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EAGLE CREEK METROPOLITAN DISTRICT
Adams County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

**EAGLE CREEK METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2023**

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Board of Directors
Eagle Creek Metropolitan District
Adams County, Colorado

Independent Auditor's Report

Opinions

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

In our opinion, the 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, 2023, 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 Opinions

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 the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 (GAAP), 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental Information

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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The 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.

Other Information

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.

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

Wipfli LLP

Wipfli LLP
Denver, Colorado

May 24, 2024

BASIC FINANCIAL STATEMENTS

**EAGLE CREEK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 682,810
Cash and Investments - Restricted	303,479
Prepaid Insurance	6,937
Property Tax Receivable	628,626
Receivable from County Treasurer	3,508
Capital Assets:	
Capital Assets Not Being Depreciated	741,291
Capital Assets Net of Depreciation	578,676
Total Assets	2,945,327
LIABILITIES	
Accounts Payable	9,192
Accrued Bond Interest	6,908
Noncurrent Liabilities:	
Due Within One Year	155,000
Due in More Than One Year	2,395,000
Total Liabilities	2,566,100
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	628,626
Total Deferred Inflows of Resources	628,626
NET POSITION	
Invested in Capital Assets, Net of Related Debt	719,098
Restricted for:	
Emergency Reserve	14,200
Debt Service	269,052
Conservation Trust Fund	14,671
Net Position - Unrestricted	(1,266,420)
Total Net Position	\$ (249,399)

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 308,942	\$ -	\$ -	\$ 9,829	\$ (299,113)
Interest on Long-Term Debt and Related Costs	90,788	-	-	-	(90,788)
Total Governmental Activities	<u>\$ 399,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,829</u>	<u>(389,901)</u>
GENERAL REVENUES					
Property taxes					622,910
Specific ownership taxes					42,769
Interest income					54,985
Other revenue					3,000
Reimbursed expenditures					25,079
Total General Revenues and Transfers					<u>748,743</u>
CHANGES IN NET POSITION					358,842
Net Position - Beginning of Year					<u>(608,241)</u>
NET POSITION - END OF YEAR					<u>\$ (249,399)</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Conservation Trust	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 677,859	\$ -	\$ -	\$ 4,951	\$ 682,810
Cash and Investments - Restricted	14,200	274,608	14,671	-	303,479
Receivable from County Treasurer	2,159	1,349	-	-	3,508
Prepaid Insurance	6,937	-	-	-	6,937
Property Tax Receivable	385,999	242,627	-	-	628,626
	<u>\$ 1,087,154</u>	<u>\$ 518,584</u>	<u>\$ 14,671</u>	<u>\$ 4,951</u>	<u>1,625,360</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 9,192	\$ -	\$ -	\$ -	9,192
Total Liabilities	9,192	-	-	-	9,192
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	385,999	242,627	-	-	628,626
Total Deferred Inflows of Resources	385,999	242,627	-	-	628,626
FUND BALANCES					
Nonspendable:					
Prepaid Expense	6,937	-	-	-	6,937
Restricted for:					
Emergency Reserves	14,200	-	-	-	14,200
Debt Service	-	275,957	-	-	275,957
Conservation Trust	-	-	14,671	-	14,671
Committed:					
Capital Projects	-	-	-	4,951	4,951
Unassigned	670,826	-	-	-	670,826
Total Fund Balances	<u>691,963</u>	<u>275,957</u>	<u>14,671</u>	<u>4,951</u>	<u>987,542</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,087,154</u>	<u>\$ 518,584</u>	<u>\$ 14,671</u>	<u>\$ 4,951</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 in the funds.					
					1,319,967
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.					
					(2,550,000)
					(6,908)
Net Position of Governmental Activities					<u>\$ (249,399)</u>

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, 2023**

	General	Debt Service	Conservation Trust	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	\$ 383,329	\$ 239,581	\$ -	\$ -	\$ 622,910
Specific Ownership Taxes	26,319	16,450	-	-	42,769
Conservation Trust Fund Proceeds	-	-	9,829	-	9,829
Interest Income	35,854	18,442	456	233	54,985
Reimbursed Expenditures	24,429	-	-	650	25,079
Other Revenue	3,000	-	-	-	3,000
Total Revenues	<u>472,931</u>	<u>274,473</u>	<u>10,285</u>	<u>883</u>	<u>758,572</u>
EXPENDITURES					
Current:					
Accounting	32,713	-	-	-	32,713
Auditing	4,700	-	-	-	4,700
County Treasurer's Fee	5,744	3,590	-	-	9,334
Directors' Fees	2,400	-	-	-	2,400
District Management	18,079	-	-	-	18,079
Dues and Membership	806	-	-	-	806
Election	745	-	-	-	745
Insurance	6,839	-	-	-	6,839
Landscaping	111,131	-	-	-	111,131
Landscaping Enhancements	3,720	-	-	-	3,720
Legal	27,771	-	-	-	27,771
Payroll Taxes	184	-	-	-	184
Repairs and Maintenance	8,700	-	-	-	8,700
Snow Removal	3,509	-	-	-	3,509
Tree Replacement/Maintenance	4,980	-	-	-	4,980
Utilities	31,396	-	-	-	31,396
Debt Service:					
Bond Interest	-	87,588	-	-	87,588
Bond Principal	-	145,000	-	-	145,000
Paying Agent Fees	-	300	-	-	300
Capital Projects:					
Capital outlay	26,513	-	-	-	26,513
Total Expenditures	<u>289,930</u>	<u>236,478</u>	<u>-</u>	<u>-</u>	<u>526,408</u>
EXCESS OF REVENUES OVER EXPENDITURES	183,001	37,995	10,285	883	232,164
Transfers from Other Funds	440	-	-	-	440
Transfers to Other Fund	-	-	(440)	-	(440)
NET CHANGE IN FUND BALANCES	183,441	37,995	9,845	883	232,164
Fund Balances - Beginning of Year	<u>508,522</u>	<u>237,962</u>	<u>4,826</u>	<u>4,068</u>	<u>755,378</u>
FUND BALANCES - END OF YEAR	<u>\$ 691,963</u>	<u>\$ 275,957</u>	<u>\$ 14,671</u>	<u>\$ 4,951</u>	<u>\$ 987,542</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, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 232,164

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 amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay	26,513
Depreciation Expense	(45,226)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Principal	145,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability	391
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Changes in Net Position of Governmental Activities	\$ 358,842
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**EAGLE CREEK METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 382,687	\$ 383,329	\$ 642
Specific Ownership Taxes	26,788	26,319	(469)
Interest Income	7,200	35,854	28,654
Reimbursed Expenditures	-	24,429	24,429
Other Revenue	-	3,000	3,000
Total Revenues	<u>416,675</u>	<u>472,931</u>	<u>56,256</u>
EXPENDITURES			
Accounting	37,000	32,713	4,287
Auditing	4,700	4,700	-
Capital Outlay	-	26,513	(26,513)
Conservation Trust Fund Projects	13,030	440	12,590
Contingency	7,950	-	7,950
County Treasurer's Fee	5,740	5,744	(4)
Directors' Fees	3,000	2,400	600
District Management	19,000	18,079	921
Dues and Membership	600	806	(206)
Election	10,000	745	9,255
Insurance	5,250	6,839	(1,589)
Landscaping	75,000	110,691	(35,691)
Landscaping Enhancements	25,000	3,720	21,280
Legal	35,000	27,771	7,229
Miscellaneous	500	-	500
Meetings/Conferences	3,000	-	3,000
Payroll Taxes	230	184	46
Repairs and Maintenance	85,000	8,700	76,300
Snow Removal	15,000	3,509	11,491
Tree Replacement/Maintenance	20,000	4,980	15,020
Utilities	60,000	31,396	28,604
Total Expenditures	<u>425,000</u>	<u>289,930</u>	<u>135,070</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,325)	183,001	191,326
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	13,030	440	(12,590)
Total Other Financing Sources (Uses)	<u>13,030</u>	<u>440</u>	<u>(12,590)</u>
NET CHANGE IN FUND BALANCE	4,705	183,441	178,736
Fund Balance - Beginning of Year	<u>472,922</u>	<u>508,522</u>	<u>35,600</u>
FUND BALANCE - END OF YEAR	<u>\$ 477,627</u>	<u>\$ 691,963</u>	<u>\$ 214,336</u>

See accompanying Notes to Basic Financial Statements.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

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

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources is reported as net position.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 are 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, 2023**

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.

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, 2023**

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
Monument and 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, 2023**

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, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 682,810
Cash and Investments - Restricted	303,479
Total Cash and Investments	<u>\$ 986,289</u>

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	\$ 2,300
Investments	983,989
Total Cash and Investments	<u>\$ 986,289</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, 2023, the District's cash deposits had a bank balance and a carrying balance of \$2,300.

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, 2023**

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, 2023, 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	\$ 983,989
		<u>\$ 983,989</u>

CSAFE

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

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

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

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Landscaping	\$ 741,291	\$ -	\$ -	\$ 741,291
Total Capital Assets, Not Being Depreciated	741,291	-	-	741,291
Capital Assets, Being Depreciated:				
Park Equipment	42,406	-	-	42,406
Basketball Court	28,357	-	-	28,357
Hardscape, Bridges, Walls	45,741	-	-	45,741
Fencing	420,731	26,513	-	447,244
Playground System	121,086	-	-	121,086
Climbing Wall	53,730	-	-	53,730
Irrigation Taps	58,425	-	-	58,425
Picnic Shelter	26,497	-	-	26,497
Monument and Fencing	79,363	-	-	79,363
Total Capital Assets, Being Depreciated	876,336	26,513	-	902,849
Less Accumulated Depreciation for:				
Park Equipment	12,108	(2,828)	-	14,936
Basketball Court	19,688	(1,890)	-	21,578
Hardscape, Bridges, Walls	32,664	(3,049)	-	35,713
Fencing	50,802	(21,147)	-	71,949
Playground System	32,398	(8,072)	-	40,470
Climbing Wall	24,368	(3,582)	-	27,950
Irrigation Taps	58,425	-	-	58,425
Picnic Shelter	18,400	(1,766)	-	20,166
Monument and Fencing	30,094	(2,892)	-	32,986
Total Accumulated Depreciation	278,947	(45,226)	-	324,173
Total Capital Assets, Being Depreciated, Net	597,389	71,739	-	578,676
Governmental Activities Capital Assets, Net	<u>\$ 1,338,680</u>	<u>\$ 71,739</u>	<u>\$ -</u>	<u>\$ 1,319,967</u>

Depreciation expense for 2023 was \$45,226.

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Governmental Activities					
General Obligation Bonds					
Series 2016	\$ 2,695,000	-	\$ 145,000	\$ 2,550,000	\$ 155,000

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 to which 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, 2023, the Debt to Assessed Ratio was 26.65%.

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

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

Events of Default of the Bonds

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

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

Year Ending December 31,	Bonded Debt		Total
	Principal	Interest	
2024	\$ 155,000	\$ 82,875	\$ 237,875
2025	160,000	77,837	237,837
2026	160,000	83,813	243,813
2027	165,000	77,812	242,812
2028	175,000	71,625	246,625
2029-2033	1,005,000	270,450	1,275,450
2034-2036	730,000	63,325	793,325
Total	\$ 2,550,000	\$ 727,737	\$ 3,277,737

Authorized Debt

On November 5, 1996, the District's electors authorized the incurrence of general obligation bonds totaling \$6,000,000 in principal. On November 2, 1998, the District's electors also authorized the incurrence of general obligation bonds totaling \$690,030 in principal at a rate not to exceed 15% (8% for operations and maintenance debt). As of December 31, 2023, the authorized debt from November 5, 1996 and November 2, 1998, has expired.

NOTE 6 NET POSITION

The District has net position consisting of three components - net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets calculated as follows:

Governmental Activities

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 1,319,967
Less: Long-Term Obligations	<u>(600,869)</u>
Net Investment in Capital Assets	<u>\$ 719,098</u>

**EAGLE CREEK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NET POSITION (CONTINUED)

Governmental Activities (Continued)

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, 2023, as follows:

Restricted Net Position:	
Emergencies	\$ 14,200
Debt Service Reserve	269,052
Conservation Trust Fund	14,671
Total Restricted Net Position	<u>\$ 297,923</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 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, 2023**

NOTE 8 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, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 239,180	\$ 239,581	\$ 401
Specific Ownership Taxes	16,743	16,450	(293)
Interest Income	3,700	18,442	14,742
Total Revenues	<u>259,623</u>	<u>274,473</u>	<u>14,850</u>
EXPENDITURES			
County Treasurer's Fee	3,588	3,590	(2)
Paying Agent Fees	300	300	-
Bond Interest	87,588	87,588	-
Bond Principal	145,000	145,000	-
Contingency	3,524	-	3,524
Total Expenditures	<u>240,000</u>	<u>236,478</u>	<u>3,522</u>
EXCESS OF REVENUES OVER EXPENDITURES	19,623	37,995	18,372
Fund Balance - Beginning of Year	<u>235,374</u>	<u>237,962</u>	<u>2,588</u>
FUND BALANCE - END OF YEAR	<u>\$ 254,997</u>	<u>\$ 275,957</u>	<u>\$ 20,960</u>

**EAGLE CREEK METROPOLITAN DISTRICT
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Conservation Trust Fund Proceeds	\$ 8,500	\$ 9,829	\$ 1,329
Interest Income	50	456	406
Total Revenues	<u>8,550</u>	<u>10,285</u>	<u>1,735</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	8,550	10,285	1,735
OTHER FINANCING SOURCES (USES)			
Transfers to Other Fund	(13,030)	(440)	12,590
Total Other Financing Sources (Uses)	<u>(13,030)</u>	<u>(440)</u>	<u>12,590</u>
NET CHANGE IN FUND BALANCE	(4,480)	9,845	14,325
Fund Balance - Beginning of Year	<u>4,480</u>	<u>4,826</u>	<u>346</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 14,671</u>	<u>\$ 14,671</u>

**EAGLE CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Reimbursed Expenditures	\$ -	\$ 650	\$ 650
Interest Income	-	233	233
Total Revenues	<u>-</u>	<u>883</u>	<u>883</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	883	883
Fund Balance - Beginning of Year	<u>-</u>	<u>4,068</u>	<u>4,068</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 4,951</u></u>	<u><u>\$ 4,951</u></u>

OTHER INFORMATION

**EAGLE CREEK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

	\$3,540,000		
	Taxable/Tax-Exempt General Obligation Refunding and		
	Improvement Bonds		
	Interest Rate between 3.25% - 4.25%		
	Series 2016		
	Dated May 17, 2016		
	Interest Payable June 1 and December 1		
	Principal Payable December 1		
<u>Bonds/Loans and Interest Maturing in the Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 155,000	\$ 82,875	\$ 237,875
2025	160,000	77,837	237,837
2026	160,000	83,813	243,813
2027	165,000	77,812	242,812
2028	175,000	71,625	246,625
2029	185,000	65,063	250,063
2030	195,000	58,125	253,125
2031	195,000	57,587	252,587
2032	210,000	49,300	259,300
2033	220,000	40,375	260,375
2034	230,000	31,025	261,025
2035	240,000	21,250	261,250
2036	260,000	11,050	271,050
Total	\$ 2,550,000	\$ 727,737	\$ 3,277,737

**EAGLE CREEK METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2019	\$ 7,644,880	(1) 38.000	32.000	\$ 535,141	\$ 535,142	100.00 %
2020	9,019,240	38.000	27.000	586,250	586,250	100.00
2021	9,077,930	38.000	27.000	590,065	590,443	100.06
2022	10,035,480	40.000	25.000	652,306	653,351	100.16
2023	9,567,180	40.000	25.000	621,867	622,910	100.17
Estimated for Year Ending December 31, 2024	\$ 11,028,530	35.000	22.000	\$ 628,626		

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

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.