

HORSE CREEK METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
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NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Young-Sun Yun	President	2023/May 2023
Allison Provence	Assistant Secretary	2023/May 2023
Richard Wild	Assistant Secretary	2022/May 2022
VACANT		2023/May 2023
VACANT		2022/May 2022

DATE: May 25, 2021

TIME: 6:00 P.M.

PLACE: DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT BOARD MEETING WILL BE HELD VIA ZOOM WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON. IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE SEE THE BELOW REFERENCED ZOOM MEETING INFORMATION.

Join Zoom Meeting

<https://us02web.zoom.us/j/86422283062?pwd=MDF1bFBBDd21saUIwU0NDdXRmMzdWZz09>

Meeting ID: 864 2228 3062

Passcode: 539258

Dial In: 1-253-215-8782

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda, confirm location of meeting, posting of meeting notices and designate 24-Hour posting location.

C. Acknowledge resignation of Judy Leyshon as Secretary to the Board and consider appointment of Matt Cohrs as Secretary to the Board.

D. Review and approve Minutes of the October 29, 2020 special meeting (enclosure).

- E. Public Comment. Matters not specifically included on the agenda may be addressed. (As a courtesy to others, comments shall be limited to three minutes per person).
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II. FINANCIAL MATTERS

- A. Review and ratify approval of the payment of claims for the periods ending (enclosures):

	Period ending Nov. 6, 2020	Period ending Dec. 9, 2020	Period ending Jan. 13, 2021	Period ending Feb. 8, 2021
General Fund	\$ 5,283.68	\$ 3,409.99	\$ 1,737.00	\$ 2,548.05
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 5,283.68	\$ 3,409.99	\$ 1,737.00	\$ 2,548.05

	Period ending March 23, 2021	Period ending April 23, 2021	Period ending May 19, 2021
General Fund	\$ 2,650.01	\$ 1,418.27	\$ 5,372.81
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total	\$ 2,650.01	\$ 1,418.27	\$ 5,372.81

- B. Discuss transfer of all accounts to FirstBank from BBVA Compass Bank.

- C. Review and accept Unaudited Financial Statements through the period ending March 31, 2021 and cash position statement dated March 31, 2021 (enclosure).

- D. Review and consider approval of 2020 Audited Financial Statements (enclosures) and authorize execution of Representations Letter.

- E. Presentation regarding potential refunding of the District’s General Obligation Refunding Bonds, Series 2013.

III. LEGAL MATTERS

- A. Discuss and consider adoption of Second Amendment to Resolution No. 2014-06-02; Resolution Regarding Colorado Open Records Requests (enclosure).
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IV. OTHER BUSINESS MATTERS

- A. Consider sending Board member(s) to the 2021 SDA Conference in Keystone on September 14, 15, and 16, 2021.
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- V. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR OCTOBER 12, 2021 (BUDGET HEARING).**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE HORSE CREEK METROPOLITAN DISTRICT HELD OCTOBER 29, 2020

A special meeting of the Board of Directors (the “Board”) of the Horse Creek Metropolitan District (the “District”) was convened on Thursday, the 29th day of October, 2020, at 6:00 P.M. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting was held by conference call. The meeting was open to the public via conference call.

ATTENDANCE

Directors In Attendance Were:

Allison Provence
Richard Wild

Following discussion, upon motion duly made by Director Provence, seconded by Director Wild and, upon vote, unanimously carried, the absence of Director Young-Sun Yun was excused.

Also In Attendance Were:

Jim Ruthven; Special District Management Services, Inc. (“SDMS”)

MaryAnn M. McGeady, Esq.; McGeady Becher P.C.

Mike Sullivan; D. A. Davidson & Co.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or breaches of fiduciary duty to the Board of Directors and the Secretary of State. Attorney McGeady noted that a quorum was present and requested that members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated those applicable disclosures made by the Board members prior to this meeting in accordance with statute. No new conflicts were disclosed.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District’s special meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Wild, seconded by Director Provence and, upon vote, unanimously carried, the Agenda was approved, as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's special meeting. It was noted that due to concerns regarding the spread of the COVID-19 and the benefits to the control of the spread of the virus by limiting in-person contact, the District meeting was held and properly noticed to be held via conference call, without any individuals (neither District representatives nor the general public) attending in person. The Board further noted that notice providing the conference call information was duly posted and that they have not received any objections or any requests that the means of hosting the meeting be changed by taxpaying electors within the District's boundaries.

Resignation of Director: The Board acknowledged the resignation of Karen Scott from the Board of Directors, effective October 13, 2020. The Board directed SDMS to coordinate with the HOA to provide notice of the vacancies on the Board via the HOA newsletter.

Minutes: The Board reviewed the Minutes of the May 14, 2020 special meeting.

Following discussion, upon motion duly made by Director Provence, seconded by Director Wild and, upon vote, unanimously carried, the Minutes of the May 14, 2020 special meeting were approved, as presented.

Resolution No. 2020-10-01; Resolution Establishing Regular 2021 Meeting Dates, Time and Location, and Designating Locations for Posting of 24-Hour Notices: The Board discussed business to be conducted in 2021.

Following discussion, upon motion duly made by Director Provence, seconded by Director Wild and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-10-01; Resolution Establishing Regular 2021 Meeting Dates, Time and Location, and Designating Locations for Posting of 24-hour notices. The Board determined to hold regular meetings on May 25 and October 12, 2021 at 6:00 p.m. at the Parker Arts Cultural and Events Center, Conference Room, 20000 Pikes Peak Ave., Parker, Colorado. It was noted that the District continues to provide meeting information to the HOA for inclusion in the HOA newsletter and the Annual Meeting Notice is mailed to each household in the District, in compliance with the requirements of the District's Service Plan.

RECORD OF PROCEEDINGS

Eligible Governmental Entity Agreement (“EGE”) by and between the District and the Statewide Internet Portal Authority of the State of Colorado (“SIPA”): The Board discussed the EGE by and between the District and SIPA.

Following discussion, upon motion duly made by Director Provence, seconded by Director Wild and, upon vote unanimously carried, the Board approved the EGE by and between the District and SIPA. The Board requested staff to link the District website, when established, to the HOA website, if possible.

Section 32-1-809, C.R.S. (Transparency Notice) Reporting Requirements, Mode of Eligible Elector Notification: The Board discussed Section 32-1-809, C.R.S. (Transparency Notice) reporting requirements and mode of eligible elector notification for 2021.

Following discussion, the Board directed SDMS to post the required Transparency Notice information on the Special District Association’s Website and see that it is included with the HOA Newsletter.

Public Comment: There were no public in attendance of the meeting.

McGeady Becher P. C. Record Retention Policy: Attorney McGeady presented an update on the McGeady Becher P. C. Record Retention Policy.

The Board approved the update and directed a copy of the approved the McGeady Becher P.C. Records Retention Policy be attached to the Minutes for this meeting.

FINANCIAL STATEMENTS

Claims: The Board considered ratifying the payment of claims for the periods ending as follows:

	Period ending June 17, 2020	Period ending July 15, 2020	Period ending Aug. 10, 2020
General Fund	\$ 8,155.53	\$ 1,587.79	\$ 1,286.65
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$	\$	\$
Total	\$ 8,155.53	\$ 1,587.79	\$ 1,286.65

	Period ending Sept. 11, 2020	Period ending Oct. 13, 2020
General Fund	\$ 2,767.45	\$ 2,292.35
Debt Service Fund	\$ -0-	\$ 300.00
Capital Fund	\$	\$
Total	\$ 2,767.45	\$ 2,592.35

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Wild, seconded by Director Provence and, upon vote, unanimously carried, the payment of the claims were ratified, as presented.

Unaudited Financial Statements: Mr. Ruthven reviewed with the Board the unaudited financial statements for the period ending September 30, 2020, and the cash position statement dated September 30, 2020.

Following discussion, upon motion duly made by Director Wild, and seconded by Director Provence and, upon vote, unanimously carried, the unaudited financial statements for the period ending September 30, 2020, and the cash position statement dated September 30, 2020, were accepted.

2020 Audit: The Board discussed the engagement of Schilling & Company, Inc. to prepare the 2020 Audit for an amount not to exceed \$4,600.00.

Following discussion, upon motion duly made by Director Provence seconded by Director Wild and, upon vote, unanimously carried, the Board approved the engagement of Schilling & Company, Inc. to prepare the 2020 Audit for an amount not to exceed \$4,600.00.

2020 Budget Amendment Hearing: The President opened the Public Hearing to consider the Resolution to Amend the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and place of the Public Hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this Public Hearing. No public comments were received and the public hearing was closed.

Following discussion, the Board determined that the 2020 Budget Amendment was not necessary.

2021 Budget Hearing: The President opened the Public Hearing to consider the proposed 2021 Budget and to discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget and the date, time and location of the Public Hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this Public Hearing. No public comments were received and the Public Hearing was closed.

RECORD OF PROCEEDINGS

Mr. Ruthven reviewed the estimated 2020 expenditures and the proposed 2021 expenditures.

Following discussion, the Board considered adoption of Resolution No. 2020-10-02; Resolution to Adopt the 2021 Budget and Appropriate Sums of Money, and Resolution No. 2020-10-03; Resolution to Set Mill Levies (for the General Fund at 6.407 mills, the Debt Service Fund at 18.593 mills, for a total mill levy of 25.000 mills). Upon motion duly made by Director Wild, seconded by Director Provence and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from Douglas County on or before December 10, 2020. SDMS was authorized to transmit the Certification of Mill Levies to Douglas County, not later than December 15, 2020. SDMS was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2021. Copies of the Resolutions are attached hereto and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to Douglas County and other interested parties.

Following discussion, upon motion duly made by Director Wild, seconded by Director Provence and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to Douglas County and other interested parties.

2022 Budget: The Board entered into discussion regarding appointing the District Accountant to prepare the 2022 Budget and setting the date for a Public Hearing to adopt the 2022 Budget.

Following discussion, upon motion duly made by Director Wild, seconded by Director Provence and upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2022 Budget and directed that the 2022 Budget be the same as the 2021 adopted Budget unless a Board Member provides input to otherwise adjust those assumptions, and to set the date for a Public Hearing to adopt the 2022 Budget for October 12, 2021 at 6:00 P.M. at Parker Arts Cultural and Events Center, Conference Room, 20000 Pikes Peak Ave., Parker, Colorado.

Presentation from D.A. Davidson & Co. regarding Potential Refunding of the District's General Obligation Refunding Bonds, Series 2013: Mr. Sullivan of D.A. Davidson & Co. provided the Board with an overview of possible refunding alternatives for consideration, an overview of the current bond market and a

RECORD OF PROCEEDINGS

recommendation to consider refunding when the date of a possible current refunding is closer than it is today. The Board thanked Mr. Sullivan for his presentation and requested Mr. Sullivan provide the Board with an updated analysis and recommendation at their May 2021 Board meeting.

LEGAL MATTERS

None.

OTHER BUSINESS

Annual Meeting for Property Owners: The annual meeting for property owners was conducted. Mr. Ruthven confirmed that notices were mailed to all property owners in compliance with the annual meeting notice requirements pursuant to the District's Service Plan. It was noted that the only property owners in attendance were Board members and the Annual Meeting was closed.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Wild, seconded by Director Provence and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RESOLUTION NO. 2020-10-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE HORSE CREEK METROPOLITAN DISTRICT
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION,
ESTABLISHING DISTRICT WEBSITE AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Horse Creek Metropolitan District (the "**District**"), Douglas County, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2021 shall be held on May 25 and October, 12, 2020 at 6:00 p.m., at the Parker Arts Cultural and Events Center, 20000 Pikes Peak Ave., Parker, CO in Douglas County, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District Board authorizes establishment of a District Website, if such District Website does not already exist, in order to provide full and timely notice of regular and special meetings of the District Board online pursuant to the provisions of Section 24-6-402(2)(c)(III), C.R.S.

8. That, if the District has established a District Website, the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

9. That, if the District has not yet established a District Website or is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) Northeast corner of Hess Road and Chambers Road.

10. SDMS is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE FOLLOWS]

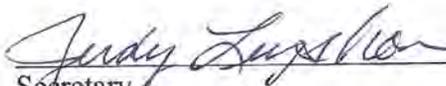
[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, ESTABLISHING DISTRICT WEBSITE AND DESIGNATING LOCATION FOR 24-HOUR NOTICES]

RESOLUTION APPROVED AND ADOPTED on October 29, 2020.

HORSE CREEK METROPOLITAN DISTRICT

By: 
President

Attest:


Secretary

RESOLUTION NO. 2020 - 10 - 2
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE HORSE CREEK METROPOLITAN DISTRICT
TO ADOPT THE 2021 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Horse Creek Metropolitan District ("District") has appointed the District Accountant to prepare and submit a proposed 2021 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, 2020, 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 29, 2020, 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 Horse Creek Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Horse Creek Metropolitan District for the 2021 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 29th day of October, 2020.


Secretary

(SEAL)

EXHIBIT A
(Budget)

HORSE CREEK METROPOLITAN DISTRICT

2021 Budget Message

Introduction

The District was formed in 2004 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements including water, streets, and sanitary sewer. All improvements constructed by the District have been conveyed to other governmental entities for perpetual maintenance.

The 2021 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2021 fiscal year based on available revenues. This budget provides for the annual debt service of the District's debt as well as the general operation of the District.

The District's assessed value increased from \$15,115,450 in 2019 to \$15,283,500 in 2020. The District's mill levy was certified at 25.000 mills for taxes collected in the 2021 fiscal year with 18.593 mills dedicated to the Debt Service Fund and 6.407 mills dedicated to the General Fund.

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

General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership tax 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. In 2013 the District refunded the District's 2010 Multi-Modal Loan in full, terminated the Interest Rate Exchange Agreement and issued Series 2013, General Obligation Refunding Bonds. Below is a summary of the District's long-term General Obligation Debt.

Summary of Debt Outstanding

General Obligation Refunding Bonds, Series 2013
\$4,580,000

Year	Principal	Interest	Annual Total
2021	95,000	185,087	280,087
2022	100,000	182,475	282,475
2023	105,000	179,475	284,475
2024	115,000	176,325	291,325
2025	115,000	172,444	287,444
2026	125,000	168,562	293,562
2027	130,000	163,875	293,875
2028	140,000	159,000	299,000
2029	145,000	153,750	298,750
2030	160,000	146,500	306,500
2031	170,000	138,500	308,500
2032	185,000	130,000	315,000
2033	190,000	120,750	310,750
2034	205,000	111,250	316,250
2035	220,000	101,000	321,000
2036	235,000	90,000	325,000
2037	245,000	78,250	323,250
2038	265,000	66,000	331,000
2039	280,000	52,750	332,750
2040	300,000	38,750	338,750
2041	475,000	23,750	498,750
Total	\$ 4,000,000	\$ 2,638,493	\$ 6,638,493

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.

HORSE CREEK METROPOLITAN DISTRICT
Assessed Value, Property Tax and Mill Levy Information

	2019 Actual	2020 Adopted Budget	2021 Adopted Budget
Assessed Valuation	\$ 13,887,280	\$ 15,115,450	\$ 15,283,500
Mill Levy			
General Fund	6.407	6.407	6.407
Debt Service Fund	18.593	18.593	18.593
Total Mill Levy	25.000	25.000	25.000
Property Taxes			
General Fund	\$ 88,976	\$ 96,845	\$ 97,921
Debt Service Fund	258,206	281,042	284,166
Temporary Mill Levy Reduction	-	-	-
Actual/Budgeted Property Taxes	\$ 347,182	\$ 377,887	\$ 382,087

HORSE CREEK METROPOLITAN DISTRICT

GENERAL FUND 2021 Adopted Budget with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
BEGINNING FUND BALANCE	\$ 157,940	\$ 212,554	\$ 211,797	\$ 273,167
REVENUE				
Property Tax Revenue	88,976	96,845	96,845	97,921
Specific Ownership Taxes	8,924	5,811	6,000	6,000
Interest Income	509	550	115	40
			-	
Total Revenue	98,409	103,206	102,960	103,961
Total Funds Available	256,349	315,760	314,757	377,128
EXPENDITURES				
Administration				
Accounting	9,968	9,600	9,600	9,600
District Management	11,956	8,700	8,700	8,700
Audit	4,414	5,300	5,300	5,300
Director's Fees	1,100	1,000	1,000	1,000
Insurance/SDA Dues	3,595	4,000	4,000	4,000
Legal	8,724	9,300	9,300	9,300
Election	28	1,000	1,408	-
Miscellaneous	1,580	3,500	750	3,500
Payroll Taxes	84	77	77	77
Treasurer's Fees	1,335	1,455	1,455	1,469
Chambers Rd Streetscape	1,768	-	-	-
Contingency	-	200,000	-	200,000
Sub-Total Administration	44,552	243,932	41,590	242,946
Emergency Reserve	-	3,096	-	3,119
Total Expenditures Requiring Appropriation				
	44,552	247,028	41,590	246,065
ENDING FUND BALANCE	\$ 211,797	\$ 68,732	\$ 273,167	\$ 131,063

HORSE CREEK METROPOLITAN DISTRICT

DEBT SERVICE FUND

2021 Adopted Budget

with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
BEGINNING FUND BALANCE	\$ 468,301	\$ 473,447	\$ 479,217	\$ 472,319
REVENUE				
Property Tax Revenue	258,207	281,042	258,206	284,166
Specific Ownership Taxes	25,898	16,863	17,000	17,000
Interest Income	869	1,000	175	75
Total Revenue	284,974	298,905	275,381	301,241
Total Funds Available	753,275	772,352	754,598	773,560
EXPENDITURES				
Bond Principal	80,000	90,000	90,000	95,000
Bond Interest	189,763	187,563	187,563	185,088
Paying Agent-Remarket Fees	300	300	300	300
Treasurer's Fees	3,875	4,216	4,216	4,216
Bank Fees	120	200	200	200
Contingency	-	500	-	500
Total Expenditures	274,058	282,779	282,279	285,304
Total Expenditures Requiring Appropriation	274,058	282,779	282,279	285,304
Reserve	162,500	165,000	165,000	165,000
Mill Levy Stabilization	199,341	202,000	202,000	202,000
Undesignated	117,376	285,000	285,000	285,000
ENDING FUND BALANCE	\$ 479,217	\$ 489,572	\$ 472,319	\$ 488,256

I, Judy Leyshon, hereby certify that I am the duly appointed Secretary of the Horse Creek Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the Horse Creek Metropolitan District held on October 29, 2020.

By: Judy Leyshon
Secretary

RESOLUTION NO. 2020 - 10 - 3
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE HORSE CREEK METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Horse Creek Metropolitan District ("District") has adopted the 2021 annual budget in accordance with the Local Government Budget Law on October 29, 2020; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2021 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 Horse Creek Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2021 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 2021 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 Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas 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 29th day of October, 2020.


Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Douglas County, Colorado.

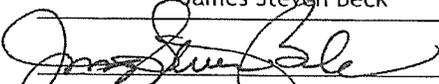
On behalf of the Horse Creek Metropolitan District,
 (taxing entity)^A
 the Board of Directors
 (governing body)^B
 of the Horse Creek Metropolitan District
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 15,283,500 assessed valuation of: (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: \$ 15,283,500 (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: 12/15/2020 for budget/fiscal year 2021
 (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	6.407 mills	\$ 97,921
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< 0.000 > mills	\$ < 0 >
SUBTOTAL FOR GENERAL OPERATING:	6.407 mills	\$ 97,921
3. General Obligation Bonds and Interest ^J	18.593 mills	\$ 284,166
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	25.000 mills	\$ 382,087

Contact person: (print) James Steven Beck 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 321, 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:	\$4,580,000 General Obligation Refunding Bonds	
	Series:	2013	
	Date of Issue:	October 2, 2013	
	Coupon Rate:	0.75% - 5%	
	Maturity Date:	December 1, 2041	
	Levy:	18.593 mills	
	Revenue:	\$284,166	
2.	Purpose of Issue:	_____	_____
	Series:	_____	_____
	Date of Issue:	_____	_____
	Coupon Rate:	_____	_____
	Maturity Date:	_____	_____
	Levy:	_____	_____
	Revenue:	_____	_____

CONTRACTS^K:

3.	Purpose of Contract:	_____	_____
	Title:	_____	_____
	Date:	_____	_____
	Principal Amount:	_____	_____
	Maturity Date:	_____	_____
	Levy:	_____	_____
	Revenue:	_____	_____
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.

McGeady Becher P.C.
Document Retention Policy

Types of Documents

In representing you we will or may take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

Documents You Provide to Us

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, or cases where we have affirmatively agreed retain a document for safekeeping.

The District's Record

As a part our engagement, we will maintain the District's official public Record (the "**Record**"). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District – such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully-executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

Supplemental Documents

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.

Documents We Retain

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

Delivery of the Record

Once a matter is concluded or our representation terminated, we deliver the original, printed Record, together with any original documents we have accepted for safekeeping, to you or the District's designee, provided our fees and costs have been paid in full. If you do not designate someone to receive these records, we will deliver them to a then-current officer or director of the District. If we are unable to deliver these documents because of your failure to designate a recipient, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days following the conclusion of a matter or the termination of our representation.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1701						
11/06/2020	CO Special Districts P&L Pool	POL-0004672	Prepaid Expense	1-142	2,046.00	2,046.00
Total 1701:						2,046.00
1702						
11/06/2020	Colorado Community Media	8674	Miscellaneous	1-685	20.48	20.48
11/06/2020	Colorado Community Media	9022	Miscellaneous	1-685	23.56	23.56
Total 1702:						44.04
1703						
11/06/2020	McGeady Becher P.C.	708M 09/2020	Legal	1-675	218.00	218.00
Total 1703:						218.00
1704						
11/06/2020	Special Dist Management Servic	10/2020	District Management	1-614	1,260.00	1,260.00
11/06/2020	Special Dist Management Servic	10/2020	Accounting	1-612	882.00	882.00
11/06/2020	Special Dist Management Servic	10/2020	Insurance/SDA Dues	1-670	28.00	28.00
11/06/2020	Special Dist Management Servic	10/2020	Miscellaneous	1-685	125.94	125.94
Total 1704:						2,295.94
1705						
11/06/2020	T Charles Wilson Insurance	9192	Prepaid Expense	1-142	495.00	495.00
Total 1705:						495.00
Grand Totals:						5,098.98

<u>Check Issue Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
11/06/2020	9090	Provence, Allison	92.35
11/06/2020	9091	Wild, Richard	92.35
Grand Totals:			
	<u>2</u>		<u>184.70</u>

Horse Creek Metropolitan District
November-20

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 5,098.98			\$ 5,098.98
Payroll	\$ 184.70			\$ 184.70
				\$ -
Total Disbursements from Checking Acct	\$ 5,283.68	\$ -	\$ -	\$ 5,283.68

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1706						
12/09/2020	McGeady Becher P.C.	708M 10/2020	Legal	1-675	1,552.00	1,552.00
Total 1706:						1,552.00
1707						
12/09/2020	Special Dist Management Servic	11/2020	Accounting	1-612	1,092.00	1,092.00
12/09/2020	Special Dist Management Servic	11/2020	District Management	1-614	672.00	672.00
12/09/2020	Special Dist Management Servic	11/2020	Miscellaneous	1-685	93.99	93.99
Total 1707:						1,857.99
Grand Totals:						3,409.99

Horse Creek Metropolitan District
December-20

	General	Debt	Capital	Totals
Disbursements	\$ 3,409.99			\$ 3,409.99
Payroll				\$ -
				\$ -
Total Disbursements from Checking Acct	\$ 3,409.99	\$ -	\$ -	\$ 3,409.99

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1708						
01/13/2021	McGeady Becher P.C.	708M 11/2020	Legal	1-675	270.50	270.50
Total 1708:						270.50
1709						
01/13/2021	Special Dist Management Servic	12/2020	Accounting	1-612	826.00	826.00
01/13/2021	Special Dist Management Servic	12/2020	District Management	1-614	616.00	616.00
01/13/2021	Special Dist Management Servic	12/2020	Miscellaneous	1-685	24.50	24.50
Total 1709:						1,466.50
Grand Totals:						1,737.00

Horse Creek Metropolitan District
January-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,737.00			\$ 1,737.00
Payroll				\$ -
				\$ -
Total Disbursements from Checking Acct	\$ 1,737.00	\$ -	\$ -	\$ 1,737.00

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1710						
02/08/2021	McGeady Becher P.C.	708M 12/2020	Legal	1-675	146.33	146.33
Total 1710:						146.33
1711						
02/08/2021	Special Dist Management Servic	01/2021	Accounting	1-612	784.00	784.00
02/08/2021	Special Dist Management Servic	01/2021	Audit	1-615	28.00	28.00
02/08/2021	Special Dist Management Servic	01/2021	Insurance/SDA Dues	1-670	14.00	14.00
02/08/2021	Special Dist Management Servic	01/2021	District Management	1-614	1,022.00	1,022.00
02/08/2021	Special Dist Management Servic	01/2021	Miscellaneous	1-685	69.91	69.91
Total 1711:						1,917.91
1712						
02/08/2021	Special District Association	SDA DUES 2021	Insurance/SDA Dues	1-670	483.81	483.81
Total 1712:						483.81
Grand Totals:						2,548.05

Horse Creek Metropolitan District
February-21

	General	Debt	Capital	Totals
Disbursements	\$ 2,548.05			\$ 2,548.05
Payroll				\$ -
				\$ -
Total Disbursements from Checking Acct	\$ 2,548.05	\$ -	\$ -	\$ 2,548.05

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1713						
03/23/2021	McGeady Becher P.C.	708M 01/2021	Legal	1-675	427.50	427.50
Total 1713:						427.50
1714						
03/23/2021	Special Dist Management Servic	02/2021	Miscellaneous	1-685	80.51	80.51
03/23/2021	Special Dist Management Servic	02/2021	District Management	1-614	644.00	644.00
03/23/2021	Special Dist Management Servic	02/2021	Insurance/SDA Dues	1-670	42.00	42.00
03/23/2021	Special Dist Management Servic	02/2021	Accounting	1-612	1,428.00	1,428.00
03/23/2021	Special Dist Management Servic	02/2021	Audit	1-615	28.00	28.00
Total 1714:						2,222.51
Grand Totals:						2,650.01

**Horse Creek Metropolitan District
March-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,650.01			\$ 2,650.01
Payroll				\$ -
				\$ -
Total Disbursements from Checking Acct	\$ 2,650.01	\$ -	\$ -	\$ 2,650.01

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1715						
04/23/2021	McGeady Becher P.C.	708M 02/2021	Legal	1-675	60.00	60.00
04/23/2021	McGeady Becher P.C.	708M 03/2021	Legal	1-675	164.00	164.00
Total 1715:						<u>224.00</u>
1716						
04/23/2021	Special Dist Management Servic	03/2021	Miscellaneous	1-685	46.27	46.27
04/23/2021	Special Dist Management Servic	03/2021	Accounting	1-612	504.00	504.00
04/23/2021	Special Dist Management Servic	03/2021	Audit	1-615	336.00	336.00
04/23/2021	Special Dist Management Servic	03/2021	District Management	1-614	308.00	308.00
Total 1716:						<u>1,194.27</u>
Grand Totals:						<u><u>1,418.27</u></u>

Horse Creek Metropolitan District
April-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,418.27			\$ 1,418.27
Payroll				\$ -
				\$ -
Total Disbursements from Checking Acct	\$ 1,418.27	\$ -	\$ -	\$ 1,418.27

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1717						
05/19/2021	McGeady Becher P.C.	708M 04/2021	Legal	1-675	57.50	57.50
Total 1717:						57.50
1718						
05/19/2021	Schilling & Company, Inc	12990	Audit	1-615	4,600.00	4,600.00
Total 1718:						4,600.00
1719						
05/19/2021	Special Dist Management Servic	04/2021	Accounting	1-612	560.00	560.00
05/19/2021	Special Dist Management Servic	04/2021	Miscellaneous	1-685	43.31	43.31
05/19/2021	Special Dist Management Servic	04/2021	District Management	1-614	112.00	112.00
Total 1719:						715.31
Grand Totals:						5,372.81

Horse Creek Metropolitan District
May-21

	General	Debt	Capital	Totals
Disbursements	\$ 5,372.81			\$ 5,372.81
Payroll				\$ -
				\$ -
Total Disbursements from Checking Acct	\$ 5,372.81	\$ -	\$ -	\$ 5,372.81

HORSE CREEK METROPOLITAN DISTRICT
Schedule of Cash Position
March 31, 2021

	<u>Rate</u>	<u>Operating</u>	<u>Debt Service</u>	<u>Total</u>
Checking:				
Cash in Bank-Compass Bank		\$ 6,627.25	\$ (257.54)	\$ 6,369.71
Investments:				
Compass Bank-Money Market	0.03%	308,871.17	268,864.47	577,735.64
Trustee:				
Compass Bank-Bond Fund	0.03%	-	1,898.87	1,898.87
Compass Bank-Reserve Fund	0.03%	-	163,539.56	163,539.56
Compass Bank-Mill Levy	0.03%	-	200,450.59	200,450.59
TOTAL FUNDS:		<u>\$ 315,498.42</u>	<u>\$ 634,495.95</u>	<u>\$ 949,994.37</u>

2021 Mill Levy Information

Certified General Fund Mill Levy	6.407
Certified Debt Service Fund Mill Levy	<u>18.593</u>
Total Certified Mill Levy	<u><u>25.000</u></u>

Board of Directors

Young-Sun Yun	*
Richard Wild	*
Allison Provence	*

Matt Cohrs

*authorized signer on checking account

HORSE CREEK METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

March 31, 2021

HORSE CREEK METROPOLITAN DISTRICT
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2021

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>LONG-TERM DEBT</u>	<u>TOTAL MEMO ONLY</u>
Assets				
Cash in Bank-Compass Bank	\$ 6,627	\$ (258)	\$ -	\$ 6,370
Compass Bank-Money Market	308,871	268,864	-	577,736
Compass Bank-Bond Fund	-	1,899	-	1,899
Compass Bank-Reserve Fund	-	163,540	-	163,540
Compass Bank-Mill Levy	-	200,451	-	200,451
Property Taxes Receivable	53,164	154,281	-	207,445
Total Current Assets	<u>368,662</u>	<u>788,777</u>	<u>-</u>	<u>1,157,439</u>
Other Debits				
Amount in Debt Service Fund	-	-	634,496	634,496
Amount to be Provided for Debt	-	-	3,365,504	3,365,504
Total Other Debits	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>4,000,000</u>
Total Assets	<u>\$ 368,662</u>	<u>\$ 788,777</u>	<u>\$ 4,000,000</u>	<u>\$ 5,157,439</u>
Liabilities				
Bonds Payable	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>4,000,000</u>
Deferred Inflows of Resources				
Deferred Property Taxes	53,164	154,281	-	207,445
Total Deferred Inflows of Resources	<u>53,164</u>	<u>154,281</u>	<u>-</u>	<u>207,445</u>
Fund Balance	278,067	502,557	-	780,624
Current Year Earnings	37,431	131,939	-	169,371
Total Fund Balances	<u>315,498</u>	<u>634,496</u>	<u>-</u>	<u>949,994</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 368,662</u>	<u>\$ 788,777</u>	<u>\$ 4,000,000</u>	<u>\$ 5,157,439</u>

HORSE CREEK METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the 3 Months Ending
March 31, 2021
General Fund

<u>Account Description</u>	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Tax Revenue	\$ 44,757	\$ 44,757	\$ 97,921	\$ (53,164)	45.7%
Specific Ownership Taxes	1,371	1,371	6,000	(4,629)	22.8%
Interest Income	29	29	40	(11)	72.3%
Total Revenues	<u>46,157</u>	<u>46,157</u>	<u>103,961</u>	<u>(57,804)</u>	<u>44.4%</u>
Expenditures					
Accounting	2,212	2,212	9,600	7,388	23.0%
District Management	1,666	1,666	8,700	7,034	19.1%
Audit	56	56	5,300	5,244	1.1%
Director's Fees	-	-	1,000	1,000	0.0%
Insurance/SDA Dues	3,531	3,531	4,000	469	88.3%
Legal	428	428	9,300	8,873	4.6%
Miscellaneous	162	162	3,500	3,338	4.6%
Payroll Taxes	-	-	77	77	0.0%
Treasurer's Fees	671	671	1,469	798	45.7%
Contingency	-	-	200,000	200,000	0.0%
Emergency Reserve	-	-	3,119	3,119	0.0%
Total Expenditures	<u>8,725</u>	<u>8,725</u>	<u>246,065</u>	<u>237,340</u>	<u>3.5%</u>
Excess (Deficiency) of Revenues Over Expenditures	37,431	37,431	(142,104)	179,535	
Beginning Fund Balance	278,067	278,067	273,167	4,900	
Ending Fund Balance	<u>\$ 315,498</u>	<u>\$ 315,498</u>	<u>\$ 131,063</u>	<u>\$ 184,435</u>	

HORSE CREEK METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the 3 Months Ending
March 31, 2021
Debt Service Fund

<u>Account Description</u>	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Tax Revenue	\$ 129,885	\$ 129,885	\$ 284,166	\$ (154,281)	45.7%
Specific Ownership Taxes	3,977	3,977	17,000	(13,023)	23.4%
Interest Income	55	55	75	(20)	73.9%
Total Revenues	<u>133,918</u>	<u>133,918</u>	<u>301,241</u>	<u>(167,323)</u>	<u>44.5%</u>
Expenditures					
Bond Principal	-	-	95,000	95,000	0.0%
Bond Interest	-	-	185,088	185,088	0.0%
Paying Agent-Remarket Fees	30	30	300	270	10.0%
Treasurer's Fees	1,948	1,948	4,216	2,268	46.2%
Bank Fees	-	-	200	200	0.0%
Contingency	-	-	500	500	0.0%
Total Expenditures	<u>1,978</u>	<u>1,978</u>	<u>285,304</u>	<u>283,326</u>	<u>0.7%</u>
Excess (Deficiency) of Revenues Over Expenditures	131,939	131,939	15,937	116,002	
Beginning Fund Balance	502,557	502,557	472,319	30,238	
Ending Fund Balance	<u>\$ 634,496</u>	<u>\$ 634,496</u>	<u>\$ 488,256</u>	<u>\$ 146,240</u>	



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

_____, 2021

To the Board of Directors
Horse Creek Metropolitan District
Douglas County, Colorado

We have audited the financial statements of the governmental activities and each major fund of Horse Creek Metropolitan District (District) for the year ended December 31, 2019 and have issued our report thereon dated _____, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 20, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

The audit was performed in May 2021 and we issued our report on _____, 2021.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. There were no accounting estimates that are considered particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements noted during the performance of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements

or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on supplementary information, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

SCHILLING & COMPANY, INC.

Schilling & Company, Inc.

**HORSE CREEK METROPOLITAN DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2020**

DRAFT 5/11/2021

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SCHILLING & COMPANY, INC.

Certified Public Accountants

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HIGHLANDS RANCH, CO 80163

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Independent Auditor's Report

Board of Directors
Horse Creek Metropolitan District
Douglas County, Colorado

Report for the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Horse Creek Metropolitan District (District) as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Horse Creek Metropolitan District, as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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.

Other 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 listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Highlands Ranch, Colorado
 , 2021

BASIC FINANCIAL STATEMENTS

DRAFT 5/11/2021

**HORSE CREEK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2020**

ASSETS

Cash and investments - unrestricted	\$ 276,302
Cash and investments - restricted	500,384
Cash with County Treasurer	2,922
Prepaid expense	2,991
Prepaid bond insurance	27,443
Property taxes receivable	382,087
Total assets	1,192,129

LIABILITIES

Accounts payable	1,975
Accrued interest payable	15,424
Bonds payable	
Due within one year	95,000
Due in more than one year	3,938,396
Total liabilities	4,050,795

DEFERRED INFLOWS OF RESOURCES

Deferred property tax revenue	382,087
Total deferred inflows of resources	382,087

NET POSITION

Restricted for:	
Emergencies	3,200
Debt service	487,133
Unrestricted	(3,731,086)
Total net position	\$ (3,240,753)

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

**HORSE CREEK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2020**

<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	\$ 43,384	\$ -	\$ -	\$ -	\$ (43,384)
Interest and fiscal charges	187,331	-	-	-	(187,331)
	<u>\$ 230,715</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(230,715)</u>

General revenues:

Taxes:	
Property taxes	377,836
Specific ownership taxes	32,596
Net investment income	545
Total general revenues	<u>410,977</u>
Change in net position	180,262
Net position - beginning	<u>(3,421,015)</u>
Net position - ending	<u>\$ (3,240,753)</u>

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

**HORSE CREEK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and investments - unrestricted	\$ 276,302	\$ -	\$ 276,302
Cash and investments - restricted	-	500,384	500,384
Cash with County Treasurer	749	2,173	2,922
Prepaid expenditures	2,991	-	2,991
Property tax receivable	97,921	284,166	382,087
TOTAL ASSETS	\$ 377,963	\$ 786,723	\$ 1,164,686
LIABILITIES			
Accounts payable	\$ 1,975	\$ -	\$ 1,975
Total liabilities	1,975	-	1,975
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	97,921	284,166	382,087
Total deferred inflows of resources	97,921	284,166	382,087
FUND BALANCES			
Nonspendable for prepaid expenditures	2,991	-	2,991
Spendable:			
Restricted for:			
Emergencies	3,200	-	3,200
Debt service	-	502,557	502,557
Assigned to subsequent year's expenditures	271,876	-	271,876
Unassigned	-	-	-
Total fund balances	278,067	502,557	780,624
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 377,963	\$ 786,723	

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

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

Prepaid bond insurance	27,443
	27,443

Some liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Bonds payable	(4,000,000)
Premium on bonds, net of accumulated amortization	(33,396)
Accrued interest payable	(15,424)
	(4,048,820)
Net position of governmental activities	\$ (3,240,753)

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

**HORSE CREEK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2020**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property tax	\$ 96,832	\$ 281,004	\$ 377,836
Specific ownership tax	8,354	24,242	32,596
Net investment income	252	293	545
Total revenues	<u>105,438</u>	<u>305,539</u>	<u>410,977</u>
EXPENDITURES			
Current			
Audit	5,450	-	5,450
Accounting	7,784	-	7,784
Legal	7,749	-	7,749
Management fees	9,856	-	9,856
Insurance	3,493	-	3,493
Election	1,408	-	1,408
Directors' fees	646	-	646
County Treasurer's fees	1,453	4,216	5,669
Office and miscellaneous	1,329	-	1,329
Debt service			
Bond principal	-	90,000	90,000
Bond interest and other costs	-	187,563	187,563
Paying agent and other fees	-	420	420
Total expenditures	<u>39,168</u>	<u>282,199</u>	<u>321,367</u>
NET CHANGE IN FUND BALANCES	66,270	23,340	89,610
FUND BALANCES - BEGINNING OF YEAR	211,797	479,217	691,014
FUND BALANCES - END OF YEAR	<u>\$ 278,067</u>	<u>\$ 502,557</u>	<u>\$ 780,624</u>

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

**HORSE CREEK METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2020**

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>\$ 89,610</u>
<p>Long-term debt (e.g. bonds, loans) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Payment of bond principal		<u>90,000</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		206
Amortization of prepaid bond insurance		(1,928)
Amortization of premium on bonds		<u>2,374</u>
		<u>652</u>
Change in net position - Governmental activities		<u><u>\$ 180,262</u></u>

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

**HORSE CREEK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2020**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property tax	\$ 96,845	\$ 96,832	\$ (13)
Specific ownership taxes	5,811	8,354	2,543
Net investment income	550	252	(298)
Total Revenues	<u>103,206</u>	<u>105,438</u>	<u>2,232</u>
EXPENDITURES			
Audit	5,300	5,450	(150)
Accounting	9,600	7,784	1,816
Legal	9,300	7,749	1,551
Management fees	8,700	9,856	(1,156)
Insurance	4,000	3,493	507
Election	1,000	1,408	(408)
Directors' fees and taxes	1,077	646	431
County Treasurer's fees	1,455	1,453	2
Office and miscellaneous	3,500	1,329	2,171
Contingency and reserves	203,096	-	203,096
Total Expenditures	<u>247,028</u>	<u>39,168</u>	<u>207,860</u>
NET CHANGE IN FUND BALANCE	(143,822)	66,270	210,092
FUND BALANCE - BEGINNING OF YEAR	212,554	211,797	(757)
FUND BALANCE - END OF YEAR	<u>\$ 68,732</u>	<u>\$ 278,067</u>	<u>\$ 209,335</u>

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

**HORSE CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Horse Creek Metropolitan District (District), a quasi-municipal corporation, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado. The District was established to provide for the design, acquisition, construction, installation and financing of water and sewer facilities, including storm drainage and erosion control, streets and associated improvements, safety protection and park and recreation. All facilities constructed by the District have been conveyed to other governmental entities for perpetual maintenance.

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.

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 assets and deferred outflows of resources, and liabilities and deferred inflows of resources of the District is 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

**HORSE CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

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.

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.

**HORSE CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 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.

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.

Deferred Inflows/Outflows of Resources

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

**HORSE CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

governmental funds for unavailable revenues are property taxes levied for the ensuing year.

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. Positive amounts are reported only in the General Fund.

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.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Cash and investments - Unrestricted	\$ 276,302
Cash and investments - Restricted	500,384
	\$ 776,686

Cash and investments as of December 31, 2020 consist of the following:

Deposits with financial institutions	\$ 776,686
--------------------------------------	------------

**HORSE CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020, the District's cash deposits had a bank balance of \$778,733 and carrying balance of \$776,686.

Investments

The District's formal investment policy is to follow 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
- . 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, 2020, the District had no investments.

Restricted Cash and Investments

At December 31, 2020, cash deposits in the amount of \$500,384 are held in trust and are restricted for debt service in accordance with the Series 2013 Bond documents. The funds are held in various money market accounts at Compass Bank.

**HORSE CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2020.

	<u>Balance at December 31, 2019</u>	<u>New Issues</u>	<u>Retirements</u>	<u>Balance at December 31, 2020</u>	<u>Due Within One Year</u>
G.O. Refunding Bonds, Series 2013	\$ 4,090,000	\$ -	\$ 90,000	\$ 4,000,000	\$ 95,000
Premium on 2013 bonds	35,770	-	2,374	33,396	-
	<u>\$ 4,125,770</u>	<u>\$ -</u>	<u>\$ 92,374</u>	<u>\$ 4,033,396</u>	<u>\$ 95,000</u>

General Obligation Refunding Bonds, Series 2013

On October 2, 2013, the District issued \$4,580,000 of General Obligation Refunding Bonds, Series 2013 (2013 Bonds), to refund and pay the 2010 Multi-Modal Loan in full and to terminate the Interest Rate Exchange Agreement. The 2013 Bonds are term bonds that mature on each December 1st of 2015, 2019, 2021, 2023, 2025, 2028, 2033, 2038 and 2041 and bear interest at rates ranging from .75% to 5.00%. Interest is to be paid semiannually on June 1 and December 1 of each year, commencing December 1, 2013.

The 2013 Bonds maturing after December 1, 2025 are subject to redemption prior to maturity at the option of the District, in whole or in integral multiples of \$5,000, in any order of maturities and in whole or part maturities as the District shall determine and by lot within a maturity, on December 1, 2023 and on any date thereafter, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

The 2013 Bonds maturing are subject to mandatory sinking fund redemption, prior to maturity, in part, by lot in such manner as the Paying Agent shall determine, annually on December 1 of each year as set forth in the Bond Sale Certificate in varying amounts.

The 2013 Bonds are general obligations of the District, payable from the ad valorem property taxes levied by the District (without limitation as to rate or amount), other moneys transferred to or deposited into the Bond Fund, amounts on deposit in the Reserve Fund and, in the sole discretion of the District, amounts on deposit in the Mill Levy Stabilization Fund and any other moneys made available for the payment of the principal of, premium, if any, and interest on the 2013 Bonds, subject to the restriction set forth in Section 14(e) of the Bond Resolution. The 2013 Bonds are insured by Build America Mutual Assurance Company (BAM) which guarantees the scheduled payment of principal and interest on the 2013 Bonds when due as set forth in its Municipal Bond Insurance Policy. The credit rate of BAM at the time of the issuance of its Municipal Bond Insurance Policy was AA/Stable by Standard & Poor's Rating Services.

Pursuant to the 2013 Bond documents, the District is required to establish a Reserve Fund with a portion of the bond proceeds of \$162,500 to assist in making the scheduled debt service payments in the event that the funds held in the Bond Fund account are

**HORSE CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

insufficient. The Reserve Fund is required to be maintained at \$162,500 (Reserve Requirement). If a withdrawal from the Reserve Fund is made that reduces the balance in such fund below the Reserve Requirement, the District shall include in the computation of its next mill levy certification, the amount necessary to replenish the Reserve Fund to the Reserve Requirement. At December 31, 2020, the District held \$163,522 in the Reserve Fund in connection with the 2013 Bonds.

The District is required to establish a Mill Levy Stabilization Fund with legally available moneys of the District at the time of issuance of the 2013 Bonds in the amount of \$100,000. After the Mill Levy Stabilization Fund is initially funded, it is not required to be maintained in any specific amount and will be funded from moneys, if any, which are legally available in any year after full payment of the debt service requirements and replenishment of the Reserve Fund. The Mill Levy Stabilization Fund is established for the purpose of paying the principal and interest on the 2013 Bonds. At December 31, 2020, the District held \$200,429 in the Mill Levy Stabilization Fund in connection with the 2013 Bonds.

The District's long-term obligations will mature as follows.

<u>Year Ending,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 95,000	\$ 185,088	\$ 280,088
2022	100,000	182,475	282,475
2023	105,000	179,475	284,475
2024	115,000	176,325	291,325
2025	115,000	172,444	287,444
2026-2030	700,000	791,687	1,491,687
2031-2035	970,000	601,500	1,571,500
2036-2040	1,325,000	325,750	1,650,750
2041	475,000	23,750	498,750
	<u>\$ 4,000,000</u>	<u>\$ 2,638,494</u>	<u>\$ 6,638,494</u>

NOTE 5 – DEBT AUTHORIZATION

On May 4, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$17,000,000 at an interest rate not to exceed 12% per annum.

**HORSE CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

The following table reflects the authorized but unissued indebtedness as of December 31, 2020:

	Authorized May 4, 2004 Election	Authorization Used	Remaining at December 31, 2020
Street improvements	\$ 3,340,000	\$ 3,340,000	\$ -
Water supply	1,670,000	1,670,000	-
Sanitary supply	490,000	490,000	-
Operations and maintenance	500,000	-	500,000
Bond refunding	5,500,000	4,940,000	560,000
Intergovernmental agreements	5,500,000	-	5,500,000
	<u>\$ 17,000,000</u>	<u>\$ 10,440,000</u>	<u>\$ 6,560,000</u>

The General Obligation Refunding Bonds, Series 2013 were issued at a lower interest rate than the rate borne by the 2010 Multi-Modal Loan therefore, no additional voter authorization was required for the issuance of the Bonds. In addition, the District's Service Plan imposes a debt limitation of \$5,500,000 with respect to indebtedness of the District. As of December 31, 2020, the District has \$4,090,000 of general obligation debt outstanding therefore limiting the District to \$1,410,000 of additional debt payable that it is entitled under the Service Plan to issue.

In the future, the District may issue a portion or all of the remaining authorized, but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, the amount and timing of any debt issuances is not determinable.

NOTE 6 - FUND EQUITY

At December 31, 2020, the District reported the following classifications of fund equity:

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$2,991 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 \$3,200 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 9). The restricted fund balance in the Debt Service Fund in the amount of \$502,557 is to be used exclusively for debt service requirements (see Note 4).

Assigned Fund Balance

The assigned fund balance in the General Fund in the amount of \$271,876 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

**HORSE CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 - NET POSITION

The District's net position consists of two components – restricted and unrestricted. Restricted 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 as of December 31, 2020 is as follows:

Restricted net position:

Emergency reserves (see Note 9)	\$ 3,200
Debt service	<u>487,133</u>
	<u><u>\$ 490,333</u></u>

The District's unrestricted net position at December 31, 2020 totaled \$(3,731,086). This deficit amount was a result of the District being responsible for repayment of debt issued for public improvements conveyed to other governmental entities.

NOTE 8 - 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, 2020. 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, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and fund 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 9 - 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.

**HORSE CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 May 4, 2004, the District's electors authorized the District to increase taxes \$100,000 annually, without limitation to rate, to pay the District's administration, operations, maintenance, landscape maintenance and other expenses in fiscal year 2004 and subsequent years. Additionally, District's electors authorized the District to retain and spend the full amount of all taxes, tap fees, facility fees, service charges, inspection charges, administrative charges, grants or any other fee, rate, toll, penalty, or charge authorized by law to be imposed or collected by the District and any other revenues or income lawfully received by the District during 2002 and each year thereafter, without limitation by Article X, Section 20 of the Colorado Constitution.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

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

SUPPLEMENTAL INFORMATION

DRAFT 5/11/2021

**HORSE CREEK METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2020**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 281,042	\$ 281,004	\$ (38)
Specific ownership taxes	16,863	24,242	7,379
Net investment income	1,000	293	(707)
Total Revenues	<u>298,905</u>	<u>305,539</u>	<u>6,634</u>
EXPENDITURES			
Current			
County Treasurer's fees	4,216	4,216	-
Debt service			
Bond principal	90,000	90,000	-
Bond interest	187,563	187,563	-
Paying agent and other fees	500	420	80
Contingency	500	-	500
Total expenditures	<u>282,779</u>	<u>282,199</u>	<u>580</u>
NET CHANGE IN FUND BALANCE	16,126	23,340	7,214
FUND BALANCE - BEGINNING OF YEAR	<u>473,447</u>	<u>479,217</u>	<u>5,770</u>
FUND BALANCE - END OF YEAR	<u>\$ 489,573</u>	<u>\$ 502,557</u>	<u>\$ 12,984</u>

OTHER INFORMATION

DRAFT 5/11/2021

**HORSE CREEK METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Property Taxes		Percentage Collected to Levied
		General	Debt	Levied	Collected	
2008	\$ 9,525,170	3.000	29.000	\$ 304,805	\$ 313,520	102.9%
2009	\$ 10,717,510	3.000	29.000	\$ 342,961	\$ 342,263	99.8%
2010	\$ 11,625,790	4.000	29.000	\$ 383,651	\$ 384,413	100.2%
2011	\$ 11,727,870	4.000	29.000	\$ 387,019	\$ 386,189	99.8%
2012	\$ 10,943,850	4.000	29.000	\$ 361,147	\$ 361,545	100.1%
2013	\$ 10,940,990	4.000	29.000	\$ 361,148	\$ 361,055	100.0%
2014	\$ 11,300,889	4.000	29.000	\$ 372,930	\$ 372,930	100.0%
2015	\$ 11,325,730	4.000	24.000	\$ 317,121	\$ 317,122	100.0%
2016	\$ 13,276,140	4.000	21.000	\$ 331,904	\$ 331,850	100.0%
2017	\$ 13,268,210	6.407	18.593	\$ 331,705	\$ 331,706	100.0%
2018	\$ 13,890,980	6.407	18.593	\$ 347,275	\$ 347,140	100.0%
2019	\$ 13,887,280	6.407	18.593	\$ 347,182	\$ 347,183	100.0%
2020	\$ 15,115,450	6.407	18.593	\$ 377,887	\$ 377,836	100.0%
Estimated for year ending December 31, 2021	\$ 15,283,500	6.407	18.593	\$ 382,087		

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.

**HORSE CREEK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2020**

\$4,580,000

General Obligation Refunding Bonds, Series 2013

Dated October 2, 2013

Interest Rates of .750%-5.000%

Principal Due December 1

Interest Due June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 95,000	\$ 185,088	\$ 280,088
2022	100,000 *	182,475	282,475
2023	105,000	179,475	284,475
2024	115,000 *	176,325	291,325
2025	115,000	172,444	287,444
2026	125,000 *	168,562	293,562
2027	130,000 *	163,875	293,875
2028	140,000	159,000	299,000
2029	145,000 *	153,750	298,750
2030	160,000 *	146,500	306,500
2031	170,000 *	138,500	308,500
2032	185,000 *	130,000	315,000
2033	190,000	120,750	310,750
2034	205,000 *	111,250	316,250
2035	220,000 *	101,000	321,000
2036	235,000 *	90,000	325,000
2037	245,000 *	78,250	323,250
2038	265,000	66,000	331,000
2039	280,000 *	52,750	332,750
2040	300,000 *	38,750	338,750
2041	475,000	23,750	498,750
	<u>\$ 4,000,000</u>	<u>\$ 2,638,494</u>	<u>\$ 6,638,494</u>

* sinking fund maturities

HORSE CREEK METROPOLITAN DISTRICT

_____, 2021

Schilling & Company, Inc.
PO Box 631579
Highlands Ranch, CO 80163

This representation letter is provided in connection with your audit of the financial statements of Horse Creek Metropolitan District (District), which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2020 and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of the Independent Auditor's Report the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 20, 2020 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units, if any, required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or

payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management,
 - b) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented, if any.

- 20) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 26) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 29) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 30) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 31) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, assigned, and unassigned) are properly classified and, if applicable, approved.
- 33) Investments, if any, are properly valued.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.

- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 39) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 41) The Management's Discussion and Analysis which is required supplementary information (RSI) has been omitted from the financial statements. We are aware that such information is required by accounting principles generally accepted in the United States.
- 42) With respect to the Supplemental Information as listed in the table of contents:
 - a) We acknowledge our responsibility for presenting the Supplemental Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplemental Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplemental Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the Supplemental Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 43) The District understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the District is in compliance.
- 44) We have directed that all banking and savings and loan institutions be notified of our assigned number which identifies that our deposits are subject to the respective Public Deposit Protection Act.

HORSE CREEK METROPOLITAN DISTRICT

Member of the Board of Directors

District Manager

**SECOND AMENDMENT TO RESOLUTION NO. 2014-06-02
ANTHEM WEST METROPOLITAN DISTRICT
REGARDING COLORADO OPEN RECORDS ACT REQUESTS**

A. On June 25, 2014, Horse Creek Metropolitan District (the “**District**”) adopted Resolution No. 2014-06-02 Regarding Colorado Open Records Act Requests (the “**Resolution**”).

B. The District desires to amend the Resolution due to a change in the District’s Official Custodian.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Horse Creek Metropolitan District of the Town of Parker, County of Douglas, State of Colorado:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Resolution.

2. Amendment to Section 1 of Resolution. Section 1 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“1. Special District Management Service, Inc., the Manager for the District, is hereby designated as the “**Official Custodian**” of the public records of the District, as such term is defined in Section 24-72-202(2), C.R.S. Contact information for the Official Custodian is: Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228; (303) 987-0835.”

3. Except as expressly set forth herein, the Resolution continues to be effective without modification.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO SECOND AMENDMENT TO RESOLUTION REGARDING
COLORADO OPEN RECORDS ACT REQUESTS]**

RESOLUTION APPROVED AND ADOPTED ON MAY 25, 2021.

**HORSE CREEK METROPOLITAN
DISTRICT**

By: _____
President

Attest:

Secretary