

# CHIMNEY ROCK METROPOLITAN DISTRICT

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

## NOTICE OF SPECIAL MEETING AND AGENDA

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

Non-Board Member Officer  
David Solin Secretary

DATE: June 9, 2021 (Monday)

TIME: 1:00 P.M.

PLACE: *DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT BOARD MEETING WILL BE HELD BY CONFERENCE CALL WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON.*

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

### I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

---

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

---

C. Review and consider approval of the Minutes of the October 19, 2020 Special Meeting (enclosure).

---

D. Consider authorizing all interested Board Members (and guest) to attend the 2021 SDA Conference in Keystone on September 14, 15 and 16, 2021.

---

E. Annual Administrative Matters

1. Director Qualification Affidavits
2. Disclosure Matters / Update General Conflict Forms
3. 2021 Annual Administrative Resolution
4. Other

F. Consider adoption of 2021 Annual Administrative Resolution (enclosure).

---

G. Consider adoption of Resolution Regarding PII Data Destruction Policy (enclosure).

---

H. Consider adoption of Resolution Providing for the Defense and Indemnification of Directors and Employees of the District (enclosure).

---

II. FINANCIAL MATTERS

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

Fund	Period Ending Nov. 6, 2020	Period Ending Dec. 10, 2020	Period Ending Jan. 14, 2021	Period Ending Feb. 9, 2021
General	\$ 4,648.96	\$ 3,289.31	\$ 696.80	\$ 1,818.27
Debt Service	\$ -0-	\$ 400.00	\$ -0-	\$ -0-
<b>Total Claims</b>	<b>\$ 4,648.96</b>	<b>\$ 3,689.31</b>	<b>\$ 696.80</b>	<b>\$ 1,818.27</b>

Fund	Period Ending March 19, 2021	Period Ending April 14, 2021	Period Ending May 11, 2021
General	\$ 1,786.72	\$ 566.54	\$ 9,439.61
Debt Service	\$ -0-	\$ -0-	\$ -0-
<b>Total Claims</b>	<b>\$ 1,786.72</b>	<b>\$ 566.54</b>	<b>\$ 9,439.61</b>

---

B. Review and accept unaudited financial statements through the period ending March 31, 2021 (to be distributed).

---

C. Review and consider approval of the 2020 Audit (enclosure) and authorize execution of the Representations Letter.

---

III. LEGAL MATTERS

- A. Discuss the status of development of the Tidrick property.
- 

IV. OTHER MATTERS

- A. \_\_\_\_\_

- V. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR  
OCTOBER 18, 2021 – BUDGET HEARING**

# RECORD OF PROCEEDINGS

---

## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CHIMNEY ROCK METROPOLITAN DISTRICT OCTOBER 19, 2020

A Special Meeting of the Board of Directors of the Chimney Rock Metropolitan District was duly held on Monday, the 19<sup>th</sup> day of October, 2020, 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.

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

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

---

### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: Attorney Cortese 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: 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 Hansen, seconded by Director Haase and, upon vote, unanimously carried, the Agenda was approved, as presented.

**Approval of Meeting Location:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Hansen, seconded by Director Haase 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 15, 2020 Special Meeting.

Following discussion, upon motion duly made by Director Rinehart, seconded by Director Norman and, upon vote, unanimously carried, the Minutes of the June 15, 2020 Special Meeting were approved, as presented.

**Resolution No. 2020-10-01; Establishing Regular Meeting Dates, Time and Location and Designating Locations for Posting of 24-Hour Notices:** Mr. Solin reviewed with the Board Resolution No. 2020-10-01; Establishing Regular Meeting Dates, Time and Location and Designating Locations for Posting of 24-Hour Notices.

The Board determined to meet at 10:00 a.m. on June 7, 2021 and October 18, 2021 at the offices of Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado.

Following discussion, upon motion duly made by Director Hansen, seconded by Director Haase and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-10-01; Establishing Regular Meeting Dates, Time and Location and Designating Locations for 24-Hour Notices.

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

## RECORD OF PROCEEDINGS

---

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

### 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 15, 2020	Period Ending July 10, 2020	Period Ending Aug. 12, 2020	Period Ending Sept. 11, 2020
General	\$ 3,781.19	\$ 6,214.15	\$ 10,355.10	\$ 1,095.29
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total Claims</b>	<b>\$ 3,781.19</b>	<b>\$ 6,214.15</b>	<b>\$ 10,355.10</b>	<b>\$ 1,095.29</b>

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

The Board then considered approving the payment of claims for the period ending October 7, 2020 as follows:

General Fund	\$ 1,137.77
Debt Service Fund	\$ -0-
<b>Total Claims:</b>	<b>\$ <u>1,137.77</u></b>

Following review, upon motion duly made by Director Haase, seconded by Director Hansen and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending October 7, 2020, as presented.

**Financial Statements:** Ms. Beard reviewed with the Board, the unaudited financial statements of the District for the period ending September 30, 2020.

Following review and discussion, upon motion duly made by Director Haase, seconded by Director Hansen and, upon vote, unanimously carried, the unaudited financial statements for the period ending September 30, 2020 were accepted, as presented.

**2020 Audit:** The Board reviewed the proposal from Simmons & Wheeler, P.C. to perform the 2020 Audit.

Following discussion, upon motion duly made by Director Rinehart, seconded by Director Rumph and, upon vote, unanimously carried, the Board approved the

## RECORD OF PROCEEDINGS

---

engagement of Simmons & Wheeler, P.C. to perform the 2020 Audit, for an amount not to exceed \$3,900.

**Capital Recovery Fee for Sewer Treatment Lift Station 2021 Rate Increase:** The Board discussed the Capital Recovery Fee for Sewer Treatment Lift Station 2021 Rate Increase.

Following discussion, upon motion duly made by Director Rumph, seconded by Director Hansen and, upon vote, unanimously carried, the Board approved the Capital Recovery Fee for Sewer Treatment Lift Station 2021 Rate Increase.

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

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

The Board determined that an amendment to the 2020 Budget was not necessary.

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

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

Ms. Beard reviewed the estimated year-end 2020 revenues and expenditures and the proposed 2021 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2020-10-02 to Adopt the 2021 Budget and Appropriate Sums of Money and Resolution No. 2020-10-03 to Set Mill Levies (for the General Fund at 8.970 mills; the Debt Service Fund at 17.750 mills; and an Abatement/Refund mill levy of 0.065 mills; for a total of 26.785 mills). Upon motion duly made by Director Rumph, seconded by Director Hansen and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2020. Mr. Solin was authorized to

## RECORD OF PROCEEDINGS

---

transmit the Certification of Mill Levies to the Board of County Commissioners of Jefferson County not later than December 15, 2020. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

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

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

**Preparation of the 2022 Budget:** The Board discussed preparation of the 2022 Budget.

Following discussion, upon motion duly made by Director Rumph seconded by Director Haase and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2022 Budget, and set the date for a Public Hearing to adopt the 2022 Budget on October 18, 2021 to be held at 10:00 a.m., at 141 Union Blvd., Suite 150, Lakewood, Colorado.

---

### LEGAL MATTERS

**Status of Tidrick Property Development:** The Board discussed the status of the Tidrick Property Development. It was noted that Mr. Swalling applied to Jefferson County in July 22, 2020 asking for another 180-day extension in order to meet with the Town of Morrison to address the town's objections to his filings.

**Engagement of District General Counsel:** The Board reviewed the proposals from Seter & Vander Wall. P.C. and Spencer Fane LLP for District General Counsel services.

Following discussion, upon motion duly made by Director Rinehart seconded by Director Rumph and, upon vote, unanimously carried, the Board engaged Seter & Vander Wall. P.C. for District General Counsel and authorized Director Norman to notify and work with Seter & Vander Wall. P.C. through the transition.

**Resignation of McGeady Becher P.C. as District General Counsel:** The Board discussed the resignation of McGeady Becher P.C. as District General Counsel.



## RECORD OF PROCEEDINGS

---

Following discussion, upon motion duly made by Director Norman seconded by Director Haase and, upon vote, unanimously carried, the Board accepted the resignation of McGeady Becher P.C. as District General Counsel, effective upon engagement of new District General Counsel. The Board thanked McGeady Becher P.C. for their services.

\_\_\_\_\_

**OTHER MATTERS** There were no other matters.

\_\_\_\_\_

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

Respectfully submitted,

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

**CERTIFIED COPY OF ANNUAL ADMINISTRATIVE RESOLUTION OF  
CHIMNEY ROCK METROPOLITAN DISTRICT (2021)**

STATE OF COLORADO     )  
                                        ) ss.  
 COUNTY OF JEFFERSON    )

At a special meeting of the Board of Directors of the Chimney Rock Metropolitan District, Jefferson County, Colorado, held at 1:00 p.m., on June 9, 2021, held via conference call, there were present:

Telfer “Woody” Norman  
 John “Marc” Rinehart  
 Kenneth “Delmar” Rumph  
 Charles Haase  
 Charles Hansen

Also present were: David Solin, Special District Management Services, Inc.; Darcy Beard, District Accountant; Jeffrey E. Erb, Seter & Vander Wall, P.C.

When the following proceedings were had and done, to wit:

It was moved by Director \_\_\_\_\_ to adopt the following Resolution and ratify actions taken in connection herewith:

WHEREAS, the Chimney Rock Metropolitan District (the “District”) was organized as a special district pursuant to an Order of the District Court in and for Jefferson County, Colorado; and

WHEREAS, the Board of Directors of the District has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, the directors may receive compensation for their services subject to the limitations imposed by § 32-1-902(3)(a)(I) and (II), C.R.S.; and

WHEREAS, § 32-1-103(15), C.R.S., requires the Board of Directors to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, § 24-6-402(2)(c), C.R.S., specifies the duty of the Board of Directors at its first regular meeting of the calendar year to designate a public posting place within the boundaries of the District for notices of meetings, in addition to any other means of notice; and

WHEREAS, § 32-1-903(1), C.R.S., requires that the Board of Directors shall meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, § 32-1-903(2), C.R.S., requires that notice of the time and place designated for all regular meetings shall be posted in accordance with § 24-6-402, C.R.S., on a website or other on-line presence of the District which complies with the statutory criteria, or on a physical posting location as designated by the Board and within the limits of the Special District at least 24 hours prior to said meeting; and

WHEREAS, § 32-1-1001(2)(a), C.R.S., requires that at least thirty (30) days' notice be provided to customers within or outside the District receiving domestic water or sanitary sewer services directly from the District, prior to the District considering at a public meeting the fixing or increasing of any fees, rates, tolls, penalties, or charges for domestic water or sanitary sewer services; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, the Board is given authority to obtain insurance against liability for injuries for which the District may be liable under the Governmental Immunity Act, pursuant to § 24-10-115, C.R.S.; and

WHEREAS, §§ 32-1-901(2) and 32-1-902(2), C.R.S., requires the District to obtain an individual, schedule or blanket surety bond in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file such bond with the District Court and the Division of Local Government at the time of filing of Board members oaths of office; and

WHEREAS, § 32-1-104.8, C.R.S., requires the District to record a special district public disclosure document and a map of the boundaries of the District with the County Clerk and Recorder of each county in which the District is located by December 31, 2014, and at any time thereafter that an order confirming the inclusion of property into the District is recorded; and

WHEREAS, § 32-1-306, C.R.S. requires the District to file a current, accurate map of its boundaries with the Division of Local Government and the Jefferson County Clerk and Recorder and the County Assessor on or before January 1 of each year; and

WHEREAS, § 32-1-104(2), C.R.S., requires the District, on or before January 15, to file a copy of the notice required by § 32-1-809, C.R.S. with the Board of County Commissioners, Assessor, Treasurer, Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of Local Government, the notice as required by § 32-1-809, C.R.S.; and

WHEREAS, § 32-1-809, C.R.S., requires that on or before January 15 of each year the District will provide a notice to the eligible electors of the District containing the information required by § 32-1-809(1), C.R.S. in the manner set forth in § 32-1-809(2), C.R.S.; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101, *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets, and to file copies of the budgets and amendments thereto; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities must file an annual report with the Department of Local Affairs; and

WHEREAS, in accordance with § 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an exemption from audit with the State auditor; or, in accordance with § 29-1-604(2), C.R.S., if expenditures and revenues of the District are at least \$100,000 but not more than \$750,000 the District may, with the approval of the State Auditor, file an exemption from audit with the State Auditor, or in accordance with § 29-1-603, C.R.S., the governing body of the District shall cause to be made an annual audit of the financial statements for each fiscal year; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, elections may be held pursuant to the Special District Act and the Uniform Election Code of 1992, for the purpose of 1) electing members of the District's Board of Directors; 2) to present certain ballot issues to the eligible electors of the District as required by Article X, § 20 of the Colorado Constitution; and 3) to present certain ballot questions to the eligible electors of the District; and

WHEREAS, § 1-1-111(2), C.R.S., states that all powers and authority granted to the governing body of a political subdivision may be exercised by the appointed Designated Election Official; and

WHEREAS, §§ 1-11-103 and 32-1-104(1), C.R.S., require the District to notify the Division of Local Government of the results of any elections held by the District, including business address, telephone number and the contact person; and

WHEREAS, § 32-1-1101.5, C.R.S., requires the District to certify results of any election to incur general obligation indebtedness to the board of county commissioners of each county in which the special district is located or to the governing body of the municipality that has adopted a resolution of approval of the District; and

WHEREAS, § 32-1-1604, C.R.S., requires within 30 days of incurring or authorizing general obligation debt that the District shall record a notice of such debt with the County Clerk and Recorder, on a form prescribed by the Division of Local Government; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., either the board of county commissioners of each county in which the special district is located, or the governing body of the municipality that has adopted a resolution of approval of the District, may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, special district directors are governed by § 32-1-902(3), C.R.S., which requires such director to disqualify himself or herself from voting on an issue in which he or she has a conflict of interest unless the director has properly disclosed such conflict in compliance with law, and by the provisions of the Colorado Code of Ethics, §§ 24-18-101, *et seq.*, C.R.S., which provide rules of conduct concerning public officials and their fiduciary duties; and

WHEREAS, § 32-1-902, C.R.S., requires the Board to elect officers, including a Chairman of the Board and President of the District, a Treasurer of the Board and District, and a Secretary, who may be a member of the Board; and

WHEREAS, the Board of Directors desires to appoint legal counsel for the District to assist with providing legal services and to assist with the operation of the District; and

WHEREAS, the Board of Directors desires to appoint an accountant for the District to assist with providing financial services and to assist with the financial operations of the District, and who shall also be designated as the budget officer required to prepare and submit to the Board a proposed District budget by October 15, pursuant to §§ 29-1-104 and 29-1-105(3)(d), C.R.S.; and

WHEREAS, pursuant to § 24-71.3-101, *et seq.* C.R.S., The Uniform Electronic Transaction Act, parties may agree to conduct transactions by electronic means relating to business, commercial and governmental affairs, and that for all documents covered by the Act, if a law requires a record to be in writing, an electronic record satisfies the law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CHIMNEY ROCK METROPOLITAN DISTRICT, JEFFERSON COUNTY, COLORADO AS FOLLOWS:

1. The Board of Directors of the District determines that each director serving a term of office shall receive, as compensation for services as director, the sum of \$100 per meeting attended in an amount not to exceed \$2,400 per annum, subject to availability of funds.

2. The Board designates the Golden Transcript as the newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes.

3. The Board designates the Maintenance Facility at Golf Court, 5500 Will Wood Drive, Morrison, Colorado, which is within the boundaries of the District, as the 24-hour posting place, for meeting notices pursuant to § 32-1-903(2) and § 24-6-402(2)(c), C.R.S.

4. The Board determines to hold regular meetings on the June 7 and October 18, 2021 at 10:00 a.m. at the Office of the District located at 141 Union boulevard, Suite 150, Lakewood, CO 80228.

5. The Board directs Special District Management Services, Inc. to obtain and maintain insurance for the District, to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. Additionally, the Board directs legal counsel to obtain bonds or equivalent insurance coverage as required by §§ 32-1-901(2) and 32-1-902(2), C.R.S., in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file the bond or certificate of insurance with the District Court and the Division of Local Government.

6. The Board designates David Solin as the District's "Primary Representative" and designates Karen Steggs as the District's "Alternate Representative" to the SDA Insurance Pool so that District insurance coverage may be timely renewed annually and updated as necessary.

7. The Board directs Seter & Vander Wall, P.C. to update the Special District Public Disclosure Document and map with Jefferson County Clerk and Recorder after the initial filing deadline of December 31, 2014, if the District includes additional property and records an Order of Inclusion with the County Clerk and Recorder.

8. The Board directs Special District Management Services, Inc. to file a copy of the transparency notice as described in § 32-1-809, C.R.S. with the Jefferson County Board of County Commissioners, Assessor, Treasurer, Clerk and Recorder, and the Division of Local Government.

9. The Board directs Special District Management Services, Inc. to notify the registered electors in the District of certain specified District information by completing the Special District Transparency Notice as detailed in § 32-1-809, C.R.S. and causing it to be posted to the Special District Association website.

10. The Board designates the District's accountant to serve as the budget officer, and to submit a proposed budget to the Board by October 15<sup>th</sup> for the following year, and, in cooperation with legal counsel, to schedule a public hearing on the proposed budget; to prepare a final budget, budget resolutions and amendments to the budget, if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendments thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado.

11. The Board directs the accountant to prepare and file the annual public securities report for nonrated public securities issued by the District, with the Department of Local Affairs on or before March 1st.

12. The Board directs the accountant to prepare or cause to be prepared for filing with the State Auditor either an Audit Exemption and Resolution for approval of Audit Exemption for the prior fiscal year by March 31; or an audit of the financial statements by June 30; further, the Board directs that the Audit be filed with the State Auditor by July 31.

13. The Board directs legal counsel to prepare the Unclaimed Property Act report and forward the report to the State Treasurer by November 1.

14. The Board hereby appoints David Solin as the "Designated Election Official" of the District for any elections to be held during 2021 and any subsequent year. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including but not limited to appointing election judges, appointing a canvass board and cancellation, if applicable, of the election.

15. The District directs the Designated Election Official to notify the Division of Local Government of the results of any elections held by the District, including business address, telephone number and the contact person.

16. The District directs the Designated Election Official to certify results of any election to incur general obligation indebtedness to the Jefferson County Commissioners.

17. Whenever the District authorizes or incurs general obligation debt, the Board directs the Designated Election Official to record a notice of such debt with the Jefferson County Clerk and Recorder, within 30 days of authorizing or incurring the debt, on a form prescribed by the Division of Local Government.

18. The Board directs legal counsel to prepare and file with the Board of County Commissioners of each County in which the special district is located, or to the governing body of the municipality that has adopted a resolution of approval of the District, if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

19. The District hereby directs each present and future member of the Board to execute an Affidavit of Qualification of Director, to be retained in the District's files.

20. The District hereby elects the following officers for the District:

President/Chair of the Board – Telfer “Woody” Norman  
Treasurer – Charles Hansen  
Asst. Secretary – John “Marc” Rinehart  
Asst. Secretary – Kenneth “Delmar” Rumph  
Asst. Secretary – Charles Haase

21. The Board directs legal counsel to file conflict of interest disclosures provided by Board members with the Secretary of State 72 hours prior to each meeting of the Board. In addition, written disclosures provided by Board members required to be filed with the governing body in accordance with § 18-8-308, C.R.S., shall be deemed filed with the Board of Directors of the District when filed with the Secretary of State.

22. The Board extends the current indemnification resolution to allow the resolution to continue in effect as written.

23. The Board extends the current disposal of personal identifying information resolution to allow the resolution to continue in effect as written.

24. The Board of Directors appoints the law firm of Seter & Vander Wall, P.C. as legal counsel for the District.

25. The Board of Directors appoints Darcy Beard to serve as the District's accountant and to provide accounting services for the District.

26. The Board of Directors appoints David Solin, Special District Management Services, Inc. to serve as the District's Manager.

27. The Board authorizes its consultants to conduct transactions by electronic means to the extent allowed by the Uniform Electronic Transactions Act.

Wherefore, the motion was seconded by Director \_\_\_\_\_, and upon vote, unanimously carried. The Chair declared the motion carried and so ordered.



ADOPTED AND APPROVED THIS 9TH DAY OF JUNE, 2021.

CHIMNEY ROCK METROPOLITAN DISTRICT

By: \_\_\_\_\_  
Chair

ATTEST:

By: \_\_\_\_\_  
Secretary/Director

**CERTIFICATION**

I, \_\_\_\_\_, Secretary/Asst. Secretary of the Board of the Chimney Rock Metropolitan District, do hereby certify that the attached and foregoing Resolution is a true copy from the records of the proceedings of the Board of said District, on file with Seter & Vander Wall, P.C., legal counsel to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, at Jefferson County, Colorado, this 9th day of June 2021.

\_\_\_\_\_  
Secretary/Asst. Secretary

[ S E A L ]

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF  
CHIMNEY ROCK METROPOLITAN DISTRICT**

**Disposal of Personal Identifying Information**

WHEREAS, Chimney Rock Metropolitan District (the “**District**”) is quasi-municipal corporation and political subdivision of the State of Colorado located in the County of Jefferson, Colorado; and

WHEREAS, as a government entity and political subdivision of the State of Colorado, the District is subject to and required to comply with Colorado Revised Statutes, Section 24-73-101 (“**Personal Information Statute**”); and

WHEREAS, the Personal Information Statute requires the adoption of a written policy explaining the District’s disposal practices for documents containing personal identifying information of citizens of the State of Colorado; and

NOW THEREFORE, be it resolved by the Board of Directors for the Chimney Rock Metropolitan District that the “Policy Regarding Disposal of Data Containing Personal Identifying Information” attached as **Exhibit A** to this resolution (“**PII Data Disposal Policy**”), is approved.

Effective as of this 9<sup>th</sup> day of June, 2021.

CHIMNEY ROCK METROPOLITAN DISTRICT

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary/Assistant Secretary

## Exhibit A

### **POLICY REGARDING DISPOSAL OF DATA CONTAINING PERSONAL IDENTIFYING INFORMATION**

During the course of its activities, the District may receive personal identifying information of its employees, contractors, directors, and/or constituents. Personal identifying information is classified under the Colorado Revised Statutes, Section 24-73-101(4)(b) as the following:

- Social security number;
- Personal identification number;
- Passwords;
- Passcodes;
- Official state or government-issued driver's license or identification card number;
- Government passport number;
- Biometric data (i.e. finger print or retina scan);
- Employer, student, or military identification number;
- Financial transaction devices (i.e. credit cards, debit cards, banking cards, electronic fund transfer cards, guaranteed check cards, and financial account numbers).

When paper or electronic documentation containing personal identifying information is no longer needed, the District shall destroy or arrange for the destruction of such paper and electronic documents within its custody or control that contain personal identifying information by shredding, erasing, or otherwise modifying the personal identifying information in the paper or electronic documents to make the personal identifying information unreadable or indecipherable through any means.

**RESOLUTION OF THE  
BOARD OF DIRECTORS  
OF**

**CHIMNEY ROCK METROPOLITAN DISTRICT**

**A RESOLUTION PROVIDING FOR THE DEFENSE AND INDEMNIFICATION  
OF DIRECTORS AND EMPLOYEES OF THE DISTRICT**

WHEREAS, past and present directors and employees of Chimney Rock Metropolitan District (“District”) may be subject to claims arising from acts or omissions occurring during the performance of their governmental duties; and

WHEREAS, the District desires to encourage persons to serve on its Board of Directors and accept employment with the District, by defending and indemnifying such persons against liability for acts or omissions occurring during the performance of their governmental duties; and

WHEREAS, it is in the best interest of the District and its inhabitants to defend and indemnify its directors and employees against liability for acts and omissions which occur within their Scope of Employment and for which such defense and indemnification is not otherwise provided by Colorado law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHIMNEY ROCK METROPOLITAN DISTRICT THAT:

1. Definitions. For purposes of this resolution, the terms below shall be defined as follows:

a. Director: includes current and former directors of the District, from the date of organization, and directors who are appointed or elected to the board hereafter, who are sued for acts or omissions occurring during their term as a director of the District.

b. Employee: includes current and former employees of the District, from the date of organization, and employees employed in the future, who are sued for acts or omissions occurring during their employment with the District.

c. Scope of Employment: an act or omission of a director or employee of the District is within the “scope of employment” if it reasonably relates to the business or affairs of the District and the director acted in good faith and in a manner a reasonable person would have believed to be in the best interests of the District. In addition to other acts or omissions which are not within the Scope of Employment, all acts or omissions which are a violation of law shall be deemed not to be within the Scope of Employment.

2. Tort Actions Governed by the Colorado Governmental Immunity Act.

a. The District shall pay, in accordance with §§ 24-10-110, et seq. C.R.S., as amended from time to time (the “Governmental Immunity Act”), the costs of defense of and settlements and judgments against a director or employee of the District, including reasonable attorney fees, where the action lies or could lie in tort, including any such action brought pursuant to federal law in any court of this State. As a prerequisite to such payment, the director or employee must furnish the District with an affidavit stating that: (1) the action against him/her is not purely personal, and (2) to his/her reasonable belief, the act or omission upon which the claim is based occurred within the Scope of Employment. The director or employee shall also be required to comply with all relevant provisions of the Governmental Immunity Act, including but not limited to, provision of timely notice to the District of claims in accordance with such Act. However, the District shall not pay such judgments and shall seek reimbursement from the director or employee for the reasonable costs of his/her defense, including reasonable attorney fees, where it is determined by a court of competent jurisdiction that the injuries did not arise out of an act or omission of the director or employee occurring during his/her term or employment with the District and within the Scope of Employment.

b. The District does not waive the notice requirements of its directors and employees as set forth in § 24-10-110(2), C.R.S.

3. Other Actions Except Criminal. The District hereby agrees to pay the costs of defense and settlements and judgments against its directors and employees, including reasonable attorneys’ fees and costs, for all other actions, including but not limited to, actions which lie or could lie in contract, or arise under state or federal laws and is not governed by § 24-10-110, C.R.S., except for criminal actions. As a prerequisite to such payment, the director or employee must furnish the District with an affidavit stating that: (1) the action against him/her is not purely personal, and (2) to his/her reasonable belief, the act or omission upon which the claim is based occurred within the Scope of Employment. The District shall not pay such judgments and shall be reimbursed by the director or employee for the reasonable costs of his/her defense, including reasonable attorney fees, where it is determined by a court of competent jurisdiction that the injuries did not arise out of an act or omission of the director or employee occurring during his/her term or employment with the District and within the Scope of Employment.

4. Criminal Actions. The District hereby agrees to pay the costs of defense, including reasonable attorneys’ fees and costs, and any fines or penalties assessed, where a criminal action is brought against its directors or employees for acts or omissions occurring during their term or employment with the District and within the Scope of Employment. As a prerequisite to such payment, the director or employee must furnish the District with an affidavit stating that: (1) the action against him/her is not purely personal, (2) to his/her reasonable belief, the act or omission upon which the claim is based occurred within the Scope of Employment, and (3) he/she had no reasonable cause to believe his/her conduct was unlawful. However, the District shall not pay such fines or penalties and shall be reimbursed by the director or employee for the reasonable costs of his/her defense, including reasonable attorney fees, where it is determined by a court of competent jurisdiction that:

a. The injuries did not arise out of an act or omission of the director or employee occurring during his/her term or employment with the District and within the Scope of Employment; or

b. The employee or director had reasonable cause to believe his/her conduct was unlawful.

5. Additional Provisions. The following provisions shall apply to any of the actions discussed in Sections 2, 3 and 4 above:

a. Consent to Compromise or Settlement. The District shall pay no judgment or settlement of claims against its director or employee where the latter has compromised or settled the claim without the District's written consent.

b. Legal Representation of the Director or Employee. The District's legal counsel shall serve as counsel to the director or employee, unless it appears to such counsel that the interests of the District and the director or employee may be adverse. In the latter event, the director or employee may select separate counsel to be approved in writing by the District. The director or employee shall cooperate with the District and its legal counsel in this defense.

c. Director's or Employee's Costs. The District shall not be responsible for costs to its directors or employees associated with time spent in giving depositions, testifying or otherwise cooperating with their defense.

6. No Waiver of Sovereign Immunity. By the adoption of this Resolution, the District does not waive its defense of sovereign immunity as to any action.

7. No Waiver of Insurance Coverage. The approval and adoption of this Resolution shall not constitute a waiver by the District of insurance coverage with respect to any liability covered by this Resolution. The Resolution shall render the District secondarily liable in the event the District's insurance does cover such liability and the conditions of this Resolution are met.

8. Liberal Construction. The purpose of this Resolution is to protect directors and employees of the District against personal liability for their actions taken on behalf of the District and reasonably believed to be in the best interest of the District. Therefore, it is the intent of the District that this Resolution be liberally construed in favor of protection of such directors and employees.

9. Invalidation. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstance, shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

10. Renewal of Indemnifications. All obligations of the District described in this Resolution automatically renew each January 1<sup>st</sup> and are subject to annual appropriation of the District.

ADOPTED AND APPROVED THIS 9TH DAY OF JUNE, 2021.

CHIMNEY ROCK METROPOLITAN DISTRICT

\_\_\_\_\_  
President

ATTEST:

By: \_\_\_\_\_  
Secretary



Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1296</b>						
11/06/2020	Colorado Community Media	8304	Miscellaneous/S	1-685	20.48	20.48
Total 1296:						20.48
<b>1297</b>						
11/06/2020	Colorado Special Districts P	POL-0004801	Prepaid Expens	1-142	2,137.00	2,137.00
Total 1297:						2,137.00
<b>1298</b>						
11/06/2020	Special Dist Management Sr	10/2020	Miscellaneous/S	1-685	59.23	59.23
11/06/2020	Special Dist Management Sr	10/2020	Accounting	1-612	266.00	266.00
11/06/2020	Special Dist Management Sr	10/2020	Administration	1-614	1,209.50	1,209.50
Total 1298:						1,534.73
<b>1299</b>						
11/06/2020	T Charles Wilson Insurance	9166	Prepaid Expens	1-142	495.00	495.00
Total 1299:						495.00
Grand Totals:						4,187.21

<u>Check Issue Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
11/06/2020	90092	Haase, Charles	92.35
11/06/2020	90093	Hansen, Charles E.	92.35
11/06/2020	90094	Norman, Telfer W.	92.35
11/06/2020	90095	Rinehart, John	92.35
11/06/2020	90096	Rumph, Kenneth	92.35
Grand Totals:			
	<u>5</u>		<u>461.75</u>

**Chimney Rock Metropolitan District  
November-20**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 4,187.21			\$ 4,187.21
<b>Payroll</b>	\$ 461.75	\$ -	\$ -	\$ 461.75
<b>Total Disbursements from Checking Acct</b>	<b>\$4,648.96</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,648.96</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1300</b>						
12/10/2020	McGeady Becher P.C.	371C 10/20	Legal	1-675	2,394.60	2,394.60
Total 1300:						<u>2,394.60</u>
<b>1301</b>						
12/10/2020	Special Dist Management Sr	11/2020	Miscellaneous/S	1-685	202.21	202.21
12/10/2020	Special Dist Management Sr	11/2020	Accounting	1-612	350.00	350.00
12/10/2020	Special Dist Management Sr	11/2020	Administration	1-614	342.50	342.50
Total 1301:						<u>894.71</u>
<b>1302</b>						
12/10/2020	UMB Bank, NA	805930	Paying Agent Fe	2-668	400.00	400.00
Total 1302:						<u>400.00</u>
Grand Totals:						<u><u>3,689.31</u></u>

**Chimney Rock Metropolitan District  
December-20**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 3,289.31	\$ 400.00		\$ 3,689.31
<b>Payroll</b>		\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$3,289.31</b>	<b>\$400.00</b>	<b>\$0.00</b>	<b>\$3,689.31</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1303</b>						
01/14/2021	McGeady Becher P.C.	371C 11/20	Legal	1-675	46.00	46.00
Total 1303:						46.00
<b>1304</b>						
01/14/2021	Special Dist Management Sr	12/2020	Miscellaneous/S	1-685	9.80	9.80
01/14/2021	Special Dist Management Sr	12/2020	Accounting	1-612	294.00	294.00
01/14/2021	Special Dist Management Sr	12/2020	Administration	1-614	347.00	347.00
Total 1304:						650.80
Grand Totals:						696.80

**Chimney Rock Metropolitan District  
January-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 696.80			\$ 696.80
<b>Payroll</b>		\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$696.80</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$696.80</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1305</b>						
02/09/2021	Mail Services, LLC	1769669	Miscellaneous/S	1-685	99.87	99.87
Total 1305:						99.87
<b>1306</b>						
02/09/2021	Special Dist Management Sr	01/2021	Miscellaneous/S	1-685	8.40	8.40
02/09/2021	Special Dist Management Sr	01/2021	Accounting	1-612	756.00	756.00
02/09/2021	Special Dist Management Sr	01/2021	Administration	1-614	954.00	954.00
Total 1306:						1,718.40
Grand Totals:						1,818.27



**Chimney Rock Metropolitan District  
February-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 1,818.27			\$ 1,818.27
<b>Payroll</b>		\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$1,818.27</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,818.27</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1307</b>						
03/19/2021	Special Dist Management Sr	02/2021	Miscellaneous/S	1-685	23.20	23.20
03/19/2021	Special Dist Management Sr	02/2021	Accounting	1-612	350.00	350.00
03/19/2021	Special Dist Management Sr	02/2021	Administration	1-614	737.00	737.00
Total 1307:						1,110.20
<b>1308</b>						
03/19/2021	Special District Association	SDA-2021	Miscellaneous/S	1-685	676.52	676.52
Total 1308:						676.52
Grand Totals:						1,786.72

**Chimney Rock Metropolitan District  
March-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 1,786.72			\$ 1,786.72
<b>Payroll</b>	\$	-	\$	-
<b>Total Disbursements from Checking Acct</b>	<b>\$1,786.72</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,786.72</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1309</b>						
04/14/2021	O'Brien, Ian	04082021	Miscellaneous/S	1-685	8.00	8.00
Total 1309:						8.00
<b>1310</b>						
04/14/2021	Special Dist Management Sr	03/2021	Miscellaneous/S	1-685	10.04	10.04
04/14/2021	Special Dist Management Sr	03/2021	Accounting	1-612	168.00	168.00
04/14/2021	Special Dist Management Sr	03/2021	Administration	1-614	380.50	380.50
Total 1310:						558.54
Grand Totals:						566.54

**Chimney Rock Metropolitan District  
April-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 566.54			\$ 566.54
<b>Payroll</b>		\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$566.54</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$566.54</b>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>1311</b>						
05/11/2021	Darcy Beard CPA	2020-03-12	Accounting	1-612	3,645.00	3,645.00
05/11/2021	Darcy Beard CPA	2021-03-04	Accounting	1-612	4,865.00	4,865.00
Total 1311:						<u>8,510.00</u>
<b>1312</b>						
05/11/2021	Special Dist Management Sr	04/2021	Miscellaneous/S	1-685	7.11	7.11
05/11/2021	Special Dist Management Sr	04/2021	Accounting	1-612	280.00	280.00
05/11/2021	Special Dist Management Sr	04/2021	Administration	1-614	642.50	642.50
Total 1312:						<u>929.61</u>
Grand Totals:						<u><u>9,439.61</u></u>

**Chimney Rock Metropolitan District  
May-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 9,439.61			\$ 9,439.61
<b>Payroll</b>		\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$9,439.61</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$9,439.61</b>

# DRAFT 5/19/2021

CHIMNEY ROCK METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2020

with

Independent Auditors' Report



# DRAFT 5/19/2021

## 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 – 2016 through 2020	20
History of District's Assessed Valuation	21
2020 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 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>					
Cash and investments	\$ 448,228	\$ -	\$ 448,228	\$ -	\$ 448,228
Cash and investments - restricted	4,741	303,011	307,752	-	307,752
Receivable - county treasurer	984	1,948	2,932	-	2,932
Property taxes receivable	148,419	291,580	439,999	-	439,999
Prepaid expenses	<u>3,082</u>	<u>-</u>	<u>3,082</u>	<u>-</u>	<u>3,082</u>
Total Assets	<u>605,454</u>	<u>596,539</u>	<u>1,201,993</u>	<u>-</u>	<u>1,201,993</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,998</u>	<u>96,998</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,998</u>	<u>96,998</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 605,454</u>	<u>\$ 596,539</u>	<u>\$ 1,201,993</u>	<u>96,998</u>	<u>1,298,991</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 4,342	\$ -	\$ 4,342	-	4,342
Payroll taxes payable	230	-	230	-	230
Prepaid cost recovery/lift station fees	-	1,669	1,669	-	1,669
Bond interest payable	-	-	-	8,213	8,213
Bonds payable, net of discount:					
Due within one year	-	-	-	225,000	225,000
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,472,166</u>	<u>2,472,166</u>
Total Liabilities	<u>4,572</u>	<u>1,669</u>	<u>6,241</u>	<u>2,705,379</u>	<u>2,711,620</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	<u>148,419</u>	<u>291,580</u>	<u>439,999</u>	<u>-</u>	<u>439,999</u>
Total Deferred Inflows of Resources	<u>148,419</u>	<u>291,580</u>	<u>439,999</u>	<u>-</u>	<u>439,999</u>
<b>FUND BALANCES/NET POSITION</b>					
Fund Balances:					
Nonspendable:					
Prepays	3,082	-	3,082	(3,082)	-
Restricted:					
Emergencies	4,741	-	4,741	(4,741)	-
Debt service	-	303,290	303,290	(303,290)	-
Unassigned	<u>444,640</u>	<u>-</u>	<u>444,640</u>	<u>(444,640)</u>	<u>-</u>
Total Fund Balances	<u>452,463</u>	<u>303,290</u>	<u>755,753</u>	<u>(755,753)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 605,454</u>	<u>\$ 596,539</u>	<u>\$ 1,201,993</u>		
Net Position:					
Net investment in capital assets				(2,697,166)	(2,697,166)
Restricted for:					
Emergencies				4,741	4,741
Debt service				295,077	295,077
Unrestricted				<u>544,720</u>	<u>544,720</u>
Total Net Position				<u>\$ (1,852,628)</u>	<u>\$ (1,852,628)</u>

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

# DRAFT 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>					
Accounting	\$ 9,585	\$ -	\$ 9,585	\$ -	\$ 9,585
Administration	12,223	-	12,223	-	12,223
Audit	3,900	-	3,900	-	3,900
Directors' fees	1,000	-	1,000	-	1,000
Election expense	812	-	812	-	812
Insurance	2,965	-	2,965	-	2,965
Legal	9,291	-	9,291	-	9,291
Miscellaneous expenses	1,905	-	1,905	-	1,905
Payroll taxes	84	-	84	-	84
Treasurer's fees	2,213	4,379	6,592	-	6,592
Bond principal - Series 2016A	-	220,000	220,000	(220,000)	-
Bond interest - Series 2016A	-	105,150	105,150	-	105,150
Paying agent fees	-	400	400	-	400
Amortization - bond premium	-	-	-	(35,115)	(35,115)
Amortization - loss on bond refunding	-	-	-	10,879	10,879
Total Expenditures	<u>43,978</u>	<u>329,929</u>	<u>373,907</u>	<u>(244,786)</u>	<u>129,121</u>
<b>PROGRAM REVENUES</b>					
Cost recovery/lift fees	<u>-</u>	<u>55,421</u>	<u>55,421</u>	<u>-</u>	<u>55,421</u>
Total Program Revenues	<u>-</u>	<u>55,421</u>	<u>55,421</u>	<u>-</u>	<u>55,421</u>
Net Program Income (Expense)	(43,978)	(274,508)	(318,486)	244,786	(73,700)
<b>GENERAL REVENUES</b>					
Property taxes	147,467	291,784	439,251	-	439,251
Specific ownership taxes	11,069	21,903	32,972	-	32,972
Interest income	3,416	1,599	5,015	-	5,015
Total General Revenues	<u>161,952</u>	<u>315,286</u>	<u>477,238</u>	<u>-</u>	<u>477,238</u>
NET CHANGES IN FUND BALANCE	117,974	40,778	158,752	(158,752)	-
CHANGE IN NET POSITION				403,538	403,538
<b>FUND BALANCE/NET POSITION</b>					
BEGINNING OF YEAR	<u>334,489</u>	<u>262,512</u>	<u>597,001</u>	<u>(2,853,167)</u>	<u>(2,256,166)</u>
END OF YEAR	<u>\$ 452,463</u>	<u>\$ 303,290</u>	<u>\$ 755,753</u>	<u>\$ (2,608,381)</u>	<u>\$ (1,852,628)</u>

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

# DRAFT 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2020

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 148,101	\$ 147,467	\$ (634)
Specific ownership taxes	10,000	11,069	1,069
Interest income	<u>1,300</u>	<u>3,416</u>	<u>2,116</u>
Total Revenues	<u>159,401</u>	<u>161,952</u>	<u>2,551</u>
EXPENDITURES			
Accounting	11,000	9,585	1,415
Administration	9,000	12,223	(3,223)
Audit	4,000	3,900	100
Directors' fees	2,000	1,000	1,000
Election expense	1,500	812	688
Insurance	3,400	2,965	435
Legal	6,000	9,291	(3,291)
Miscellaneous expenses	3,300	1,905	1,395
Payroll taxes	153	84	69
Treasurer's fees	2,222	2,213	9
Contingency	394,676	-	394,676
Emergency reserve	<u>4,782</u>	<u>-</u>	<u>4,782</u>
Total Expenditures	<u>442,033</u>	<u>43,978</u>	<u>398,055</u>
NET CHANGES IN FUND BALANCE	(282,632)	117,974	400,606
FUND BALANCE:			
BEGINNING OF YEAR	<u>332,632</u>	<u>334,489</u>	<u>1,857</u>
END OF YEAR	<u>\$ 50,000</u>	<u>\$ 452,463</u>	<u>\$ 402,463</u>

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

# DRAFT 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

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 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

#### 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 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

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, 2020, 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 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

#### 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 \$153,895 and \$44,423, respectively, at December 31, 2020.



# DRAFT 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

#### 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 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

#### 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 \$3,082 represents prepaid expenditures.

#### Restricted Fund Balance

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$4,741 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance of \$303,290 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 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

#### 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, 2020, cash and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 448,228
Cash and investments – Restricted	<u>307,752</u>
Total	<u>\$ 755,980</u>

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

Deposits with financial institutions	\$ 87,656
Investments - COLOTRUST	<u>668,324</u>
	<u>\$ 755,980</u>

# DRAFT 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

#### 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, 2020, 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 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

As of December 31, 2020, the District had the following investments:

#### COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust (“COLOTRUST”) is rated AAAM by Standard & Poor’s with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint ventures established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. The trusts operate similarly to a money market fund with each share maintaining a value of \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to the trusts. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians’ internal records identify the investments owned by COLOTRUST. At December 31, 2020, the District had \$668,324 invested in COLOTRUST.

#### Note 3: Long Term Debt

The following is an analysis of changes in long-term debt for the period ending December 31, 2020:

	Balance 12/31/19	Additions	Retirements	Balance 12/31/20	Current Portion
<u>General Obligation Bonds:</u>					
Series 2016A	\$ 2,740,000	\$ -	\$ 220,000	\$ 2,520,000	\$ 225,000
2016A Bond premium (net of amortization)	212,281	-	35,115	177,166	-
Total	<u>\$ 2,952,281</u>	<u>\$ -</u>	<u>\$ 255,115</u>	<u>\$ 2,697,166</u>	<u>\$ 225,000</u>

# DRAFT 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

A description of the District's long-term obligations as of December 31, 2020, is as follows:

#### Series 2016 General Obligation Bonds

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

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

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

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

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

# DRAFT 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

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, 2020, 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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 225,000	\$ 98,550	\$ 323,550
2022	240,000	91,800	331,800
2023	250,000	82,200	332,200
2024	265,000	72,200	337,200
2025	275,000	61,600	336,600
2026-2029	<u>1,265,000</u>	<u>129,600</u>	<u>1,394,600</u>
Total	<u>\$ 2,520,000</u>	<u>\$ 535,950</u>	<u>\$ 3,055,950</u>

#### Debt Authorization

As of December 31, 2020, 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 2021.

# DRAFT 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

Note 4: District Agreements

Cost Recovery Agreement with Willowbrook Water and Sanitation District

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

Note 5: Tax, Spending and Debt Limitations

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

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 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

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 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

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.

DRAFT 5/19/2021

SUPPLEMENTAL INFORMATION

# DRAFT 5/19/2021

## 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, 2020

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 293,065	\$ 291,784	\$ (1,281)
Specific ownership taxes	20,515	21,903	1,388
Interest income	3,000	1,599	(1,401)
Cost recovery/lift fees	<u>54,808</u>	<u>55,421</u>	<u>613</u>
Total Revenues	<u>371,388</u>	<u>370,707</u>	<u>(681)</u>
EXPENDITURES			
Bond principal - Series 2016A	220,000	220,000	-
Bond interest - Series 2016A	105,150	105,150	-
Paying agent fees	1,200	400	800
Miscellaneous expenses	300	-	300
Treasurer's fees	<u>4,400</u>	<u>4,379</u>	<u>21</u>
Total Expenditures	<u>331,050</u>	<u>329,929</u>	<u>1,121</u>
NET CHANGES IN FUND BALANCE	40,338	40,778	440
FUND BALANCE:			
BEGINNING OF YEAR	<u>263,121</u>	<u>262,512</u>	<u>(609)</u>
END OF YEAR	<u>\$ 303,459</u>	<u>\$ 303,290</u>	<u>\$ (169)</u>

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

# DRAFT 5/19/2021

## CHIMNEY ROCK METROPOLITAN DISTRICT

### SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

December 31, 2020

**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>
2021	\$ 225,000	\$ 98,550	\$ 323,550
2022	240,000	91,800	331,800
2023	250,000	82,200	332,200
2024	265,000	72,200	337,200
2025	275,000	61,600	336,600
2026	295,000	50,600	345,600
2027	305,000	38,800	343,800
2028	325,000	26,600	351,600
2029	340,000	13,600	353,600
	<u>\$ 2,520,000</u>	<u>\$ 535,950</u>	<u>\$ 3,055,950</u>

DRAFT 5/19/2021

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION

UNAUDITED

# DRAFT 5/19/2021

**CHIMNEY ROCK METROPOLITAN DISTRICT**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Funds**  
**2016-2020**  
**UNAUDITED**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Revenues</b>					
Property taxes	\$432,319	\$382,143	\$ 390,309	\$ 389,810	\$ 439,251
Specific ownership taxes	34,681	37,447	36,161	33,224	32,972
Cost Recovery Fees	49,679	49,466	52,788	52,712	55,421
Interest	3,082	3,119	10,668	14,655	5,015
<b>Total Revenue</b>	<b>519,761</b>	<b>472,175</b>	<b>489,926</b>	<b>490,401</b>	<b>532,659</b>
<b>Expenditures</b>					
Accounting	\$ 12,012	\$ 9,558	\$ 8,549	\$ 10,126	\$ 9,585
Administration	11,311	8,460	12,520	12,151	12,223
Audit	4,835	7,956	6,050	3,842	3,900
Director fees	2,300	400	2,000	900	1,000
Election expense	695	-	1,087	56	812
Insurance	3,448	3,234	2,868	3,163	2,965
Legal	5,368	7,203	8,961	12,289	9,291
GIS Mapping	-	-	-	3,165	-
Miscellaneous	2,206	2,142	2,327	1,929	1,905
Payroll taxes	99	107	159	71	84
Treasurer's fees	6,500	5,585	5,873	5,851	6,592
Paying agent fees	229	1,021	400	800	400
Debt service/interest expense	4,116,844	313,450	315,300	316,300	325,150
<b>Total Expenditures</b>	<b>4,165,848</b>	<b>359,116</b>	<b>366,094</b>	<b>370,643</b>	<b>373,907</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,802,904)</b>	<b>113,059</b>	<b>123,832</b>	<b>119,758</b>	<b>158,752</b>
<b>Other Financing Sources (Uses)</b>					
Bond proceeds	3,340,000	-	-	-	-
Bond premium	331,061	-	-	-	-
Bond issuance costs	156,818	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,827,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>(131,843)</b>	<b>113,059</b>	<b>123,832</b>	<b>119,758</b>	<b>158,752</b>
<b>Fund Balance, Beginning</b>	<b>372,195</b>	<b>240,352</b>	<b>353,411</b>	<b>477,243</b>	<b>597,001</b>
<b>Fund Balance, Ending</b>	<b>\$ 240,352</b>	<b>\$ 353,411</b>	<b>\$ 477,243</b>	<b>\$ 597,001</b>	<b>\$ 755,753</b>

# DRAFT 5/19/2021

**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%



# DRAFT 5/19/2021

**CHIMNEY ROCK METROPOLITAN DISTRICT**  
**2020 Assessed Valuation and Statutory**  
**"Actual" Value of Classes of Property in the District**  
**UNAUDITED**

<u>Property Class and</u> <u>Assessment Rate</u>	<u>2020 Assessed Valuation</u>		<u>2020 Statutory "Actual" Value</u>	
Residential (7.15%)	\$ 15,570,857	94.79%	217,774,309	98.66%
Vacant (29%)	633,201	3.86%	2,183,469	0.99%
Commercial (29%)	166,442	1.01%	573,935	0.26%
State Assessed (29%)	56,560	0.34%	195,034	0.09%
Total	<u>\$ 16,427,060</u>	<u>100.00%</u>	<u>\$ 220,726,747</u>	<u>100.00%</u>

Source: Jefferson County Assessor's Office

# DRAFT 5/19/2021

**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%

(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 5/19/2021

**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

**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

# DRAFT 5/19/2021

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

Direct Debt (Dist bonds only)	\$	2,520,000
2020 Assessed Valuation	\$	16,427,060
Direct Debt to 2020 Assessed Valuation		15.34%
2020 Statutory Actual Value	\$	220,726,747
Direct Debt to 2020 Statutory Actual Value		1.14%