43,719
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds	-	(215,000)	(132,122)	82,878
Total Other Financing Sources (Uses)	-	(215,000)	(132,122)	82,878
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	41,762	(219,378)	(92,781)	126,597
Fund Balances - Beginning of Year	527,159	544,084	544,084	-
FUND BALANCES - END OF YEAR	<u>\$ 568,921</u>	<u>\$ 324,706</u>	<u>\$ 451,303</u>	<u>\$ 126,597</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021**

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, 2021**

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, 2021.

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, 2021**

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 capital 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, 2021**

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, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 448,823
Cash and Investments – Restricted	<u>221,024</u>
Total Cash and Investments	<u><u>\$ 669,847</u></u>

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 8,806
Investments	<u>661,041</u>
Total Cash and Investments	<u><u>\$ 669,847</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, 2021, the District's cash deposits had a bank balance and a carrying balance of \$8,806.

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, 2021**

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, 2021, 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>\$ 661,041</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, 2021**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

	Balance at December 31, 2020	Additions	Retirements	Balance at December 31, 2021
Capital Assets, Not Being Depreciated:				
Landscaping	\$ 741,291	\$ -	\$ -	\$ 741,291
Construction in Progress	-	132,122	-	132,122
Total Capital Assets, Not Being Depreciated	741,291	132,122	-	873,413
Capital Assets, Being Depreciated:				
Fencing	208,731	-	-	208,731
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	14,567	15,099	-	29,666
Total Capital Assets, Being Depreciated	636,497	15,099	-	651,596
Less: Accumulated Depreciation for:				
Fencing	(20,211)	(10,437)	-	(30,648)
Playground System	(16,254)	(8,072)	-	(24,326)
Irrigation Taps	(55,991)	(2,434)	-	(58,425)
Monument and Fencing	(24,310)	(2,892)	-	(27,202)
Climbing Wall	(17,204)	(3,582)	-	(20,786)
Picnic Shelter	(14,867)	(1,767)	-	(16,634)
Hardscape, Bridges, Walls	(26,566)	(3,049)	-	(29,615)
Basketball Court	(15,908)	(1,890)	-	(17,798)
Park Equipment	(8,180)	(1,737)	-	(9,917)
Total Accumulated Depreciation	(199,491)	(35,860)	-	(235,351)
Total Capital Assets, Being Depreciated, Net	437,006	(20,761)	-	416,245
Governmental Activities - Capital Assets, Net	<u>\$ 1,178,297</u>	<u>\$ 111,361</u>	<u>\$ -</u>	<u>\$ 1,289,658</u>

Depreciation expense for 2021 was \$35,860.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Additions	Retirements	Balance - December 31, 2021	Due Within One Year
Bond Payable:					
G.O. Series 2016	\$ 2,965,000	\$ -	\$ 130,000	\$ 2,835,000	\$ 140,000
Subtotal Bond Payable	2,965,000	-	130,000	2,835,000	140,000
Other Debts:					
Reimbursement Agreement -					
City of Commerce City	27,223	-	27,223	-	-
Subtotal Other Debts	27,223	-	27,223	-	-
Total	\$ 2,992,223	\$ -	\$ 157,223	\$ 2,835,000	\$ 140,000

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, 2021, the Debt to Assessed Ratio was 28%.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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>
2022	\$ 140,000	\$ 92,137	\$ 232,137
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 - 2031	915,000	330,212	1,245,212
2032 - 2036	1,160,000	153,000	1,313,000
Total	<u>\$ 2,835,000</u>	<u>\$ 907,462</u>	<u>\$ 3,742,462</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). At December 31, 2021, the District has authorized but unissued indebtedness for the following purposes:

	<u>Authorized November 6, 1996 Election</u>	<u>Authorized May 5, 1998 Election</u>	<u>Total Authorized Debt</u>
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>

	<u>Authorization Used</u>				<u>Remaining at December 31, 2021</u>
	<u>Series 2001 Bonds</u>	<u>Series 2001 Bonds</u>	<u>Series 2006 Bonds</u>	<u>Series 2016 Bonds</u>	
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>

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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, 2021, the District completely repaid the balance owing to Commerce City.

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, 2021, the District had net investment in capital assets calculated as follows:

Governmental Activities

Net Investment in Capital Assets:

Capital Assets, Net of Accumulated Depreciation	\$ 1,289,658
Less: Long-Term Obligations	(600,869)
Net Investment in Capital Assets	<u>\$ 688,789</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, 2021, as follows:

Restricted Net Position:

Emergency Reserves	\$ 12,000
Debt Service	190,809
Conservation Trust Fund	40
Capital Projects	12,350
Total Restricted Net Position	<u>\$ 215,199</u>

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 NET POSITION (CONTINUED)

Governmental Activities (Continued)

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. During 2021, one member of the Board of Directors of the District was an employee of, owner of, or associated with the Developers and may have conflicts of interest in dealing with the District.

NOTE 8 PAYMENTS TO DEVELOPERS

During 2021, the District paid CPandM \$10,699 for park improvements.

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.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

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, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 245,104	\$ 245,261	\$ 157
Specific Ownership Taxes	17,157	20,304	3,147
Net Investment Income	880	223	(657)
Total Revenues	<u>263,141</u>	<u>265,788</u>	<u>2,647</u>
EXPENDITURES			
County Treasurer's Fee	3,677	3,681	(4)
Bond Principal - Series 2016	130,000	130,000	-
Bond Interest - Series 2016	96,363	96,363	-
Paying Agent Fees	300	300	-
Contingency	3,660	-	3,660
Total Expenditures	<u>234,000</u>	<u>230,344</u>	<u>3,656</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,141	35,444	6,303
Fund Balance - Beginning of Year	<u>162,920</u>	<u>163,043</u>	<u>123</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 192,061</u></u>	<u><u>\$ 198,487</u></u>	<u><u>\$ 6,426</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, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Conservation Trust Entitlement	\$ 7,200	\$ 8,900	\$ 8,939	\$ 39
Net Investment Income	20	-	1	1
Total Revenues	<u>7,220</u>	<u>8,900</u>	<u>8,940</u>	<u>40</u>
 Total Expenditures	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 7,220	 8,900	 8,940	 40
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds	<u>(7,220)</u>	<u>(8,900)</u>	<u>(8,900)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(7,220)</u>	<u>(8,900)</u>	<u>(8,900)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	 - - 40	 - - 40	 40	 40
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 40</u></u>	<u><u>\$ 40</u></u>

**EAGLE CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS - GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Net Investment Income	\$ 40	\$ 12	\$ 3	\$ (9)
Total Revenues	40	12	3	(9)
EXPENDITURES				
Parks and Recreation	-	4,558	4,400	158
Fence Replacement	-	215,000	132,122	82,878
Playground Improvements	24,879	15,442	10,699	4,743
Total Expenditures	24,879	235,000	147,221	87,779
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,839)	(234,988)	(147,218)	87,770
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds	7,220	223,900	141,022	(82,878)
Total Other Financing Sources (Uses)	7,220	223,900	141,022	(82,878)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(17,619)	(11,088)	(6,196)	4,892
Fund Balance - Beginning of Year	17,619	18,546	18,546	-
FUND BALANCE - END OF YEAR	\$ -	\$ 7,458	\$ 12,350	\$ 4,892

OTHER INFORMATION

**EAGLE CREEK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

	\$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	
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
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>\$ 2,835,000</u>	<u>\$ 907,462</u>

**EAGLE CREEK METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021**

<u>Year Ended December 31,</u>	Prior Year Assessed Valuation for Current Year	Mills Levied		Total Property Taxes		Percentage Collected to Levied
	Property Tax Levy	General	Debt	Levied	Collected	
		Operations	Service			
		(1)				
2017	\$ 5,971,450	44.000	36.000	\$ 477,716	\$ 477,716	100.00 %
2018	7,638,410	43.000	32.000	572,880	572,881	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

Estimated for Year Ending
December 31,

2022 \$ 10,035,480 40.000 25.000 \$ 652,306

(1) - General Operations mills levied included 6.000 mills for 2017-2020 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.