

# STONE CREEK METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

## NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Patrick L. Lyng	President	2022/May 2022
Peter J. Klymkow	Treasurer	2023/May 2023
Eric Kubly	Assistant Secretary	2022/May 2022
Mauricio Barbera	Assistant Secretary	2023/May 2023
<b>VACANT</b>		2022/May 2022
Peggy Ripko	Secretary	

DATE: May 27, 2020

TIME: 11:00 A.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 BY CONFERENCE CALL WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON. IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT **877-221-1978** AND WHEN PROMPTED, DIAL IN THE PASSCODE OF **9521151**. *Please email Peggy Ripko if there are any issues (pripko@sdmsi.com).*

### I. ADMINISTRATIVE MATTERS

A. Present Conflict Disclosures.

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B. Approve Agenda confirm location of the meeting and posting of meeting notices.

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C. Review and consider approval of Minutes from the February 26, 2020 Regular Meeting (enclosure).

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- D. Discuss results of May 5, 2020 Regular Election (enclosure).
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- E. Consider appointment of Officers:

President \_\_\_\_\_  
 Treasurer \_\_\_\_\_  
 Secretary \_\_\_\_\_  
 Asst. Secretary \_\_\_\_\_  
 Asst. Secretary \_\_\_\_\_  
 Asst. Secretary \_\_\_\_\_

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- F. Discuss SDA Conference on September 23, 24, and 25, 2020 and first registration date of July 1, 2020.
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- G. \_\_\_\_\_

II. FINANCIAL MATTERS

- A. Ratify approval of the payment of claims from October 24, 2019 through February 19, 2020, in the amount of \$29,690.24.
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- B. Review and ratify approval of payment of claims for the following period (included in cash position - to be distributed):

Fund	Period Ending Mar. __, 2020	Period Ending Apr. __, 2020	Period Ending May __, 2020
General	\$	\$	\$
Fee Revenue	\$	\$	\$
Debt	\$ -0-	\$ -0-	\$ -0-
Capital	\$	\$	\$
<b>Total</b>	\$	\$	\$

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- C. Review and consider approval of unaudited financial statements ending March 31, 2020, schedule of cash position for the period ending March 31, 2020 updated May \_\_, 2020, and developer advances dated March 31, 2020, updated May \_\_, 2020 (enclosures- Unaudited Financial Statements) (to be distributed – other docs).
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- D. Ratify approval of Fifth Amendment to the Operation Funding Agreement (“OFA”) by and between the District and Choke Cherry Investors, LLC.
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- E. Review and consider approval of 2019 Audit (to be distributed – draft Audit) and authorize execution of Representations Letter (to be distributed).
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III. CAPITAL IMPROVEMENTS

- A. Discuss Project Status Report.
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IV. EXPENDITURE VERIFICATION/COST CERTIFICATION

- A. Discuss status of Expenditure Verification Report No. 11 certifying District Eligible Improvements in the amount of \$\_\_\_\_\_ (Pay Application Nos. \_\_\_\_\_ under the Hudick Excavating, Inc. (“HEI Contract”) (to be distributed).
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- B. Ratify approval of Pay Application No. 20 under the HEI Contract.
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- C. Discuss status of Pay Application Nos. 21 and 22 under the HEI Contract (to be distributed).
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V. LEGAL MATTERS

- A. \_\_\_\_\_
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VI. COVENANT ENFORCEMENT/DESIGN REVIEW

- A. Discuss Community Manager’s Update.
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VII. OTHER BUSINESS

- A. \_\_\_\_\_
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VIII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR AUGUST 26, 2020.**

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”) HELD FEBRUARY 26, 2020

A Regular Meeting of the Board of Directors of the Stone Creek Metropolitan District (referred to hereafter as the “Board”) was convened on Wednesday, the 26th day of February, 2020, at 11:00 a.m., at the Stone Creek Ranch Offices (Barn); 5989 Interlocken Street, Parker, CO. The meeting was open to the public.

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**Directors In Attendance Were:**

Patrick L. Lyng  
Peter J. Klymkow  
Eric Kubly  
Mauricio Barbera

**Also In Attendance Was:**

Peggy Ripko and Elizabeth Wagoner; Special District Management Services, Inc. (“SDMS”)

Elisabeth Cortese, Esq.; McGeady Becher P.C.

Gigi Pangindian; CliftonLarsonAllen LLP (“CLA”)

**DISCLOSURE OF  
POTENTIAL  
CONFLICTS OF  
INTEREST**

The Board noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Cortese requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Cortese noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes.

**ADMINISTRATIVE  
MATTERS**

**Agenda:** Ms. Ripko distributed for the Board’s review and approval a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Agenda for the District’s Regular meeting was approved, as presented.

## RECORD OF PROCEEDINGS

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**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 Board meeting.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote unanimously carried, the Board determined that the meeting location was in accordance with statute, as it was conducted at a location within the same county as the District. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

**Designation of 24-hour Posting Location:** Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location: At the Stone Creek Ranch Offices (Barn), 5989 Interlocken Street, Parker, CO.

**Minutes:** The Board reviewed the Minutes of the October 23, 2019 Special Meeting.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote unanimously carried, the Board approved the Minutes of the October 23, 2019 Special Meeting.

**Resignation and Appointment of Secretary:** The Board acknowledged the resignation of Lisa Johnson as Secretary to the Board of Directors and considered the appointment of Peggy Ripko as Secretary to the Board.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Barbera and, upon vote, unanimously carried, the Board approved the appointment Peggy Ripko as Secretary to the Board.

**Resignation of Director:** The Board acknowledged the Resignation of Shawnee Williams from the Board of Directors, effective February 18, 2020.

### **FINANCIAL MATTERS**

**Claims:** The Board considered ratifying the approval of the payment of claims from October 24, 2019 through February 19, 2020 in the amount of \$29,690.24.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board ratified approval of the payment of claims from October 24, 2019 through February 19, 2020 in the amount of \$29,690.24.

## RECORD OF PROCEEDINGS

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**Claims:** The Board considered approval of the payment of claims for the period ending February 18, 2020 as follows:

General Fund	\$	10,294.35
Debt Service Fund	\$	-0-
Capital Projects Fund	\$	6,621.01
Special Revenue Fund	<u>\$</u>	<u>3,085.00</u>
Total	\$	20,000.36

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending February 18, 2020. It was noted that a \$13,000.00 advance is needed in order to fund payment of these claims.

**Unaudited Financial Statements:** Ms. Pangindian presented the unaudited financial statements for the period ending December 31, 2019, schedule of cash position for the period ending December 31, 2019, updated on February 18, 2020 and Developer Advances dated December 31, 2019, updated February 26, 2020.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending December 31, 2019, schedule of cash position for the period ending December 31, 2019, updated on February 18, 2020 and Developer Advances dated December 31, 2019, updated February 26, 2020.

**Fifth Amendment to the Operation Funding Agreement (“OFA”) by and between the District and Choke Cherry Investors, LLC:** The Board discussed the Fifth Amendment to the OFA by and between the District and Choke Cherry Investors, LLC. It was noted that the Board had been awaiting approval from the developer, which approval has been granted.

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### **CAPITAL IMPROVEMENTS**

**Project Status Report:** There was no report available at this time for discussion.

### **EXPENDITURE VERIFICATION/ COST CERTIFICATION**

**Expenditure Verification Report No. 11 prepared by IDES Certifying District Eligible Expenditures:** The Board deferred discussion of Expenditure Verification Report No. 11 prepared by IDES Certifying District Eligible Expenditures.

**Pay Application Nos. 18 , 19, and 20 under the Hudick Excavating, Inc. (“HEI”) Contract:** The Board reviewed Pay Application Nos. 18, 19, and 20 under the HEI Contract.

## RECORD OF PROCEEDINGS

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Following review and discussion, upon motion duly made by Director Barbera, seconded by Director Klymkow and, upon vote, unanimously carried, the Board ratified acceptance of Pay Application Nos. 18, 19, and 20 under the HEI Contract.

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### LEGAL MATTERS

**Clubhouse Funding, Construction, and Operations Agreement by and among the District, Choke Cherry Investors, LLC, Cielo Metropolitan District and Forestar (USA) Real Estate Group Inc. (“Forestar”)(“Clubhouse Agreement”)**: The Board reviewed the Clubhouse Agreement.

Following review and discussion, upon motion duly made by Director Barbera, seconded by Director Klymkow and, upon vote, unanimously carried, the Board ratified approval of the Clubhouse Agreement.

**Clubhouse Rules and Regulations related to District Facilities**: The Board discussed the Clubhouse Rules and Regulations.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved the Clubhouse Rules and Regulations related to District Facilities.

**McGeady Becher P.C. Document Retention Policy**: Attorney Cortese presented to the Board an update to the McGeady Becher P.C. Records Retention Policy.

Following discussion, the Board acknowledged the update and directed a copy of the approved McGeady Becher P.C. Records Retention Policy be attached to the minutes. Accordingly, a copy of the update McGeady Becher P.C. Records Retention Policy is attached hereto and incorporated herein by reference.

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### COVENANT ENFORCEMENT/ DESIGN REVIEW

**Community Services**: Ms. Ripko provided a brief update as to how covenant enforcement will be conducted and how pool keycards will be distributed.

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### OTHER BUSINESS

There was no other business before the Board at this time.

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## RECORD OF PROCEEDINGS

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### ADJOURNMENT

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

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting



**NOTICE OF CANCELLATION**  
**and**  
**CERTIFIED STATEMENT OF RESULTS**  
§1-13.5-513(6), 32-1-104, 1-11-103(3) C.R.S.

**NOTICE IS HEREBY GIVEN** by the Stone Creek Metropolitan District, Douglas County, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 5, 2020 is hereby canceled pursuant to section 1-13.5-513(6) C.R.S.

The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Peter Klymkow	Second Regular Election, May 2023
Mauricio Barbera	Second Regular Election, May 2023
Vacant	Next Regular Election, May 2022

/s/ Peggy Ripko  
(Assistant Designated Election Official)

Contact Person for the District: Peggy Ripko  
Telephone Number of the District: 303-987-0835  
Address of the District: 141 Union Boulevard, Suite 150, Lakewood, CO 80228  
District Facsimile Number: 303-987-2032  
District Email:

**STONE CREEK METROPOLITAN DISTRICT**

**FINANCIAL STATEMENTS**

**MARCH 31, 2020**

**STONE CREEK METROPOLITAN DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
MARCH 31, 2020**

	<u>General</u>	<u>Fee Revenue</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash - Checking	\$ 1,347	\$ 56,314	\$ 1,809	\$ -	\$ 59,470
UMB - 2018A Project Fund	-	-	-	2	2
UMB - 2018B Subordinate Project Fund	-	-	-	207	207
UMB - 2018A Bond Fund	-	-	646,554	-	646,554
UMB - 2018A Reserve Fund	-	-	350,196	-	350,196
UMB - 2018A Surplus Fund	-	-	362,795	-	362,795
Receivable from County Treasurer	334	-	1,671	-	2,005
<b>TOTAL ASSETS</b>	<u>\$ 1,681</u>	<u>\$ 56,314</u>	<u>\$ 1,363,025</u>	<u>\$ 209</u>	<u>\$ 1,421,229</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 14,393	\$ 932	\$ -	\$ 8,397	\$ 23,722
Total Liabilities	<u>14,393</u>	<u>932</u>	<u>-</u>	<u>8,397</u>	<u>23,722</u>
<b>FUND BALANCES</b>					
Total Fund Balances	<u>(12,712)</u>	<u>55,382</u>	<u>1,363,025</u>	<u>(8,188)</u>	<u>1,397,507</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,681</u>	<u>\$ 56,314</u>	<u>\$ 1,363,025</u>	<u>\$ 209</u>	<u>\$ 1,421,229</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**STONE CREEK METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

**GENERAL FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 58,054	\$ 4	\$ (58,050)
Specific ownership taxes	5,225	1,161	(4,064)
Developer advance	68,521	19,348	(49,173)
<b>TOTAL REVENUES</b>	<u>131,800</u>	<u>20,513</u>	<u>(111,287)</u>
<b>EXPENDITURES</b>			
Audit	5,000	-	5,000
County Treasurer's fee	871	-	871
Dues	600	465	135
Insurance	6,000	4,801	1,199
Legal	50,000	5,042	44,958
Election	2,000	688	1,312
Contingency	7,529	-	7,529
Accounting	35,000	6,254	28,746
District management	22,000	4,028	17,972
Miscellaneous	1,000	28	972
<b>TOTAL EXPENDITURES</b>	<u>130,000</u>	<u>21,306</u>	<u>108,694</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,800	(793)	(2,593)
<b>FUND BALANCES - BEGINNING</b>	<u>100</u>	<u>(11,917)</u>	<u>(12,017)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,900</u>	<u>\$ (12,710)</u>	<u>\$ (14,610)</u>

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**STONE CREEK METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

**FEE REVENUE FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
District fees	\$ 103,100	\$ -	\$ (103,100)
Administrative fee	7,200	-	(7,200)
<b>TOTAL REVENUES</b>	<u>110,300</u>	<u>-</u>	<u>(110,300)</u>
<b>EXPENDITURES</b>			
Operations and maintenance			
Legal	5,000	2,526	2,474
Fence Maintance	2,500	-	2,500
Social Activities	6,000	-	6,000
Billing & Collection	5,000	-	5,000
Contingency	10,325	-	10,325
Monuments	2,500	-	2,500
Administrative expenses	5,000	-	5,000
Gas/electricity	1,000	-	1,000
Prairie dog mitigation	2,500	-	2,500
Shared amenity fee	22,133	-	22,133
Snow removal	15,000	-	15,000
Trash removal	10,000	-	10,000
Water	5,000	-	5,000
Community management	29,610	304	29,306
Cluster boxes	1,500	-	1,500
Lighting	1,000	-	1,000
Total Operations and maintenance	<u>124,068</u>	<u>2,830</u>	<u>121,238</u>
<b>TOTAL EXPENDITURES</b>	<u>124,068</u>	<u>2,830</u>	<u>121,238</u>
<b>NET CHANGE IN FUND BALANCES</b>	(13,768)	(2,830)	10,938
<b>FUND BALANCES - BEGINNING</b>	<u>62,664</u>	<u>58,212</u>	<u>(4,452)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 48,896</u>	<u>\$ 55,382</u>	<u>\$ 6,486</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

## **SUPPLEMENTARY INFORMATION**

**STONE CREEK METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

**DEBT SERVICE FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 290,290	\$ 18	\$ (290,272)
Specific ownership taxes	26,125	5,803	(20,322)
Interest income	19,000	3,874	(15,126)
<b>TOTAL REVENUES</b>	<u>335,415</u>	<u>9,695</u>	<u>(325,720)</u>
<b>EXPENDITURES</b>			
County Treasurer's fee	4,354	-	4,354
Contingency	4,177	-	4,177
Paying agent fees	6,000	-	6,000
Bond interest	465,469	-	465,469
<b>TOTAL EXPENDITURES</b>	<u>480,000</u>	<u>-</u>	<u>480,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(144,585)	9,695	154,280
<b>FUND BALANCES - BEGINNING</b>	<u>1,357,497</u>	<u>1,353,330</u>	<u>(4,167)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,212,912</u>	<u>\$ 1,363,025</u>	<u>\$ 150,113</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**STONE CREEK METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

**CAPITAL PROJECTS FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Developer advance	\$ 52,000	\$ 16,066	\$ (35,934)
Developer advances - certified costs	5,200,000	-	(5,200,000)
<b>TOTAL REVENUES</b>	<u>5,252,000</u>	<u>16,066</u>	<u>(5,235,934)</u>
<b>EXPENDITURES</b>			
<b>General and administration</b>			
Legal	2,000	-	2,000
Construction Oversight / Administration	50,000	10,587	39,413
<b>Capital outlay</b>			
Capital outlay	<u>5,200,000</u>	<u>-</u>	<u>5,200,000</u>
<b>TOTAL EXPENDITURES</b>	<u>5,252,000</u>	<u>10,587</u>	<u>5,241,413</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	5,479	5,479
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>(13,667)</u>	<u>(13,667)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ (8,188)</u>	<u>\$ (8,188)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted. In addition, the annual budget information excludes required summaries of significant assumptions and accounting policies.



**STONE CREEK METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized on December 15, 2014 to provide financing for the design, acquisition, construction, installation, relocation, operation and maintenance of essential public-purpose facilities such as water, sanitation, streets, safety protection, park and recreation, transportation, mosquito control, and covenant control. The District will serve the public improvement needs of Stone Creek Ranch which is generally located at Scott Road and State Highway 83 (Parker Road) in Douglas County, Colorado.

Under the Service Plan, the District will provide essential public improvements and services for a new residential community located entirely within Douglas County. The District may, with agreement by the County, engage in other activities. The property in the District is anticipated to be developed consistent with the terms, requirements, and provisions of a Development Agreement.

On November 4, 2014, the District's electorate authorized general obligation debt in the total amount of \$234,000,000. The District's Service Plan limits the amount of debt issuance to \$18,000,000. A maximum total mill levy of 60 mills as adjusted is authorized to support debt service and operations and maintenance. A maximum debt mill levy of 50 mills as adjusted is authorized to support debt service, subject to the limitation of the maximum total mill levy. The maximum operations and maintenance mill levy of 10 mills as adjusted is anticipated to initially support the District's operating costs.

The District anticipates to receive Developer advances to fund initial operating and administrative expenditures until other revenues are available to the District. Construction of certain public improvements within the boundaries of the District is expected to be financed by Developer advances until bonded debt is issued.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**STONE CREEK METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Under the Service Plan, the District is limited to the imposition of a mill levy in an amount not to exceed 60 mills, 10 mills for operations and maintenance and 50 mills for debt services; provided, however, that in the event the method of calculating assessed valuation is changed after the date of approval of the Service Plan, the mill levy limitation provided for the District will be automatically increased or decreased so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. On September 23, 2014, the date the Service Plan was approved, the ratio of actual valuation to assessed valuation for residential property was 7.96%, and currently the ratio is at 7.15%. Due to this ratio change, the District's debt service mill levy was increased to 55.664 mills and the operating mill levy was increased to 11.132 mills.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

**District Fees**

To pay for costs associated with operating and maintaining District improvements, and to meet the costs of providing essential services, the District has determined that it is necessary to impose District Fees in the form of an Operation and Maintenance Fee (O&M Fee) and Administrative Fee on each lot and/or single family residential dwelling unit. The amount of District Fee is anticipated to be (i) based upon the completion of two neighborhood parks and the clubhouse facility, (ii) charged monthly, and (iii) payable quarterly.

**STONE CREEK METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Developer Advances**

The District is in the development stage. As such, a significant portion of the District's capital, operating, and administrative expenditures will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds (if applicable) and other legally available revenues.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**General, Administrative, Operations and Maintenance**

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses. The Fee Revenue Fund budget also include budgeted expenditures for the operations and maintenance of the grounds within the District (e.g. utilities, snow removal, repairs, trash, etc.)

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects Fund.

**Debt and Leases**

The District issued the General Obligation Limited Tax Bonds Series 2018A ("Senior Bonds") and the Subordinate General Obligation Limited Tax Bonds Series 2018B ("Subordinate Bonds") (collectively, the "Bonds") on March 6, 2018, in the amounts of \$8,275,000 and \$1,195,000, respectively. Proceeds from the sale of the Bonds were used to: (i) fund and reimburse a portion of the costs of acquiring, constructing, and installing certain public improvements and paying other costs in connection with the Bonds, and (ii) with respect to proceeds of the Senior Bonds only: (a) fund the Senior Reserve Fund; (b) fund capitalized interest on the Senior Bonds; and, (c) make a deposit to the Surplus Fund.

The Senior Bonds bear interest at 5.625% and are payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2022. The Senior Bonds mature on December 1, 2047.

**STONE CREEK METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases** (continued)

The Subordinate Bonds were issued at the rate of 7.875% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2047. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2057 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date.

The Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund and in the Surplus Fund. The Senior Reserve Fund was funded from Senior Bond proceeds in the amount of \$350,000. The Surplus Fund was funded from an initial deposit of \$350,000 from Senior Bonds proceeds and from available Senior Pledged Revenue, if any, in accordance with the Senior Indenture up to the Maximum Surplus Amount of \$1,241,250.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

**STONE CREEK METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$8,275,000 General Obligation Bonds Limited Tax Series 2018A Interest Rate of 5.625% Payable December 1 Principal Due December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ -	\$ 465,469	\$ 465,469
2021	-	465,469	465,469
2022	10,000	465,469	475,469
2023	95,000	464,906	559,906
2024	110,000	459,563	569,563
2025	115,000	453,375	568,375
2026	135,000	446,906	581,906
2027	140,000	439,313	579,313
2028	160,000	431,438	591,438
2029	170,000	422,438	592,438
2030	195,000	412,875	607,875
2031	205,000	401,906	606,906
2032	225,000	390,375	615,375
2033	240,000	377,719	617,719
2034	265,000	364,219	629,219
2035	280,000	349,313	629,313
2036	310,000	333,563	643,563
2037	325,000	316,125	641,125
2038	360,000	297,844	657,844
2039	380,000	277,594	657,594
2040	410,000	256,219	666,219
2041	435,000	233,156	668,156
2042	475,000	208,688	683,688
2043	500,000	181,969	681,969
2044	540,000	153,844	693,844
2045	570,000	123,469	693,469
2046	620,000	91,406	711,406
2047	1,005,000	56,531	1,061,531
	<b>\$ 8,275,000</b>	<b>\$ 9,341,161</b>	<b>\$ 17,616,161</b>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.