

**CHAPARRAL POINTE METROPOLITAN DISTRICT**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

**CHAPARRAL POINTE METROPOLITAN DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>				
Cash - Checking	\$ 9,982	\$ 12,170	\$ -	\$ 22,152
Trust account	-	18,821	-	18,821
Receivable from County Treasurer	95	285	-	380
Accounts receivable	6,689	-	-	6,689
Prepaid insurance	3,044	-	-	3,044
<b>TOTAL ASSETS</b>	<b>\$ 19,811</b>	<b>\$ 31,276</b>	<b>\$ -</b>	<b>\$ 51,087</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 28,039	\$ -	\$ -	\$ 28,039
Prepaid Homeowner fees	3,494	-	-	3,494
Closings Escrow	5,500	-	-	5,500
Total Liabilities	37,033	-	-	37,033
<b>FUND BALANCES</b>				
Total Fund Balances	(17,224)	31,276	-	14,053
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 19,811</b>	<b>\$ 31,276</b>	<b>\$ -</b>	<b>\$ 51,087</b>

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**CHAPARRAL POINTE METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

**GENERAL FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property Taxes	\$ 10,673	\$ 10,673	\$ -
Specific Ownership Tax	1,067	833	(234)
Other revenue	665	-	(665)
Late fees / penalties	-	480	480
District Service Fees	30,900	51,021	20,121
Interest income	15	25	10
<b>TOTAL REVENUES</b>	<u>43,320</u>	<u>63,032</u>	<u>19,712</u>
<b>EXPENDITURES</b>			
County Treasurer's Fee	160	161	(1)
Dues and Licenses	340	311	29
Insurance and Bonds	3,200	3,095	105
District Management	17,000	13,928	3,072
Billing	5,500	11,903	(6,403)
Legal Services	17,500	13,146	4,354
Election Expense	5,000	3,694	1,306
Utilities	1,200	-	1,200
Trash Collection	3,000	7,201	(4,201)
Website	500	-	500
Covenant Enforcement	5,000	6,022	(1,022)
Prop. Assoc. Contrib. - Barnes Center	1,100	-	1,100
Accounting	16,500	22,521	(6,021)
Auditing	5,000	4,200	800
Miscellaneous	100	56	44
Contingency	1,400	500	900
<b>TOTAL EXPENDITURES</b>	<u>82,500</u>	<u>86,738</u>	<u>(4,238)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(39,180)	(23,706)	15,474
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	47,000	21,000	(26,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>47,000</u>	<u>21,000</u>	<u>(26,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	7,820	(2,706)	(10,526)
<b>FUND BALANCES - BEGINNING</b>	<u>990</u>	<u>(14,518)</u>	<u>(15,508)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 8,810</u>	<u>\$ (17,224)</u>	<u>\$ (26,034)</u>

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## **SUPPLEMENTARY INFORMATION**

**CHAPARRAL POINTE METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

**DEBT SERVICE FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property Taxes	\$ 32,021	\$ 32,020	\$ (1)
Specific Ownership Tax	3,202	2,499	(703)
Interest income	75	187	112
Other revenue	464	-	(464)
<b>TOTAL REVENUES</b>	<u>35,762</u>	<u>34,706</u>	<u>(1,056)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fee	480	481	(1)
Paying agent fees	6,500	4,000	2,500
Bond interest	28,997	-	28,997
Contingency	223	-	223
<b>TOTAL EXPENDITURES</b>	<u>36,200</u>	<u>4,481</u>	<u>31,719</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(438)	30,225	30,663
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	1,004	1,004
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>1,004</u>	<u>1,004</u>
<b>NET CHANGE IN FUND BALANCES</b>	(438)	31,229	31,667
<b>FUND BALANCES - BEGINNING</b>	<u>2,700</u>	<u>47</u>	<u>(2,653)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,262</u>	<u>\$ 31,276</u>	<u>\$ 29,014</u>

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**CHAPARRAL POINTE METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

**CAPITAL PROJECTS FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest income	\$ -	\$ 4	\$ 4
<b>TOTAL REVENUES</b>	<u>-</u>	<u>4</u>	<u>4</u>
<b>EXPENDITURES</b>			
<b>TOTAL EXPENDITURES</b>	<u></u>	<u></u>	<u></u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	4
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other fund	-	(1,004)	(1,004)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(1,004)</u>	<u>(1,004)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(1,000)	(1,000)
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**CHAPARRAL POINTE METROPOLITAN DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for El Paso County recorded on December 10, 2018 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City Council of Colorado Springs on September 11, 2018. The District's service area is located entirely in El Paso County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements including streets and safety control, landscaping, storm drainage, water, sewer, television relay, and park and recreation improvements and facilities.

The Service Plan limits total general obligation indebtedness to \$5,000,000.

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

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

**Revenues**

**Property Taxes**

Property taxes are levied by the Board of Directors of the District. The levy is imposed upon assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is expressed in terms of mills. A mill is equal to 1/10 of one cent per dollar of assessed valuation. 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 property taxes resultant from the mill levy and assessed valuation have been reduced by 0.5% to allow for uncollectible taxes.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taking entities within the County. The budget assumes that the District's share will be equal to approximately 10.00% of the property taxes collected.

**CHAPARRAL POINTE METROPOLITAN DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**Developer Advance**

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue. As of December 31, 2022, the District has received advances from the Developer, which remain outstanding per the attached schedule.

**District Service Fees**

The District imposes an Operations Fee upon the sale of a lot to an owner (other than the homebuilder constructing the initial residential unit) in the amount of \$99 per month per residential unit to meet the costs of operating and maintaining District improvements and furnishing covenant enforcement and design review services. The District has determined that the Operations Fee is reasonably related to the overall cost of providing the services.

**Expenditures**

**Administrative and Operating Expenses**

General and Administrative Costs include the services necessary to maintain the administrative viability of the District such as legal, management, accounting and audit, election, insurance, and other administrative costs. Operations and maintenance costs include landscape maintenance, snow removal, repairs and maintenance, utilities, trash collection, billing services, and covenant enforcement.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.50% of property tax collections.

**Debt and Leases**

**Debt**

**Bond Proceeds**

The District issued the Bonds on June 24, 2021, in the par amount of \$1,350,000. Proceeds from the sale of the Bonds will be used to pay Project Costs and costs of issuance of the Bonds.

**Details of the Bonds**

The Bonds bear interest at the rate of 5.000% per annum and are payable annually on December 1, beginning on December 1, 2021, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2051 and are subject to mandatory redemption to the extent of available Pledged Revenue.

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 2, 2059, such amounts shall be extinguished and no longer due and outstanding.



**CHAPARRAL POINTE METROPOLITAN DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

**Debt (continued)**

**Optional Redemption**

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 1, 2026, to May 31, 2027	3.00%
June 1, 2027, to May 31, 2028	2.00
June 1, 2028, to May 31, 2029	1.00
June 1, 2029, and thereafter	0.00

**Pledged Revenue**

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) the Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

**Required Mill Levy**

The District is required to impose an ad valorem mill levy upon all taxable property of the District each year in the amount of 30 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement on or after January 1, 2006) or such lesser mill levy which is sufficient to pay all of the principal of and interest on the Bonds in full. The Required Mill Levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

**Bonds Debt Service**

The annual debt service requirements of the Bonds are not currently determinable since they are payable only from available Pledged Revenue.

**Developer Advances**

The District has entered into Agreements with the Developer as follows:

**Operation Funding Agreements**

On December 13, 2018, the District and Century Land Holdings, LLC, (the Developer), entered into that certain Operation Funding Agreement (The Agreement), and effective as of December 10, 2018, whereby the Developer agreed to advance funds to the District for operations, maintenance and administrative expenses. The Agreement was amended pursuant to First Amendment to Operation Funding Agreement, dated December 10, 2019, and was further amended pursuant to the Second Amendment to Operation Funding Agreement, dated December 8<sup>th</sup>, 2020 (as so amended, the Amended Agreement).

Under the Amended Agreement, the Developer agreed to advance funds sufficient to pay operation and maintenance expenses incurred in 2021, not to exceed the Shortfall Amount of \$129,000. Under the Amended Agreement, advances bear simple interest at 8.0% per annum.

**Leases**

The District has no operations or capital leases.

**CHAPARRAL POINTE METROPOLITAN DISTRICT  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserves**

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

**CHAPARRAL POINTE METROPOLITAN DISTRICT**  
**STATEMENT OF CASH POSITION**  
**September 30, 2022**  
Updated as of October 28, 2022

	General Fund	Debt Service Fund	Total
<b><u>FirstBank - Checking</u></b>			
Balance as of 09/30/22	\$ 9,982.62	\$ 12,169.54	\$ 22,152.16
Subsequent activities:			
10/10/22 El Paso Ptax Receipt	94.91	284.74	379.65
10/28/22 OA Deposits to Date	4,661.40	-	4,661.40
10/28/22 Bill.com payments	(11,378.79)	-	(11,378.79)
<i>Anticipated activities</i>			
<i>Bill.com Open Invoices</i>	(16,660.39)		(16,660.39)
<i>Developer Advance to be requested</i>	26,000.00	-	26,000.00
<i>Transfer pledge revenues</i>	-	(12,454.28)	(12,454.28)
<b><i>Anticipated balance</i></b>	<b>\$ 12,699.75</b>	<b>\$ -</b>	<b>\$ 12,699.75</b>
 <b><u>UMB Bond Fund</u></b>			
Balance as of 09/30/22	\$ -	\$ 18,822.06	\$ 18,822.06
<i>Anticipated activities:</i>			
<i>Transfer for pledge revenues</i>	-	12,454.28	12,454.28
<b><i>Anticipated balance</i></b>	<b>-</b>	<b>31,276.34</b>	<b>\$ 31,276.34</b>
<b><i>Total Anticipated balance</i></b>	<b>\$ 12,699.75</b>	<b>\$ 31,276.34</b>	<b>\$ 43,976.09</b>

UMB Daily Yield on 09/30/22 3.02%

**CHAPARRAL POINTE METROPOLITAN DISTRICT**

**Property Taxes Reconciliation**

**2022**

	Current Year								Prior Year		
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
Balance						\$ 20.16					
January	\$ 141.60	\$ -	\$ 347.09	\$ -	\$ (2.12)	486.57	0.33%	0.33%	20.49	0.00%	0.00%
February	9,737.64	-	334.26	-	(146.06)	9,925.84	22.81%	23.14%	20.16	0.00%	0.00%
March	2,945.61	-	397.23	3.27	(44.23)	3,301.88	6.90%	30.04%	23.47	0.00%	0.00%
April	2,899.96	-	336.30	-	(43.50)	3,192.76	6.79%	36.83%	2,161.94	99.96%	99.96%
May	11,807.35	-	345.72	-	(177.11)	11,975.96	27.66%	64.49%	21.62	0.00%	99.96%
June	14,506.93	-	383.39	98.19	(219.08)	14,769.43	33.98%	98.47%	20.12	0.00%	99.96%
July	654.58	-	352.13	-	(9.82)	996.89	1.53%	<b>100.00%</b>	20.74	0.00%	99.96%
August	-	-	455.74	-	-	455.74	0.00%	100.00%	24.80	0.00%	99.96%
September	-	-	379.65	-	-	379.65	0.00%	100.00%	20.86	0.00%	99.96%
October						-	0.00%	100.00%	23.18	0.00%	99.96%
November						-	0.00%	100.00%	20.45	0.00%	99.96%
December						-	0.00%	100.00%	20.16	0.00%	99.96%
<b>Total</b>	<b>\$ 42,693.67</b>	<b>\$ -</b>	<b>\$ 3,331.51</b>	<b>\$ 101.46</b>	<b>\$ (641.92)</b>	<b>\$ 45,504.88</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 2,397.99</b>	<b>99.96%</b>	<b>99.96%</b>

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Mill Levy	Assessed Value
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**Property Tax, net of rebates**

General Fund	\$ 10,673.00	25.00%	\$ 10,673.42	100.00%	11.132	
Debt Service Fund	32,021.00	75.00%	32,020.25	100.00%	33.397	
<b>Total</b>	<b>\$ 42,694.00</b>	<b>100.00%</b>	<b>\$ 42,693.67</b>	<b>100.00%</b>	<b>44.529</b>	<b>\$ 958,780</b>

**Specific Ownership Tax**

General Fund	\$ 1,067.50	25.00%	\$ 832.88	78.02%
Debt Service Fund	3,202.00	75.00%	2,498.63	78.03%
<b>Total</b>	<b>\$ 4,269.50</b>	<b>100.00%</b>	<b>\$ 3,331.51</b>	<b>78.03%</b>

**Treasurer's Fees**

General Fund	\$ 160.00	25.00%	\$ 160.48	100.30%
Debt Service Fund	480.00	75.00%	481.44	100.30%
<b>Total</b>	<b>\$ 640.00</b>	<b>100.00%</b>	<b>\$ 641.92</b>	<b>100.30%</b>

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