

RESOLUTION NO. 2022 - 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 2023 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, 2022, 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 24, 2022, 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 2023 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 24th day of October, 2022.

A handwritten signature in black ink, consisting of a stylized 'P' followed by a horizontal line and a small flourish.

Secretary

EXHIBIT A
(Budget)

EAST CREEK METROPOLITAN DISTRICT NO.2

2023 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 2023 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2023 fiscal year based on available revenues.

The District’s 2022 assessed value is \$1,504,609 an increase from \$1,121,981 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 2023 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

2021 Actual	2022 Adopted Budget	2023 Adopted Budget
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Assessed Valuation	\$	854,256	\$	1,121,981	\$	1,504,609
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Mill Levy

General Fund	10.000	10.000	10.000
Debt Service Fund	30.000	30.000	30.000
Aurora Regional Improvement	1.000	1.000	1.000

Total Mill Levy	41.000	41.000	41.000
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Property Taxes

General Fund	\$	8,543	\$	11,220	\$	15,046
Debt Service Fund		25,628		33,659		45,138
Aurora Regional Improvement		854		1,122		1,505

Actual/Budgeted Property Taxes	\$	35,024	\$	46,001	\$	61,688
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EAST CREEK METROPOLITAN DISTRICT #2

GENERAL FUND

2023 Adopted Budget

with 2021 Actual, 2022 Adopted Budget and 2022 Estimated


	2021 Actual	2022 Adopted Budget	2022 Estimated	2023 Adopted Budget
Beginning Fund Balance	\$ -	\$ 459,222	\$ (30,868)	\$ (35,827)
REVENUE				
Property Tax Revenue	-	-	11,220	15,046
Specific Ownership Taxes	-	-	673	903
ARI Fees	-	-	1,122	1,505
Interest Income	238	250	-	-
Total Revenue	238	250	13,015	17,453
Total Funds Available	238	459,472	(17,853)	(18,374)
EXPENDITURES				
Accounting	-	-	3,500	3,800
Audit	3,400	-	-	-
Election	-	4,000	-	500
Insurance/SDA Dues	3,612	4,000	-	-
Legal	20,407	18,000	-	-
Management	-	-	3,000	3,300
Miscellaneous	3,688	3,000	200	200
Treasurer's Fees	-	-	168	226
Total Expenditures	31,106	29,000	6,868	8,026
Transfers and Other Sources (Uses)				
Emergency Reserve	-	(8)	-	(451)
ARI Fees	-	-	(1,122)	(1,505)
	-	-	1,791	-
Transfer to District 1	-	-	(11,775)	-
Total Expenditures Requiring Appropriation	31,106	29,008	19,765	9,982
Ending Funds Available	\$ (30,868)	\$ 430,464	\$ (35,827)	\$ (28,356)

EAST CREEK METROPOLITAN DISTRICT #2

DEBT SERVICE FUND 2023 Adopted Budget with 2021 Actual, 2022 Adopted Budget and 2022 Estimated

	2021 Actual	2022 Adopted Budget	2022 Estimated	2023 Adopted Budget
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ (144)
Revenue				
Property Tax Revenue	-	-	33,659	45,138
Specific Ownership Tax	-	-	2,020	2,708
Total Revenue	-	-	35,679	47,847
Total Funds Available	-	-	35,679	47,703
Expenditures				
Treasurer's Fees	-	-	505	677
Total Expenditures	-	-	505	677
Transfers and Other Sources (Uses)				
Transfer to District 1	-	-	(35,318)	(47,170)
Total Expenditures Requiring Appropriation	-	-	35,823	47,847
Ending Funds Available	\$ -	\$ -	\$ (144)	\$ (145)

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 2023, duly adopted at a meeting of the Board of Directors of the East Creek Metropolitan District No. 2 held on October 24, 2022.

By:  _____

RESOLUTION NO. 2022 - 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 2023 annual budget in accordance with the Local Government Budget Law on October 24, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 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 2023 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 2023 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 24th day of October, 2022.



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)^CHereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 1,504,609
assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)^ENote: 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 \$ 1,504,609
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: (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: 12/12/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>10.000</u> mills	\$ <u>15,046</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u>0.000</u> > mills	\$ < <u>0</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>10.000</u> mills	\$ <u>15,046</u>
3. General Obligation Bonds and Interest ^J	<u>30.000</u> mills	\$ <u>45,138</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): <u>Aurora Regional Improvement</u>	<u>1.000</u> mills	\$ <u>1,505</u>
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>41.000</u> mills	\$ <u>61,689</u>

Contact person: _____ Daytime
(print) James H. Ruthven phone: (303) 987-0835
Signed: _____ Title: District AccountantInclude 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: | \$45,138 |
| | | |
| 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.