

# CHIMNEY ROCK METROPOLITAN DISTRICT

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

## NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Telfer “Woody” Norman	President	2023/May 2023
Charles H. Haase	Assistant Secretary	2023/May 2023
Kenneth “Delmar” Rumph	Assistant Secretary	2022/May 2022
John “Marc” Rinehart	Assistant Secretary	2022/May 2022
<b>VACANT</b>		2022/May 2022
David Solin	Secretary	

DATE: June 15, 2020 (Monday)

TIME: 10:00 A.M.

PLACE: *Due to Executive Order D 2020 044 Safer at Home issued by Governor Polis on April 26, 2020, and Public Health Order 20-28 implementing the Executive Order, issued by the Colorado Department of Health and Environment (CDPHE) on April 26, 2020, this meeting will be held via teleconferencing and can be joined through the directions below:*

**IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT 1-877-250-3814 AND WHEN PROMPTED, DIAL IN THE PASSCODE OF 5592663.**

### I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

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B. Approve Agenda; confirm location of meeting and posting of meeting notices and designate 24-hour posting location.

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C. Discuss cancellation of the May 5, 2020 Election (enclosure).

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D. Consider appointment of Charles E. Hansen to the Board of Directors to fill a vacant term.

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E. Consider appointment of Officers:

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

F. Review and consider approval of the Minutes of the October 28, 2019 Special Meeting (enclosure).

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G. Consider authorizing all interested Board Members (and guest) to attend the 2020 SDA Conference in Keystone on September 23, 24 and 25, 2020.

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II. FINANCIAL MATTERS

A. Consider approval of draft 2019 Audit (enclosure) and approval of execution of Representations Letter.

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B. Review and ratify approval of the payment of claims through the period ending as follows (enclosures):

Fund	Period Ending Oct. 23, 2019	Period Ending Dec. 26, 2019	Period Ending Jan. 16, 2020	Period Ending Feb. 14, 2020
General	\$ 1,427.01	\$ 6,091.49	\$ 4,109.19	\$ 2,370.33
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ 400.00
<b>Total Claims</b>	<b>\$ 1,427.01</b>	<b>\$ 6,091.49</b>	<b>\$ 4,109.19</b>	<b>\$ 2,770.33</b>

Fund	Period Ending March 12, 2020	Period Ending April 10, 2020	Period Ending May 13, 2020
General	\$ 1,265.12	\$ 4,871.44	\$ 1,366.38
Debt Service	\$ -0-	\$ -0-	\$ -0-
<b>Total Claims</b>	<b>\$ 1,265.12</b>	<b>\$ 4,871.44</b>	<b>\$ 1,366.38</b>

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C. Review and accept unaudited financial statements through the period ending April 30, 2020 (enclosure).

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- D. Consider setting the date for a Public Hearing to adopt the 2021 Budget for October 19, 2020, at 10:00 a.m., to be held at Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, CO 80228.
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III. LEGAL MATTERS

- A. Discuss the status of development of the Tidrick property.
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- B. Discuss update on McGeady Becher P.C. District Records Retention Policy (enclosure).
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IV. OTHER MATTERS

- A. \_\_\_\_\_
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- V. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR OCTOBER 19, 2020 – BUDGET HEARING**

**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 Chimney Rock Metropolitan District, Jefferson 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>
Charles Haase	Second Regular Election, May 2023
Telfer Woodhouse Norman	Second Regular Election, May 2023

/s/ David Solin  
(Designated Election Official)

Contact Person for the District:	David Solin
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:	dsolin@sdmsi.com

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CHIMNEY ROCK METROPOLITAN DISTRICT OCTOBER 28, 2019

A Special Meeting of the Board of Directors of the Chimney Rock Metropolitan District was duly held on Monday, the 28<sup>th</sup> day of October, 2019, at 10:00 A.M., at the offices of the District, 141 Union Boulevard, Suite 150, Lakewood, Colorado. The meeting was open to the public.

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### ATTENDANCE

#### Directors In Attendance Were:

Telfer “Woody” Norman  
Robert J. Stein  
Charles H. Haase  
Kenneth “Delmar” Rumph  
John “Marc” Rinehart

#### Also In Attendance Were:

David Solin and Judy Leyshon; Special District Management Services, Inc.

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

Darcy Beard, CPA; Accountant for the District (via telephone), for a portion of the meeting

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### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosures of Potential Conflicts of Interest:** Attorney Cortese noted that disclosure of potential conflict of interest statements for Directors Haase and Rumph were filed with the Secretary of State at least 72 hours in advance of the meeting. It was disclosed that Director Haase is also the President of and a Director on the Willowbrook Water & Sanitation District Board and Director Rumph is Treasurer of and a Director on the Board of Directors of the Willow Springs North Master Homeowners’ Association. Mr. Solin noted for the record that there were no further 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 statutes.

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### ADMINISTRATIVE MATTERS

**Agenda:** Mr. Solin distributed for the Board’s review and approval, a proposed Agenda for the District’s Special Meeting.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Haase, seconded by Director Norman and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Minutes:** The Board reviewed the Minutes of the June 24, 2019 Special Meeting.

Following discussion, upon motion duly made by Director Rinehart, seconded by Director Haase and, upon vote, unanimously carried, the Minutes of the June 24, 2019 Special Meeting were approved, as presented.

**Resolution No. 2019-06-01; Establishing District Website, and Designating Locations for Posting of 24-Hour Notices:** Mr. Solin discussed with the Board Resolution No. 2019-06-01; Establishing District Website, and Designating Locations for Posting of 24-Hour Notices.

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 Golf Course Maintenance Barn, 5500 Willow Wood Drive, Morrison Colorado 80465.

Following discussion, upon motion duly made by Director Rumph, seconded by Director Rinehart and, upon vote, unanimously carried, the Board ratified the approval of Resolution No. 2019-06-01; Establishing District Website, and Designating Locations for Posting of 24-Hour Notices.

**Eligible Governmental Entity (“EGE”) Agreement Between the Statewide Internet Portal Authority (“SIPA”) and the District:** The Board reviewed an EGE Agreement between the District and SIPA for the development of a website for the District.

Following discussion, upon motion duly made by Director Rumph, seconded by Director Haase and, upon vote, unanimously carried, the Board ratified the approval of the EGE Agreement between the District and SIPA.

**Resolution No. 2019-10-01; Establishing Regular Meeting Dates, Time and Location, Establish District Website, and Designating Locations for Posting of 24-Hour Notices:** Mr. Solin reviewed with the Board Resolution No. 2019-10-01; Establishing Regular Meeting Dates, Time and Location, Establish District Website, and Designating Locations for Posting of 24-Hour Notices.

The Board determined to meet at 10:00 a.m. on June 15, 2020 and October 19, 2020 at the offices of Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Rumph, seconded by Director Rinehart and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-10-01; Establishing Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for 24–Hour Notices.

**§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2019:** The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2020.

Following discussion, upon motion duly made by Director Stein, seconded by Director Rinehart and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association’s website and the District website.

### **FINANCIAL MATTERS**

**2018 Audit:** Ms. Beard reviewed the 2018 draft Audited Financial Statements with the Board via speakerphone.

Following review and discussion, upon motion duly made by Director Norman, seconded by Director Rinehart and upon vote, unanimously carried, the Board approved the 2018 Audited Financial Statements and authorized the execution of the Representations Letter.

**Claims:** The Board reviewed and considered ratifying approval of the payment of claims for the period ending as follows:

Fund	Period Ending July 17, 2019	Period Ending Aug. 19, 2019	Period Ending Sept. 12, 2019
General	\$ 12,513.71	\$ 2,305.73	\$ 4,158.40
Debt Service	\$ -0-	\$ -0-	\$ -0-
<b>Total Claims</b>	<b>\$ 12,513.71</b>	<b>\$ 2,305.73</b>	<b>\$ 4,158.40</b>

Following review, upon motion duly made by Director Rumph, seconded by Director Haase and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

The Board then considered approving the payment of claims for the period ending October 23, 2019 as follows:

General Fund	\$ 1,427.01
Debt Service Fund	\$ -0-
<b>Total Claims:</b>	<b>\$ <u>1,427.01</u></b>

## RECORD OF PROCEEDINGS

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Following review, upon motion duly made by Director Rumph, seconded by Director Haase and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending October 23, 2019, as presented.

**Financial Statements:** Ms. Beard reviewed with the Board, the unaudited financial statements of the District for the period ending September 30, 2019.

Following review and discussion, upon motion duly made by Director Rinehart, seconded by Director Haase and, upon vote, unanimously carried, the unaudited financial statements for the period ending September 30, 2019 were accepted, as presented.

**2019 Audit:** The Board reviewed the proposal from Simmons & Wheeler, P.C. to perform the 2019 Audit.

Following discussion, upon motion duly made by Director Haase, seconded by Director Rumph and, upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, P.C. to perform the 2019 Audit, for an amount not to exceed \$4,250.

**Capital Recovery Fee for Sewer Treatment Lift Station 2020 Rate Increase:** The Board discussed the Capital Recovery Fee for Sewer Treatment Lift Station 2020 Rate Increase.

Following discussion, upon motion duly made by Director Rumph, seconded by Director Stein and, upon vote, unanimously carried, the Board approved the Capital Recovery Fee for Sewer Treatment Lift Station 2020 Rate Increase.

**2019 Budget Amendment Hearing:** The President opened the public hearing to consider the Resolution to Amend the 2019 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 2019 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 or at this public hearing. No public comments were received and the President closed the public hearing.

The Board determined that an amendment to the 2019 Budget was not necessary.

**2020 Budget Hearing:** The President opened the public hearing to consider the proposed 2020 Budget and discuss related issues.



## RECORD OF PROCEEDINGS

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It was noted that publication of Notice stating that the Board would consider adoption of 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 or at this public hearing. No public comments were received and the President closed the public hearing.

Mr. Beard reviewed the estimated year-end 2019 revenues and expenditures and the proposed 2020 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2019-10-02 to Adopt the 2020 Budget and Appropriate Sums of Money and Resolution No. 2019-10-03 to Set Mill Levies (for the General Fund at 8.970 mills and the Debt Service Fund at 17.750 mills, for a total of 26.720 mills). Upon motion duly made by Director Rumph, seconded by Director Stein 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 the County on or before December 10, 2019. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Division of Local Government not later than December 15, 2019. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2020. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

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

Following discussion, upon motion duly made by Director Norman, seconded by Director Haase and, upon vote, unanimously carried, the Board authorized the District Manager to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

**Preparation of the 2021 Budget:** The Board discussed preparation of the 2021 Budget.

Following discussion, upon motion duly made by Director Haase, seconded by Director Rinehart, and upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2021 Budget, and direct that the form of the 2021 budget be the same as the 2020 budget.

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**LEGAL MATTERS** **Notice to Title recorded upon the Filing 11 property related to the imposition of the Capital Recovery Fee:** The Board discussed the Notice to Title recorded upon the Filing 11 property related to the imposition of the Capital Recovery Fee.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Haase, seconded by Director Norman, and upon vote, unanimously carried, the Board approved the Notice to Title recorded upon the Filing 11 property related to the imposition of the Capital Recovery Fee.

**Development of Tidrick Property and Impact on the District:** Director Rumph reported to the Board that in August the county made technical corrections to the ODP. The Developer has until mid-January 2020 to address the county's technical corrections.

**Election Resolution:** The Board discussed Resolution No. 2019-10-04; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the Designated Election Official ("DEO") and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Following discussion, upon motion duly made by Director Rinehart, seconded by Director Stein and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-10-04; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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**OTHER MATTERS** **Reimbursement for Filing 11 Inclusion Fees:** Mr. Solin updated the Board that the reimbursement for Filing 11 inclusion fees have been received. Director Rumph noted that the Cost Recovery Agreement between the District and Willowbrook will expire in 2022.

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

Respectfully submitted,

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

**RECORD OF PROCEEDINGS**

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CHIMNEY ROCK METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2019

with

Independent Auditors' Report

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Board of Directors  
Chimney Rock Metropolitan District  
Jefferson County, Colorado

### Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Chimney Rock District, as of and for the year ended December 31, 2019, 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 of 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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 the Chimney Rock Metropolitan District as of December 31, 2019, 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 Supplementary Information*

Management has omitted the management's discussion and analysis that 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 Chimney Rock Metropolitan District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The continuing disclosure annual financial information, as 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 them.

*Simmons & Wahle P.C.*

Englewood, CO  
April 6, 2020

**CHIMNEY ROCK METROPOLITAN DISTRICT**

BALANCE SHEET/STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS

December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>					
Cash and investments	\$ 333,854	\$ -	\$ 333,854	\$ -	\$ 333,854
Cash and investments - restricted	4,782	263,019	267,801	-	267,801
Receivable - county treasurer	964	1,909	2,873	-	2,873
Property taxes receivable	148,101	293,065	441,166	-	441,166
Prepaid expenses	<u>2,965</u>	<u>-</u>	<u>2,965</u>	<u>-</u>	<u>2,965</u>
Total Assets	<u>490,666</u>	<u>557,993</u>	<u>1,048,659</u>	<u>-</u>	<u>1,048,659</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	<u>-</u>	<u>-</u>	<u>-</u>	107,877	107,877
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	107,877	107,877
Total Assets and Deferred Outflows of Resources	<u>\$ 490,666</u>	<u>\$ 557,993</u>	<u>\$ 1,048,659</u>	107,877	1,156,536
<b>LIABILITIES</b>					
Accounts payable	\$ 7,968	\$ 400	\$ 8,368	-	8,368
Payroll taxes payable	108	-	108	-	108
Prepaid cost recovery/lift station fees	-	2,016	2,016	-	2,016
Bond interest payable	-	-	-	8,763	8,763
Bonds payable, net of discount:					
Due within one year	-	-	-	220,000	220,000
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	2,732,281	2,732,281
Total Liabilities	<u>8,076</u>	<u>2,416</u>	<u>10,492</u>	2,961,044	2,971,536
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	<u>148,101</u>	<u>293,065</u>	<u>441,166</u>	<u>-</u>	<u>441,166</u>
Total Deferred Inflows of Resources	<u>148,101</u>	<u>293,065</u>	<u>441,166</u>	<u>-</u>	<u>441,166</u>
<b>FUND BALANCES/NET POSITION</b>					
Fund Balances:					
Nonspendable:					
Prepays	2,965	-	2,965	(2,965)	-
Restricted:					
Emergencies	4,782	-	4,782	(4,782)	-
Debt service	-	262,512	262,512	(262,512)	-
Unassigned	<u>326,742</u>	<u>-</u>	<u>326,742</u>	<u>(326,742)</u>	<u>-</u>
Total Fund Balances	<u>334,489</u>	<u>262,512</u>	<u>597,001</u>	<u>(597,001)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 490,666</u>	<u>\$ 557,993</u>	<u>\$ 1,048,659</u>		
Net Position:					
Net investment in capital assets				(2,952,281)	(2,952,281)
Restricted for:					
Emergencies				4,782	4,782
Debt service				253,749	253,749
Unrestricted				<u>437,584</u>	<u>437,584</u>
Total Net Position				<u>\$ (2,256,166)</u>	<u>\$ (2,256,166)</u>

The notes to the financial statements are an integral part of these statements.



# CHIMNEY ROCK METROPOLITAN DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>					
Accounting	\$ 10,126	\$ -	\$ 10,126	\$ -	\$ 10,126
Administration	12,151	-	12,151	-	12,151
Audit	3,842	-	3,842	-	3,842
Directors' fees	900	-	900	-	900
Election expense	56	-	56	-	56
Insurance	3,163	-	3,163	-	3,163
Legal	12,289	-	12,289	-	12,289
GIS Mapping	3,165	-	3,165	-	3,165
Miscellaneous expenses	1,929	-	1,929	-	1,929
Payroll taxes	71	-	71	-	71
Treasurer's fees	1,964	3,887	5,851	-	5,851
Bond principal - Series 2016A	-	205,000	205,000	(205,000)	-
Bond interest - Series 2016A	-	111,300	111,300	-	111,300
Paying agent fees	-	800	800	-	800
Amortization - bond premium	-	-	-	(37,193)	(37,193)
Amortization - loss on bond refunding	-	-	-	10,879	10,879
Total Expenditures	49,656	320,987	370,643	(231,826)	138,817
<b>PROGRAM REVENUES</b>					
Cost recovery/lift fees	-	52,712	52,712	-	52,712
Total Program Revenues	-	52,712	52,712	-	52,712
Net Program Income (Expense)	(49,656)	(268,275)	(317,931)	231,826	(86,105)
<b>GENERAL REVENUES</b>					
Property taxes	130,860	258,950	389,810	-	389,810
Specific ownership taxes	11,153	22,071	33,224	-	33,224
Interest income	8,054	6,601	14,655	-	14,655
Total General Revenues	150,067	287,622	437,689	-	437,689
NET CHANGES IN FUND BALANCE	100,411	19,347	119,758	(119,758)	-
CHANGE IN NET POSITION				351,584	351,584
<b>FUND BALANCE/NET POSITION</b>					
BEGINNING OF YEAR	234,078	243,165	477,243	(3,084,993)	(2,607,750)
END OF YEAR	\$ 334,489	\$ 262,512	\$ 597,001	\$ (2,853,167)	\$ (2,256,166)

The notes to the financial statements are an integral part of these statements.

# CHIMNEY ROCK METROPOLITAN DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2019

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 130,899	\$ 130,860	\$ (39)
Specific ownership taxes	10,000	11,153	1,153
Interest income	<u>1,300</u>	<u>8,054</u>	<u>6,754</u>
Total Revenues	<u>142,199</u>	<u>150,067</u>	<u>7,868</u>
<b>EXPENDITURES</b>			
Accounting	12,000	10,126	1,874
Administration	8,000	12,151	(4,151)
Audit	6,000	3,842	2,158
Directors' fees	2,000	900	1,100
Election expense	-	56	(56)
Insurance	3,400	3,163	237
Legal	5,000	12,289	(7,289)
GIS Mapping	-	3,165	(3,165)
Miscellaneous expenses	3,300	1,929	1,371
Payroll taxes	153	71	82
Treasurer's fees	1,963	1,964	(1)
Contingency	281,631	-	281,631
Emergency reserve	<u>4,266</u>	<u>-</u>	<u>4,266</u>
Total Expenditures	<u>327,713</u>	<u>49,656</u>	<u>278,057</u>
<b>NET CHANGES IN FUND BALANCE</b>	<b>(185,514)</b>	<b>100,411</b>	<b>285,925</b>
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>235,514</u>	<u>234,078</u>	<u>(1,436)</u>
END OF YEAR	<u>\$ 50,000</u>	<u>\$ 334,489</u>	<u>\$ 284,489</u>

The notes to the financial statements are an integral part of these statements.

# CHIMNEY ROCK METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

### Note 1: Summary of Significant Accounting Policies

The accounting policies of the Chimney Rock Metropolitan District, located in Jefferson County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

#### Definition of Reporting Entity

The District was organized on January 5, 1996, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

# CHIMNEY ROCK METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

### Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

# CHIMNEY ROCK METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

### Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

### Assets, Liabilities and Net Position

#### Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2019, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

### Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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 minimum number of bank accounts. 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 fund's average equity balance in the total cash.

# CHIMNEY ROCK METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

### Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. These amounts are eliminated in the Statement of Net Position.

### Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one item that qualifies for reporting in this category. It is the deferred property taxes. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

### Original Issue Premium and Deferred Loss on Refunding

Original issue premium from the Series 2016 Bonds is being amortized over term of the bonds using the interest method. Deferred loss on refunding from the Series 2016 Bonds is being amortized over the term of the bonds using the straight-line method. Accumulated amortization of original issue premium and deferred loss on refunding amounted to \$118,780 and \$33,544, respectively, at December 31, 2019.

# CHIMNEY ROCK METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

### Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

During 2007, the District transferred all remaining capital assets and construction in progress to the Willowbrook Water and Sanitation District.

### 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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally 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 in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

# CHIMNEY ROCK METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

### Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$2,965 represents prepaid expenditures.

### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$4,782 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance of \$262,512 in the Debt Service Fund is restricted for the payment of expenses associated with the Series 2016 Bonds (See Note 3).

### Committed Fund Balance

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

During 2016, the Board adopted a Fund Reserve Policy whereby the District is required to maintain minimum fund balances for the General Fund and Debt Service Fund. In the General Fund, the minimum fund balance is one year of the District's average annual operating expenses. In the Debt Service Fund, the minimum fund balance is \$35,000.

### Assigned Fund Balance

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



CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2019

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Investments

As of December 31, 2019, cash and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 333,854
Cash and investments – Restricted	<u>267,801</u>
Total	<u>\$ 601,655</u>

Cash and investments as of December 31, 2019, consist of the following:

Deposits with financial institutions	\$ 78,766
Investments - COLOTRUST	<u>522,889</u>
	<u>\$ 601,655</u>

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2019

#### Deposits

##### Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. 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.

The District follows state statutes for deposits. As of December 31, 2019, none of the District’s deposits were exposed to custodial credit risk.

#### Investments

##### Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District’s COLOTRUST investment is not required to be categorized within the fair value hierarchy. This investment’s value is calculated using the net asset value method (NAV) per share.

##### Credit Risk

The District’s investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

##### Custodial and Concentration of Credit Risk

None of the District’s investments are subject to custodial or concentration of credit risk.

##### Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2019

As of December 31, 2018, the District had the following investments:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust (“COLOTRUST”) is rated AAAM by Standard & Poor’s with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint ventures established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. The trusts operate similarly to a money market fund with each share maintaining a value of \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to the trusts. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians’ internal records identify the investments owned by COLOTRUST. At December 31, 2019, the District had \$522,889 invested in COLOTRUST.

Note 3: Long Term Debt

The following is an analysis of changes in long-term debt for the period ending December 31, 2019:

	Balance 12/31/18	Additions	Retirements	Balance 12/31/19	Current Portion
Series 2016A	\$ 2,945,000	\$ -	\$ 205,000	\$ 2,740,000	\$ 220,000
2016A Bond premium (net of amortization)	249,474	-	37,193	212,281	-
Total	<u>\$ 3,194,474</u>	<u>\$ -</u>	<u>\$ 242,193</u>	<u>\$ 2,952,281</u>	<u>\$ 220,000</u>

# CHIMNEY ROCK METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

A description of the District's long-term obligations as of December 31, 2019, is as follows:

### Series 2016 General Obligation Bonds

On December 1, 2016, the District issued \$3,190,000 of Limited Tax General Obligation Refunding Bonds, Series 2016A ("Series 2016A Bonds"), and \$150,000 of Taxable Limited Tax General Obligation Refunding Bonds, Series 2016B ("Series 2016B Bonds, and together with the Series 2016A Bonds, the "Series 2016 Bonds"), dated December 1, 2016. The Series 2016A Bonds and Series 2016B Bonds were issued for the purpose of defeasing all of the District's outstanding Series 2006A Bonds ("Refunded Bonds") and paying the costs of issuing the Series 2016A Bonds.

The Series 2016A Bonds bear interest at rates between 2% and 4%, payable semiannually on each June 1 and December 1, commencing on June 1, 2017, and mature on December 1, 2029. The Series 2016A Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2026, upon payment of par plus accrued interest with no redemption premium.

The Series 2016B Bond was a Term Bond which bore interest at the rate of 1.5% payable semiannually on each June 1 and December 1, commencing June 1, 2017 and maturing on December 1, 2017. The Series 2016B Bonds were not subject to optional redemption prior to maturity and were paid in full on the maturity date of December 1, 2017.

The Series 2016A Bonds are, and the Series 2016B Bonds were, secured by the Required Mill Levy, the Capital Recovery Fees collected after December 1, 2016, the portion of the Specific Ownership Tax which is collected as a result of the Required Mill Levy, and any other legally available moneys as determined by the District.

As a result of the issuance of the Series 2016 Bonds, the Refunded Bonds are considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The reacquisition price of the old debt exceeded the net carrying amount by \$141,421. This amount is recorded as a deferred outflow and is being amortized over the life of the refunding bonds. The refunding resulted in an economic gain of \$342,669 due to the average interest rate of the Series 2016 Bonds being lower than the refunded bonds.

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2019

The following is a summary of the annual long-term debt principal and interest requirements on the Series 2016A Bonds:

Year	Principal	Interest	Total
2020	\$ 220,000	\$ 105,150	\$ 325,150
2021	225,000	98,550	323,550
2022	240,000	91,800	331,800
2023	250,000	82,200	332,200
2024	265,000	72,200	337,200
2025-2029	<u>1,540,000</u>	<u>191,200</u>	<u>1,731,200</u>
Total	<u>\$ 2,740,000</u>	<u>\$ 641,100</u>	<u>\$ 3,381,100</u>

Debt Authorization

As of December 31, 2019, the District had no voter or Service Plan authorization for the issuance of additional general obligation or special obligation revenue bonds or notes or other multiple fiscal year financial obligations. The District has not budgeted to issue any debt during 2020.

Note 4: District Agreements

Cost Recovery Agreement with Willowbrook Water and Sanitation District

On May 23, 2001, the District entered into a Cost Recovery Agreement with Willowbrook Water and Sanitation District (“Willowbrook”). Per this agreement, Willowbrook, for a period of fifteen (15) years from the date of acceptance of the improvements by Willowbrook (March 20, 2007), agrees to impose and collect an Improvement Fee on certain real property that is outside the District’s boundaries, which benefits from certain water and sanitary sewer system improvements constructed by the District and dedicated to Willowbrook (“Improvements”), at a rate of \$9,555.91 per acre, which amount was approved by the District’s Board of Directors pursuant to a Resolution adopted on October 22, 2014. This fee is due and payable upon the first application for service. Willowbrook agrees to remit this revenue to the District within 45 days of its receipt.

Note 5: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (“TABOR”), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

# CHIMNEY ROCK METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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.

### Note 6: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2019

Note 7: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Government Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds; and,
- 2) bond discounts, bond costs of refunding and bond prepaid insurance are reported as deferred charges and amortized over the term of the related debt in the government-wide financial statements.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) governmental funds report bond prepaid insurance costs, bond discounts, and bond refunding costs as revenue or expenditures; however, in the statement of activities, these are amortized over the term of the related debt;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the statement of activities; and,
- 3) governmental funds report long-term debt payments as expenditures; however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION



# CHIMNEY ROCK METROPOLITAN DISTRICT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2019

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 259,026	\$ 258,950	\$ (76)
Specific ownership taxes	19,427	22,071	2,644
Interest income	1,000	6,601	5,601
Cost recovery/lift fees	<u>53,312</u>	<u>52,712</u>	<u>(600)</u>
Total Revenues	<u>332,765</u>	<u>340,334</u>	<u>7,569</u>
<b>EXPENDITURES</b>			
Bond principal - Series 2016A	205,000	205,000	-
Bond interest - Series 2016A	111,300	111,300	-
Paying agent fees	1,200	800	400
Treasurer's fees	<u>3,900</u>	<u>3,887</u>	<u>13</u>
Total Expenditures	<u>321,400</u>	<u>320,987</u>	<u>413</u>
<b>NET CHANGES IN FUND BALANCE</b>	11,365	19,347	7,982
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>232,992</u>	<u>243,165</u>	<u>10,173</u>
END OF YEAR	<u><u>\$ 244,357</u></u>	<u><u>\$ 262,512</u></u>	<u><u>\$ 18,155</u></u>

The notes to the financial statements are an integral part of these statements.

**CHIMNEY ROCK METROPOLITAN DISTRICT**

**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2019**

**LIMITED TAX GENERAL  
OBLIGATION REFUNDING BONDS,  
SERIES 2016A  
Interest Payable June 1 and December 1  
Principal Due December 1**

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 220,000	\$ 105,150	\$ 325,150
2021	225,000	98,550	323,550
2022	240,000	91,800	331,800
2023	250,000	82,200	332,200
2024	265,000	72,200	337,200
2025	275,000	61,600	336,600
2026	295,000	50,600	345,600
2027	305,000	38,800	343,800
2028	325,000	26,600	351,600
2029	340,000	13,600	353,600
	<u>\$ 2,740,000</u>	<u>\$ 641,100</u>	<u>\$ 3,381,100</u>

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION

UNAUDITED

**CHIMNEY ROCK METROPOLITAN DISTRICT**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Funds**  
**2015-2019**  
**UNAUDITED**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>					
Property taxes	\$ 397,638	\$432,319	\$382,143	\$ 390,309	\$ 389,810
Specific ownership taxes	33,056	34,681	37,447	36,161	33,224
Cost Recovery Fees	47,965	49,679	49,466	52,788	52,712
Miscellaneous	675	-	-	-	-
Interest	1,086	3,082	3,119	10,668	14,655
<b>Total Revenue</b>	<b>480,420</b>	<b>519,761</b>	<b>472,175</b>	<b>489,926</b>	<b>490,401</b>
<b>Expenditures</b>					
Accounting	11,154	12,012	9,558	8,549	10,126
Administration	13,817	11,311	8,460	12,520	12,151
Audit	4,623	4,835	7,956	6,050	3,842
Director fees	1,300	2,300	400	2,000	900
Election expense	-	695	-	1,087	56
Insurance	2,681	3,448	3,234	2,868	3,163
Legal	11,623	5,368	7,203	8,961	12,289
GIS Mapping	-	-	-	-	3,165
Statutory Compliance	286	-	-	-	-
Miscellaneous	2,909	2,206	2,142	2,327	1,929
Payroll taxes	99	99	107	159	71
Treasurer's fees	5,968	6,500	5,585	5,873	5,851
Paying agent fees	450	229	1,021	400	800
Debt service/interest expense	353,909	4,116,844	313,450	315,300	316,300
<b>Total Expenditures</b>	<b>408,819</b>	<b>4,165,848</b>	<b>359,116</b>	<b>366,094</b>	<b>370,643</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>71,601</b>	<b>(3,802,904)</b>	<b>113,059</b>	<b>123,832</b>	<b>119,758</b>
<b>Other Financing Sources (Uses)</b>					
Bond proceeds	-	3,340,000	-	-	-
Bond premium	-	331,061	-	-	-
Bond issuance costs	-	156,818	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>3,827,879</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>71,601</b>	<b>-131,843</b>	<b>113,059</b>	<b>123,832</b>	<b>119,758</b>
<b>Fund Balance, Beginning</b>	<b>300,594</b>	<b>372,195</b>	<b>240,352</b>	<b>353,411</b>	<b>477,243</b>
<b>Fund Balance, Ending</b>	<b>\$ 372,195</b>	<b>\$ 240,352</b>	<b>\$ 353,411</b>	<b>\$ 477,243</b>	<b>\$ 597,001</b>

**CHIMNEY ROCK METROPOLITAN DISTRICT**  
**History of District's Assessed Value**  
**UNAUDITED**

Levy/Collection Year	Assessed Value	Percent Change
1996/1997	\$ 207,780	-
1997/1998	301,120	44.9%
1998/1999	1,210,420	302.0%
1999/2000	3,752,630	210.0%
2000/2001	4,738,990	26.3%
2001/2002	6,837,400	44.3%
2002/2003	7,463,180	9.2%
2003/2004	8,701,340	16.6%
2004/2005	9,857,030	13.3%
2005/2006	12,648,990	28.3%
2006/2007	13,346,480	5.5%
2007/2008	14,206,090	6.4%
2008/2009	14,455,970	1.8%
2009/2010	14,903,680	3.1%
2010/2011	14,898,700	0.0%
2011/2012	12,810,087	-14.0%
2012/2013	12,852,797	0.3%
2013/2014	12,984,404	1.0%
2014/2015	13,091,100	0.8%
2015/2016	14,233,718	8.7%
2016/2017	14,344,685	0.8%
2017/2018	14,616,057	1.9%
2018/2019	14,593,031	-0.2%
2019/2020	16,510,717	13.1%

**CHIMNEY ROCK METROPOLITAN DISTRICT**  
**2019 Assessed Valuation and Statutory**  
**"Actual" Value of Classes of Property in the District**  
**UNAUDITED**

Property Class and <u>Assessment Rate</u>	<u>2019 Assessed Valuation</u>		<u>2019 Statutory "Actual" Value</u>	
Residential (7.15%)	\$ 15,497,992	93.87%	216,755,231	98.42%
Vacant (29%)	793,222	4.80%	2,735,279	1.24%
Commercial (29%)	167,737	1.02%	578,404	0.26%
State Assessed (29%)	51,766	0.31%	178,503	0.08%
Total	<u>\$ 16,510,717</u>	<u>100.00%</u>	<u>\$ 220,247,417</u>	<u>100.00%</u>

Source: Jefferson County Assessor's Office

**CHIMNEY ROCK METROPOLITAN DISTRICT**  
**History of District's Mill Levies and Ad Valorem Property Tax Receipts**  
**UNAUDITED**

Levy/Collection Year	Mill Levies				Tax Receipts		
	General	Bond Redemption	Abatements/ Refunds	Total	Taxes Levied	Taxes Received	Percentage of Levy
1996/1997	30.000			30.000	\$ 6,233	\$ 6,484	104.0%
1997/1998	30.000			30.000	9,034	9,007	99.7%
1998/1999	5.000	30.000		35.000	42,365	42,227	99.7%
1999/2000	5.000	30.000		35.000	131,342	114,807	87.4%
2000/2001	5.000	30.000		35.000	165,865	164,066	98.9%
2001/2002	5.000	31.934	0.351	37.285	254,932	242,892	95.3%
2002/2003	5.000	31.934	0.265	37.199	277,623	271,157	97.7%
2003/2004	5.000	36.708	0.990	42.698	371,530	368,999	99.3%
2004/2005	5.000	36.708	0.858	42.566	419,574	418,327	99.7%
2005/2006	5.000	36.708	0.200	41.908	530,094	528,723	99.7%
2006/2007	5.000	19.000	0.413	24.413	325,827	323,426	99.3%
2007/2008	5.000	19.000	0.340	24.340	345,776	346,047	100.1%
2008/2009	5.000	19.000	0.000	24.000	346,943	344,672	99.3%
2009/2010	7.000	19.000	0.180	26.180	390,179	387,429	99.3%
2010/2011	8.970	21.408	0.000	30.378	452,592	451,951	99.9%
2011/2012	8.970	21.408	0.000	30.378	389,144	388,866	99.9%
2012/2013	8.970	21.408	0.000	30.378	390,443	390,436	100.0%
2013/2014	8.970	21.408	0.000	30.378	394,440	394,376	100.0%
2014/2015	8.970	21.408	0.000	30.378	397,681	397,638	100.0%
2015/2016	8.970	21.408	0.000	30.378	432,391	432,319	100.0%
2016/2017	8.970	17.750	0.000	26.720	383,290	382,143	99.7%
2017/2018	8.970	17.750	0.000	26.720	390,540	390,310	99.9%
2018/2019	8.970	17.750	0.000	26.720	389,925	389,810	100.0%

(1) Includes current tax collections, as well as prior year and current year delinquent tax payments and interest and other penalties with respect thereto, and therefore may result in collections in excess of 100% of taxes levied.

**CHIMNEY ROCK METROPOLITAN DISTRICT**  
**History of District's Capital**  
**Recovery Fees**  
**UNAUDITED**

<u>Levy/Collection Year</u>	<u>Amount</u>
1999	-
2000	-
2001	7,215
2002	10,198
2003	11,316
2004	13,268
2005	19,928
2006	24,061
2007	29,276
2008	32,299
2009	35,789
2010	34,614
2011	38,542
2012	38,745
2013	40,303
2014	44,363
2015	47,965
2016	49,679
2017	49,466
2018	52,788
2019	52,712

**History of District's Specific**  
**Ownership Tax Revenue**  
**UNAUDITED**

<u>Levy/Collection Year</u>	<u>Amount</u>
1997	\$ 841
1998	919
1999	5,107
2000	16,084
2001	20,903
2002	29,621
2003	31,259
2004	39,883
2005	41,005
2006	47,305
2007	28,856
2008	27,402
2009	24,735
2010	26,041
2011	28,824
2012	27,474
2013	29,026
2014	30,747
2015	33,055
2016	34,681
2017	37,447
2018	36,161
2019	33,224



**CHIMNEY ROCK METROPOLITAN DISTRICT**  
**Selected District Debt Ratios**  
**UNAUDITED**

Direct Debt (Dist bonds only)	\$	2,740,000
2019 Assessed Valuation	\$	16,510,717
Direct Debt to 2019 Assessed Valuation		16.60%
2019 Statutory Actual Value	\$	220,247,417
Direct Debt to 2019 Statutory Actual Value		1.24%

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1261</b>						
10/23/2019	McGeady Becher P.C.	371C 08/09 201	Legal	1-675	786.50	786.50
Total 1261:						786.50
<b>1262</b>						
10/23/2019	RLI Surety	LSM0936155 2	Insurance	1-670	250.00	250.00
Total 1262:						250.00
<b>1263</b>						
10/23/2019	Special Dist Management Sr	SEPT 2019	Accounting	1-612	224.00	224.00
10/23/2019	Special Dist Management Sr	SEPT 2019	Administration	1-614	88.50	88.50
10/23/2019	Special Dist Management Sr	SEPT 2019	Miscellaneous/S	1-685	78.01	78.01
Total 1263:						390.51
Grand Totals:						1,427.01

Chimney Rock Metropolitan District  
October-19

	General	Debt	Capital	Totals
Disbursements	\$ 1,427.01	\$ -		\$ 1,427.01
Payroll	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$1,427.01</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,427.01</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1264</b>						
12/26/2019	Colorado Community Media	00212215 10/19	Miscellaneous/S	1-685	19.16	19.16
Total 1264:						19.16
<b>1265</b>						
12/26/2019	Colorado Special Districts P	POL-0000555	Prepaid Expens	1-142	400.00	400.00
12/26/2019	Colorado Special Districts P	POL-0002184	Prepaid Expens	1-142	2,070.00	2,070.00
Total 1265:						2,470.00
<b>1266</b>						
12/26/2019	Special Dist Management Sr	60290	Accounting	1-612	406.00	406.00
12/26/2019	Special Dist Management Sr	60290	Miscellaneous/S	1-685	28.60	28.60
12/26/2019	Special Dist Management Sr	60290	Administration	1-614	1,531.50	1,531.50
12/26/2019	Special Dist Management Sr	61666	Accounting	1-612	140.00	140.00
12/26/2019	Special Dist Management Sr	61666	Administration	1-614	346.50	346.50
12/26/2019	Special Dist Management Sr	61666	Miscellaneous/S	1-685	192.98	192.98
Total 1266:						2,645.58
<b>1267</b>						
12/26/2019	T Charles Wilson Insurance	7620	Prepaid Expens	1-142	495.00	495.00
Total 1267:						495.00
Grand Totals:						5,629.74

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Check Issue Date	Check Number	Payee	Amount
01/08/2020	90082	Haase, Charles	92.35
01/08/2020	90083	Norman, Telfer W.	92.35
01/08/2020	90084	Rinehart, John	92.35
01/08/2020	90085	Rumph, Kenneth	92.35
01/08/2020	90086	Stein, Robert	92.35
Grand Totals:			
	<u>5</u>		<u>461.75</u>

**Chimney Rock Metropolitan District  
December-19**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 5,629.74	\$ -	\$ -	\$ 5,629.74
<b>Payroll</b>	\$ 461.75	\$ -	\$ -	\$ 461.75
<b>Total Disbursements from Checking Acct</b>	<b>\$6,091.49</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,091.49</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1268</b>						
01/16/2020	Darcy Beard CPA	2019-03-12	Accounting	1-612	3,375.00	3,375.00
Total 1268:						<u>3,375.00</u>
<b>1269</b>						
01/16/2020	Special Dist Management Sr	63257	Accounting	1-612	266.00	266.00
01/16/2020	Special Dist Management Sr	63257	Administration	1-614	416.00	416.00
01/16/2020	Special Dist Management Sr	63257	Audit	1-615	14.00	14.00
01/16/2020	Special Dist Management Sr	63257	Election Expens	1-635	28.00	28.00
01/16/2020	Special Dist Management Sr	63257	Miscellaneous/S	1-685	10.19	10.19
Total 1269:						<u>734.19</u>
Grand Totals:						<u><u>4,109.19</u></u>

**Chimney Rock Metropolitan District  
January-20**

	General	Debt	Capital	Totals
<b>Disbursements</b>	\$ 4,109.19	\$ -		\$ 4,109.19
<b>Payroll</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$4,109.19</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,109.19</b>



Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1270</b>						
02/14/2020	Colorado Community Media	00218787	Election Expens	1-635	26.20	26.20
Total 1270:						26.20
<b>1271</b>						
02/14/2020	Mail Services, LLC	1717426	Miscellaneous/S	1-685	97.84	97.84
Total 1271:						97.84
<b>1272</b>						
02/14/2020	McGeady Becher P.C.	371C 12/19	Legal	1-675	40.00	40.00
Total 1272:						40.00
<b>1273</b>						
02/14/2020	Special Dist Management Sr	64282	Accounting	1-612	700.00	700.00
02/14/2020	Special Dist Management Sr	64282	Election Expens	1-635	126.00	126.00
02/14/2020	Special Dist Management Sr	64282	Miscellaneous/S	1-685	73.40	73.40
02/14/2020	Special Dist Management Sr	64282	Administration	1-614	693.00	693.00
Total 1273:						1,592.40
<b>1274</b>						
02/14/2020	Special District Association	2020 SDA	Miscellaneous/S	1-685	613.89	613.89
Total 1274:						613.89
<b>1275</b>						
02/14/2020	UMB Bank, NA	704149	Paying Agent Fe	2-668	400.00	400.00
Total 1275:						400.00
Grand Totals:						2,770.33

Chimney Rock Metropolitan District  
February-20

	General	Debt	Capital	Totals
Disbursements	\$ 2,370.33	\$ 400.00		\$ 2,770.33
Payroll	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$2,370.33</b>	<b>\$400.00</b>	<b>\$0.00</b>	<b>\$2,770.33</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1276</b>						
03/12/2020	McGeady Becher P.C.	371C 1/20	Legal	1-675	365.00	365.00
Total 1276:						365.00
<b>1277</b>						
03/12/2020	Special Dist Management Sr	66286	Accounting	1-612	350.00	350.00
03/12/2020	Special Dist Management Sr	66286	Election Expens	1-635	224.00	224.00
03/12/2020	Special Dist Management Sr	66286	Administration	1-614	258.50	258.50
03/12/2020	Special Dist Management Sr	66286	Miscellaneous/S	1-685	67.62	67.62
Total 1277:						900.12
Grand Totals:						1,265.12

**Chimney Rock Metropolitan District  
March-20**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 1,265.12			\$ 1,265.12
<b>Payroll</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$1,265.12</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,265.12</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1278</b>						
04/10/2020	McGeady Becher P.C.	371C 10/19	Legal	1-675	3,319.00	3,319.00
04/10/2020	McGeady Becher P.C.	371C 2/20	Legal	1-675	125.00	125.00
Total 1278:						<u>3,444.00</u>
<b>1279</b>						
04/10/2020	Special Dist Management Sr	68614	Accounting	1-612	462.00	462.00
04/10/2020	Special Dist Management Sr	68614	Audit	1-615	112.00	112.00
04/10/2020	Special Dist Management Sr	68614	Election Expens	1-635	56.00	56.00
04/10/2020	Special Dist Management Sr	68614	Administration	1-614	760.00	760.00
04/10/2020	Special Dist Management Sr	68614	Miscellaneous/S	1-685	37.44	37.44
Total 1279:						<u>1,427.44</u>
Grand Totals:						<u><u>4,871.44</u></u>

**Chimney Rock Metropolitan District  
April-20**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 4,871.44			\$ 4,871.44
<b>Payroll</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$4,871.44</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,871.44</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1280</b>						
05/13/2020	Colorado Community Media	00223457	Election Expens	1-635	20.48	20.48
Total 1280:						20.48
<b>1281</b>						
05/13/2020	McGeady Becher P.C.	371C 3/20	Legal	1-675	475.00	475.00
Total 1281:						475.00
<b>1282</b>						
05/13/2020	Special Dist Management Sr	69950	Miscellaneous/S	1-685	15.90	15.90
05/13/2020	Special Dist Management Sr	69950	Election Expens	1-635	126.00	126.00
05/13/2020	Special Dist Management Sr	69950	Accounting	1-612	336.00	336.00
05/13/2020	Special Dist Management Sr	69950	Administration	1-614	365.00	365.00
05/13/2020	Special Dist Management Sr	69950	Audit	1-615	28.00	28.00
Total 1282:						870.90
Grand Totals:						1,366.38

**Chimney Rock Metropolitan District  
May-20**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 1,366.38			\$ 1,366.38
<b>Payroll</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$1,366.38</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,366.38</b>



**DARCY BEARD  
CERTIFIED PUBLIC ACCOUNTANT  
20363 E. TOP-T RANCH PLACE  
PARKER, COLORADO 80134  
Mobile 303-594-5488**

**Accountant's Compilation Report**

**Board of Directors  
Chimney Rock Metropolitan District**

I have compiled the accompanying Combined Balance Sheet for all fund types and account groups of Chimney Rock Metropolitan District and the related Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund and the Debt Service Fund for the four months ending April 30, 2020. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with the Statements for Accounting and Review Services issued by the American Institute for Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenue and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Chimney Rock Metropolitan District.

**Darcy Beard  
Certified Public Accountant  
June 5, 2020**

**CHIMNEY ROCK METROPOLIAN DISTRICT**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**APRIL 30, 2020**

<u>Assets</u>	<u>General</u>	<u>Debt</u>	<u>Total</u>
	<u>Fund</u>	<u>Service</u>	<u>Memo Only</u>
<b><u>Current Assets</u></b>			
Cash in Checking - FirstBank	\$ -	\$ 114,207.06	\$ 114,207.06
FB Liquid Asset - CR/Lift	-	4,735.56	4,735.56
Cash in Bank - Colotrust GF/DS	498,027.98	324,589.75	822,617.73
Cash in Bank - Colotrust CR/Lift	-	2,691.05	2,691.05
Property Taxes Receivable	50,386.54	99,705.32	150,091.86
Cash with County Treasurer	-	-	-
Prepaid Expenses	-	-	-
Due from Other Funds	-	69,882.91	69,882.91
<b>Total Current Assets</b>	<b><u>\$ 548,414.52</u></b>	<b><u>\$ 615,811.65</u></b>	<b><u>\$ 1,164,226.17</u></b>
<b>Total Assets</b>	<b><u>\$ 548,414.52</u></b>	<b><u>\$ 615,811.65</u></b>	<b><u>\$ 1,164,226.17</u></b>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 87.90	\$ -	\$ 87.90
Due to Other Funds	69,882.99	-	69,882.99
<b>Total Liabilities</b>	<b><u>\$ 69,970.89</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 69,970.89</u></b>
<b><u>Deferred Inflows of Resources</u></b>			
Deferred Property Taxes	\$ 50,386.54	\$ 99,705.32	\$ 150,091.86
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 50,386.54</u></b>	<b><u>\$ 99,705.32</u></b>	<b><u>\$ 150,091.86</u></b>
Fund Balance	\$ 334,487.74	\$ 262,514.56	\$ 597,002.30
Current Year Earnings	93,569.35	253,591.77	347,161.12
<b>Total Fund Balances</b>	<b><u>\$ 428,057.09</u></b>	<b><u>\$ 516,106.33</u></b>	<b><u>\$ 944,163.42</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b><u>\$ 548,414.52</u></b>	<b><u>\$ 615,811.65</u></b>	<b><u>\$ 1,164,226.17</u></b>

See Accompanying Accountants Report.

**CHIMNEY ROCK METROPOLIAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL**  
**COMBINED FUNDS**  
**FOR THE FOUR MONTHS ENDING APRIL 30, 2020**

<u>Account Description</u>	<u>GENERAL</u> 2020 <u>ACTUAL</u>	<u>DEBT SERVICE</u> 2020 <u>ACTUAL</u>	<u>COMBINED</u> TOTAL <u>ACTUAL</u>	<u>COMBINED</u> 2020 <u>BUDGET</u>	<u>(Under)/Over</u> <u>BUDGET</u>
<b><u>Revenues</u></b>					
Property Tax Revenue	\$ 97,723.17	\$ 193,359.68	\$ 291,082.85	\$ 441,166.00	\$ (150,083.15)
Specific Ownership Tax	3,286.83	6,504.07	9,790.90	30,515.00	(20,724.10)
Interest Income	2,221.09	819.12	3,040.21	4,300.00	(1,259.79)
Cost Recovery/Lift Station	-	55,849.55	55,849.55	54,808.00	1,041.55
<b>Total Revenues</b>	<b>\$ 103,231.09</b>	<b>\$ 256,532.42</b>	<b>\$ 359,763.51</b>	<b>\$ 530,789.00</b>	<b>\$ (171,025.49)</b>
<b><u>Expenditures</u></b>					
Accounting	\$ -	\$ -	\$ -	\$ 11,000.00	\$ (11,000.00)
Administration	3,433.34	-	3,433.34	9,000.00	(5,566.66)
Audit	-	-	-	4,000.00	(4,000.00)
Directors Fees	-	-	-	2,000.00	(2,000.00)
Election Expense	406.00	-	406.00	1,500.00	(1,094.00)
Insurance	2,965.00	-	2,965.00	3,400.00	(435.00)
Legal Fees	490.00	-	490.00	6,000.00	(5,510.00)
Miscellaneous Expense	901.55	40.00	941.55	3,300.00	(2,358.45)
Payroll Taxes	-	-	-	153.00	(153.00)
Treasurer's Fees	1,465.85	2,900.65	4,366.50	6,622.00	(2,255.50)
Contingency	-	-	-	394,676.00	(394,676.00)
2016 A Principal	-	-	-	220,000.00	(220,000.00)
2016 A Interest	-	-	-	105,150.00	(105,150.00)
Paying Agent Fees	-	-	-	1,200.00	(1,200.00)
<b>Total Expenditures</b>	<b>9,661.74</b>	<b>\$ 2,940.65</b>	<b>\$ 12,602.39</b>	<b>\$ 768,001.00</b>	<b>\$ (755,398.61)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ 93,569.35</b>	<b>\$ 253,591.77</b>	<b>\$ 347,161.12</b>	<b>\$ (237,212.00)</b>	<b>\$ 584,373.12</b>
<b><u>Transfers and Other Sources (Uses)</u></b>					
Emergency Reserves	\$ -	\$ -	\$ -		
<b>Total Transfers and Other Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Change in Fund Balance</b>	<b>\$ 93,569.35</b>	<b>\$ 253,591.77</b>	<b>\$ 347,161.12</b>		
<b>Beginning Fund Balance</b>	<b>334,487.74</b>	<b>262,514.56</b>	<b>597,002.30</b>		
<b>Ending Fund Balance</b>	<b>\$ 428,057.09</b>	<b>\$ 516,106.33</b>	<b>\$ 944,163.42</b>		

See Accompanying Accountant's Report.

**CHIMNEY ROCK METROPOLIAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL**  
**GENERAL FUND**  
**FOR THE FOUR MONTHS ENDING APRIL 30, 2020**

<u>Account Description</u>	<u>2020 Actual</u>	<u>2020 Budget</u>	<u>(Under)/Over Budget</u>	<u>% of Budget</u>
<b><u>Revenues</u></b>				
Property Tax Revenue	\$ 97,723.17	\$ 148,101	\$ (50,377.83)	66.0%
Specific Ownership Tax	3,286.83	10,000	(6,713.17)	32.9%
Interest Income	<u>2,221.09</u>	<u>1,300</u>	<u>921.09</u>	<u>170.9%</u>
<b>Total Revenues</b>	<b><u>\$ 103,231.09</u></b>	<b><u>\$ 159,401</u></b>	<b><u>\$ (56,169.91)</u></b>	<b><u>64.8%</u></b>
<b><u>Expenditures</u></b>				
Accounting	\$ -	\$ 11,000	\$ (11,000.00)	0.0%
Administration	3,433.34	9,000	(5,566.66)	38.1%
Audit	-	4,000	(4,000.00)	0.0%
Directors Fees	-	2,000	(2,000.00)	0.0%
Election Expense	406.00	1,500	(1,094.00)	0.0%
Insurance	2,965.00	3,400	(435.00)	87.2%
Legal Fees	490.00	6,000	(5,510.00)	8.2%
Miscellaneous Expense	901.55	3,300	(2,398.45)	27.3%
Payroll Taxes	-	153	(153.00)	0.0%
Treasurer's Fees	1,465.85	2,222	(756.15)	66.0%
Contingency	<u>-</u>	<u>394,676</u>	<u>(394,676.00)</u>	<u>0.0%</u>
<b>Total Expenditures</b>	<b><u>\$ 9,661.74</u></b>	<b><u>\$ 437,251</u></b>	<b><u>\$ (427,589.26)</u></b>	<b><u>2.2%</u></b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ 93,569.35</b>	<b>\$ (277,850)</b>		
<b><u>Transfers and Other Sources (Uses)</u></b>				
Emergency Reserves	<u>\$ -</u>	<u>\$ 4,782</u>		
<b>Total Transfers and Other Sources (Uses)</b>	<b><u>\$ -</u></b>	<b><u>\$ 4,782</u></b>		
<b>Change in Fund Balance</b>	<b>\$ 93,569.35</b>	<b>\$ (282,632)</b>		
<b>Beginning Fund Balance</b>	<b><u>\$ 334,487.74</u></b>	<b><u>\$ 332,632</u></b>		
<b>Ending Fund Balance</b>	<b><u>\$ 428,057.09</u></b>	<b><u>\$ 50,000</u></b>		

See Accompanying Accountant's Report.

**CHIMNEY ROCK METROPOLIAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL**  
**DEBT SERVICE FUND**  
**FOR THE FOUR MONTHS ENDING APRIL 30, 2020**

<u>Account Description</u>	<u>2020</u> <u>Actual</u>	<u>2020</u> <u>Budget</u>	<u>(Under)/Over</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>
<b>Revenues</b>				
Property Tax Revenue	\$ 193,359.68	\$ 293,065	\$ (99,705.32)	66.0%
Specific Ownership Tax	6,504.07	20,515	(14,010.93)	32%
Interest Income	819.12	3,000	(2,180.88)	27%
Cost Recovery/Lift Station	<u>55,849.55</u>	<u>54,808</u>	<u>1,041.55</u>	<u>102%</u>
<b>Total Revenues</b>	<u>\$ 256,532.42</u>	<u>\$ 371,388</u>	<u>\$ 114,855.58</u>	<u>69%</u>
<b>Expenditures</b>				
2016 A Principal	\$ -	\$ 220,000	\$ (220,000.00)	0.0%
2016 A Interest	-	105,150	(105,150.00)	0.0%
Paying Agent Fees	-	1,200	(1,200.00)	0.0%
Miscellaneous Expense	40.00	300	(260.00)	0.0%
Treasurer's Fees	<u>2,900.65</u>	<u>4,400</u>	<u>(1,499.35)</u>	<u>65.9%</u>
<b>Total Expenditures</b>	<u>\$ 2,940.65</u>	<u>\$ 331,050</u>	<u>\$ 328,109.35</u>	<u>1%</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>\$ 253,591.77</u>	<u>\$ 40,338</u>		
<b>Beginning Fund Balance</b>	<u>\$ 262,514.56</u>	<u>\$ 263,121</u>		
<b>Ending Fund Balance</b>	<u>\$ 516,106.33</u>	<u>\$ 303,459</u>		

See Accompanying Accountant's Report.

**CHIMNEY ROCK METROPOLIAN DISTRICT  
SCHEDULE OF CASH POSITION  
APRIL 30, 2020**

	<u>Rate</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b><u>Checking:</u></b>				
First Bank Checking		\$ -	\$ 114,207.06	\$ 114,207.06
<b><u>Investments:</u></b>				
FB Liquid Asset- CR/Lift	0.01%	\$ -	\$ 4,735.56	\$ 4,735.56
ColoTrust - GF/DS	0.93%	498,027.98	324,589.75	822,617.73
ColoTrust - CR/Lift	0.93%	<u>-</u>	<u>2,691.05</u>	<u>2,691.05</u>
<b>Total Funds</b>		<b><u>\$ 498,027.98</u></b>	<b><u>\$ 446,223.42</u></b>	<b><u>\$ 944,251.40</u></b>
ColoTrust Plus - 5/31/20	0.57%			

See Accompanying Accountant's Report.

## 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, and 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 to you or the District's designee the original, printed Record, together with any original documents we have accepted for safekeeping, 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 for any reason, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days of our concluding that an authorized recipient cannot be readily located.

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.