

**EAST CREEK CONSOLIDATED
METROPOLITAN DISTRICT
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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Independent Auditor's Report

Board of Directors
East Creek Consolidated Metropolitan District
Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of East Creek Consolidated Metropolitan District (District) as of and for the year ended December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of East Creek Consolidated Metropolitan District, as of December 31, 2024, and the respective changes in financial position and the 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. 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Required Supplemental Information

Management has omitted the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America 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.

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 supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
July 29, 2025

BASIC FINANCIAL STATEMENTS

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2024**

ASSETS

Cash and investments - restricted	\$	128,582
Cash with County Treasurer		2,730
Accounts receivable		24,816
Property taxes receivable		521,946
Prepaid expense		4,857
Capital assets, not being depreciated		1,080,201
Capital assets, being depreciated		840,835
Total assets		2,603,967

DEFERRED OUTFLOWS OF RESOURCES

Loss on bond refunding, net		172,945
Total deferred outflows of resources		172,945

LIABILITIES

Accounts payable		15,765
Accrued interest payable		17,910
Bonds, loans and advances payable		
Due within one year		50,000
Due in more than one year		5,031,859
Total liabilities		5,115,534

DEFERRED INFLOWS OF RESOURCES

Property tax revenue		521,946
Total deferred inflows of resources		521,946

NET POSITION

Net Investment in capital assets		436,855
Restricted for emergencies		11,500
Restricted for debt service		467,472
Unrestricted		(3,776,395)
Total net position		\$ (2,860,568)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General government	\$ 473,012	\$ 116,517	\$ -	\$ -	\$ (356,495)
Interest and fiscal charges	279,509	-	-	-	(279,509)
	<u>\$ 752,521</u>	<u>\$ 116,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(636,004)</u>
General revenues:					
Taxes:					
					461,784
					26,996
					9,912
					1,052
					2,485
					<u>502,229</u>
					(133,775)
					<u>(2,726,793)</u>
					<u>\$ (2,860,568)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and investments - restricted	\$ -	\$ 128,582	\$ 128,582
Cash with County Treasurer	1,390	1,340	2,730
Accounts receivable	24,816	-	24,816
Property tax receivable	135,460	386,486	521,946
Prepaid expenditures	4,857	-	4,857
Due from other funds	-	355,460	355,460
TOTAL ASSETS	\$ 166,523	\$ 871,868	\$ 1,038,391
LIABILITIES			
Accounts payable	\$ 15,765	\$ -	\$ 15,765
Due to other funds	355,460	-	355,460
Total liabilities	371,225	-	371,225
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	135,460	386,486	521,946
Total deferred inflows of resources	135,460	386,486	521,946
FUND BALANCES			
Nonspendable - prepaid items	4,857	-	4,857
Spendable:			
Restricted for:			
Emergencies	11,500	-	11,500
Debt service	-	485,382	485,382
Unassigned	(356,519)	-	(356,519)
Total fund balances	(340,162)	485,382	145,220
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 166,523	\$ 871,868	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Capital assets, net	1,921,036
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Some items are reported as expenditures in the governmental funds, but are instead deferred and amortized in the governmental activities financial statements.

Loss on refunding, net of accumulated amortization	172,945
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Some liabilities, including bonds payable, developer advances and other accrued payables, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Refunding Loan, Series 2023	(4,510,000)
Developer advances	(429,336)
Accrued interest payable - 2023 Refunding Loan	(17,910)
Accrued interest payable - developer advances	(142,523)
	(5,099,769)
Net position of governmental activities	\$ (2,860,568)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
Year Ended December 31, 2024**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property tax	\$ 232,126	\$ 229,658	\$ 461,784
Specific ownership tax	13,475	13,521	26,996
Net investment income	308	744	1,052
Operations fee	115,317	-	115,317
Working capital fee	1,200	-	1,200
ARI taxes	9,912	-	9,912
Miscellaneous	2,485	-	2,485
Total revenues	<u>374,823</u>	<u>243,923</u>	<u>618,746</u>
EXPENDITURES			
Current			
Management fees	23,607	-	23,607
Billing and collections	8,620	-	8,620
Accounting	26,418	-	26,418
Audit	5,300	-	5,300
Legal	30,497	-	30,497
Insurance	7,669	-	7,669
Election expense	190	-	190
Miscellaneous	6,637	-	6,637
County Treasurer's fees	3,624	3,448	7,072
Covenant control / Community management	23,930	-	23,930
Covenant control - legal	2,573	-	2,573
Landscape maintenance	76,418	-	76,418
Snow removal	25,380	-	25,380
Trash and recycling	28,457	-	28,457
Utilities	62,139	-	62,139
ARI payment to City of Aurora	9,771	-	9,771
Debt service			
Loan principal	-	20,000	20,000
Loan interest	-	233,778	233,778
Paying agent fees and other fees	-	2,000	2,000
Total expenditures	<u>341,230</u>	<u>259,226</u>	<u>600,456</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>33,593</u>	<u>(15,303)</u>	<u>18,290</u>
OTHER FINANCING SOURCES (USES)			
Transfer from other funds	-	109,174	109,174
Transfer to other funds	(109,174)	-	(109,174)
Total other financing sources (uses)	<u>(109,174)</u>	<u>109,174</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(75,581)	93,871	18,290
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR			
	(264,581)	391,511	126,930
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (340,162)</u>	<u>\$ 485,382</u>	<u>\$ 145,220</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ 18,290</u>
<p>Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. Instead the cost of the asset is allocated over its estimated useful life, and recorded as depreciation expense in each of those years.</p>	
Depreciation expense	<u>(128,334)</u>
	<u>(128,334)</u>
<p>The repayment of the principal of long-term debt consumes current financial resources of governmental funds. However, it has no effect on net position.</p>	
Refunding Loan, Series 2023 - Principal	<u>20,000</u>
<p>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.</p>	
Change in accrued interest payable - bonds/loan	1,587
Change in accrued interest payable - developer advances	(34,347)
Amortization of loss on bond refunding	<u>(10,971)</u>
	<u>(43,731)</u>
Change in net position - Governmental activities	<u>\$ (133,775)</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget -
REVENUES				
Property tax	\$ 228,880	\$ 232,126	\$ 232,126	\$ -
Specific ownership taxes	13,732	13,475	13,475	-
Net investment income	-	308	308	-
Operations and maintenance service fees	112,560	115,317	115,317	-
Working capital fee	-	1,200	1,200	-
ARI taxes	9,362	9,912	9,912	-
Miscellaneous	-	2,485	2,485	-
Total Revenues	<u>364,534</u>	<u>374,823</u>	<u>374,823</u>	<u>-</u>
EXPENDITURES				
Management fees	15,000	15,000	23,607	(8,607)
Billing and collections	6,000	6,000	8,620	(2,620)
Accounting	15,100	15,100	26,418	(11,318)
Audit	5,500	5,500	5,300	200
Legal	15,000	15,000	30,497	(15,497)
Insurance	4,800	4,800	7,669	(2,869)
Election expense	-	-	190	(190)
Miscellaneous	8,000	8,000	6,637	1,363
County Treasurer's fees	3,433	3,433	3,624	(191)
Covenant control/ Community management	16,500	16,500	23,930	(7,430)
Covenant control - legal	2,500	2,500	2,573	(73)
Drainage	2,000	2,000	-	2,000
Landscape maintenance	27,600	69,600	76,418	(6,818)
Snow removal	55,000	55,000	25,380	29,620
Fencing	1,500	1,500	-	1,500
Park	5,000	5,000	-	5,000
Monuments	1,000	1,000	-	1,000
Mailboxes	750	750	-	750
Trash and recycling	28,900	28,900	28,457	443
Utilities	7,500	62,500	62,139	361
ARI payment to City of Aurora	9,361	9,361	9,771	(410)
Contingency	8,000	8,000	-	8,000
Emergency reserves	6,867	6,867	-	6,867
Total Expenditures	<u>245,311</u>	<u>342,311</u>	<u>341,230</u>	<u>1,081</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>119,223</u>	<u>32,512</u>	<u>33,593</u>	<u>1,081</u>
OTHER FINANCING SOURCES (USES)				
Transfer to other funds	-	(109,174)	(109,174)	-
Total other financing sources (uses)	<u>-</u>	<u>(109,174)</u>	<u>(109,174)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	119,223	(76,662)	(75,581)	1,081
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR				
	(181,851)	(264,581)	(264,581)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (62,628)</u>	<u>\$ (341,243)</u>	<u>\$ (340,162)</u>	<u>\$ 1,081</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 – DEFINITION OF REPORTING ENTITY

East Creek Consolidated Metropolitan District (District) is a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in the City of Aurora, Arapahoe County, Colorado. The District was established to provide financing for the acquisition, construction, installation and/or operation of street improvements, water, sanitation, safety protection, park and recreation and transportation services.

On November 7, 2023, the electors of East Creek Metropolitan District No. 1 and East Creek Metropolitan District No. 2 voted for the consolidation of the East Creek Consolidated Metropolitan District in accordance with Section 32-1-601, C.R.S, et. seq., and the Consolidation Agreement dated September 18, 2023 between District No. 1 and District No. 2.

The District has all of the rights, powers, and authorities which are granted by statute and by their respective service plan to each of District No. 1 and District No. 2. It is the intent of the District to continue all services previously provided by District No. 1 and District No. 2 prior to the consolidation, without material change. The Service Plans for District No. 1 and District No. 2 constitute the Service Plan of the District.

The District's boundaries include the total area of District No. 1 and District No. 2 as they existed prior to consolidation. Prior to consolidation, District No. 1 provided services to property within its boundaries that were not provided to the property within District No. 2. Accordingly, District No. 1 imposed a different mill levy for general operating expenses than District No. 2. Pursuant to the Consolidation Agreement, the ratio of general fund property taxes between District No. 1 and District No. 2 immediately prior to the consolidation is to continue after the consolidation. Accordingly, the property within the area that comprised District No. 1 is identified as Taxing Area 1 and the property within the area that comprised District No. 2 is identified as Taxing Area 2.

As of January 1, 2024, the balances of District No. 1 and District No. 2 were combined. See Note 12 for additional discussion regarding the consolidation.

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

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.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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. For the most part, 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 District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, being reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect 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.

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and operations and working service fees. 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 paid.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 another fund.

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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 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 in the General Fund and Debt Service Fund for the year ended December 31, 2024.

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 funds' average equity balance in total cash.

Capital Assets

Capital assets, which include infrastructure improvements, are reported in the governmental activities column 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 estimated fair market value at the date of donation.

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.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

Retaining Wall	15 years
Shelters	12 years
Monuments	10 years
Irrigation Systems	10 years
Playground Equipment	12 years
Trails/Sidewalks/Paths	5-10 years

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 the District 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 30 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 inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable revenues are property taxes levied for the ensuing year.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

Debt Issue Costs and Original Issue Discount/Premium

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method, with the unamortized amount included as a component of the debt. Debt issuance costs are treated as a period cost and expensed in the year incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance—amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

Operations and Transfer Fees

The District has imposed a fee to offset the costs of services, programs and facilities provided by the District in the amount of \$720 per year on each residential lot within Taxing Area 1 and an additional \$120 per year on each Townhome Unit within Taxing Area 1.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
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The District has imposed a Transfer Fee to offset administrative costs associated with a transfer of ownership of any unit located within Taxing Area 1. The Transfer Fee is \$300 per lot and is due and payable at the time of any sale, transfer or re-sale of any single-family dwelling which has a certificate of occupancy.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Cash and investments - restricted	<u>\$ 128,582</u>
	<u><u>\$ 128,582</u></u>

Cash and investments as of December 31, 2024 consist of the following:

Deposits with financial institutions	\$ 128,202
Investments	380
	<u><u>\$ 128,582</u></u>

Cash Deposits

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 equal to 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, 2024, the District's cash deposits had a bank balance and a carrying balance of \$128,202.

Investments

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

The District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
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- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

At December 31, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
Fidelity Money Market Government Portfolio – Class III	Weighted average of 34 days	\$ <u> 380</u>

Fidelity Investments Money Market Government Portfolio

The debt service money that is included in the trust accounts at Zion Bancorporation, N/A is invested in the Fidelity Investments Money Market Government Portfolio III. This portfolio is a money market fund that is managed by Fidelity Investments and each share is equal in value to \$1.00. The fund is AAAM rated and invests exclusively in U.S. Government securities and/or repurchase agreements collateralized by cash or U.S. Government securities. The average maturity of the underlying securities is 31 days. The fund records its investment based on amortized costs. The District records its investment in the fund using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are valued by using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments.

Restricted Cash and Investments

At December 31, 2024, cash and investments in the amount of \$128,582 are restricted for debt service in accordance with the indenture of trust related to the Series 2023 General Obligation Refunding Loan (See Note 5).

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

<u>Governmental Activities</u>	<u>Balance at January 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2024</u>
Capital assets, not being depreciated:				
Land and land improvements	\$ 1,080,201	\$ -	\$ -	\$ 1,080,201
Total capital assets, not being depreciated	<u>1,080,201</u>	<u>-</u>	<u>-</u>	<u>1,080,201</u>
Capital assets, being depreciated:				
Retaining wall	185,726	-	-	185,726
Shelters	38,070	-	-	38,070
Monuments	48,700	-	-	48,700
Irrigation Systems	286,674	-	-	286,674
Playground Equipment	93,916	-	-	93,916
Trails/sidewalks/paths	701,085	-	-	701,085
Total capital assets, being depreciated	<u>1,354,171</u>	<u>-</u>	<u>-</u>	<u>1,354,171</u>
Less accumulated depreciation for:				
Retaining wall	(37,146)	(12,382)	-	(49,528)
Shelters	(9,519)	(3,173)	-	(12,692)
Monuments	(14,610)	(4,870)	-	(19,480)
Irrigation Systems	(86,001)	(28,667)	-	(114,668)
Playground Equipment	(23,478)	(7,826)	-	(31,304)
Trails/sidewalks/paths	(214,248)	(71,416)	-	(285,664)
Total accumulated depreciation	<u>(385,002)</u>	<u>(128,334)</u>	<u>-</u>	<u>(513,336)</u>
Total capital assets, being depreciated, net	<u>969,169</u>	<u>(128,334)</u>	<u>-</u>	<u>840,835</u>
Governmental activities capital assets, net	<u>\$ 2,049,370</u>	<u>\$ (128,334)</u>	<u>\$ -</u>	<u>\$ 1,921,036</u>

Depreciation is charged to the general government function.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2024:

	<u>Balance at December 31, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2024</u>	<u>Due Within One Year</u>
<u>Direct Borrowing:</u>					
2023 Refunding Loan	\$ 4,530,000	\$ -	\$ (20,000)	\$ 4,510,000	\$ 50,000
<u>Direct Placements:</u>					
Developer Advances-Capital	377,063	-	-	377,063	-
Accrued interest on Developer advances-Capital	88,139	30,165	-	118,304	-
Developer Advances-Ops	52,273	-	-	52,273	-
Accrued interest on Developer advances-Ops	20,037	4,182	-	24,219	-
	<u>\$ 5,067,512</u>	<u>\$ 34,347</u>	<u>\$ (20,000)</u>	<u>\$ 5,081,859</u>	<u>\$ 50,000</u>

The detail of the District’s long-term debt is as follows:

Refunding Loan, Series 2023 (East Creek Metropolitan District No. 1)

On April 13, 2023, Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado issued a loan to District No. 1 (2023 Loan) in the amount of \$4,600,000. The 2023 Loan bears interest at 5.44% per annum until the Tax-Exempt Reissuance Date; and 4.70% per annum on and after the Tax-Exempt Reissuance Date (and subject to the Interest Rate Reset Date). The 2023 Loan is a term loan with annual installments of principal due on December 1 of each year beginning on December 1, 2023. Interest will be paid semiannually on June 1 and December 1 of each year, commencing December 1, 2023. The Loan matures on December 1, 2052.

The 2023 Loan is payable from pledged revenue, which includes the Taxing Area 1’s covenant to levy the required mill levy on all taxable property within Taxing Area 1 to pay for debt scheduled payments, specific ownership taxes, capital fees, pledged fees from Taxing Area 2 (see Capital Pledge Agreement below) and any other revenues designated as such and pledged to the payment of the 2023 Loan by a resolution adopted by District No. 1 Board. Prior to the Conversion Date (first date on which both the debt to assessed ratio is 50% or less; and no amounts of principal or interest on the 2023 Loan is due but unpaid), Taxing Area 1 is required to impose a mill levy sufficient to pay principal and interest on the 2023 Loan as they come due, but not in excess of 50.000 mills, provided, however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2004, any change in law, change in method of calculation, the minimum and maximum mill levies shall be increased or decreased to reflect such changes. On and after the Conversion Date, Taxing Area 1 is to impose a mill levy in an amount sufficient to pay the principal and interest on the loan as they come due, but not in excess of 99.000 mills.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

Capital Pledge Agreement

District No. 1 entered into the Capital Pledge Agreement with District No. 2 on April 16, 2019. The Agreement outlines Taxing Area 2's covenant to cause to be levied on all of the taxable property within Taxing Area 2, commencing in December 2019, the amount of the Mandatory Capital levy of 30.000 mills less the number of mills necessary to pay any unlimited mill levy debt provided, however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2004, any change in law, change in method of calculation, the maximum mill levy shall be increased or decreased to reflect such changes. The Capital Pledge Agreement will terminate on December 16, 2058 regardless of the amount of principal and interest paid prior to that date.

The District's 2023 Refunding Loan will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 50,000	\$ 214,914	\$ 264,914
2026	55,000	212,531	267,531
2027	60,000	209,910	269,910
2028	70,000	207,619	277,619
2029	70,000	203,716	273,716
2030-2034	460,000	961,446	1,421,446
2035-2039	655,000	834,874	1,489,874
2040-2044	915,000	645,623	1,560,623
2045-2050	1,535,000	432,252	1,967,252
2051-2052	640,000	44,298	684,298
	<u>\$ 4,510,000</u>	<u>\$ 3,967,183</u>	<u>\$ 8,477,183</u>

Facilities Funding and Acquisition Agreement

District No. 1 and Meritage Homes of Colorado, Inc. (Developer) entered into a Facilities Funding and Acquisition Agreement (FFA Agreement) on June 25, 2018, effective June 18, 2018. The District is the successor to the FFA Agreement.

Organization Costs

According to the terms of the FFA Agreement, the District shall reimburse the Developer for organization expenses incurred. Simple interest accrues on the organization expenses at a rate of 8% from the District's organization date.

Construction Costs

The parties to the FFA Agreement acknowledge that the District will incur construction related expenses in connection with the construction of certain public improvements in reliance upon the Developer's commitment to provide funding. In addition, the Developer has or will design, construct and complete certain improvements for District acquisition upon completion. To the extent that the public improvements are not designed, constructed and completed by the Developer for the District's acquisition upon completion, the Developer shall advance funds to the District necessary to fund the construction related expenses up to \$9,737,479. Simple interest accrues from the date the costs are incurred by the Developer at a rate of 8%. The

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
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District anticipates payment of the developer advances and/or verified costs to be from the proceeds of debt incurred by the District. Any obligation of the District to reimburse the Developer shall expire on December 31, 2058.

As of December 31, 2024, the District owed the Developer \$377,063 in principal and \$118,304 in interest under the FFA Agreement.

2018 Operation Funding Agreement

District No. 1 and the Developer entered into an Operation Funding Agreement on June 25, 2018 with an effective date of June 18, 2018 (2018 OFA). The District is the successor to the 2018 OFA. The 2018 OFA provides for the Developer to advance funds for ongoing operating expenses incurred by the District through December 31, 2018 in an amount not to exceed \$50,000. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 8% per annum. Any obligation of the District to reimburse the Developer shall expire on December 31, 2058.

On October 22, 2018, the District approved the First Amendment to Operation Funding Agreement (the First Amendment) with an effective date of January 1, 2019. The First Amendment extended the term of developer advances through December 31, 2019 in an amount of \$100,000 and remains in effect until December 31, 2019.

As of December 31, 2024, the District owed the Developer \$52,273 in principal and \$24,219 in interest under the 2018 OFA.

NOTE 6 – DEBT AUTHORIZATION

At the consolidation election held on November 7, 2023, the electors did not authorize the District to incur any debt. At December 31, 2024, the District had no authorized but unissued indebtedness.

NOTE 7 – AGREEMENTS

Intergovernmental Agreement with Aurora

Both District No. 1 and District No. 2 entered into separate intergovernmental agreements dated March 5, 2018 (City IGA) with the City of Aurora (City) pursuant to the requirements of their respective Service Plans. Under the City IGA, each District covenants to dedicate certain public improvements to the City or other appropriate jurisdiction, and covenants that all improvements will be constructed in compliance with the City's standards and specifications. The City IGA states that the Districts are authorized, but not obligated, to own, operate and maintain public improvements not otherwise dedicated to the City or other public entity. The Districts are required to impose a mill levy for Aurora regional improvements (the ARI Mill Levy). The ARI Mill Levy is defined in the Service Plans as: (i) for the first 20 years (beginning in the first year of collection of a debt service mill levy by the District), one mill; (ii) for the next 20 years, five mills; and (iii) for the next 10 years, a mill levy equal to the average debt service mill levy imposed by the District in the 10 years prior to the date of repayment of the debt it issued to construct

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

nonregional improvements. Taxing Area 1 levied 1.300 mills for collection in 2025 and Taxing Area 2 levied 1.000 mills for collection in 2025.

NOTE 8 – FUND EQUITY

At December 31, 2024, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$4,857 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$11,500 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11). The restricted fund balance in the Debt Service Fund in the amount of \$485,382 is to be used exclusively for debt service requirements (see Note 4).

Deficit Fund Balance

The District reported an unassigned fund balance deficit of \$356,519 in the General Fund. The District anticipates that taxes and operations fees will eliminate the deficit fund balance in future years.

NOTE 9 - NET POSITION

The District's net position consists 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.

The restricted portion of net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District's restricted net position at December 31, 2024 is as follows:

Restricted net position:	
Emergency reserves (see Note 11)	\$ 11,500
Debt Service	467,472
	<u>\$ 478,972</u>

The District's unrestricted net position at December 31, 2024 totaled \$(3,776,395). This deficit amount was a result of the District being responsible for repayment of bonds issued for public improvements conveyed to other governmental entities.

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 - RISK MANAGEMENT

The District is 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) as of December 31, 2024. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 11 - 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 that 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.

On November 7, 2023, an election was held regarding the consolidation of District No. 1 and District No. 2, the exclusion of the District's revenues from certain statutory and constitutional growth limits, authority of the District to have metropolitan powers, elimination of term limits, taxation, fees and issuance of debt. Only the ballot measures related to the consolidation of District No. 1 and District No. 2 and the authority to have metropolitan powers were approved. As a result, the mill levy limitation questions passed on May 8, 2018 (detailed below) for District No. 1 and District No. 2 will be considered as the limitations for Taxing Area 1 and Taxing Area 2.

On May 8, 2018, District No.1's electors authorized the District to increase taxes \$100,000 annually or by a lesser annual amount as may be necessary to pay the District's operations and maintenance and other expenses without limitation of rate. Further the District's electors authorized the District to collect, keep and expend all District revenues received in 2018 and each year thereafter, of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution or Section 29-1-301, C.R.S.

On May 8, 2018, District No.2's electors authorized the District to increase taxes \$100,000 annually or by a lesser annual amount as may be necessary to pay the District's operations and

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

maintenance and other expenses without limitation of rate. Further the District's electors authorized the District to collect, keep and expend all District revenues received in 2018 and each year thereafter, of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution or Section 29-1-301, C.R.S.

For 2024, the District may have collected more tax revenue from Tax Area 1 (formerly District No. 1) than permitted under its current electoral authorization. At the May 6, 2025 regular special district election, the District asked the electors of the District for authorization to keep any funds that may have been over collected. This question did not pass with a vote of 7 in favor and 7 against. The District is evaluating options regarding its next steps, which may include seeking elector authorization to keep any funds that may have been over collected at the November 4, 2025 election or providing a temporary mill levy reduction to return any funds that may have been over collected as required by law.

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.

NOTE 12 – CONSOLIDATION

On November 7, 2023, District No. 1's and District No.2's electors authorized the consolidation of District No. 1 and District No. 2 as the East Creek Consolidated Metropolitan District ("Consolidated District") in accordance with Section 32-1-601, C.R.S, et. seq.

The terms for consolidation are set forth in the Consolidation Agreement and the Consolidation Order, including the following:

- The powers and boundaries of the Consolidated District are the same as District No. 1 and District No. 2 prior to the consolidation.
- The service plans for District No. 1 and District No. 2 shall be read together to constitute the service plan of the Consolidated District.
- For the general fund mill levy, District No. 1's debt service mill levy, and payments owed by District No. 2 under the Capital Pledge Agreement, the prior boundaries of District No. 1 and District No. 2 shall be preserved as separate taxing areas (Taxing Area 1 and Taxing Area 2, respectively). The Consolidated District will have different general fund mill levies for Taxing Area 1 and Taxing Area 2 based on the ratio of difference in general fund expenses attributed to the District and District No. 2 in effect as of the Consolidation Date. The 2023 Loan (see Note 5) shall continue to be paid in the same manner as prior to the consolidation.
- The Consolidated District has the power to impose fees, rates, tolls, penalties and charges for services, programs, or facilities furnished by the Consolidated District on the properties receiving the service, program, or facilities. No services, programs or facilities are currently provided to the area previously within District No. 2.
- All intergovernmental agreements between District No. 1 and District No. 2, other than the Capital Pledge Agreement, are terminated and no longer of any force or effect as of the Consolidation Date.
- As of the Consolidation Date, the Consolidated District is the owner of and entitled to receive, hold, sue for, and collect all moneys, funds, taxes, levies, assessments, fees, and charges and all property and assets of any kind or nature owned, leased, or claimed by or due to District No. 1 and District No. 2. Therefore, all of District No. 1's and District

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
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No. 2's rights and assets including, but not limited to, existing operational reserves, emergency reserves, cash assets, capital reserves, real property, water rights, personal property and appurtenances are the property of the Consolidated District.

As of the Consolidation Date, District No. 1 and District No. 2 no longer exist as corporate entities. However, any matters that arise that require winding up actions or efforts on the part of either District No. 1 or District No. 2 may be performed by the Consolidated District.

Pursuant to the Consolidation Agreement, the January 1, 2024 balances of District No. 1 and District No. 2 were combined as follows:

	<u>East Creek Metropolitan District No.1</u>	<u>East Creek Metropolitan District No. 2</u>	<u>Combined</u>
General Fund - Fund Balance (Deficit)	<u>\$ (259,725)</u>	<u>\$ (4,856)</u>	<u>\$ (264,581)</u>
Debt Service Fund - Fund Balance	<u>\$ 391,319</u>	<u>\$ 192</u>	<u>\$ 391,511</u>
Governmental Activities - Net Postion	<u>\$ (2,722,129)</u>	<u>\$ (4,664)</u>	<u>\$ (2,726,793)</u>

NOTE 13 – INTERNAL BALANCES

The balance of \$355,460 due from the General Fund to the Debt Service Fund is the result of the District using Debt Service Funds to pay for operations. The balance is expected to be paid over the next several years.

The transfer of \$109,174 from the General Fund to the Debt Service Fund was recorded to transfer operating property taxes collected in excess of mill levy limitations for the collection year 2024. As of the date of the Independent Auditor's Report, the Board of Directors are considering options for handling the excess taxes collected.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget -
REVENUES				
Property taxes	\$ 229,658	\$ 229,658	\$ 229,658	\$ -
Specific ownership taxes	13,779	13,779	13,521	(258)
Net investment income	3,000	3,000	744	(2,256)
Total Revenues	<u>246,437</u>	<u>246,437</u>	<u>243,923</u>	<u>(2,514)</u>
EXPENDITURES				
Loan principal	20,000	20,000	20,000	-
Loan interest	225,211	233,778	233,778	-
Paying agent and other fees	7,500	4,000	2,000	2,000
County treasurer's fees	3,445	3,445	3,448	(3)
Total Expenditures	<u>256,156</u>	<u>261,223</u>	<u>259,226</u>	<u>1,997</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9,719)</u>	<u>(14,786)</u>	<u>(15,303)</u>	<u>(517)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from General Fund	-	109,174	109,174	-
Total other financing sources (uses)	<u>-</u>	<u>109,174</u>	<u>109,174</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(9,719)	94,388	93,871	(517)
FUND BALANCE - BEGINNING OF YEAR	<u>727,232</u>	<u>391,511</u>	<u>391,511</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 717,513</u>	<u>\$ 485,899</u>	<u>\$ 485,382</u>	<u>\$ (517)</u>

OTHER INFORMATION

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2024**

Year Ended December 31,	Taxing Area	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied				Property Taxes		Percentage Collected to Levied
			General	Debt	ARI	Total	Levied	Collected	
2024	Taxing Area 1	\$ 5,684,703	36.796	30.000	1.300	68.096	\$ 387,105	\$ 382,278	98.8%
2024	Taxing Area 2	\$ 1,970,549	10.000	30.000	1.000	41.000	\$ 80,792	\$ 79,505	98.4%
Estimated for year ending December 31,									
2025	Taxing Area 1	\$ 5,699,439	17.540	55.664	1.300	74.504	\$ 424,631		
2025	Taxing Area 2	\$ 2,307,745	11.169	30.000	1.000	42.169	\$ 97,315		

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

**EAST CREEK CONSOLIDATED METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2024**

**\$4,600,000 General Obligation Refunding
Loan, Series 2023
Dated April 13, 2023
Interest Rate of 5.440%
Principal Due December 1
Interest Due June 1 and December 1**

<u>Year Ending December 31,</u>	<u>Interest Due June 1 and December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 50,000	\$ 214,914	\$ 264,914
2026	55,000	212,531	267,531
2027	60,000	209,910	269,910
2028	70,000	207,619	277,619
2029	70,000	203,716	273,716
2030	80,000	200,380	280,380
2031	85,000	196,568	281,568
2032	95,000	193,045	288,045
2033	95,000	187,990	282,990
2034	105,000	183,463	288,463
2035	110,000	178,460	288,460
2036	125,000	173,692	298,692
2037	130,000	167,261	297,261
2038	140,000	161,066	301,066
2039	150,000	154,395	304,395
2040	160,000	147,651	307,651
2041	170,000	139,623	309,623
2042	180,000	131,522	311,522
2043	195,000	117,713	312,713
2044	210,000	109,114	319,114
2045	220,000	99,234	319,234
2046	235,000	89,197	324,197
2047	245,000	78,475	323,475
2048	265,000	67,481	332,481
2049	275,000	55,206	330,206
2050	295,000	42,659	337,659
2051	310,000	29,200	339,200
2052	330,000	15,098	345,098
	<u>\$ 4,510,000</u>	<u>\$ 3,967,183</u>	<u>\$ 8,477,183</u>