

CHIMNEY ROCK METROPOLITAN DISTRICT

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

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Telfer “Woody” Norman	President	2027/May 2027
Kenneth “Delmar” Rumph	Treasurer	2025/May 2025
John “Marc” Rinehart	Assistant Secretary	2025/May 2025
Charles “Chuck” Hansen	Assistant Secretary	2025/May 2025
Vacant	Assistant Secretary	2027/May 2027

DATE: October 16, 2023 (Monday)

TIME: 10:00 A.M.

PLACE: **Zoom Meeting: This meeting will be held via Zoom without any individuals (neither District representatives nor the general public) attending in person. The meeting can be joined through the directions below:**

Join Zoom Meeting
<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZVU3Fqdz09>
Dial In: 1-253-215-8782
Meeting ID: 546 911 9353
Passcode: 912873

I. ADMINISTRATIVE MATTERS

A. Call to Order and Declaration of Quorum

B. Present Disclosures of Potential Conflicts of Interest.

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

D. Review and approve Minutes of the March 10, 2023 Special Meeting (enclosure).

E. Acknowledge the resignation of Charles Haase from the Board of Directors effective July 19, 2023. Consider appointment of qualified individual, Ron Versaw, to fill a vacancy on the Board of Directors as Assistant Secretary.

- F. Consider adoption of 2024 Annual Administrative Resolution (enclosure).
-

II. FINANCIAL MATTERS

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

Fund	Period Ending Jun. 30, 2023	Period Ending Jul. 31, 2023	Period Ending Aug. 31, 2023	Period Ending Sep. 30, 2023
General	\$ 1,987.33	\$ 2,818.09	\$ 1,348.95	\$ 13,080.47
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 1,987.33	\$ 2,818.09	\$ 1,348.95	\$ 13,080.47

- B. Review and consider Ratification of the filing of the 2022 Audited Financial Statement.
-

- C. Review and accept unaudited financial statements through the period ending September 30, 2023 (enclosure).
-

- D. Consider engagement of _____ to perform the 2023 Audit, for an amount not-to-exceed \$ _____ (to be distributed).
-

- E. Conduct Public Hearing to consider Amendment to 2023 Budget and adopt Resolution to Amend the 2023 Budget and Appropriate Expenditures (if necessary).
-

- F. Conduct Public Hearing on the proposed 2024 Budget and consider adoption of Resolutions to Adopt the 2024 Budget and Appropriate Sums of Money and Set Mill Levies (for General Fund _____, Debt Service Fund _____ for a total mill levy of _____) (enclosures – Preliminary Assessed Valuation, Resolutions and draft 2024 Budget).
-

- G. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
-

- H. Consider appointment of District Accountant to prepare the 2025 Budget and set date for public hearing to adopt the 2025 Budget (_____, 2024).
-

III. LEGAL MATTERS

- A. Update re Willow Springs Estates.
-

IV. OTHER MATTERS

- A. _____
-

- V. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2023.**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CHIMNEY ROCK METROPOLITAN DISTRICT MARCH 10, 2023

A Special Meeting of the Board of Directors of the Chimney Rock Metropolitan District was duly held on Friday, the 10th day of March, 2023, at 2:00 P.M. This District Board Meeting was held by conference call without any individuals (neither district representatives nor the general public) attending in person. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Telfer “Woody” Norman
Kenneth “Delmar” Rumph
Charles “Chuck” Hansen

Following discussion, upon motion duly made by Director Hansen seconded by Director Rumph and, upon vote, unanimously carried, the absences of Director Haase and Director Rinehart were excused.

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Jeffrey E. Erb, Esq.; Erb Law, LLC.

Darcy Beard, CPA; Accountant for the District

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: Attorney Erb noted that disclosure of potential conflict of interest statements for Director Haase and Director Rumph were filed with the Secretary of State at least 72-hours in advance of the meeting. It was disclosed that Director Haase is also the President of, and a Director on, the Willowbrook Water & Sanitation District Board, and Director Rumph is Treasurer of, and a Director on the Board of Directors of, the Willow Springs North Master Homeowners’ Association. Mr. Solin noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: The meeting was called to order at 2:02 p.m. Mr. Solin distributed for the Board's review and approval, a proposed Agenda for the District's Special Meeting. Following discussion, upon motion duly made by Director Hansen, seconded by Director Rumph and, upon vote, unanimously carried, the Agenda was approved.

Approval of Meeting Location: The Board confirmed the holding of the meeting by teleconference as allowed by §§ 32-1-903 and 24-6-402, C.R.S. The Board further noted that notice of the time, date and location was duly posted no less than 24-hours before the Board meeting.

Resignation and Appointment of Secretary to the Board: The Board discussed the resignation of Steve Beck and considered the appointment of David Solin as Secretary to the Board.

Following discussion, upon motion duly made by Director Rumph, seconded by Director Norman and, upon vote, unanimously carried, the Board accepted the resignation of Steve Beck as Secretary to the Board and appointed David Solin as Secretary to the Board.

FINANCIAL MATTERS

Executive Session:

Executive session of the Board of Directors for the purpose of (1) Discuss matters related to the Capital Improvement Fee; (2) District Fees and Costs related to Exclusion; and (3) Recordation of Document Against Property: The Board determined an Executive Session was not necessary.

LEGAL MATTERS

Resolution of the Board of Directors of the Chimney Rock Metropolitan District Consenting to the Organization of Willow Springs Estates Metropolitan District:

The Board reviewed a Resolution of the Board of Directors of the Chimney Rock Metropolitan District Consenting to the Organization of Willow Springs Estates Metropolitan District.

Following discussion, upon motion duly made by Director Norman, seconded by Director Hansen and, upon vote, unanimously carried, the Board approved the Resolution of the Board of Directors of the Chimney Rock Metropolitan District Consenting to the Organization of Willow Springs Estates Metropolitan District.

Exclusion Agreement between WSE Morrison, LLC and the District: The Board reviewed an Exclusion Agreement between WSE Morrison, LLC and the District. Following discussion, upon motion duly made by Director Rumph, seconded by Director Hansen and, upon vote, unanimously carried, the Board approved the Exclusion Agreement between WSE Morrison, LLC and the District.

RECORD OF PROCEEDINGS

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, seconded by and, upon vote, unanimously carried, the meeting was adjourned at 2:28 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting

for members of the public to attend the meeting: or (B) at a physical location within the boundaries of the District or which are within the boundaries of any county in which the District is located, or, in any county so long as the meeting location does not exceed twenty miles from the District boundaries, unless an appropriate resolution to hold the meeting in another location is adopted by the Board and notice appears on the meeting agenda; and

G. Section 32-1-903(2), C.R.S., requires that notice of the time and place designated for all regular and special meetings shall be in accordance with § 24-6-402(2)(c), C.R.S., on a website or other online 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

H. 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, and to provide for defense and payment of judgements or settlements against public employees, pursuant to §§ 24-10-110 and 24-10-115, C.R.S.; and

I. Sections 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; and

J. Section 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

K. Section 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

L. Section 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; and

M. Section 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

N. 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

O. 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

P. 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

Q. 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

R. Elections may be held pursuant to the Special District Act, the Uniform Election Code of 1992, and the Colorado Local Government Election Code 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

S. Section 1-1-111, C.R.S., states that all powers and authority granted to the governing body of a political subdivision to call and conduct an election may be exercised by the appointed Designated Election Official; and

T. Sections 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 the name and address of all members and officers of the board of directors, and a business address, telephone number and name of the contact person for the District; and

U. Section 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

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

W. 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

X. Special district directors are governed by §§ 32-1-902(3) and 32-1-902(4), 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

Y. Section 32-1-902, C.R.S., requires the Board to elect officers, including a Chair 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

Z. The Board of Directors desires to appoint legal counsel for the District to provide legal services and to assist with the operation of the District; and

AA. The Board of Directors desires to appoint an accountant for the District to provide 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 C.R.S.; and

BB. The Board of Directors desires to appoint a District Manager to provide management services in connection with the purposes for which the District was organized; and

CC. 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 District website; <https://chimneyrockmd.colorado.gov/> as the 24-hour posting place, for meeting notices and the Maintenance Facility at Golf Course, 5500 Willow Wood Drive, Morrison, Colorado 80465 which is within the boundaries of the District, as the physical 24-hour posting location 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 _____ and _____, 2024 at 10:00 a.m. at the Office of the District located at 141 Union boulevard, Suite 150, Lakewood, CO 80228 and/or electronically depending on the direction of the Board.

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 management, with the assistance of 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 _____ as the District's "Primary Representative" and designates Shawana Stevens 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 Erb Law, LLC 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 15th 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, if necessary, the Unclaimed Property Act report and forward the report to the State Treasurer by November 1.

14. The Board hereby appoints Natalie M. Fleming, Erb Law, LLC, as the “Designated Election Official” of the District for any elections to be held during 2023 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 the name and address of all members and officers of the board of directors.

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 or legal counsel 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 – Kenneth “Delmar” Rumph

Asst. Secretary – John “Marc” Rinehart

Asst. Secretary – Kenneth “Delmar” Rumph

Asst. Secretary – Vacant

21. The Board directs legal counsel to file conflict of interest disclosures provided by Board members with the Secretary of State. 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 resolution providing for the defense of directors and employees of the District 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 Erb Law, LLC as legal counsel for the District.

25. The Board of Directors appoints Darcy Beard, CPA 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 16TH DAY OF OCTOBER 2023.

CHIMNEY ROCK METROPOLITAN DISTRICT

Name: _____
President, Board of Directors

ATTEST

Name : _____
Secretary/Assistant Secretary, Board of Directors

CERTIFICATION

I, David Solin, Secretary/Asst. Secretary of the Board of Directors of the Chimney Rock Metropolitan District, do hereby certify that the attached and foregoing Resolution is a true and correct copy of the proceedings of the Board of said District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, at Jefferson County, Colorado, this 16th day of October, 2023.

By: _____
Secretary / Asst. Secretary

[S E A L]

**Chimney Rock Metropolitan District
June-23**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,710.28			\$ 1,710.28
Payroll	\$ 277.05	\$ -	\$ -	\$ 277.05
Total Disbursements from Checking Acct	\$1,987.33	\$0.00	\$0.00	\$1,987.33

**Chimney Rock Metropolitan District
July-23**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,818.09			\$ 2,818.09
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$2,818.09	\$0.00	\$0.00	\$2,818.09

Chimney Rock Metropolitan District
August-23

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,348.95			\$ 1,348.95
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$1,348.95	\$0.00	\$0.00	\$1,348.95

**Chimney Rock Metropolitan District
September-23**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 13,080.47	-	-	\$ 13,080.47
Payroll	\$	-	-	\$
Total Disbursements from Checking Acct	\$13,080.47	\$0.00	\$0.00	\$13,080.47

CHIMNEY ROCK METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2022

with

Independent Auditors' Report

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Independent Auditors' Report

Board of Directors
Chimney Rock Metropolitan District
Jefferson County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Chimney Rock Metropolitan District (the “District”) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Chimney Rock Metropolitan District as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

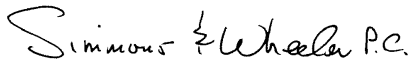
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary schedules and property tax information listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the introductory and statistical sections but does not include the basic financial statements and our auditor's report there on. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

 Simmons & Wheeler P.C.

Englewood, CO
June 28, 2023

CHIMNEY ROCK METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS

December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 703,865	\$ -	\$ 703,865	\$ -	\$ 703,865
Cash and investments - restricted	5,699	418,235	423,934	-	423,934
Receivable - county treasurer	728	1,441	2,169	-	2,169
Property taxes receivable	167,973	329,263	497,236	-	497,236
Prepaid expenses	<u>3,111</u>	<u>-</u>	<u>3,111</u>	<u>-</u>	<u>3,111</u>
Total Assets	<u>881,376</u>	<u>748,939</u>	<u>1,630,315</u>	<u>-</u>	<u>1,630,315</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,240</u>	<u>75,240</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,240</u>	<u>75,240</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 881,376</u>	<u>\$ 748,939</u>	<u>\$ 1,630,315</u>	<u>75,240</u>	<u>1,705,555</u>
LIABILITIES					
Accounts payable	\$ 6,731	\$ -	\$ 6,731	-	6,731
Payroll taxes payable	218	-	218	-	218
Prepaid cost recovery/lift station fees	-	2,451	2,451	-	2,451
Bond interest payable	-	-	-	6,850	6,850
Bonds payable, net of discount:					
Due within one year	-	-	-	250,000	250,000
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,918,721</u>	<u>1,918,721</u>
Total Liabilities	<u>6,949</u>	<u>2,451</u>	<u>9,400</u>	<u>2,175,571</u>	<u>2,184,971</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	<u>167,973</u>	<u>329,263</u>	<u>497,236</u>	<u>-</u>	<u>497,236</u>
Total Deferred Inflows of Resources	<u>167,973</u>	<u>329,263</u>	<u>497,236</u>	<u>-</u>	<u>497,236</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	3,111	-	3,111	(3,111)	-
Restricted:					
Emergencies	5,699	-	5,699	(5,699)	-
Debt service	-	417,225	417,225	(417,225)	-
Unassigned	<u>697,644</u>	<u>-</u>	<u>697,644</u>	<u>(697,644)</u>	<u>-</u>
Total Fund Balances	<u>706,454</u>	<u>417,225</u>	<u>1,123,679</u>	<u>(1,123,679)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 881,376</u>	<u>\$ 748,939</u>	<u>\$ 1,630,315</u>		
Net Position:					
Net investment in capital assets				(2,168,721)	(2,168,721)
Restricted for:					
Emergencies				5,699	5,699
Debt service				410,375	410,375
Unrestricted				<u>775,995</u>	<u>775,995</u>
Total Net Position				<u>\$ (976,652)</u>	<u>\$ (976,652)</u>

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

CHIMNEY ROCK METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES					
Accounting	\$ 11,288	\$ -	\$ 11,288	\$ -	\$ 11,288
Administration	13,218	-	13,218	-	13,218
Audit	4,000	-	4,000	-	4,000
Directors' fees	1,400	-	1,400	-	1,400
Election expense	355	-	355	-	355
Insurance	3,333	-	3,333	-	3,333
Legal	13,463	-	13,463	-	13,463
Miscellaneous expenses	1,570	-	1,570	-	1,570
Payroll taxes	107	-	107	-	107
Treasurer's fees	2,453	4,853	7,306	-	7,306
Bond principal - Series 2016A	-	240,000	240,000	(240,000)	-
Bond interest - Series 2016A	-	91,800	91,800	(20,471)	71,329
Paying agent fees	-	400	400	-	400
Total Expenditures	<u>51,187</u>	<u>337,053</u>	<u>388,240</u>	<u>(260,471)</u>	<u>127,769</u>
PROGRAM REVENUES					
Cost recovery/lift fees	-	58,236	58,236	-	58,236
Total Program Revenues	<u>-</u>	<u>58,236</u>	<u>58,236</u>	<u>-</u>	<u>58,236</u>
Net Program Income (Expense)	(51,187)	(278,817)	(330,004)	260,471	(69,533)
GENERAL REVENUES					
Property taxes	163,384	323,308	486,692	-	486,692
Specific ownership taxes	10,342	20,466	30,808	-	30,808
Interest income	13,160	6,820	19,980	-	19,980
Total General Revenues	<u>186,886</u>	<u>350,594</u>	<u>537,480</u>	<u>-</u>	<u>537,480</u>
NET CHANGES IN FUND BALANCE	135,699	71,777	207,476	(207,476)	-
CHANGE IN NET POSITION				467,947	467,947
FUND BALANCE/NET POSITION					
BEGINNING OF YEAR	<u>570,755</u>	<u>345,448</u>	<u>916,203</u>	<u>(2,360,802)</u>	<u>(1,444,599)</u>
END OF YEAR	<u>\$ 706,454</u>	<u>\$ 417,225</u>	<u>\$ 1,123,679</u>	<u>\$ (2,100,331)</u>	<u>\$ (976,652)</u>

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

CHIMNEY ROCK METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2022

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 165,177	\$ 163,384	\$ (1,793)
Specific ownership taxes	9,500	10,342	842
Interest income	<u>200</u>	<u>13,160</u>	<u>12,960</u>
Total Revenues	<u>174,877</u>	<u>186,886</u>	<u>12,009</u>
EXPENDITURES			
Accounting	11,500	11,288	212
Administration	12,000	13,218	(1,218)
Audit	4,500	4,000	500
Directors' fees	2,000	1,400	600
Election expense	5,000	355	4,645
Insurance	3,250	3,333	(83)
Legal	10,000	13,463	(3,463)
Miscellaneous expenses	3,000	1,570	1,430
Payroll taxes	153	107	46
Treasurer's fees	2,468	2,453	15
Contingency	625,157	-	625,157
Emergency reserve	<u>5,246</u>	<u>-</u>	<u>5,246</u>
Total Expenditures	<u>684,274</u>	<u>51,187</u>	<u>633,087</u>
NET CHANGES IN FUND BALANCE	(509,397)	135,699	645,096
FUND BALANCE:			
BEGINNING OF YEAR	<u>559,397</u>	<u>570,755</u>	<u>11,358</u>
END OF YEAR	<u>\$ 50,000</u>	<u>\$ 706,454</u>	<u>\$ 656,454</u>

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

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

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 corporation and political subdivision of the state of Colorado established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

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

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

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Basis of Presentation

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

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 investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, 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 investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

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 assets 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 assets 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 \$217,340 and \$66,181, respectively, at December 31, 2022.

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Capital Assets

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

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

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Long-Term Obligations

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

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

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 \$3,111 represents prepaid expenditures.

Restricted Fund Balance

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$5,699 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance of \$417,225 in the Debt Service Fund is restricted for the payment of expenses associated with the Series 2016 Bonds (See Note 3).

Committed Fund Balance

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

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

Assigned Fund Balance

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

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

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 of 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, 2022, cash and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 703,865
Cash and investments – Restricted	<u>423,934</u>
Total	\$ <u>1,127,799</u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with financial institutions	\$ 116,889
Investments - COLOTRUST	<u>1,010,910</u>
	\$ <u>1,127,799</u>

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

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, 2022, none of the District’s deposits were exposed to custodial credit risk.

Investments

Investment Valuation

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

Credit Risk

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

Custodial and Concentration of Credit Risk

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

Interest Rate Risk

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

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

As of December 31, 2022, the District had the following investments:

COLOTRUST – PRIME and PLUS+

The local government investment pool, Colorado Local Government Liquid Asset Trust (“COLOTRUST”) is rated AAAM by Standard & Poor’s with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture (the “Trust”) established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. The Trust operates similarly to a money market fund with each share maintaining a value of \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to the trusts. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians’ internal records identify the investments owned by COLOTRUST. At December 31, 2022, the District had \$302,758 invested in COLOTRUST PRIME and PLUS+.

COLOTRUST – EDGE

COLOTRUST EDGE is a variable net asset value (NAV) local government investment pool that offers weekly liquidity to participants. EDGE is suitable for a local government’s strategic reserves/non-operating funds and has a NAV that is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE measures its investments at fair value so investments in EDGE are not required to be categorized within the fair value hierarchy. COLOTRUST EDGE is rated AA Af/S1 by FitchRatings. As of December 31, 2022, COLOTRUST EDGE possessed a weighted average maturity of 124 days and a weighted average life of 166 days. At December 31, 2022, the District had \$708,152 invested in COLOTRUST EDGE.

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

Note 3: Long Term Debt

The following is an analysis of changes in long-term debt for the period ending December 31, 2022:

	Balance 12/31/21	Additions	Retirements	Balance 12/31/22	Current Portion
<u>General Obligation Bonds:</u>					
Series 2016A	\$ 2,295,000	\$ -	\$ 240,000	\$ 2,055,000	\$ 250,000
2016A Bond premium (net of amortization)	144,271	-	30,550	113,721	-
Total	<u>\$ 2,439,271</u>	<u>\$ -</u>	<u>\$ 270,550</u>	<u>\$ 2,168,721</u>	<u>\$ 250,000</u>

A description of the District's long-term obligations as of December 31, 2022, 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.

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

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

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

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

As of December 31, 2022, the District had no unused lines of credit.

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

Year	Principal	Interest	Total
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
2028-2029	665,000	40,200	705,200
Total	<u>\$ 2,055,000</u>	<u>\$ 345,600</u>	<u>\$ 2,400,600</u>

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Debt Authorization

As of December 31, 2022, 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 2023.

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. On February 22, 2022, this agreement was extended by the First Amendment of Cost Recovery Agreement until December 1, 2029.

Note 5: Tax, Spending and Debt Limitations

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

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

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

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

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

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.

CHIMNEY ROCK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

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

SUPPLEMENTAL INFORMATION

CHIMNEY ROCK METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2022

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 325,620	\$ 323,308	\$ (2,312)
Specific ownership taxes	12,000	20,466	8,466
Interest income	200	6,820	6,620
Cost recovery/lift fees	<u>56,984</u>	<u>58,236</u>	<u>1,252</u>
Total Revenues	<u>394,804</u>	<u>408,830</u>	<u>14,026</u>
EXPENDITURES			
Bond principal - Series 2016A	240,000	240,000	-
Bond interest - Series 2016A	91,800	91,800	-
Paying agent fees	1,200	400	800
Miscellaneous expenses	450	-	450
Treasurer's fees	<u>4,884</u>	<u>4,853</u>	<u>31</u>
Total Expenditures	<u>338,334</u>	<u>337,053</u>	<u>1,281</u>
NET CHANGES IN FUND BALANCE	56,470	71,777	15,307
FUND BALANCE:			
BEGINNING OF YEAR	<u>335,542</u>	<u>345,448</u>	<u>9,906</u>
END OF YEAR	<u><u>\$ 392,012</u></u>	<u><u>\$ 417,225</u></u>	<u><u>\$ 25,213</u></u>

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

CHIMNEY ROCK METROPOLITAN DISTRICT

**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2022**

**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>
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>\$ 2,055,000</u>	<u>\$ 345,600</u>	<u>\$ 2,400,600</u>

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION

UNAUDITED

CHIMNEY ROCK METROPOLITAN DISTRICT
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
All Funds
2018-2022
UNAUDITED

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues					
Property taxes	\$ 390,309	\$ 389,810	\$ 439,251	\$ 439,797	\$ 486,692
Specific ownership taxes	36,161	33,224	32,972	33,664	30,808
Cost Recovery Fees	52,788	52,712	55,421	56,002	58,236
Interest	10,668	14,655	5,015	844	19,980
Total Revenue	<u>489,926</u>	<u>490,401</u>	<u>532,659</u>	<u>530,307</u>	<u>595,716</u>
Expenditures					
Accounting	\$ 8,549	\$ 10,126	\$ 9,585	\$ 9,975	\$ 11,288
Administration	12,520	12,151	12,223	11,609	13,218
Audit	6,050	3,842	3,900	4,000	4,000
Director fees	2,000	900	1,000	1,000	1,400
Election expense	1,087	56	812	-	355
Insurance	2,868	3,163	2,965	3,082	3,333
Legal	8,961	12,289	9,291	7,488	13,463
GIS Mapping	-	3,165	-	-	-
Miscellaneous	2,327	1,929	1,905	2,071	1,570
Payroll taxes	159	71	84	81	107
Treasurer's fees	5,873	5,851	6,592	6,601	7,306
Paying agent fees	400	800	400	400	400
Debt service/interest expense	315,300	316,300	325,150	323,550	331,800
Total Expenditures	<u>366,094</u>	<u>370,643</u>	<u>373,907</u>	<u>369,857</u>	<u>388,240</u>
Change in Fund Balance	123,832	119,758	158,752	160,450	207,476
Fund Balance, Beginning	<u>353,411</u>	<u>477,243</u>	<u>597,001</u>	<u>755,753</u>	<u>916,203</u>
Fund Balance, Ending	<u>\$ 477,243</u>	<u>\$ 597,001</u>	<u>\$ 755,753</u>	<u>\$ 916,203</u>	<u>\$ 1,123,679</u>

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

Levy/Collection Year	Assessed Value	Percent Change
1996/1997	\$ 207,780	-
1997/1998	301,120	44.9%
1998/1999	1,210,420	302.0%
1999/2000	3,752,630	210.0%
2000/2001	4,738,990	26.3%
2001/2002	6,837,400	44.3%
2002/2003	7,463,180	9.2%
2003/2004	8,701,340	16.6%
2004/2005	9,857,030	13.3%
2005/2006	12,648,990	28.3%
2006/2007	13,346,480	5.5%
2007/2008	14,206,090	6.4%
2008/2009	14,455,970	1.8%
2009/2010	14,903,680	3.1%
2010/2011	14,898,700	0.0%
2011/2012	12,810,087	-14.0%
2012/2013	12,852,797	0.3%
2013/2014	12,984,404	1.0%
2014/2015	13,091,100	0.8%
2015/2016	14,233,718	8.7%
2016/2017	14,344,685	0.8%
2017/2018	14,616,057	1.9%
2018/2019	14,593,031	-0.2%
2019/2020	16,510,717	13.1%
2020/2021	16,427,060	-0.5%
2021/2022	18,344,761	11.7%
2022/2023	18,550,049	1.1%

CHIMNEY ROCK METROPOLITAN DISTRICT
2022 Assessed Valuation and Statutory
"Actual" Value of Classes of Property in the District
UNAUDITED

Property Class and Assessment Rate	<u>2022 Assessed Valuation</u>		<u>2022 Statutory "Actual" Value</u>	
Residential (6.95%)	\$ 16,854,379	90.86%	242,509,012	97.44%
Residential Multi Family (6.80%)	46,199	0.25%	679,401	0.27%
Vacant (29%)	1,392,941	7.51%	4,803,282	1.93%
Commercial (29%)	157,665	0.85%	543,995	0.22%
State Assessed (29%)	98,865	0.53%	340,914	0.14%
Total	\$ 18,550,049	100.00%	\$ 248,876,604	100.00%

Source: Jefferson County Assessor's Office

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

Levy/Collection Year	Mill Levies				Tax Receipts		
	General	Bond Redemption	Abatements/ Refunds	Total	Taxes Levied	Taxes Received	Percentage of Levy
1996/1997	30.000			30.000	\$ 6,233	\$ 6,484	104.0%
1997/1998	30.000			30.000	9,034	9,007	99.7%
1998/1999	5.000	30.000		35.000	42,365	42,227	99.7%
1999/2000	5.000	30.000		35.000	131,342	114,807	87.4%
2000/2001	5.000	30.000		35.000	165,865	164,066	98.9%
2001/2002	5.000	31.934	0.351	37.285	254,932	242,892	95.3%
2002/2003	5.000	31.934	0.265	37.199	277,623	271,157	97.7%
2003/2004	5.000	36.708	0.990	42.698	371,530	368,999	99.3%
2004/2005	5.000	36.708	0.858	42.566	419,574	418,327	99.7%
2005/2006	5.000	36.708	0.200	41.908	530,094	528,723	99.7%
2006/2007	5.000	19.000	0.413	24.413	325,827	323,426	99.3%
2007/2008	5.000	19.000	0.340	24.340	345,776	346,047	100.1%
2008/2009	5.000	19.000	0.000	24.000	346,943	344,672	99.3%
2009/2010	7.000	19.000	0.180	26.180	390,179	387,429	99.3%
2010/2011	8.970	21.408	0.000	30.378	452,592	451,951	99.9%
2011/2012	8.970	21.408	0.000	30.378	389,144	388,866	99.9%
2012/2013	8.970	21.408	0.000	30.378	390,443	390,436	100.0%
2013/2014	8.970	21.408	0.000	30.378	394,440	394,376	100.0%
2014/2015	8.970	21.408	0.000	30.378	397,681	397,638	100.0%
2015/2016	8.970	21.408	0.000	30.378	432,391	432,319	100.0%
2016/2017	8.970	17.750	0.000	26.720	383,290	382,143	99.7%
2017/2018	8.970	17.750	0.000	26.720	390,540	390,310	99.9%
2018/2019	8.970	17.750	0.000	26.720	389,925	389,810	100.0%
2019/2020	8.970	17.750	0.000	26.720	441,166	439,252	99.6%
2020/2021	8.970	17.750	0.065	26.785	439,999	439,797	100.0%
2021/2022	8.970	17.750	0.034	26.754	490,797	486,692	99.2%

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

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

<u>Levy/Collection Year</u>	<u>Amount</u>
1999	-
2000	-
2001	7,215
2002	10,198
2003	11,316
2004	13,268
2005	19,928
2006	24,061
2007	29,276
2008	32,299
2009	35,789
2010	34,614
2011	38,542
2012	38,745
2013	40,303
2014	44,363
2015	47,965
2016	49,679
2017	49,466
2018	52,788
2019	52,712
2020	55,421
2021	56,002
2022	58,236

History of District's Specific
Ownership Tax Revenue
UNAUDITED

<u>Levy/Collection Year</u>	<u>Amount</u>
1997	\$ 841
1998	919
1999	5,107
2000	16,084
2001	20,903
2002	29,621
2003	31,259
2004	39,883
2005	41,005
2006	47,305
2007	28,856
2008	27,402
2009	24,735
2010	26,041
2011	28,824
2012	27,474
2013	29,026
2014	30,747
2015	33,055
2016	34,681
2017	37,447
2018	36,161
2019	33,224
2020	32,972
2021	33,664
2022	30,808

CHIMNEY ROCK METROPOLITAN DISTRICT
Selected District Debt Ratios
UNAUDITED

Direct Debt (Dist bonds only)	\$	2,055,000
2022 Assessed Valuation	\$	18,550,049
Direct Debt to 2022 Assessed Valuation		11.08%
2022 Statutory Actual Value	\$	248,876,604
Direct Debt to 2022 Statutory Actual Value		0.83%

**DARCY BEARD
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PARKER, COLORADO 80134
Mobile 303-594-5488**

Accountant's Compilation Report

**Board of Directors
Chimney Rock Metropolitan District**

I have compiled the accompanying Combined Balance Sheet for all fund types and account groups of Chimney Rock Metropolitan District and the related Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund and the Debt Service Fund for the nine months ending September 30, 2023. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

**Darcy Beard
Certified Public Accountant
October 5, 2023**

**CHIMNEY ROCK METROPOLIAN DISTRICT
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2023**

<u>Assets</u>	<u>General</u>	<u>Debt</u>	<u>Total</u>
	<u>Fund</u>	<u>Service</u>	<u>Memo Only</u>
<u>Current Assets</u>			
Cash in Checking - FirstBank	\$ -	\$ 132,219.12	\$ 132,219.12
FB Liquid Asset - CR/Lift	-	3,929.16	3,929.16
Cash in Bank - Colotruss GF/DS	366,411.76	403,940.07	770,351.83
ColoTrust Edge GF/DS	736,924.27		736,924.27
ColoTrust Edge Market Value Adjustment	(5,234.43)		(5,234.43)
Cash in Bank - Colotruss CR/Lift	-	2,849.85	2,849.85
Property Taxes Receivable	8,712.86	6,400.66	15,113.52
Cash with County Treasurer	-	-	-
Prepaid Expenses	-	-	-
Due from Other Funds	-	224,718.43	224,718.43
Total Current Assets	<u>\$ 1,106,814.46</u>	<u>\$ 774,057.29</u>	<u>\$ 1,880,871.75</u>
Total Assets	<u>\$ 1,106,814.46</u>	<u>\$ 774,057.29</u>	<u>\$ 1,880,871.75</u>
 <u>Liabilities</u>			
Accounts Payable	\$ 51.30	\$ -	\$ 51.30
Deposits	3,500.00	-	3,500.00
PrepaidCost Recovery/Lift Station Fees	-	-	-
Due to Other Funds	224,718.43	-	224,718.43
Total Liabilities	<u>\$ 228,269.73</u>	<u>\$ -</u>	<u>\$ 228,269.73</u>
 <u>Deferred Inflows of Resources</u>			
Deferred Property Taxes	<u>\$ 8,712.86</u>	<u>\$ 6,400.66</u>	<u>\$ 15,113.52</u>
Total Deferred Inflows of Resources	<u>\$ 8,712.86</u>	<u>\$ 6,400.66</u>	<u>\$ 15,113.52</u>
 Fund Balance			
Fund Balance	\$ 706,454.00	\$ 417,225.00	\$ 1,123,679.00
Current Year Earnings	<u>163,377.87</u>	<u>350,431.63</u>	<u>513,809.50</u>
Total Fund Balances	<u>\$ 869,831.87</u>	<u>\$ 767,656.63</u>	<u>\$ 1,637,488.50</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,106,814.46</u>	<u>\$ 774,057.29</u>	<u>\$ 1,880,871.75</u>

CHIMNEY ROCK METROPOLIAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL
GENERAL FUND
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2023

<u>Account Description</u>	<u>2023</u> <u>Actual</u>	<u>2023</u> <u>Budget</u>	<u>(Under)/Over</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>
<u>Revenues</u>				
Property Tax Revenue	\$ 156,464.14	\$ 167,973	\$ (11,508.86)	93.1%
Specific Ownership Tax	8,107.32	12,000	(3,892.68)	67.6%
Interest Income	37,507.18	10,000	27,507.18	375.1%
Market Value Adjustment	(10.96)	-	(10.96)	0.0%
Total Revenues	<u>\$ 202,067.68</u>	<u>\$ 189,973</u>	<u>\$ 12,094.68</u>	<u>106.4%</u>
<u>Expenditures</u>				
Accounting	\$ 7,800.00	\$ 12,600	\$ (4,800.00)	61.9%
Administration	11,705.78	12,600	(894.22)	92.9%
Audit	4,500.00	4,500	-	100.0%
Directors Fees	300.00	2,000	(1,700.00)	15.0%
Election Expense	89.20	5,000	(4,910.80)	0.0%
Insurance	3,111.00	2,800	311.00	111.1%
Legal Fees	8,290.46	12,000	(3,709.54)	69.1%
Miscellaneous Expense	520.77	3,000	(2,479.23)	17.4%
Payroll Taxes	24.15	153	(128.85)	15.8%
Treasurer's Fees	2,348.45	2,496	(147.55)	94.1%
Contingency	-	784,918	(784,918.00)	0.0%
Total Expenditures	<u>\$ 38,689.81</u>	<u>\$ 842,067</u>	<u>\$ (803,377.19)</u>	<u>4.6%</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 163,377.87	\$ (652,094)		
<u>Transfers and Other Sources (Uses)</u>				
Emergency Reserves	<u>\$ -</u>	<u>\$ 5,699</u>		
Total Transfers and Other Sources (Uses)	<u>\$ -</u>	<u>\$ 5,699</u>		
Change in Fund Balance	\$ 163,377.87	\$ (657,793)		
Beginning Fund Balance	<u>706,454.00</u>	<u>707,793.00</u>		
Ending Fund Balance	<u><u>\$ 869,831.87</u></u>	<u><u>\$ 50,000</u></u>		

CHIMNEY ROCK METROPOLIAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL
DEBT SERVICE FUND
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2023

<u>Account Description</u>	<u>2023</u> <u>Actual</u>	<u>2023</u> <u>Budget</u>	<u>(Under)/Over</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>
Revenues				
Property Tax Revenue	\$ 309,614.90	\$ 329,263	\$ (19,648.10)	94.0%
Specific Ownership Tax	16,042.98	22,000	(5,957.02)	73%
Interest Income	10,640.90	6,500	4,140.90	164%
Cost Recovery/Lift Station	<u>59,980.00</u>	<u>62,152</u>	<u>(2,172.00)</u>	<u>97%</u>
Total Revenues	<u>\$ 396,278.78</u>	<u>\$ 419,915</u>	<u>\$ 23,636.22</u>	<u>94%</u>
Expenditures				
2016 A Principal	\$ -	\$ 250,000	\$ (250,000.00)	0.0%
2016 A Interest	41,100.00	82,200	(41,100.00)	50.0%
Paying Agent Fees	-	1,200	(1,200.00)	0.0%
Miscellaneous Expense	100.00	450	(350.00)	0.0%
Treasurer's Fees	<u>4,647.15</u>	<u>4,939</u>	<u>(291.85)</u>	<u>94.1%</u>
Total Expenditures	<u>\$ 45,847.15</u>	<u>\$ 338,789</u>	<u>\$ 292,941.85</u>	<u>14%</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 350,431.63	\$ 81,126		
Beginning Fund Balance	<u>\$ 417,225.00</u>	<u>\$ 421,915</u>		
Ending Fund Balance	<u><u>\$ 767,656.63</u></u>	<u><u>\$ 503,041</u></u>		

CHIMNEY ROCK METROPOLIAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL
COMBINED FUNDS
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2023

<u>Account Description</u>	<u>GENERAL</u> <u>2023</u> <u>ACTUAL</u>	<u>DEBT SERVICE</u> <u>2023</u> <u>ACTUAL</u>	<u>COMBINED</u> <u>TOTAL</u> <u>ACTUAL</u>	<u>COMBINED</u> <u>2023</u> <u>BUDGET</u>	<u>(Under)/Over</u> <u>BUDGET</u>
<u>Revenues</u>					
Property Tax Revenue	\$ 156,464.14	\$ 309,614.90	\$ 466,079.04	\$ 497,236.00	\$ (31,156.96)
Specific Ownership Tax	8,107.32	16,042.98	24,150.30	34,000.00	(9,849.70)
Interest Income	37,507.18	10,640.90	48,148.08	16,500.00	31,648.08
Market Value Adjustment	(10.96)	-	(10.96)	-	(10.96)
Cost Recovery/Lift Station	-	59,980.00	59,980.00	62,152.00	(2,172.00)
Total Revenues	\$ 202,067.68	\$ 396,278.78	\$ 598,346.46	\$ 609,888.00	\$ (11,541.54)
<u>Expenditures</u>					
Accounting	\$ 7,800.00	\$ -	\$ 7,800.00	\$ 12,600.00	\$ (4,800.00)
Administration	11,705.78	-	11,705.78	12,600.00	(894.22)
Audit	4,500.00	-	4,500.00	4,500.00	-
Directors Fees	300.00	-	300.00	2,000.00	(1,700.00)
Election Expense	89.20	-	89.20	5,000.00	(4,910.80)
Insurance	3,111.00	-	3,111.00	2,800.00	311.00
Legal Fees	8,290.46	-	8,290.46	12,000.00	(3,709.54)
Miscellaneous Expense	520.77	100.00	620.77	3,000.00	(2,379.23)
Payroll Taxes	24.15	-	24.15	153.00	(128.85)
Treasurer's Fees	2,348.45	4,647.15	6,995.60	7,435.00	(439.40)
Contingency	-	-	-	784,918.00	(784,918.00)
2016 A Principal	-	-	-	250,000.00	(250,000.00)
2016 A Interest	-	41,100.00	41,100.00	82,200.00	(41,100.00)
Paying Agent Fees	-	-	-	1,200.00	(1,200.00)
Total Expenditures	\$ 38,689.81	\$ 45,847.15	\$ 84,536.96	\$ 1,180,406.00	\$ (1,095,869.04)
Excess (Deficiency) of Revenues over Expenditures	\$ 163,377.87	\$ 350,431.63	\$ 513,809.50	\$ (570,518.00)	\$ 1,084,327.50
<u>Transfers and Other Sources (Uses)</u>					
Emergency Reserves	\$ -	\$ -	\$ -		
Total Transfers and Other Sources (Uses)	\$ -	\$ -	\$ -		
Change in Fund Balance	\$ 163,377.87	\$ 350,431.63	\$ 513,809.50		
Beginning Fund Balance	706,454.00	417,225.00	1,123,679.00		
Ending Fund Balance	\$ 869,831.87	\$ 767,656.63	\$ 1,637,488.50		

**CHIMNEY ROCK METROPOLIAN DISTRICT
SCHEDULE OF CASH POSITION
SEPTEMBER 30, 2023**

	<u>Rate</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Checking:</u>				
First Bank Checking		\$ -	\$ 132,219.12	\$ 132,219.12
<u>Investments:</u>				
FB Liquid Asset- CR/Lift	0.50%	\$ -	\$ 3,929.16	\$ 3,929.16
ColoTrust - GF/DS	5.5235%	366,411.76	403,940.07	770,351.83
ColoTrust Edge GF/DS - Net	5.4956%	731,689.84	-	731,689.84
ColoTrust - CR/Lift	5.5235%	-	2,849.85	2,849.85
		<u> </u>	<u> </u>	<u> </u>
Total Funds		<u>\$ 1,098,101.60</u>	<u>\$ 542,938.20</u>	<u>\$ 1,641,039.80</u>

**CHIMNEY ROCK METROPOLIAN DISTRICT
SCHEDULE OF CASH POSITION
SEPTEMBER 30, 2023**

	<u>Rate</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Checking:</u>				
First Bank Checking		\$ -	\$ 132,219.12	\$ 132,219.12
<u>Investments:</u>				
FB Liquid Asset- CR/Lift	0.25%	\$ -	\$ 3,929.16	\$ 3,929.16
ColoTrust - GF/DS	5.5235%	366,411.76	403,940.07	770,351.83
ColoTrust Edge GF/DS - Net	5.4956%	731,689.84	-	731,689.84
ColoTrust - CR/Lift	5.5235%	-	2,849.85	2,849.85
		<u> </u>	<u> </u>	<u> </u>
Total Funds		<u>\$ 1,098,101.60</u>	<u>\$ 542,938.20</u>	<u>\$ 1,641,039.80</u>

CHIMNEY ROCK METROPOLITAN DISTRICT

GENERAL FUND

2024 Preliminary Budget

with 2022 Actual, 2023 Adopted Budget, and 2023 Forecast

	2022 Actual	2023 Adopted Budget	2023 Forecast	2024 Preliminary Budget
BEGINNING FUND BALANCE	\$ 570,755	\$ 707,797	\$ 706,454	\$ 883,251
REVENUE				
Property Tax Revenue	163,384	167,973	167,973	174,714
Specific Ownership Tax	10,342	12,000	12,000	12,000
Interest Income	13,160	10,000	50,000	50,000
Total Revenue	186,886	189,973	229,973	236,714
Total Funds Available	757,641	897,770	936,427	1,119,964
EXPENDITURES				
Accounting	11,288	12,600	12,600	13,500
Administration	13,218	12,600	15,000	16,500
Audit	4,000	4,500	4,500	5,000
Directors Fees	1,400	2,000	1,300	2,000
Election Expense	355	5,000	600	-
Insurance	3,333	2,800	3,111	3,500
Legal	13,463	12,000	12,000	12,000
Miscellaneous/SDA	1,570	3,000	1,500	3,000
Payroll Taxes	107	157	46	153
Treasurer's Fees	2,453	2,496	2,520	2,621
Contingency	-	784,918	-	1,004,589
Total Expenditures	51,187	842,071	53,176	1,062,863
Transfers and Other Uses				
Transfer to Debt Service	-	-	-	-
Emergency Reserves	-	5,699	-	7,101
Total Expenditures Requiring Appropriation	51,187	847,770	53,176	1,069,964
Undesignated	706,454	50,000	883,251	50,000
ENDING FUND BALANCE	\$ 706,454	\$ 50,000	\$ 883,251	\$ 50,000

CHIMNEY ROCK METROPOLITAN DISTRICT

DEBT SERVICE FUND 2024 Preliminary Budget with 2022 Actual, 2023 Adopted Budget, and 2023 Forecast

	2022 Actual	2023 Adopted Budget	2023 Forecast	2024 Preliminary Budget
BEGINNING FUND BALANCE	\$ 345,448	\$ 421,915	\$ 417,225	\$ 506,879
REVENUE				
Property Tax Revenue	323,308	329,263	329,263	337,181
Specific Ownership Taxes	20,466	22,000	24,000	24,000
Interest Income	6,820	6,500	15,000	15,000
Transfer from General Fund	-	-	-	-
Cost Recovery/Lift Station	58,236	62,152	59,980	62,832
	-	-	-	-
Total Revenue	408,830	419,915	428,243	439,013
Total Funds Available	754,278	841,830	845,468	945,892
EXPENDITURES				
2016 A Principal	240,000	250,000	250,000	265,000
2016 A Interest	91,800	82,200	82,200	72,200
Paying Agent Fees	400	1,200	1,200	1,200
Treasurer's Fees	4,853	4,939	4,939	5,058
Miscellaneous Expense	-	450	250	450
	-	-	-	-
Total Expenditures	337,053	338,789	338,589	343,908
Total Expenditures Requiring Appropriation	337,053	338,789	338,589	343,908
ENDING FUND BALANCE	\$ 417,225	\$ 503,041	\$ 506,879	\$ 601,984

CHIMNEY ROCK METROPOLITAN DISTRICT
Assessed Value, Property Tax and Mill Levy Information

2022 Actual	2023 Adopted Budget	2024 Preliminary Budget
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Assessed Valuation	\$	18,344,761	\$	18,550,049	\$	23,029,901
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Mill Levy

General Fund		8.970		8.970		8.970
Debt Service Fund		17.750		17.750		14.641
Temp Mill Levy Reduction - Genl Fund						
Refunds and Abatements		0.034		0.085		0.1427
Total Mill Levy		<u>26.754</u>		<u>26.805</u>		<u>23.7537</u>

Property Taxes

General Fund	\$	164,553	\$	166,394	\$	206,578
Debt Service Fund		325,620		329,263		337,181
Refunds and Abatements		624		1,579		3,286
Actual/Budgeted Property Taxes	\$	<u>490,797</u>	\$	<u>497,236</u>	\$	<u>547,045</u>

Inflation Property Tax Limit 5%

General Fund			\$	174,714
Debt Service Fund				337,181
Actual/Budgeted Property Taxes	Prop HH passes		\$	<u>511,895</u>

CHIMNEY ROCK METROPOLITAN DISTRICT

2024 Budget Message

Introduction

The District was formed in 1995 for the purpose of providing design, financing, and construction, of certain infrastructure improvements including road improvements and water and sewer facilities within the District. When appropriate, these improvements have been dedicated to Willowbrook Water and Sanitation District, Jefferson County, or such other entities as appropriate for the use and benefit of the District taxpayers and service users. The District does not own or maintain any property.

The 2024 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2024 fiscal year based on available revenues. This budget provides for the annual debt service on the District's General Obligation Debt as well as the general operation of the District.

The District's assessed value increased from \$\$18,549,949 to \$18,549,949 in 2023. The District's mill levy is 26.805 mills for the 2024 budget. The Debt Service portion is 17.750 mills while the General Fund mill levy is 8.970 mills for the taxes collected in the fiscal year 2024. In addition, the mill levy includes .0850 mills for refunds/abatements. In accordance with an October 17, 2016, resolution, the District shall maintain a reserve equal to or greater than one year of the District's average operating expenses in the General Fund and a reserve balance in the Debt Service Fund equal to or greater than \$35,000.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds comprise the total District budget. All the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation paid.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes and specific ownership tax. Expenditures include District administration, legal services, and other expenses related to statutory operations of a local government.

The **Debt Service Fund** is used to account for property taxes and other revenues dedicated to paying the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. In December of 2016, the District refunded the Series 2006 General Obligation Bonds and issued \$3,340,000 in long-term General Obligation Bonds. Below is a consolidated summary of the District's long-term General Obligation Debt.

Summary of Debt Outstanding

Chimney Rock Metropolitan District

<u>Bonds Principal & Interest Maturing in the Year Ending</u>	<u>\$3,340,000 Series 2016A Limited Tax GO Refunding Bonds & Series 2016B Taxable Limited Tax Bonds GO Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 250,000	\$ 82,200	\$ 332,200
2024	\$ 265,000	\$ 72,200	\$ 337,200
2025-2028	\$ 1,200,000	\$ 177,600	\$ 1,377,600
2029	<u>\$ 340,000</u>	<u>\$ 13,600</u>	<u>\$ 353,600</u>
Total	<u>\$ 2,520,000</u>	<u>\$ 535,950</u>	<u>\$ 3,055,950</u>

Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

RESOLUTION NO. 2023 - 10 -

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CHIMNEY ROCK METROPOLITAN DISTRICT
TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Chimney Rock Metropolitan District (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 16, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Chimney Rock Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Chimney Rock Metropolitan District for the 2024 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 16th day of October, 2023.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Chimney Rock Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2022, duly adopted at a meeting of the Board of Directors of the Chimney Rock Metropolitan District held on October 16, 2023.

By: _____
Secretary

RESOLUTION NO. 2023 - 10 - __

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CHIMNEY ROCK METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Chimney Rock Metropolitan District (“District”) has adopted the 2024 annual budget in accordance with the Local Government Budget Law on October 16, 2023 and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2024 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Chimney Rock Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Jefferson County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 16th day of October, 2023.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: October 12, 2023

RE: Notice of 2024 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by (6.0%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.