

**ANNUAL INFORMATION REPORT
for the year 2021
EAST CREEK METROPOLITAN DISTRICT NO. 2**

As required by Section VIII of the Service Plan for the above-referenced District, approved by the City of Aurora ("City") on March 5, 2018 we present the following report of the District's activities from January 1, 2021 to December 31, 2021.

1. **Boundary changes made or proposed to the District's boundaries as of December 31, 2021:**
No boundary changes were made or proposed during 2021.
2. **Intergovernmental Agreements with either governmental entities, either entered into or proposed with other governmental entities as of December 31, 2021:**
 - An Intergovernmental Agreement between the District and the City of Aurora dated March 5, 2018.
 - Memorandum of Understanding between the District and East Creek Metropolitan District No. 1 dated June 18, 2018.
 - Capital Pledge Agreement between the District and East Creek Metropolitan District No. 1 dated April 16, 2019.
 - Eligible Governmental Entity Agreement between the District and the Statewide Internet Portal Authority of Colorado.
3. **Copies of the District's Rules and Regulations, if any as of December 31, 2021.**
There were no Rules and Regulations adopted as of December 31, 2021.
4. **A summary of any litigation which involves the District's Public Improvements as of December 31, 2021.**
The District was not involved in any litigation during 2021.
5. **The status of the District's construction of the Public Improvements as of December 31, 2021.** No public improvements were constructed by the District in 2021.
6. **A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31, 2021:**
There were no facilities and improvements constructed by the District that have been dedicated to and accepted by the City in 2021.
7. **The assessed valuation of the District for the current year.**
A copy of the 2021 Certification of Valuation from Arapahoe County is attached hereto as **Exhibit A**.
8. **Current year budget, including a description of the Public Improvements to be constructed in such year.**
A copy of the 2022 Budget is attached hereto as **Exhibit B**. No Public Improvements are anticipated to be constructed by the District in 2022.

9. **Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.**

A copy of the Application for Exemption from Audit is Attached hereto as **Exhibit C**.

10. **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt Instrument.**

None.

11. **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

None.

EXHIBIT A
2021 Final Assessed Valuation



PK Kaiser, MBA, MS

Assessor

OFFICE OF THE ASSESSOR
5334 S. Prince Street
Littleton, CO 80120-1136
Phone: 303-795-4600
TDD: Relay-711
Fax: 303-797-1295
<http://www.arapahoegov.com/assessor>
assessor@arapahoegov.com

November 23, 2021

AUTH 4263 EAST CREEK METRO DIST #2
SPECIAL DISTRICT MANAGEMENT
SERVICES INC
C/O PEGGY RIPKO
141 UNION BLVD SUITE 150
LAKEWOOD CO 80228

Code # 4263

RECERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2021 of:

\$1,121,981

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS
Arapahoe County Assessor

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RECERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity

☒ YES ☐ NO

Date: November 23, 2021

NAME OF TAX ENTITY: EAST CREEK METRO DIST #2

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2021:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1. \$	854,256
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2. \$	1,121,981
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$	1,121,981
5. NEW CONSTRUCTION: *	5. \$	189,928
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6. \$	0
7. ANNEXATIONS/INCLUSIONS:	7. \$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8. \$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9. \$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10. \$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11. \$	0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2021:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1. \$	3,210,052
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ADDITIONS TO TAXABLE REAL PROPERTY

2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2. \$	0
3. ANNEXATIONS/INCLUSIONS:	3. \$	0
4. INCREASED MINING PRODUCTION: §	4. \$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5. \$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6. \$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7. \$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8. \$	0
9. DISCONNECTIONS/EXCLUSIONS:	9. \$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10. \$	0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1. \$	0
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IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$	79
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

IMPORTANT POINTS TO REMEMBER

Please use the "Certification of Tax Levies for Non-School Governments" form enclosed. Include a contact name and a daytime telephone number.

All taxing authorities are required to certify their levies to the Commissioners no later than December 15. Signed mill levies will be accepted via email, mail or FAX.

Submitting your "Certification of Tax Levies for Non-School Governments" form by email is the best way to ensure the information is delivered directly to the Budget Division.

Email forms to financebudgeting@arapahoegov.com.

Mail: Board of County Commissioners
c/o Budget Division
5334 S. Prince St.
Littleton, CO 80120

FAX: 303-738-7929
Attn: Budget Division

Mill levies should be calculated to three decimal places.

If the levy has been determined to equal zero, please certify a zero mill levy to eliminate any confusion.

For questions concerning "Certification of Tax Levies for Non-School Governments," please contact our Budget Division by telephone at 303-795-4690 or via e-mail at financebudgeting@arapahoegov.com or visit our website at:

<https://www.arapahoegov.com/1186/>

For questions concerning certified taxable values, please contact:

Rhonda King
Arapahoe County Assessor's Office
5334 S. Prince St.
Littleton, CO 80120
Phone: 303-795-4670

EXHIBIT B
2022 Budget

RESOLUTION NO. 2021 - 10 - 03
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST CREEK METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2022 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the East Creek Metropolitan District No. 2 ("District") has appointed the District Accountant to prepare and submit a proposed 2022 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2021, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 18, 2021, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Creek Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the East Creek Metropolitan District No. 2 for the 2022 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 18th day of October, 2021.



Secretary

EXHIBIT A
(Budget)

EAST CREEK METROPOLITAN DISTRICT NO.2

2022 Budget Message

Introduction

The District was formed in 2018 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements. Some of these improvements will be dedicated to the City of Aurora, Arapahoe County, or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

In June 2018, the District entered into a Memorandum of Understanding (the “MOU”) with East Creek Metropolitan District No. 1 (“District No. 1”). Under the MOU, District No. 1 “shall provide for the financing, construction, design, operation and maintenance of the Improvements, as well as overall administration of the Districts.” The District is to reimburse District No. 1 for all costs incurred by District No. 1 pursuant to the MOU, on an allocable basis.

The 2022 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2022 fiscal year based on available revenues.

The District’s 2021 assessed value is \$1,121,981 an increase from \$854,256 in the prior year. The District certified 10.000 mills in the General Fund, 30.000 mills in the Debt Service Fund and 1.000 mill for the Aurora Regional Improvement for taxes collected in the 2022 fiscal year, for a total mill levy of 41.000.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District’s funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within 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. Expenditures, other than the interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax, developer advances, and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government.

Debt Service Fund is used to account for property taxes and other revenues dedicated to

pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. The primary source of revenue for the Debt Service Fund comes from property taxes.

Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

EAST CREEK METROPOLITAN DISTRICT #2
Assessed Value, Property Tax and Mill Levy Information

2020	2021	2022
Actual	Adopted Budget	Adopted Budget

Assessed Valuation	\$	23,484	\$	490,237	\$	1,121,981
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Mill Levy

General Fund	40.000	10.000	10.000
Debt Service Fund	0.000	30.000	30.000
Aurora Regional Improvement	0.000	1.000	1.000
Refunds and Abatements	0.000	0.000	0.000

Total Mill Levy	40.000	41.000	41.000
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Property Taxes

General Fund	\$	939	\$	4,902	\$	11,220
Debt Service Fund		-		14,707		33,659
Aurora Regional Improvement		-		490		1,122
Refunds and Abatements		-		-		-

Actual/Budgeted Property Taxes	\$	939	\$	20,099	\$	46,001
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EAST CREEK METROPOLITAN DISTRICT #2

GENERAL FUND 2022 Preliminary Budget with 2020 Actual, 2021 Adopted Budget, and 2021 Estimated

	2020 Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
REVENUE				
Property Tax Revenue	4,902	8,543	8,543	11,220
Specific Ownership Taxes	296	513	500	673
Interest Income	630	2,092	-	-
Total Revenue	6,348	12,002	9,921	13,015
Total Funds Available	6,348	12,002	9,921	13,015
EXPENDITURES				
Audit	-	-	-	-
Election	-	-	-	-
Insurance/SDA Dues	-	-	-	-
Legal	-	-	-	-
Management	-	-	-	-
Miscellaneous	-	-	-	-
Treasurer's Fees	75	128	128	168
Covenant Control/Comm Mgmt	-	-	-	-
Total Expenditures	75	128	128	168
Transfers and Other Uses				
Emergency Reserve	-	256	-	337
ARI Fees	8	854	878	1,122
Transfer to District 1	6,265	10,762	8,915	11,388
Total Expenditures Requiring Appropriation	6,348	12,000	9,921	13,015
Ending Funds Available	\$ -	\$ -	\$ -	\$ -

EAST CREEK METROPOLITAN DISTRICT #2

**DEBT SERVICE FUND
2022 Preliminary Budget
with 2020 Actual, 2021 Adopted Budget, and 2021 Estimated**

	2020 Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Revenue				
Property Tax Revenue	14,707	25,628	25,628	33,659
Specific Ownership Tax	889	1,538	1,500	2,020
Total Revenue	15,596	27,165	27,128	35,679
Total Funds Available	15,596	27,165	27,128	35,679
Expenditures				
Treasurer's Fees	226	384	385	505
Total Expenditures	226	384	385	505
Transfers and Other Uses				
Transfer to District 1	15,370	27,616	26,743	35,174
Total Expenditures Requiring Appropriation	15,596	28,000	27,128	35,679
Ending Funds Available	\$ -	\$ -	\$ -	\$ -

I, Peggy Ripko, hereby certify that I am the duly appointed Secretary of the East Creek Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2022, duly adopted at a meeting of the Board of Directors of the East Creek Metropolitan District No. 2 held on October 18, 2021.

By:  _____

RESOLUTION NO. 2021 - 10 - 04
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST CREEK METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the East Creek Metropolitan District No. 2 (“District”) has adopted the 2022 annual budget in accordance with the Local Government Budget Law on October 18, 2021; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2022 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Creek Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 18th day of October, 2021.



Secretary

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of Arapahoe County, Colorado.On behalf of the East Creek Metropolitan District No. 2,(taxing entity)^Athe Board of Directors(governing body)^Bof the East Creek Metropolitan District No. 2(local government)^C

Hereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$
assessed valuation of:

1,121,981

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be
calculated using the NET AV. The taxing entity's total
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of:

1,121,981

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/15/21 for budget/fiscal year 2022.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)**LEVY²****REVENUE²**

1. General Operating Expenses ^H	10.000 mills	\$ 11,220
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< - > mills	\$ < - >
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$ 11,220
3. General Obligation Bonds and Interest ^J	30.000 mills	\$ 33,659
4. Contractual Obligations ^K	- mills	\$ -
5. Capital Expenditures ^L	- mills	\$ -
6. Refunds/Abatements ^M	- mills	\$ -
7. Other ^N (specify): <u>Aurora Regional Improvement</u>	1.000 mills	\$ 1,122
	- mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	41.000 mills	\$ 46,001

Contact person:
(print)

David Solin

Daytime
phone: (303) 987-0835

Signed:

Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the
Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form
for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of
Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____
2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: **Repayment of General Obligation Bonds - Series 2019A**
Title: **Capital Pledge Agreement**
Date: **April 16, 2019**
Principal Amount: **\$4,010,000**
Maturity Date: **December 16, 2058**
Levy: **30.000**
Revenue: **\$33,659**
4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

EXHIBIT C
Application for Exemption from 2021 Audit

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

IF EITHER REVENUES OR EXPENDITURES EXCEED \$100,000, USE THE **LONG FORM**.

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 in the year.

EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA).

Any preparer of an Application for Exemption from Audit-SHORT FORM must be a person skilled in governmental accounting.

Approval for an exemption from audit is granted only upon the review by the OSA.

READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END.

FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END.

GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS
PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED. FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT:

APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE
PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

CHECKLIST

- ☐ Has the preparer signed the application?
- ☐ Has the entity corrected all Prior Year Deficiencies as communicated by the OSA?
- ☐ Has the application been PERSONALLY reviewed and approved by the governing body?
- ☐ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- ☐ Will this application be submitted electronically?
 - ☐ If yes, have you read and understand the new Electronic Signature Policy? See new policy -> [here](#)
 - or--
 - ☐ If yes, have you included a resolution?
 - ☐ Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
 - ☐ Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution.)
- ☐ Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
 - ☐ If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

FILING METHODS

NEW METHOD! Register and submit your Applications at our new portal!

WEB PORTAL: <https://apps.leg.co.gov/osa/lg>

MAIL: Office of the State Auditor
Local Government Audit Division
1525 Sherman St., 7th Floor
Denver, CO 80203

QUESTIONS? Email: osa.lg@state.co.us OR Phone: 303-869-3000

IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, AN AUDIT SHALL BE REQUIRED.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

East Creek Metropolitan District No. 2
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, CO 80228-1898

For the Year Ended
12/31/21
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

Peggy Ripko
303-987-0835
pripko@sdmsi.com

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

James H. Ruthven
Director of Finance
Special District Management Services, Inc.
141 Union Blvd., Suite 150, Lakewood, CO 80228-1898
303-987-0835
3/8/2022

PREPARER (SIGNATURE REQUIRED)



Please indicate whether the following financial information is recorded
using Governmental or Proprietary fund types

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)



PROPRIETARY
(CASH OR BUDGETARY BASIS)



PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 35,084	
2-2	Specific ownership	\$ 2,355	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ 54	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 37,493	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):		
3-24	Treasurer's fees	\$ 526	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 526	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No		
4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>		
<div></div>				
4-3 Is the entity current in its debt service payments? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>		
<div></div>				
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes: How much?	\$ 9,737,479.00	
Date the debt was authorized:	5/8/2018	
4-6 Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: How much?	\$ -	
4-7 Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: What is the amount outstanding?	\$ -	
4-8 Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: What is being leased?		
What is the original date of the lease?		
Number of years of lease?		
Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input type="checkbox"/>
What are the annual lease payments?	\$ -	

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes

No

6-1 Does the entity have capital assets?

☐
☒

6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:

☐
☐

6-3 Complete the following capital assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

7-1 Does the entity have an "old hire" firefighters' pension plan?

☐
☒

7-2 Does the entity have a volunteer firefighters' pension plan?

☐
☒

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

\$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

N/A

8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?

☒
☐
☐

8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:

☒
☐
☐

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General	\$ 4,249
Debt Service	\$ 27,164

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

☒☐

If no, **MUST** explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

10-1 Is this application for a newly formed governmental entity?

☐☒

If yes:

Date of formation:

10-2 Has the entity changed its name in the past or current year?

☐☒

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

☒☐

Please indicate what services the entity provides:

Plan, design, acquire, construct, install, relocate, redevelop and finance public improvements

10-4 Does the entity have an agreement with another government to provide services?

☒☐

If yes: List the name of the other governmental entity and the services provided:

East Creek Metropolitan District No. 1 - financing of public improvements

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

☐☒

10-6 Does the entity have a certified Mill Levy?

☒☐

If yes:

Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills

30.000

General/Other mills

11.000

Total mills

41.000

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A <u>MAJORITY</u> of the members of the governing body must complete and sign in the column below.
Board Member 1	Lisa A. Albers	I, Lisa A. Albers , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Lisa A. Albers</u> Date: <u>03 / 23 / 2022</u> My term Expires: May 2022
Board Member 2	Michelle Trujillo	I, Michelle Trujillo, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Michelle Trujillo</u> Date: <u>03 / 23 / 2022</u> My term Expires: May 2022
Board Member 3	Paul Yourick	I, Paul Yourick , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Paul Yourick</u> Date: <u>03 / 23 / 2022</u> My term Expires: May 2023
Board Member 4	Thomas Gissen	I, Thomas Gissen , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: <u>03 / 23 / 2022</u> My term Expires: May 2022
Board Member 5	Matthew Larsen	I, Matthew Larsen , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: <u>03 / 23 / 2022</u> My term Expires: May 2023
Board Member 6		I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7		I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

EXAMPLE - DO NOT FILL OUT THIS PAGE

This sample resolution/ordinance for exemption from audit is provided as an example of the documentation that is required. The wording may be used as a basis for your own local government document, if needed; however you MUST draft your own ordinance or resolution making any changes where applicable. Legal counsel should be consulted regarding any questions.

RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 20XX FOR THE **(name of government)**, STATE OF COLORADO.

WHEREAS, the **(governing body)** of **(name of government)** wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenue nor expenditures for **(name of government)** exceeded \$100,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual)**, a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for **(name of government)** exceeded \$750,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual or firm)**, an independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the **(governing body)** of the **(name of government)** that the application for exemption from audit for **(name of government)** for the Fiscal Year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the **(governing body)** of the **(name of government)**; that those members of the **(governing body)** have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the **(name of government)** for the fiscal year ended _____, 20XX.

ADOPTED THIS ____ day of _____, A.D. 20XX.

EXAMPLE - DO NOT FILL OUT THIS PAGE

Mayor/President/Chairman, etc.

ATTEST:

Town Clerk, Secretary, etc.

Type or Print Names of
Members of Governing Body

Date
Term
Expires

Signature

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____