

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 REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Telfer “Woody” Norman	President	2023/May 2023
Kenneth “Delmar” Rumph	Treasurer	2022/May 2022
Charles “Charlie” H. Haase	Assistant Secretary	2023/May 2023
John “Marc” Rinehart	Assistant Secretary	2025/May 2025
Charles “Chuck” Hansen	Assistant Secretary	2025/May 2025

Non-Board Member Officer
David Solin Secretary

DATE: June 20, 2022 (Monday)

TIME: 10:00 A.M.

PLACE: IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE BELOW:

Teleconference information:
Phone Number: 1-669-900-6833
Meeting ID: 546 911 9353
Passcode: 912873

I. ADMINISTRATIVE MATTERS

A. Call to Order and Declaration of Quorum

B. Present Disclosures of Potential Conflicts of Interest.
a. 2022 Conflict of Interest Disclosure Forms
b. 2022 Statement of Director Qualification

C. Approve Agenda; confirm location of meeting and posting of meeting notices.

D. Discuss results of cancelled May 3, 2022 Regular Election for Directors (enclosure).

E. Consider appointment of Officers:

President _____
 Treasurer _____
 Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____

F. Review and approve Minutes of the October 18, 2021 Regular Meeting and February 15, 2022 Special Meeting (enclosure).

G. Consider authorizing all interested Board Members (and guest) to attend the 2022 SDA Conference in Keystone on September 13, 14 and 15, 2022.

II. FINANCIAL MATTERS

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

Fund	Period Ending Oct. 21, 2021	Period Ending Nov. 9, 2021	Period Ending Dec. 9, 2021	Period Ending Jan. 13, 2022
General	\$ 822.35	\$ 2,684.47	\$ 5,441.13	\$ 6,312.09
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ 400.00
Total Claims	\$ 822.35	\$ 2,684.47	\$ 5,441.13	\$ 6,712.09

Fund	Period Ending Feb. 10, 2022	Period Ending March 10, 2022	Period Ending April 7, 2022	Period Ending May 12, 2022
General	\$ 2,315.20	\$ 5,953.88	\$ 5,726.63	\$ 1,138.47
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 2,315.20	\$ 5,953.88	\$ 5,726.63	\$ 1,138.47

B. Review and accept unaudited financial statements through the period ending March 31, 2022 (enclosure).

C. Review and consider approval of the 2021 Audit (enclosures) and authorize execution of the Representations Letter.

III. LEGAL MATTERS

A. _____

III. OTHER MATTERS

A. _____

IV. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
OCTOBER 17, 2022 – 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 3, 2022 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>
John "Marc" Rinehart	Second Regular Election, May 2025
Charles E. Hansen	Second Regular Election, May 2025
Kenneth "Delmar" Rumph	Second Regular Election, May 2025

/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

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CHIMNEY ROCK METROPOLITAN DISTRICT OCTOBER 18, 2021

A Special Meeting of the Board of Directors of the Chimney Rock Metropolitan District was duly held on Monday, the 18th day of October, 2021, at 10:00 A.M. Due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by conference call without any individuals (neither district representatives nor the general public) attending in person. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Telfer “Woody” Norman
Kenneth “Delmar” Rumph
Charles “Charlie” H. Haase
John “Marc” Rinehart
Charles “Chuck” Hansen

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Jeffrey E. Erb, Esq.; Seter & Vander Wall, P.C.

Darcy Beard, CPA; Accountant for the District

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: Attorney Erb noted that disclosure of potential conflict of interest statements for Director Haase and Director 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.

ADMINISTRATIVE MATTERS Agenda: The meeting was called to order. Mr. Solin distributed for the Board’s review and approval, a proposed Agenda for the District’s Special Meeting.

RECORD OF PROCEEDINGS

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

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 Haase, seconded by Director Rinehart and, upon vote, unanimously carried, the Board determined that 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 would be held by teleconference and neither District Representatives nor the general public would attend in person. The Board further noted that notice of the time, date and 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.

Minutes: The Board reviewed the Minutes of the June 9, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Rumph, seconded by Director Norman and, upon vote, unanimously carried, the Minutes of the June 9, 2021, Special Meeting were approved, as presented.

2022 Annual Administrative Resolution: The Board reviewed the 2022 Annual Administrative Resolution.

Following discussion, upon motion duly made by Director Hansen, seconded by Director Haase and, upon vote, unanimously carried, the Board adopted the 2022 Annual Administrative Resolution, as presented.

FINANCIAL MATTERS

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

Fund	Period Ending June 22, 2021	Period Ending July 15, 2021	Period Ending Aug. 27, 2021	Period Ending Sept. 21, 2021
General	\$ 1,354.30	\$ 5,696.39	\$ 5,300.35	\$ 520.01
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 1,354.30	\$ 5,696.39	\$ 5,300.35	\$ 520.01

Following discussion, upon motion duly made by Director Rumph, seconded by Director Rinehart, and upon vote, unanimously carried, the board ratified approval of the payment of claims, as presented.

RECORD OF PROCEEDINGS

Financial Statements: Ms. Beard reviewed with the Board the unaudited financial statements of the District for the period ending August 31, 2021.

Following review and discussion, upon motion duly made by Director Norman, seconded by Director Haase and, upon vote, unanimously carried, the unaudited financial statements for the period ending August 31, 2021 were accepted, as presented.

It was noted that Directors Rinehart and Haase would open a Colotrust Edge Account and Director Rumph would be the designated signer.

2021 Audit: The Board reviewed the proposal from Simmons & Wheeler, P.C. to perform the 2021 Audit.

Following discussion, upon motion duly made by Director Rumph, seconded by Director Haase, and upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, P.C. to perform the 2021 Audit, for an amount not to exceed \$4,500.

2021 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2021 Budget.

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

The Board determined that an amendment to the 2021 Budget was not necessary.

2022 Budget Hearing: The President opened the Public Hearing to consider the proposed 2022 Budget and to discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Budget and the date, time and location of the Public Hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the Public Hearing. No public comments were received and the Public Hearing was closed.

Ms. Beard reviewed the estimated year-end 2021 revenues and expenditures and the proposed 2022 estimated revenues and expenditures.

Following discussion, the Board considered adoption of Resolution No. 2021-10-02; Resolution to Adopt the 2022 Budget and Appropriate Sums of Money, and Resolution

RECORD OF PROCEEDINGS

No. 2021-10-03; Resolution to Set Mill Levies for the General Fund at 8.970 mills, the Debt Service Fund at 17.750 mills, and other funds for abatement at 0.034 mills, for a total mill levy of 26.754 mills. Upon motion duly made by Director Rinehart, seconded by Director Hansen and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2021. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County and the Division of Local Government not later than December 15, 2021. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2022. 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 Accountant 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 Rinehart, seconded by Director Hansen and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Preparation of the 2023 Budget: The Board discussed the preparation of the 2023 Budget.

Following discussion, upon motion duly made by Director Rinehart seconded by Director Hansen and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2023 Budget, and set the date for a Public Hearing to adopt the 2023 Budget on October 17, 2022 to be held at 10:00 a.m., via teleconference.

LEGAL MATTERS **Status of Tidrick Property Development:** It was noted that the development plans have all been withdrawn at the current time.

Status of Willowbrook Agreements: Attorney Erb provided an overview of all outstanding agreements with Willowbrook. Following discussion, the Board directed Attorney Erb to begin working with Willowbrook on a new agreement.

Resolution to Call the May 3, 2022 Regular Election: The Board discussed the upcoming election and Resolution No. 2021-10-04 to Call the May 3, 2022 Election.

Following discussion, upon motion duly made by Director Haase, seconded by Director Norman and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-

RECORD OF PROCEEDINGS

10-04 to Call the May 3, 2022 Election and appointed David Solin as the Designated Election Official and authorized him to perform all tasks required for the May 3, 2022 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

OTHER MATTERS None.

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

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CHIMNEY ROCK METROPOLITAN DISTRICT FEBRUARY 15, 2022

A Special Meeting of the Board of Directors of the Chimney Rock Metropolitan District was duly held on Tuesday, the 15th day of February, 2022, at 10:00 A.M. This District Board Meeting was held by conference call without any individuals (neither district representatives nor the general public) attending in person. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Telfer “Woody” Norman
Kenneth “Delmar” Rumph
Charles “Charlie” H. Haase
John “Marc” Rinehart
Charles “Chuck” Hansen

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Jeffrey E. Erb, Esq.; Seter & Vander Wall, P.C.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: Attorney Erb noted that disclosure of potential conflict of interest statements for Director Haase and Director 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.

ADMINISTRATIVE MATTERS

Agenda: The meeting was called to order. Mr. Solin distributed for the Board’s review and approval, a proposed Agenda for the District’s Special Meeting.

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

RECORD OF PROCEEDINGS

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 Haase, seconded by Director Rinehart and, upon vote, unanimously carried, the Board determined that this District Board Meeting would be held by teleconference and neither District Representatives nor the general public would attend in person. The Board further noted that notice of the time, date and 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 taxing electors within its boundaries.

LEGAL MATTERS **Status of Willowbrook Cost Sharing Agreement:** Attorney Erb discussed with the Board the extension of the Cost Sharing Agreement with Willowbrook.

Following discussion, upon motion duly made by Director Rumph, seconded by Director Norman and, upon vote, unanimously carried, the Board approved the extension of the existing Willowbrook Water and Sanitation District Cost Sharing Agreement, the fee collection agreement, indemnification obligation, and payment of legal fees incurred by Willowbrook in preparing the agreement.

Sewer Lift Capital Fee: Mr. Solin and Attorney Erb discussed with Board the sewer lift capital fee and allocation of the fee to lots withing Chimney Rock.

OTHER MATTERS None.

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

Respectfully submitted,

By _____
Secretary for the Meeting

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1320						
10/21/2021	Colorado Special Districts P	POL-0007419	Prepaid Expens	1-142	450.00	450.00
Total 1320:						450.00
1321						
10/21/2021	Special Dist Management Sr	09/2021	Miscellaneous/S	1-685	18.85	18.85
10/21/2021	Special Dist Management Sr	09/2021	Accounting	1-612	210.00	210.00
10/21/2021	Special Dist Management Sr	09/2021	Administration	1-614	143.50	143.50
Total 1321:						372.35
Grand Totals:						822.35

Chimney Rock Metropolitan District
October-21

	General	Debt	Capital	Totals
Disbursements	\$ 822.35			\$ 822.35
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$822.35	\$0.00	\$0.00	\$822.35

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1322						
11/09/2021	Colorado Community Media	38294	Miscellaneous/S	1-685	23.92	23.92
Total 1322:						23.92
1323						
11/09/2021	Seter & Vander Wall P.C	82791	Legal	1-675	26.00	26.00
11/09/2021	Seter & Vander Wall P.C	82835	Legal	1-675	1,011.00	1,011.00
Total 1323:						1,037.00
1324						
11/09/2021	Special Dist Management Sr	10/2021	Miscellaneous/S	1-685	1.80	1.80
11/09/2021	Special Dist Management Sr	10/2021	Administration	1-614	964.00	964.00
11/09/2021	Special Dist Management Sr	10/2021	Accounting	1-612	196.00	196.00
Total 1324:						1,161.80
Grand Totals:						2,222.72

Check Issue Date	Check Number	Payee	Amount
11/09/2021	90102	Haase, Charles	92.35
11/09/2021	90103	Hansen, Charles E.	92.35
11/09/2021	90104	Norman, Telfer W.	92.35
11/09/2021	90105	Rinehart, John	92.35
11/09/2021	90106	Rumph, Kenneth	92.35
Grand Totals:			
	<u>5</u>		<u>461.75</u>

**Chimney Rock Metropolitan District
November-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,222.72			\$ 2,222.72
Payroll	\$ 461.75	\$ -	\$ -	\$ 461.75
Total Disbursements from Checking Acct	\$2,684.47	\$0.00	\$0.00	\$2,684.47

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1325						
12/09/2021	Colorado Special Districts P	60825	Prepaid Expens	1-142	2,138.00	2,138.00
Total 1325:						2,138.00
1326						
12/09/2021	Seter & Vander Wall P.C	82959	Legal	1-675	1,592.50	1,592.50
Total 1326:						1,592.50
1327						
12/09/2021	Special Dist Management Sr	11/2021	Miscellaneous/S	1-685	72.63	72.63
12/09/2021	Special Dist Management Sr	11/2021	Accounting	1-612	308.00	308.00
12/09/2021	Special Dist Management Sr	11/2021	Administration	1-614	835.00	835.00
Total 1327:						1,215.63
1328						
12/09/2021	T Charles Wilson Insurance	10334	Prepaid Expens	1-142	495.00	495.00
Total 1328:						495.00
Grand Totals:						5,441.13

Chimney Rock Metropolitan District
December-21

	General	Debt	Capital	Totals
Disbursements	\$ 5,441.13			\$ 5,441.13
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$5,441.13	\$0.00	\$0.00	\$5,441.13

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1329						
01/13/2022	Darcy Beard CPA	2021-03-12	Accounting	1-612	5,110.00	5,110.00
Total 1329:						5,110.00
1330						
01/13/2022	Special Dist Management Sr	12/2021	Miscellaneous/S	1-685	100.59	100.59
01/13/2022	Special Dist Management Sr	12/2021	Accounting	1-612	364.00	364.00
01/13/2022	Special Dist Management Sr	12/2021	Administration	1-614	737.50	737.50
Total 1330:						1,202.09
1331						
01/13/2022	UMB Bank, NA	910251	Paying Agent Fe	2-668	400.00	400.00
Total 1331:						400.00
Grand Totals:						6,712.09

Chimney Rock Metropolitan District
January-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 6,312.09	\$ 400.00		\$ 6,712.09
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$6,312.09	\$400.00	\$0.00	\$6,712.09

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1332						
02/10/2022	Mail Services, LLC	1821434	Miscellaneous/S	1-685	106.50	106.50
Total 1332:						106.50
1333						
02/10/2022	Seter & Vander Wall P.C	83075	Legal	1-675	59.57	59.57
Total 1333:						59.57
1334						
02/10/2022	Special Dist Management Sr	01/2022	Miscellaneous/S	1-685	46.13	46.13
02/10/2022	Special Dist Management Sr	01/2022	Accounting	1-612	621.60	621.60
02/10/2022	Special Dist Management Sr	01/2022	Administration	1-614	1,481.40	1,481.40
Total 1334:						2,149.13
Grand Totals:						2,315.20

**Chimney Rock Metropolitan District
February-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,315.20			\$ 2,315.20
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$2,315.20	\$0.00	\$0.00	\$2,315.20

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1335						
03/10/2022	Colorado Community Media	48925	Election Expens	1-635	29.64	29.64
Total 1335:						29.64
1336						
03/10/2022	Land Title Guarantee Comp	OE-1001413-1	Miscellaneous/S	1-685	5.00	5.00
Total 1336:						5.00
1337						
03/10/2022	Seter & Vander Wall P.C	83192	Legal	1-675	2,714.93	2,714.93
Total 1337:						2,714.93
1338						
03/10/2022	Special Dist Management Sr	02/2022	Miscellaneous/S	1-685	30.81	30.81
03/10/2022	Special Dist Management Sr	02/2022	Administration	1-614	1,665.40	1,665.40
03/10/2022	Special Dist Management Sr	02/2022	Accounting	1-612	296.20	296.20
Total 1338:						1,992.41
1339						
03/10/2022	Special District Association	SDA-2022	Miscellaneous/S	1-685	750.15	750.15
Total 1339:						750.15
Grand Totals:						5,492.13

<u>Check Issue Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
03/10/2022	90107	Haase, Charles	92.35
03/10/2022	90108	Hansen, Charles E.	92.35
03/10/2022	90109	Norman, Telfer W.	92.35
03/10/2022	90110	Rinehart, John	92.35
03/10/2022	90111	Rumph, Kenneth	92.35
Grand Totals:			
	<u>5</u>		<u>461.75</u>

**Chimney Rock Metropolitan District
March-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 5,492.13			\$ 5,492.13
Payroll	\$ 461.75	\$ -	\$ -	\$ 461.75
Total Disbursements from Checking Acct	\$5,953.88	\$0.00	\$0.00	\$5,953.88

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1340						
04/07/2022	Colorado Community Media	51953	Election Expens	1-635	24.80	24.80
Total 1340:						24.80
1341						
04/07/2022	Seter & Vander Wall P.C	83326	Legal	1-675	4,726.76	4,726.76
Total 1341:						4,726.76
1342						
04/07/2022	Special Dist Management Sr	03/2022	Miscellaneous/S	1-685	54.07	54.07
04/07/2022	Special Dist Management Sr	03/2022	Election Expens	1-635	266.40	266.40
04/07/2022	Special Dist Management Sr	03/2022	Accounting	1-612	266.40	266.40
04/07/2022	Special Dist Management Sr	03/2022	Administration	1-614	388.20	388.20
Total 1342:						975.07
Grand Totals:						5,726.63

**Chimney Rock Metropolitan District
April-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 5,726.63			\$ 5,726.63
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$5,726.63	\$0.00	\$0.00	\$5,726.63

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1343						
05/12/2022	Seter & Vander Wall P.C	83538	Legal	1-675	527.00	527.00
05/12/2022	Seter & Vander Wall P.C	83826	Legal	1-675	48.00	48.00
Total 1343:						<u>575.00</u>
1344						
05/12/2022	Special Dist Management Sr	04/2022	Miscellaneous/S	1-685	12.07	12.07
05/12/2022	Special Dist Management Sr	04/2022	Accounting	1-612	192.40	192.40
05/12/2022	Special Dist Management Sr	04/2022	Election Expens	1-635	88.80	88.80
05/12/2022	Special Dist Management Sr	04/2022	Administration	1-614	270.20	270.20
Total 1344:						<u>563.47</u>
Grand Totals:						<u><u>1,138.47</u></u>

Chimney Rock Metropolitan District
May-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,138.47			\$ 1,138.47
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$1,138.47	\$0.00	\$0.00	\$1,138.47

**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 five months ending May 31, 2022. 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 14, 2022**

**CHIMNEY ROCK METROPOLIAN DISTRICT
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
April 30, 2022**

	General Fund	Debt Service	Total Memo Only
<u>Assets</u>			
<u>Current Assets</u>			
Cash in Checking - FirstBank	\$ -	\$ 136,475.90	\$ 136,475.90
FB Liquid Asset - CR/Lift	-	4,316.35	4,316.35
Cash in Bank - Colotruster GF/DS	139,391.45	300,834.46	440,225.91
ColoTrust Edge GF/DS	700,000.00		700,000.00
ColoTrust Edge Market Value Adjustment	(3,502.22)		(3,502.22)
Cash in Bank - Colotruster CR/Lift	-	2,700.03	2,700.03
Property Taxes Receivable	43,315.01	84,476.62	127,791.63
Cash with County Treasurer	-	-	-
Prepaid Expenses	-	-	-
Due from Other Funds	-	159,541.56	159,541.56
Total Current Assets	<u>\$ 879,204.24</u>	<u>\$ 688,344.92</u>	<u>\$ 1,567,549.16</u>
Total Assets	<u>\$ 879,204.24</u>	<u>\$ 688,344.92</u>	<u>\$ 1,567,549.16</u>
<u>Liabilities</u>			
Accounts Payable	\$ 76.50	\$ -	\$ 76.50
PrepaidCost Recovery/Lift Station Fees		-	-
Due to Other Funds	159,541.56	-	159,541.56
Total Liabilities	<u>\$ 159,618.06</u>	<u>\$ -</u>	<u>\$ 159,618.06</u>
<u>Deferred Inflows of Resources</u>			
Deferred Property Taxes	\$ 43,315.01	\$ 84,476.62	\$ 127,791.63
Total Deferred Inflows of Resources	<u>\$ 43,315.01</u>	<u>\$ 84,476.62</u>	<u>\$ 127,791.63</u>
Fund Balance	\$ 570,755.00	\$ 345,448.00	\$ 916,203.00
Current Year Earnings	105,516.17	258,420.30	363,936.47
Total Fund Balances	<u>\$ 676,271.17</u>	<u>\$ 603,868.30</u>	<u>\$ 1,280,139.47</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 879,204.24</u>	<u>\$ 688,344.92</u>	<u>\$ 1,567,549.16</u>

See Accompanying Accountants 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, 2022

<u>Account Description</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>(Under)/Over Budget</u>	<u>% of Budget</u>
<u>Revenues</u>				
Property Tax Revenue	\$ 121,861.99	\$ 165,177	\$ (43,315.01)	73.8%
Specific Ownership Tax	4,736.40	9,500	(4,763.60)	49.9%
Interest Income	1,371.12	200	1,171.12	685.6%
Market Value Adjustment	(2,801.23)	-	(2,801.23)	0.0%
Total Revenues	<u>\$ 125,168.28</u>	<u>\$ 174,877</u>	<u>\$ (49,708.72)</u>	<u>71.6%</u>
<u>Expenditures</u>				
Accounting	\$ -	\$ 11,500	\$ (11,500.00)	0.0%
Administration	5,448.20	12,000	(6,551.80)	45.4%
Audit	-	4,500	(4,500.00)	0.0%
Directors Fees	500.00	2,000	(1,500.00)	25.0%
Election Expense	88.80	5,000	(4,911.20)	0.0%
Insurance	2,588.00	3,250	(662.00)	79.6%
Legal Fees	8,076.26	10,000	(1,923.74)	80.8%
Miscellaneous Expense	1,081.97	3,000	(1,918.03)	36.1%
Payroll Taxes	40.65	153	(112.35)	26.6%
Treasurer's Fees	1,828.23	2,468	(639.77)	74.1%
Contingency	-	625,157	(625,157.00)	0.0%
Total Expenditures	<u>\$ 19,652.11</u>	<u>\$ 679,028</u>	<u>\$ (659,375.89)</u>	<u>2.9%</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 105,516.17</u>	<u>\$ (504,151)</u>		
<u>Transfers and Other Sources (Uses)</u>				
Emergency Reserves	\$ -	\$ 5,246		
Total Transfers and Other Sources (Uses)	<u>\$ -</u>	<u>\$ 5,246</u>		
Change in Fund Balance	<u>\$ 105,516.17</u>	<u>\$ (509,397)</u>		
Beginning Fund Balance	<u>\$ 570,755.00</u>	<u>\$ 559,397</u>		
Ending Fund Balance	<u><u>\$ 676,271.17</u></u>	<u><u>\$ 50,000</u></u>		

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, 2022

<u>Account Description</u>	<u>2022</u> <u>Actual</u>	<u>2022</u> <u>Budget</u>	<u>(Under)/Over</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>
Revenues				
Property Tax Revenue	\$ 241,143.38	\$ 325,620	\$ (84,476.62)	74.1%
Specific Ownership Tax	9,372.49	12,000	(2,627.51)	78%
Interest Income	375.92	200	175.92	188%
Cost Recovery/Lift Station	<u>57,561.25</u>	<u>56,984</u>	<u>577.25</u>	<u>101%</u>
Total Revenues	<u>\$ 308,453.04</u>	<u>\$ 394,804</u>	<u>\$ 86,350.96</u>	<u>78%</u>
Expenditures				
2016 A Principal	\$ -	\$ 240,000	\$ (240,000.00)	0.0%
2016 A Interest	45,900.00	91,800	(45,900.00)	50.0%
Paying Agent Fees	495.00	1,200	(705.00)	41.3%
Miscellaneous Expense	20.00	450	(430.00)	0.0%
Treasurer's Fees	<u>3,617.74</u>	<u>4,884</u>	<u>(1,266.26)</u>	<u>74.1%</u>
Total Expenditures	<u>\$ 50,032.74</u>	<u>\$ 338,334</u>	<u>\$ 288,301.26</u>	<u>15%</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 258,420.30	\$ 56,470		
Beginning Fund Balance	<u>\$ 345,448.00</u>	<u>\$ 335,542</u>		
Ending Fund Balance	<u>\$ 603,868.30</u>	<u>\$ 392,012</u>		

See Accompanying Accountant's 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, 2022

<u>Account Description</u>	<u>GENERAL</u> <u>2022</u> <u>ACTUAL</u>	<u>DEBT SERVICE</u> <u>2022</u> <u>ACTUAL</u>	<u>COMBINED</u> <u>TOTAL</u> <u>ACTUAL</u>	<u>COMBINED</u> <u>2022</u> <u>BUDGET</u>	<u>(Under)/Over</u> <u>BUDGET</u>
<u>Revenues</u>					
Property Tax Revenue	\$ 121,861.99	\$ 241,143.38	\$ 363,005.37	\$ 490,797.00	\$ (127,791.63)
Specific Ownership Tax	4,736.40	9,372.49	14,108.89	21,500.00	(7,391.11)
Interest Income	1,371.12	375.92	1,747.04	400.00	1,347.04
Market Value Adjustment	(2,801.23)				
Cost Recovery/Lift Station	-	57,561.25	57,561.25	56,984.00	577.25
Total Revenues	\$ 125,168.28	\$ 308,453.04	\$ 436,422.55	\$ 569,681.00	\$ (133,258.45)
<u>Expenditures</u>					
Accounting	\$ -	\$ -	\$ -	\$ 11,500.00	\$ (11,500.00)
Administration	5,448.20	-	5,448.20	12,000.00	(6,551.80)
Audit	-	-	-	4,500.00	(4,500.00)
Directors Fees	500.00	-	500.00	2,000.00	(1,500.00)
Election Expense	88.80	-	88.80	5,000.00	(4,911.20)
Insurance	2,588.00	-	2,588.00	3,250.00	(662.00)
Legal Fees	8,076.26	-	8,076.26	10,000.00	(1,923.74)
Miscellaneous Expense	1,081.97	20.00	1,101.97	3,000.00	(1,898.03)
Payroll Taxes	40.65	-	40.65	153.00	(112.35)
Treasurer's Fees	1,828.23	3,617.74	5,445.97	7,352.00	(1,906.03)
Contingency	-	-	-	625,157.00	(625,157.00)
2016 A Principal	-	-	-	240,000.00	(240,000.00)
2016 A Interest	-	45,900.00	45,900.00	91,800.00	(45,900.00)
Paying Agent Fees	-	495.00	495.00	1,200.00	(705.00)
Total Expenditures	19,652.11	\$ 50,032.74	\$ 69,684.85	\$ 1,016,912.00	\$ (947,227.15)
Excess (Deficiency) of Revenues over Expenditures	\$ 105,516.17	\$ 258,420.30	\$ 363,936.47	\$ (447,231.00)	\$ 813,968.70
<u>Transfers and Other Sources (Uses)</u>					
Emergency Reserves	\$ -	\$ -	\$ -		
Total Transfers and Other Sources (Uses)	\$ -	\$ -	\$ -		
Change in Fund Balance	\$ 105,516.17	\$ 258,420.30	\$ 363,936.47		
Beginning Fund Balance	570,755.00	345,448.00	916,203.00		
Ending Fund Balance	\$ 676,271.17	\$ 603,868.30	\$ 1,280,139.47		

See Accompanying Accountant's Report.

**CHIMNEY ROCK METROPOLIAN DISTRICT
SCHEDULE OF CASH POSITION
APRIL 30, 2022**

	<u>Rate</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Checking:</u>				
First Bank Checking		\$ -	\$ 136,475.90	\$ 136,475.90
<u>Investments:</u>				
FB Liquid Asset- CR/Lift	0.01%	\$ -	\$ 4,316.35	\$ 4,316.35
ColoTrust - GF/DS	0.9091%	139,391.45	300,834.46	440,225.91
ColoTrust Edge GF/DS - Net	0.8451%	696,497.78	-	696,497.78
ColoTrust - CR/Lift	0.9091%	<u>-</u>	<u>2,700.03</u>	<u>2,700.03</u>
Total Funds		<u>\$ 835,889.23</u>	<u>\$ 444,326.74</u>	<u>\$ 1,280,215.97</u>

See Accompanying Accountant's Report.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2021

with

Independent Auditors' Report

DRAFT 3/7/2022

C O N T E N T S

	<u>Page</u>
<u>Independent Auditors' Report</u>	I
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<u>Supplemental Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	18
Schedule of Debt Service Requirements to Maturity	19
<u>Continuing Disclosure Annual Financial Information - Unaudited</u>	
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances – All Funds – 2017 through 2021	20
History of District's Assessed Valuation	21
2021 Assessed Valuation and Statutory "Actual" Value of Classes of Property in the District	22
History of District's Mill Levies and Ad Valorem Property Tax Receipts	23
History of District's Capital Recovery Fees and Specific Ownership Tax Revenue	24
Selected District Debt Ratios	25

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 566,685	\$ -	\$ 566,685	\$ -	\$ 566,685
Cash and investments - restricted	5,246	345,715	350,961	-	350,961
Receivable - county treasurer	2,211	4,375	6,586	-	6,586
Property taxes receivable	165,177	325,620	490,797	-	490,797
Prepaid expenses	<u>3,083</u>	<u>-</u>	<u>3,083</u>	<u>-</u>	<u>3,083</u>
Total Assets	<u>742,402</u>	<u>675,710</u>	<u>1,418,112</u>	<u>-</u>	<u>1,418,112</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,119</u>	<u>86,119</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,119</u>	<u>86,119</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 742,402</u>	<u>\$ 675,710</u>	<u>\$ 1,418,112</u>	<u>86,119</u>	<u>1,504,231</u>
LIABILITIES					
Accounts payable	\$ 6,312	\$ 400	\$ 6,712	-	6,712
Payroll taxes payable	158	-	158	-	158
Prepaid cost recovery/lift station fees	-	4,242	4,242	-	4,242
Bond interest payable	-	-	-	7,650	7,650
Bonds payable, net of discount:					
Due within one year	-	-	-	240,000	240,000
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,199,271</u>	<u>2,199,271</u>
Total Liabilities	<u>6,470</u>	<u>4,642</u>	<u>11,112</u>	<u>2,446,921</u>	<u>2,458,033</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	<u>165,177</u>	<u>325,620</u>	<u>490,797</u>	<u>-</u>	<u>490,797</u>
Total Deferred Inflows of Resources	<u>165,177</u>	<u>325,620</u>	<u>490,797</u>	<u>-</u>	<u>490,797</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	3,083	-	3,083	(3,083)	-
Restricted:					
Emergencies	5,246	-	5,246	(5,246)	-
Debt service	-	345,448	345,448	(345,448)	-
Unassigned	<u>562,426</u>	<u>-</u>	<u>562,426</u>	<u>(562,426)</u>	<u>-</u>
Total Fund Balances	<u>570,755</u>	<u>345,448</u>	<u>916,203</u>	<u>(916,203)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 742,402</u>	<u>\$ 675,710</u>	<u>\$ 1,418,112</u>		
Net Position:					
Net investment in capital assets				(2,439,271)	(2,439,271)
Restricted for:					
Emergencies				5,246	5,246
Debt service				337,798	337,798
Unrestricted				<u>651,628</u>	<u>651,628</u>
Total Net Position				<u>\$ (1,444,599)</u>	<u>\$ (1,444,599)</u>

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

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES					
Accounting	\$ 9,975	\$ -	\$ 9,975	\$ -	\$ 9,975
Administration	11,509	100	11,609	-	11,609
Audit	4,000	-	4,000	-	4,000
Directors' fees	1,000	-	1,000	-	1,000
Insurance	3,082	-	3,082	-	3,082
Legal	7,488	-	7,488	-	7,488
Miscellaneous expenses	1,831	240	2,071	-	2,071
Payroll taxes	81	-	81	-	81
Treasurer's fees	2,216	4,385	6,601	-	6,601
Bond principal - Series 2016A	-	225,000	225,000	(225,000)	-
Bond interest - Series 2016A	-	98,550	98,550	-	98,550
Bond interest - Series 2016B	-	-	-	(563)	(563)
Paying agent fees	-	400	400	-	400
Amortization - bond premium	-	-	-	(32,895)	(32,895)
Amortization - loss on bond refunding	-	-	-	10,879	10,879
Total Expenditures	<u>41,182</u>	<u>328,675</u>	<u>369,857</u>	<u>(247,579)</u>	<u>122,278</u>
PROGRAM REVENUES					
Cost recovery/lift fees	<u>-</u>	<u>56,002</u>	<u>56,002</u>	<u>-</u>	<u>56,002</u>
Total Program Revenues	<u>-</u>	<u>56,002</u>	<u>56,002</u>	<u>-</u>	<u>56,002</u>
Net Program Income (Expense)	(41,182)	(272,673)	(313,855)	247,579	(66,276)
GENERAL REVENUES					
Property taxes	147,641	292,156	439,797	-	439,797
Specific ownership taxes	11,301	22,363	33,664	-	33,664
Interest income	532	312	844	-	844
Total General Revenues	<u>159,474</u>	<u>314,831</u>	<u>474,305</u>	<u>-</u>	<u>474,305</u>
NET CHANGES IN FUND BALANCE	118,292	42,158	160,450	(160,450)	-
CHANGE IN NET POSITION				408,029	408,029
FUND BALANCE/NET POSITION					
BEGINNING OF YEAR	<u>452,463</u>	<u>303,290</u>	<u>755,753</u>	<u>(2,608,381)</u>	<u>(1,852,628)</u>
END OF YEAR	<u>\$ 570,755</u>	<u>\$ 345,448</u>	<u>\$ 916,203</u>	<u>\$ (2,360,802)</u>	<u>\$ (1,444,599)</u>

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

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2021

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 148,337	\$ 147,641	\$ (696)
Specific ownership taxes	8,500	11,301	2,801
Interest income	<u>1,200</u>	<u>532</u>	<u>(668)</u>
Total Revenues	<u>158,037</u>	<u>159,474</u>	<u>1,437</u>
EXPENDITURES			
Accounting	11,500	9,975	1,525
Administration	9,500	11,509	(2,009)
Audit	4,500	4,000	500
Directors' fees	2,000	1,000	1,000
Insurance	3,400	3,082	318
Legal	10,000	7,488	2,512
Miscellaneous expenses	3,000	1,831	1,169
Payroll taxes	153	81	72
Treasurer's fees	2,225	2,216	9
Contingency	507,095	-	507,095
Emergency reserve	<u>4,741</u>	<u>-</u>	<u>4,741</u>
Total Expenditures	<u>558,114</u>	<u>41,182</u>	<u>516,932</u>
NET CHANGES IN FUND BALANCE	(400,077)	118,292	518,369
FUND BALANCE:			
BEGINNING OF YEAR	<u>450,077</u>	<u>452,463</u>	<u>2,386</u>
END OF YEAR	<u>\$ 50,000</u>	<u>\$ 570,755</u>	<u>\$ 520,755</u>

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

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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, 2021, 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.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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 \$186,790 and \$55,302, respectively, at December 31, 2021.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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 \$3,083 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 \$5,246 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance of \$345,448 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.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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, 2021, cash and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 566,685
Cash and investments – Restricted	<u>350,961</u>
Total	<u>\$ 917,646</u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with financial institutions	\$ 109,521
Investments - COLOTRUST	<u>808,125</u>
	<u>\$ 755,980</u>

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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, 2021, 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.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

As of December 31, 2021, the District had the following investments:

COLOTRUST – PRIME and PLUS+

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 venture (the “Trust”) 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 Trust operates 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, 2021, the District had \$108,592 invested in COLOTRUST PRIME and PLUS+.

COLOTRUST – EDGE

COLOTRUST EDGE is a variable net asset value (NAV) local government investment pool that offers weekly liquidity to participants. EDGE is suitable for a local government’s strategic reserves/non-operating funds and has a NAV that is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE measures its investments at fair value so investments in EDGE are not required to be categorized within the fair value hierarchy. COLOTRUST EDGE is rated AA Af/S1 by FitchRatings. As of December 31, 2021, COLOTRUST EDGE possessed a weighted average maturity of 202 days and a weighted average life of 221 days. At December 31, 2021, the District had \$699,533 invested in COLOTRUST EDGE.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Note 3: Long Term Debt

The following is an analysis of changes in long-term debt for the period ending December 31, 2021:

	Balance 12/31/20	Additions	Retirements	Balance 12/31/21	Current Portion
<u>General Obligation Bonds:</u>					
Series 2016A	\$ 2,520,000	\$ -	\$ 225,000	\$ 2,295,000	\$ 240,000
2016A Bond premium (net of amortization)	177,166	-	32,895	144,271	-
Total	<u>\$ 2,697,166</u>	<u>\$ -</u>	<u>\$ 257,895</u>	<u>\$ 2,439,271</u>	<u>\$ 240,000</u>

A description of the District's long-term obligations as of December 31, 2021, 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.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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.

The Series 2016 Bond Indenture provides that the occurrence or existence of any one or more of the following events shall be an Event of Default thereunder: (a) the District fails or refuses to impose the Required Mill Levy pursuant to the Indenture, (b) the District fails or refuses to transfer and apply the revenue derived from the Required Mill Levy as provided in the Bond documents, (c) the District fails or refuses to transfer and apply the Pledged Revenue (other than that derived from imposition of the Required Mill Levy) as provided in the Bond documents, (d) the District defaults in the performance of any other of its covenants in the Bond Resolution and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District by the Owners of 25% in aggregate principal amount of the Bonds then outstanding; or (e) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the debt represented by the Bonds. As the result of the limitation of the Pledged Revenue, a failure to pay the principal or interest on the Bonds when due does not, of itself, constitute an Event of Default under the Indenture.

Upon the occurrence and continuance of an event of default, the Owner of any Bond may proceed to protect and enforce the rights of any Owner under the bond documents by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction. All such proceedings shall be instituted, had, and maintained for the equal benefit of all Owners of the Bonds then outstanding. Acceleration of the Series 2016 Bonds is not an available remedy for an Event of Default.

As of December 31, 2021, the District had no unused lines of credit.

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

Year	Principal	Interest	Total
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
2027-2029	<u>970,000</u>	<u>79,000</u>	<u>1,049,000</u>
Total	<u>\$ 2,295,000</u>	<u>\$ 437,400</u>	<u>\$ 2,732,400</u>

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Debt Authorization

As of December 31, 2021, 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 2022.

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. Subsequent to year end, this agreement was extended by the First Amendment of Cost Recovery Agreement until December 1, 2029.

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.

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.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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.

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.

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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.

Note 8: Subsequent Event

Subsequent to year end the Cost Recovery Agreement with Willowbrook Water and Sanitation District was amended to extend the term of the agreement (see note 4).

DRAFT 3/7/2022

SUPPLEMENTAL INFORMATION

DRAFT 3/7/2022

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, 2021

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 291,580	\$ 292,156	\$ 576
Specific ownership taxes	20,000	22,363	2,363
Interest income	1,200	312	(888)
Cost recovery/lift fees	<u>55,896</u>	<u>56,002</u>	<u>106</u>
Total Revenues	<u>368,676</u>	<u>370,833</u>	<u>2,157</u>
EXPENDITURES			
Bond principal - Series 2016A	225,000	225,000	-
Bond interest - Series 2016A	98,550	98,550	-
Paying agent fees	1,200	400	800
Miscellaneous expenses	300	240	60
Treasurer's fees	<u>4,374</u>	<u>4,385</u>	<u>(11)</u>
Total Expenditures	<u>329,424</u>	<u>328,575</u>	<u>849</u>
NET CHANGES IN FUND BALANCE	39,252	42,258	3,006
FUND BALANCE:			
BEGINNING OF YEAR	<u>302,399</u>	<u>303,290</u>	<u>891</u>
END OF YEAR	<u>\$ 341,651</u>	<u>\$ 345,548</u>	<u>\$ 3,897</u>

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

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY December 31, 2021

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>
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>\$ 2,295,000</u>	<u>\$ 437,400</u>	<u>\$ 2,732,400</u>

DRAFT 3/7/2022

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION

UNAUDITED

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
All Funds
2016-2021
UNAUDITED

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues					
Property taxes	\$382,143	\$ 390,309	\$ 389,810	\$ 439,251	\$ 439,797
Specific ownership taxes	37,447	36,161	33,224	32,972	33,664
Cost Recovery Fees	49,466	52,788	52,712	55,421	56,002
Interest	3,119	10,668	14,655	5,015	844
Total Revenue	<u>472,175</u>	<u>489,926</u>	<u>490,401</u>	<u>532,659</u>	<u>530,307</u>
Expenditures					
Accounting	\$ 9,558	\$ 8,549	\$ 10,126	\$ 9,585	\$ 9,975
Administration	8,460	12,520	12,151	12,223	11,609
Audit	7,956	6,050	3,842	3,900	4,000
Director fees	400	2,000	900	1,000	1,000
Election expense	-	1,087	56	812	-
Insurance	3,234	2,868	3,163	2,965	3,082
Legal	7,203	8,961	12,289	9,291	7,488
GIS Mapping	-	-	3,165	-	-
Miscellaneous	2,142	2,327	1,929	1,905	2,071
Payroll taxes	107	159	71	84	81
Treasurer's fees	5,585	5,873	5,851	6,592	6,601
Paying agent fees	1,021	400	800	400	400
Debt service/interest expense	313,450	315,300	316,300	325,150	323,550
Total Expenditures	<u>359,116</u>	<u>366,094</u>	<u>370,643</u>	<u>373,907</u>	<u>369,857</u>
Change in Fund Balance	113,059	123,832	119,758	158,752	160,450
Fund Balance, Beginning	<u>240,352</u>	<u>353,411</u>	<u>477,243</u>	<u>597,001</u>	<u>755,753</u>
Fund Balance, Ending	<u>\$ 353,411</u>	<u>\$ 477,243</u>	<u>\$ 597,001</u>	<u>\$ 755,753</u>	<u>\$ 916,203</u>

DRAFT 3/7/2022

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

<u>Levy/Collection Year</u>	<u>Assessed Value</u>	<u>Percent Change</u>
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%
2020/2021	16,427,060	-0.5%
2021/2022	18,344,761	11.7%

DRAFT 3/7/2022

**CHIMNEY ROCK METROPOLITAN DISTRICT
2021 Assessed Valuation and Statutory
"Actual" Value of Classes of Property in the District
UNAUDITED**

<u>Property Class and Assessment Rate</u>	<u>2021 Assessed Valuation</u>		<u>2021 Statutory "Actual" Value</u>	
Residential (7.15%)	\$ 17,387,362	94.78%	243,179,863	98.66%
Vacant (29%)	739,782	4.03%	2,550,991	1.04%
Commercial (29%)	157,932	0.86%	544,914	0.22%
State Assessed (29%)	59,685	0.33%	205,811	0.08%
Total	<u>\$ 18,344,761</u>	<u>100.00%</u>	<u>\$ 246,481,579</u>	<u>100.00%</u>

Source: Jefferson County Assessor's Office

DRAFT 3/7/2022

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%
2019/2020	8.970	17.750	0.000	26.720	441,166	439,252	99.6%
2020/2021	8.970	17.750	0.065	26.785	439,999	439,797	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.

DRAFT 3/7/2022

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
2020	55,421
2021	56,002

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
2020	32,972
2021	33,664

DRAFT 3/7/2022

CHIMNEY ROCK METROPOLITAN DISTRICT
Selected District Debt Ratios
UNAUDITED

Direct Debt (Dist bonds only)	\$	2,295,000
2021 Assessed Valuation	\$	18,344,761
Direct Debt to 2021 Assessed Valuation		12.51%
2021 Statutory Actual Value	\$	246,481,579
Direct Debt to 2021 Statutory Actual Value		0.93%

CHIMNEY ROCK METROPOLITAN DISTRICT

March 7, 2022

Simmons & Wheeler, P.C.
304 Inverness Way South, Suite 490
Englewood, Colorado 80112

This representation letter is provided in connection with your audit of the financial statements of the Chimney Rock Metropolitan District, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information (where applicable) as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

We confirm, to the best of our knowledge and belief, as of the date of the audit report, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including (where applicable) our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units, where applicable, as required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements (or in the schedule of findings and questioned costs, if applicable).
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements, where applicable, is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been recorded and disclosed.

Information Provided

11. We have provided you with:
 - (a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters (and all audit or relevant monitoring reports, if any, received from funding sources).
 - (b) Additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - (d) Minutes of the meetings of the Board of Directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - (a) Management,
 - (b) Employees who have significant roles in internal control, or
 - (c) Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
19. We have made available to you all financial records and related data, and, all audit or relevant monitoring reports, if any, received from funding sources.

Government Specific

20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. Where applicable, we have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that you have reported to us.
22. Where applicable, we have a process to track the status of audit findings and recommendations.
23. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
24. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
25. Where applicable, we have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
26. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
28. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
29. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
30. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
31. Where applicable, as part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
32. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral except as noted in the financial statements.
33. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
34. We have followed all applicable laws and regulation in adopting, approving and amending budgets.
35. Where applicable, the financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
36. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.

37. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
38. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
39. Where applicable, investments, derivative transactions, and land and other real estate held by endowments are properly valued.
40. Provisions for uncollectible receivables have been properly identified and recorded.
41. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
42. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
43. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
44. Special and extraordinary items are appropriately classified and reported, if applicable.
45. Deposits and investment securities and derivative transactions are properly classified as to risk and are properly disclosed.
46. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
47. The entity meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach if applicable.
48. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

49. We are following our established accounting policy regarding resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

50. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

51. Where applicable, with respect to the supplementary information:

(a) We acknowledge our responsibility for presenting the supplementary information, as defined in the table of contents of the financial statements, in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

(b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor’s report thereon.

52. We have evaluated the entity’s ability to continue as a going concern and have included appropriate disclosures, as necessary, in the financial statements.

53. The entity understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the entity is in compliance.

CHIMNEY ROCK METROPOLITAN DISTRICT

Signed: _____

Title: _____

Signed: _____

Title: _____