

**NOTICE OF MEETING
OF THE BOARD OF DIRECTORS OF THE
CHERRY HILLS NORTH METROPOLITAN DISTRICT**

January 9, 2020

Please take notice the meeting of the Board of Directors of the Cherry Hills North Metropolitan District will be held at Duffey's Patio Café, located at 4994 E Hampden Avenue, Denver, Colorado on Thursday, January 9, 2020 at 7:00 a.m. Business to be conducted at the meeting will include:

	<u>Page</u>
1. Public Comment	
2. Approval of the Minutes – November 7, 2019	1
3. 2020 Budget Resolutions	3
4. Consideration of Resolution of the Board of Directors of the Cherry Hills North Metropolitan District to Appropriate Sums of Money	7
5. Consideration of Resolution of the Board of Directors of the Cherry Hills North Metropolitan District establishing the date, time and place for the regular meetings for 2020	8
6. Financial Reports December 31, 2019	9
7. Accounts Payable- January 9, 2020	13
8. Consideration of Resolution of the Board of Directors of the Cherry Hills North Metropolitan District for the May 5, 2020 Election	14
9. Old Business	
10. New Business	
11. Adjournment	

Next tentatively scheduled meetings:

February 13, 2020

March 12, 2020

April 9, 2020

RECORD OF PROCEEDINGS
THE BOARD OF DIRECTORS
CHERRY HILLS NORTH METROPOLITAN DISTRICT

A meeting of the Board of Directors of Cherry Hills North Metropolitan District was held at Duffey's Bakery Patio Cafe, 4994 E. Hampden Avenue, Denver, Colorado 80110 at the hour of 7:00 a.m. on the 7th day of November 2019.

Present: Harold Roberts, President
Dan Conway, Vice President
Geoff Landry, Treasurer
Keith Bierman, Secretary
Darcy Beard, CPA

Absence excused: Marcus McAskin, Director

Director Roberts noted that a quorum of the Board was present and therefore called the meeting of the Board of Directors of the Cherry Hills North Metropolitan District to order.

APPROVAL OF MINUTES

The minutes of the meeting held August 8, 2019 were reviewed. Director Landry made a motion to approve the minutes. The motion was seconded by Director Conway and upon vote, the minutes were approved.

FINANCIAL REPORT

Ms. Beard distributed the compilation report for the ten months ending October 31, 2019. Director Conway made a motion to accept the compilation report. The motion was seconded by Director Roberts, upon vote, unanimously passed.

CASH DISBURSEMENTS

Ms. Beard presented the Schedule of Cash Disbursements totaling \$7,506.74. After review, Director Conway made a motion to approve the cash disbursements. The motion was seconded by Director Roberts, upon vote unanimously approved.

2020 BUDGET HEARING

Director Roberts opened the 2020 Budget Hearing at 7:20 am. Ms. Beard reviewed the proposed 2020 budget. After discussion, the 2020 Budget Hearing was closed at 7:25 am. Director Conway made a motion to approve the 2020 Budget. The motion was seconded by Director Roberts and upon vote, unanimously approved.

DECEMBER MEETINGS

The Directors cancelled the December meeting and set the next meeting date for January 9, 2020.

ADJOURNMENT

There being no further business to come before the Board, and upon motion duly made, second and unanimously carried, the meeting was adjourned at 7:35 a.m.

MINUTES APPROVED:

Harold Roberts

Daniel Conway

Geoff Landry

Marcus McAskin

Keith Bierman

RESOLUTION TO ADOPT BUDGET

A RESOLUTION ADOPTING A BUDGET FOR THE CHERRY HILLS NORTH METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO AND SUMMARIZING REVENUES AND EXPENDITURES FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board of Directors of the Cherry Hills North Metropolitan District has appointed Darcy Beard to prepare and submit a proposed budget to said governing body at the proper time;

WHEREAS, upon due and proper notice, published and 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 November 7, 2019, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget;

WHEREAS, whatever increases may have been made in expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cherry Hills North Metropolitan District, Arapahoe County, Colorado:

Section 1. That the budget as submitted, amended and summarized by fund, hereby is approved and adopted as the budget of the Cherry Hills North Metropolitan District for the year stated above.

Section 2. That the budget hereby approved and adopted shall be signed by the President and Secretary and made a part of the public records of the District.

Done and resolved this 7th day of November 2019.

CHERRY HILLS NORTH METROPOLITAN DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
2020 BUDGET**

	<u>2018 ACTUAL</u>	<u>2019 ADOPTED BUDGET</u>	<u>2019 FORECAST OPERATION</u>	<u>2020 BUDGET</u>
<u>RECEIPTS</u>				
TAXES - PROPERTY	\$ 96,440	\$ 97,462	\$ 97,462	\$ 107,169
TAXES - OWNERSHIP	7,008	6,200	6,800	6,800
INVESTMENT INCOME	<u>6,384</u>	<u>7,100</u>	<u>7,476</u>	<u>5,320</u>
TOTAL RECEIPTS	\$ 109,832	\$ 110,762	\$ 111,738	\$ 119,289
BALANCE JANUARY 1	<u>311,822</u>	<u>343,754</u>	<u>354,172</u>	<u>329,584</u>
TOTAL RECEIPTS & BEG BALANCE	\$ 421,654	\$ 454,516	\$ 465,910	\$ 448,873
<u>EXPENDITURES</u>				
ACCOUNTING	\$ 10,961	\$ 10,000	\$ 10,000	\$ 11,500
AUDIT EXPENSE	415	1,000	430	1,000
CAPITAL OUTLAY	-	86,250	53,012	-
COUNTY FEES	1,447	1,462	1,462	1,608
DUES	362	450	375	450
ELECTION EXPENSE	-	-	-	2,500
ENGINEERING EXPENSE	5,691	18,000	4,000	10,000
ENTRANCE MAINTENANCE	647	11,000	2,500	4,000
HILLCREST OUTFALL LINE EXPENSES	7,748	34,396	8,425	34,789
INSURANCE	1,927	2,450	1,880	2,100
LEGAL EXPENSE	-	1,000	5,000	5,000
LINE MAINTENANCE & REPAIR	5,699	7,000	5,887	6,520
MISCELLANEOUS	352	350	290	500
OFFICE EXPENSE	191	200	600	750
SEWER TREATMENT CHARGE	30,691	41,065	41,065	25,988
UTILITIES	1,351	1,500	1,400	1,550
SEWER LINE REPLACEMENT RESERVE	-	-	-	86,250
ENTRANCE IMPROVEMENT RESERVE	-	-	-	5,000
TOTAL EXPENDITURES	\$ 67,482	\$ 216,123	\$ 136,325	\$ 199,504
ENDING BALANCE	<u>354,172</u>	<u>238,393</u>	<u>329,584</u>	<u>249,369</u>
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$ 421,654</u>	<u>\$ 454,516</u>	<u>\$ 465,910</u>	<u>\$ 448,873</u>

I, **Darcy Beard** certify the attached is a true and accurate copy of the adopted 2020 budget of the Cherry Hills North Metropolitan District.

By: _____
Budget Officer

CHERRY HILLS NORTH METROPOLITAN DISTRICT
2020 BUDGET MESSAGE

The 2020 budget of Cherry Hills North Metropolitan District is prepared using the accrual basis of accounting. The principle services offered by Cherry Hills North Metropolitan District include providing wastewater service to the property owners within the District and to maintain the neighborhood signs.

The budgeted revenues for 2020 total \$119,289. Approximately 96% of the revenues are received from taxpayers in the form of property and ownership taxes. In May 2014, District held an election to increase the mill levy by 4 mills to 8.281 mills to allow the District to fully fund operations from operating revenues. The remaining revenue is from investment income generated from money market funds.

The total budgeted expenditures for 2020 total \$199,504. Approximately 39% of the total expenditures are allocated to maintenance and repair of the wastewater system; 43% of the total expenditures are allocated to a wastewater line replacement reserve; 5% of the total budgeted expenditures are allocated to lighting, maintenance and repair of the neighborhood signs; 13% of the budgeted expenditures are allocated to administrative expenses including insurance expense, professional fees, dues and county fees.

The District wastewater is treated by Metro Wastewater Reclamation District. The wastewater flows to Metro Wastewater via an outfall line that is owned by Hillcrest Water and Sanitation District and connected to a total of five districts. The five districts entered into the second amended and restated intergovernmental agreement effective January 1, 2011. This agreement allows Hillcrest Water & Sanitation District to perform maintenance and improvements to the line and establishes a cost sharing agreement of the maintenance/improvement costs and treatment fees between the five districts based upon the number of single family equivalent sewer taps within each district. Hillcrest Water & Sanitation District bills each district for the pro-rata maintenance costs and treatment fees. Cherry Hills North Metro District is responsible for 19.5% of the costs. The Metro Wastewater treatment fees and Outfall Line maintenance costs total \$60,776 in the 2020 budget; this is 90% of the maintenance and repair costs for Cherry Hills North Metro District.

RESOLUTION TO SET MILL LEVIES

A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2019 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE CHERRY HILLS NORTH METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO FOR THE 2020 BUDGET YEAR.

WHEREAS, the Board of Directors of the Cherry Hills North Metropolitan District has adopted the annual budget in accordance with the Local Government Budget Law, on November 7, 2019;

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$107,169;

WHEREAS, the 2019 net valuation for assessment for the Cherry Hills North Metropolitan District as certified by the Arapahoe County Assessor is \$12,941,509;

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Cherry Hills North Metropolitan District, Arapahoe County, Colorado:

Section 1. That for the purpose of meeting all general operating expenses of the Cherry Hills North Metropolitan District during the 2020 budget year, there is hereby levied a tax of 8.281 mills for General Operating Expenses upon each dollar of the net valuation for assessment of all taxable property within the District for the year 2019.

Section 2. That Darcy Beard, Budget Officer is hereby authorized and direct to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levies for the Cherry Hills North Metropolitan District as hereinabove determined and set, with said certification to be filed with said County Commissioners on or before December 15, 2019.

Done and resolved this 7th day of November 2019.

CHERRY HILLS NORTH METROPOLITAN DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

RESOLUTION TO APPROPRIATE SUMS OF MONEY

A RESOLUTION APPROPRIATING SUMS OF MONEY IN THE AMOUNTS AND FOR THE PURPOSES AS SET FORTH BELOW, FOR THE CHERRY HILLS NORTH METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO FOR THE 2020 BUDGET YEAR.

WHEREAS, the Board of Directors of the Cherry Hills North Metropolitan District has adopted the annual budget in accordance with the Local Government Budget Law on November 7, 2019;

WHEREAS, the Board of Directors has made provision 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 and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on the expenditures for the operations of the District.

NOW, THERE BE IT RESOLVED by the Board of Directors of the Cherry Hills North Metropolitan District, Arapahoe County, Colorado:

Section 1. That the following sums are hereby appropriated for the purposes stated:

General Fund

Current Operating Expenses	\$ 199,504
Total General Fund	\$ 199,504
Total Budgeted Expenditures	\$ 199,504
Ending Balance December 31, 2020	\$ 249,369
Total	\$ 448,873

Done and resolved this 9th day of January 2020.

CHERRY HILLS NORTH METROPOLITAN DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

RESOLUTION

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHERRY HILLS NORTH METROPOLITAN DISTRICT ESTABLISHING THE DATE, TIME AND PLACE FOR REGULAR MEETING OF THE BOARD OF DIRECTORS FOR 2020.

WHEREAS, C.R.S §24-6-402(2) (c) requires the designation of the places of posting of notice of the regular meetings of the Board of Directors of the District; and

WHEREAS, the Board wishes to identify the dates, times and location of the Board's regularly scheduled meetings.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cherry Hills North Metropolitan District as follows:

1. Regular meeting of the Board of Directors of the Cherry Hills North Metropolitan District shall be held on the second Thursday of each calendar month, commencing at 7:00 a.m. at Duffey's Bakery Patio Café, 4994 E Hampden Avenue, Denver, CO 80110.
2. Notice of each such scheduled meeting shall be posted on the District's website at www.chnorthmetro.us .

DONE AND RESOLVED THIS 9th day of January 2020.

CHERRY HILLS NORTH METROPOLITAN DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

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

Accountant's Compilation Report

**Board of Directors
Cherry Hills North Metropolitan District**

I have compiled the accompanying Treasurer's Report of Cherry Hills North Metropolitan District and the related Statement of Net Assets and Statement of Revenues and Expenditures for the year ending December 31, 2019. 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 Cherry Hills North Metropolitan District.

**Darcy Beard
Certified Public Accountant
January 8, 2020**

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
TREASURER'S REPORT**

January 1, 2019 through December 31, 2019

<u>REVENUES</u>	ACTUAL <u>2019</u>	BUDGET <u>2019</u>	BUDGET <u>REMAINING</u>
Property Taxes	\$ 97,461.78	\$ 97,462	\$ 0
Ownership Taxes	7,002.70	6,200	(803)
Investment Income	<u>7,678.09</u>	<u>7,100</u>	<u>(578)</u>
TOTAL REVENUES	\$ 112,142.57	\$ 110,762	\$ (1,381)
<u>EXPENDITURES</u>			
Accounting/Management Expense	\$ 9,841.25	\$ 10,000	\$ 159
Audit Expense	430.00	1,000	570
Capital Outlay	53,012.46	86,250	33,238
County Fees	1,462.63	1,462	(1)
Dues	374.88	450	75
Engineering Expense	7,324.14	18,000	10,676
Entrance Maintenance	90.50	11,000	10,910
Hillcrest Outfall Line Expense	3,074.25	34,396	31,322
Insurance & Directors Bonds	1,879.66	2,450	570
Legal Fees	4,095.75	1,000	(3,096)
Line Maintenance & Repair	5,886.30	7,000	1,114
Miscellaneous Expense	285.40	350	65
Office Expense	634.85	200	(435)
Sewer Treatment Charge	41,065.00	41,065	-
Utilities	1,504.07	1,500	(4)
	-	-	-
TOTAL EXPENDITURES	<u>\$ 130,961.14</u>	<u>\$ 216,123</u>	<u>\$ 85,162</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
STATEMENT OF NET ASSETS
DECEMBER 31, 2019**

ASSETS

First Bank Checking	\$ 15,512.00
First Bank Savings	15,919.90
ColoTrust Plus	312,699.28
Outfall Line Reserve	975.00
Cash with County Treasurer	-
Property Tax Receivable	(0.88)
Prepaid Insurance	-
Capital Assets - Net	<u>137,755.23</u>
TOTAL ASSETS	<u>\$ 482,860.53</u>

LIABILITIES & NET ASSETS

Accounts Payable	\$ 9,752.93
Deferred Property Tax	<u>(0.88)</u>
Total Current Liabilities	\$ 9,752.05

NET ASSETS

Net Assets - Unrestricted	438,914.59
Change in Net Assets	<u>34,193.89</u>
Total Net Assets	<u>473,108.48</u>

TOTAL LIABILITIES & NET ASSETS	<u>\$ 482,860.53</u>
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SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
STATEMENT OF REVENUES & EXPENDITURES
FOR THE TEN MONTHS ENDING DECEMBER 31, 2019**

REVENUES

Property Taxes	\$ 97,461.78
Ownership Taxes	7,002.70
Investment Income	<u>7,678.09</u>
TOTAL REVENUES	\$ 112,142.57

EXPENDITURES

Accounting/Management Expense	\$ 9,841.25
Audit Expense	430.00
County Fees	1,462.63
Depreciation Expense	-
Dues	374.88
Engineering Expense	7,324.14
Entrance Maintenance	90.50
Hillcrest Outfall Line Expense	3,074.25
Insurance & Directors Bonds	1,879.66
Legal Fees	4,095.75
Line Maintenance & Repair	5,886.30
Office Expense	920.25
Sewer Treatment Charge	41,065.00
Utilities	<u>1,504.07</u>
TOTAL EXPENDITURES	<u>\$ 77,948.68</u>

Change in Net Assets	\$ 34,193.89
Net Assets - Beginning of Year	<u>\$ 438,914.59</u>
Net Assets - End of Month	<u>\$ 473,108.48</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

CHERRY HILLS NORTH METROPOLITAN DISTRICT

CASH DISBURSEMENTS

January 9, 2020

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHECK NUMBER</u>	<u>TOTAL</u>
Keith Bierman	Website Expenses	2541	\$ 106.20
Colorado Special District Prop/Liab Pool	Insurance	2542	2,235.00
Darcy Beard CPA	Acctg/Mgmt	2543	\$ 2,497.50
	Office Supplies		102.20
Hillcrest Water & Sanitation District	Sewer Treatment - Qtr 1	2544	6,497.00
Hillcrest Water & Sanitation District	Outfall Line Maintenance	2545	3,074.25
Purrington Civil	Engineering	2546	3,972.78
Xcel Energy	Utilities Jan - Feb Estimated	2547	264.00
Keith Bierman	Website Expenses	2548	50.40
Special District Association	2020 Dues	2549	354.61
TOTAL CASH DISBURSEMENTS			<u>\$ 19,153.94</u>

RESOLUTION

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHERRY HILLS NORTH METROPOLITAN DISTRICT FOR THE MAY 5, 2020 ELECTION.

WHEREAS, the Cherry Hills North Metropolitan District (the "District") desires to hold an election for two vacancies on its Board of Directors (the "Board"); to serve a term of three years each; and

WHEREAS, the Board desires the election to be conducted as an independent mail ballot election and makes the following required designations pursuant to C.R.S. §1-13.5-1103, C.R.S. §§ 32-1-804 and 1-1-111(2), C.R.S. § 1-5-208.

NOW, THEREFORE, be it resolved by the Board of Directors of the Cherry Hills North Metropolitan District that:

1. The District shall hold an election on May 5, 2020. Such election shall be conducted as an independent mail ballot election, pursuant to C.R.S. § 1-13.5-1101, *et seq.*
2. Darcy Beard shall be the Designated Election Official on behalf of the District and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the election on May 5, 2020.
3. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 3, 2020, there are not more candidates than offices to be filled at the election, including candidates timely filed affidavits of intent no later than Monday, March 2, 2020, the Designated Election Official shall cancel the election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with applicable law.
4. If any part of provision of this Resolution is adjudged to be unenforceable or invalid, such judgement shall not affect, impair or invalidated the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.
5. The provisions of this Resolution shall take effect immediately.

DONE AND RESOLVED THIS 9th day of January 2020.

CHERRY HILLS NORTH METROPOLITAN DISTRICT

By: _____
President

ATTEST:
By: _____
Secretary