

# RIVERDALE PEAKS II 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 OF THE BOARD OF DIRECTORS OF THE DISTRICT AND OF THE RIVERDALE PEAKS II METROPOLITAN DISTRICT WATER ACTIVITY ENTERPRISE

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Brian Bata	President	2020/May 2020
Jeffrey Hartman	Assistant Secretary	2020/May 2020
Annette Peters	Assistant Secretary	2022/May 2022
<i>VACANT</i>		2020/May 2020
<i>VACANT</i>		2022/May 2020
Lisa A. Johnson	Secretary	

DATE: June 27, 2018

TIME: 6:00 P.M.

PLACE: Anythink Library  
5877 E 120th Avenue  
Thornton 80602

### I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

---

B. Approve Agenda, confirm location of the meeting and posting of meeting notices and designate 24 hour posting location.

---

C. Acknowledge resignation of Kristina Huntsberger from the Board of Directors effective March 31, 2018 (enclosure).

---

D. Discuss status of the May 8, 2018 Election of the Board of Directors (enclosure).

---

E. Discuss Board vacancies

---

- F. Consider appointment of Officers:  
 President \_\_\_\_\_  
 Treasurer \_\_\_\_\_  
 Secretary \_\_\_\_\_  
 Assistant Secretary \_\_\_\_\_  
 Assistant Secretary \_\_\_\_\_
- G. Review and approve the minutes of the November 27, 2017 Joint Special Meeting (enclosure).  
 \_\_\_\_\_

II. COMMUNITY COMMENTS

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

III. FINANCIAL MATTERS

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

Fund	Period Ending Dec. 13, 2017	Period Ending Jan. 12, 2018	Period Ending Feb. 15, 2018	Period Ending March 13, 2018
General	\$ 7,565.20	\$ 1,272.99	\$ 1,140.83	\$ 1,563.04
Enterprise	\$ 14,419.33	\$ 3,701.05	\$ 3,790.68	\$ 4,840.12
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 21,984.53</b>	<b>\$ 4,974.04</b>	<b>\$ 4,931.51</b>	<b>\$ 6,403.16</b>

Fund	Period Ending April 13, 2018	Period Ending May 10, 2018
General	\$ 1,021.47	\$ 1,233.56
Enterprise	\$ 3,367.68	\$ 4,178.15
Debt	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 4,389.15</b>	<b>\$ 5,411.71</b>

- B. Review and approve payment of claims through June 12, 2018 as follows (enclosure):

Fund	Period Ending June 27, 2018
General	\$ 1,159.73
Enterprise	\$ 4,756.37
Debt	\$ -0-
<b>Total</b>	<b>\$ 5,916.10</b>

- C. Review and accept unaudited financial statements for the period ending May 31, 2018 and Cash Position Statement dated May 31, 2018 (to be distributed at meeting).
- 

- D. Review and consider approval of 2017 Audited Financial Statements (enclosures) and authorize execution of Representations Letter.
- 

- E. Consider making a final determination regarding the inability to make a scheduled bond payment (Section 32-1-903(3), C.R.S.).
- 

- F. Consider appointment of District Accountant to prepare the 2019 Budget. Set date for public hearing to adopt the 2019 Budget.
- 

- G. Discuss status of payment of AOS Charges.
- 

#### IV. OPERATIONS AND MAINTENANCE

- A. Property Maintenance.

1. Status of Road Repairs at Water Treatment Facility.
- 

2. Ratify approval of a proposal from Neighborhood Lawn Care Inc. for landscape improvements at well site in an amount not to exceed \$3,175.00 (enclosure).
- 

- B. Water Operations.

1. Review reports from Ramey Environmental Compliance, Inc. for the months beginning November 2017 to April 2018 regarding operation of water system (enclosures).
-

2. Review results of Sanitary Survey conducted on March 4, 2018 (enclosure).
- 

V. LEGAL MATTERS

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

VI. OTHER MATTERS

A. Discuss status of lot and home sales.

---

- VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 14, 2018/BUDGET HEARING.**

## Karen Steggs

---

**From:** Lisa Johnson  
**Sent:** Wednesday, March 07, 2018 4:00 PM  
**To:** SDMS Office  
**Subject:** FW: Resignation from RPII Metro District Board Effective March 31st (K. Huntsberger)

Kristy Huntsberger has resigned effective March 31, 2018 from RIVPKII.

Please update all resources and take the necessary steps to remove her from all district bank accounts etc.

Thank you,  
Lisa

Lisa A. Johnson  
District Manager  
Special District Management Services, Inc.  
141 Union Blvd., Ste. 150  
Lakewood, CO 80228  
303-987-0835 (o)  
303-987-2032 (f)

**From:** Kjhuntsberger <[kjhuntsberger@aol.com](mailto:kjhuntsberger@aol.com)>  
**Sent:** Thursday, March 1, 2018 4:34 PM  
**To:** Lisa Johnson <[ljohnson@sdmsi.com](mailto:ljohnson@sdmsi.com)>  
**Cc:** [bbata@transwest.com](mailto:bbata@transwest.com); [lakefreaks4@gmail.com](mailto:lakefreaks4@gmail.com); [ron.a.sanderson@sprint.com](mailto:ron.a.sanderson@sprint.com); [jeffh@artisticautomation.com](mailto:jeffh@artisticautomation.com)  
**Subject:** RE: Resignation from RPII Metro District Board Effective March 31st (K. Huntsberger)

Lisa,  
In anticipation of listing my home for sale on or around April 2nd (I will actually be moving to my new home on March 17th), I am providing a notice of resignation from my position on the RPII Metro District Board effective March 31st. I am available as necessary until that date to transition my knowledge and responsibilities.

Kind Regards,  
Kristy H.  
720-339-3847

**NOTICE OF CANCELLATION  
and  
CERTIFIED STATEMENT OF RESULTS**

§1-13.5-513(6), 32-1-104, 1-11-103(3) C.R.S.

**NOTICE IS HEREBY GIVEN** by the Riverdale Peaks II Metropolitan District, Adams County, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 8, 2018 is hereby canceled pursuant to section 1-13.5-513(6) C.R.S.

The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Annette Peters	Second Regular Election, May 2022
Vacant	Second Regular Election, May 2022
Jeffrey P. Hartman	Next Regular Election, May 2020

/s/ Lisa A. Johnson  
(Designated Election Official)

Contact Person for the District:	Lisa A. Johnson
Telephone Number of the District:	303-987-0835
Address of the District:	141 Union Boulevard, Suite 150, Lakewood, CO 80228
District Facsimile Number:	303-987-2032
District Email:	ljohnson@sdmsi.com

## RECORD OF PROCEEDINGS

---

**MINUTES OF A SPECIAL MEETING OF  
THE BOARD OF DIRECTORS OF THE  
RIVERDALE PEAKS II METROPOLITAN DISTRICT  
WATER ACTIVITY ENTERPRISE  
HELD  
NOVEMBER 27, 2017**

A special meeting of the Board of Directors of the Riverdale Peaks II Metropolitan District and the Board of Directors of the Water Activity Enterprise (referred to hereafter as "Board") was convened on Monday, the 27<sup>th</sup> day of November, 2017, at 6:00 P.M., at the Anythink Library, 5877 E. 120<sup>th</sup> Avenue, Thornton, Colorado. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

Brian Bata  
Kristina Huntsberger  
Jeffrey P. Hartman  
Annette Peters

Following discussion, upon motion duly made by Director Huntsberger, seconded by Director Peters and, upon vote, unanimously carried, the absence of Ron Sanderson was excused.

#### Also In Attendance Were:

Lisa A. Johnson; Special District Management Services, Inc.

MaryAnn M. McGeady, Esq.; McGeady Becher P.C.

Eric Barnes; Barnes Griggs & Associates

Jeff Rabas; Ramey Environmental Compliance, Inc.

See list attached for other attendees

### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosure of Potential Conflicts of Interest:** The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney McGeady 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

## RECORD OF PROCEEDINGS

---

Board members prior to this meeting in accordance with the statute. It was noted that all Directors' are residents within the District. Director Huntsberger also noted for the Board that she is a Board Member on the Homeowners Association and Attorney McGeady noted that her disclosure statement was filed pursuant to statute.

### ADMINISTRATIVE MATTERS

**Agenda:** Ms. Johnson 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 Huntsberger, seconded by Director Peters and, upon vote, unanimously carried, the Agenda was approved, as amended.

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

Following review, upon motion duly made by Director Huntsberger, seconded by Director Peters and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the District's boundaries to conduct this meeting, it was determined to conduct the meeting at the above stated location. The Board further noted that notice of this location was duly posted and that they had not received any objections to the location or requests that the meeting place be changed by residents or taxpaying electors within its boundaries.

**Minutes:** The Board reviewed the minutes of the July 24, 2017 Joint Special Meeting.

Following discussion, upon motion duly made by Director Bata, seconded by Director Huntsberger and, upon vote, unanimously carried, the Minutes of the July 24, 2017 Joint Special meeting were approved.

**Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24-Hour Notices:** The Board discussed Resolution No. 2017-11-01; Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24 Hour Notices.

Ms. Johnson reviewed the business to be conducted in 2018 to meet the statutory compliance requirements. The Board, determined to meet on June 27, 2018 and



## RECORD OF PROCEEDINGS

---

November 14, 2018, at 6:00 p.m. at the Anythink Library, 5877 E. 120<sup>th</sup> Avenue, Thornton, Colorado.

Following discussion, upon motion duly made by Director Bata, seconded by Director Peters and, upon vote, unanimously carried, the Board approved Resolution No. 2017-11-01; Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24-Hour Notices. A copy of the resolution is attached and incorporated herein.

---

### COMMUNITY COMMNETS

**Community Comments:** Luke DiTomas addressed the Board regarding the ability to use more water for irrigation purposes than what is allotted in his annual water budget. The Board discussed the restriction on water use in the district based on current water rights and the reason for the current rate structure.

Attorney McGeady will research the historical water rights information provided by the District's Water Attorney and provide the information to the Board for their review.

---

### FINANCIAL MATTERS

**Claims:** The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period Ending Aug. 25, 2017	Period Ending Sept. 28, 2017	Period Ending Oct. 17, 2018
General	\$ 1,672.62	\$ 1,110.92	\$ 1,480.91
Enterprise	\$ 10,710.96	\$ 6,933.18	\$ 4,195.55
Debt	\$ -0-	\$ -0-	\$ 2,000.00
<b>Total</b>	<b>\$ 12,383.58</b>	<b>\$ 8,044.10</b>	<b>\$ 7,676.46</b>

Following discussion, upon motion duly made by Director Huntsberger, seconded by Director Peters and, upon vote, unanimously carried, the Board ratified approval of the payment of claims as presented.

The Board then considered approval of the payment of claims through the period ending November 8, 2017:

General Fund	\$ 1,195.77
Enterprise	\$ 3,953.30
Debt Service Fund	\$ -0-
<b>Total</b>	<b>\$ 5,149.07</b>

## RECORD OF PROCEEDINGS

---

Following discussion, upon motion duly made by Director Huntsberger, seconded by Director Peters and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending November 8, 2017, as presented.

**Unaudited Financial Statements/Schedule of Cash Position:** Mr. Barnes reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending October 31, 2017.

Following review and discussion, upon motion duly made by Director Bata, seconded by Director Peters and, upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending October 31, 2017 as presented.

**Preparation of 2017 Audit:** The Board reviewed the proposal from Schilling & Company, Inc. to perform the 2017 audit.

Following discussion, upon motion duly made by Director Bata, seconded by Director Huntsberger and, upon vote, unanimously carried, the Board approved the engagement of Schilling & Company, Inc. to perform the 2017 Audit, for an amount not to exceed \$4,000.

**2017 Budget Amendment Hearing:** The President opened the public hearing to consider the Resolution to Amend the 2017 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2017 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

There were no comments from the public in attendance and the public hearing was closed.

Following discussion, upon motion duly made by Director Huntsberger, seconded by Director Bata and, upon vote, unanimously carried, the Board approved the Resolution No. 2017-11-02 to Amend the 2017 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**Agreement Regarding Required Mill Levy between and among the District, Colorado Bondshares, Invesco High Yield and Colorado State Bank and Trust, N.A.:** Attorney McGeady presented to the Board the Agreement Regarding required Mill Levy between and among the District, Colorado Bondshares,

## RECORD OF PROCEEDINGS

---

Invesco High Yield and Colorado State Bank and Trust, N.A. Attorney McGeady reported that the Bondholder refused to execute the agreement and therefore the debt service mill levy will need to increase to the maximum required in the bond documents.

**Resolution No. 2017-11-03, Resolution of the Riverdale Peaks II Metropolitan District, Adams County, Colorado Regarding the Establishment of an Availability of Service (“AOS”) Charge:** Attorney McGeady reviewed with the Board Resolution No. 2017-11-03, Resolution of the Riverdale Peaks II Metropolitan District, Adams County, Colorado Regarding the Establishment of an Availability of Service (“AOS”) Charge. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Following discussion, upon motion duly made by Director Huntsberger, seconded by Director Bata and, upon vote, unanimously carried, the Board adopted Resolution No. 2017-11-03, Resolution of the Riverdale Peaks II Metropolitan District, Adams County, Colorado Regarding the Establishment of an AOS Charge.

*Payment of AOS Charges:* The Board discussed the status of payment of AOS Charges. It was noted that the AOS Charges are on time and are paid in full each month.

**Final Determination of Inability to Make a Scheduled Bond Payment (Section 32-1-903(3), C.R.S.):** The Board determined and acknowledged the District’s inability to make the scheduled bond payment in December, 2017.

**2018 Budget:** The President opened the public hearing to consider the proposed 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Ms. Johnson and Mr. Barnes reviewed the estimated 2017 expenditures and the proposed 2018 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2017-11-04 to Adopt the 2018 Budget and Appropriate Sums of Money and Resolution No. 2017-11-05 to Set Mill Levies, (for the General Fund at 42.821 mills and 63.542 mills for the Debt Service Fund, for a total mill levy of 106.363 mills).

## RECORD OF PROCEEDINGS

---

Upon motion duly made by Director Hartman, seconded by Director Huntsberger and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2017. Ms. Johnson was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Adams County and the Division of Local Government, not later than December 15, 2017. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2018. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

*Budget with Full Cost of Consultants:* Director Hunstsberger reported that she recently asked Ms. Johnson to prepare a budget including the full costs of consultants to inform the Board and residents of the actual annual costs to meet the responsibilities of the district if the flat fee arrangements were not in place.

The Board reviewed the information and will utilize it for future financial planning.

*5-Year Operations and Maintenance Budget:* Mr. Rabas presented and the Board reviewed a 5-Year Operations and Maintenance Planning Budget.

**Resolution No 2017-11-06, Authorizing the Adjustment of the District Mill Levy in Accordance with Colorado Constitution, Article X, Section 3:** Attorney McGeady presented Resolution No 2017-11-06, Authorizing the Adjustment of the District Mill Levy in Accordance with Colorado Constitution, Article X, Section 3.

Following discussion, upon motion duly made by Director Huntsberger, seconded by Director Bata and, upon vote, unanimously carried, the Board adopted Resolution No 2017-11-06, Authorizing the Adjustment of the District Mill Levy in Accordance with Colorado Constitution, Article X, Section 3. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**DLG-70 Mill Levy Certification:** Ms. Johnson discussed with the Board the DLG-70 Mill Levy Certification form.

Following discussion, upon motion duly made by Director Huntsberger, seconded by Director Bata and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 mill levy certification form, for certification to the Board of County Commissioners and other interested parties.

## RECORD OF PROCEEDINGS

---

### OPERATIONS AND MAINTENANCE

#### Property Maintenance:

*Proposal for Renovation of the Well-Site Tract:* The Board reviewed proposals from Neighborhood Lawn Care Inc. and GC Construction for renovation of the well-site tract. The Board took no action at this time.

*2018 Landscape Maintenance Service Agreement:* The Board reviewed the proposal for Landscape Maintenance Service with Neighborhood Lawn Care Inc. for 2018 services.

Following discussion, upon motion duly made by Director Huntsberger, seconded by Director Bata and, upon vote, unanimously carried, the Board approved the proposal for Landscape Maintenance Service with Neighborhood Lawn Care Inc. for 2018 services.

*Proposal for Road Repairs at Water Treatment Facility:* The Board reviewed a proposal from Neighborhood Lawn Care Inc. for road repairs at the Water Treatment Facility in the amount of \$746.

Following discussion, upon motion duly made by Director Bata, seconded by Director Huntsberger and, upon vote, unanimously carried, the Board approved a proposal from Neighborhood Lawn Care Inc. for road repairs at the Water Treatment Facility in the amount of \$746

#### Water Operations:

*Reports from Ramey Environmental Compliance, Inc.:* Mr. Rabas reviewed with the Board the Ramey Environmental Compliance, Inc. reports beginning June 2017 through October 2017 regarding the operation of the water system. Copies of the reports are attached hereto and incorporated herein by this reference.

*Colorado Department of Public Health and Environment Correspondence Related to TTHM and HAA5 Testing:* Mr. Rabas reviewed with the Board recent correspondence from Colorado Department of Public Health and Environment Correspondence Related to decreased monitoring for TTHM and HAA5.

---

### LEGAL MATTERS

**Resolution No. 2017-11-07; Resolution Calling a Regular Election for Directors on May 8, 2018, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election:** The Board reviewed Resolution No. 2017-11-07; Resolution Calling a Regular Election for Directors on May 8, 2018,

## RECORD OF PROCEEDINGS

---

appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Following review, upon motion duly made by Director Huntsberger, seconded by Director Bata and, upon vote, unanimously carried, the Board adopted Resolution No. 2017-11-07; Resolution Calling a Regular Election for Directors on May 8, 2018, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

**§32-1-809, C.R.S. Reporting Requirements and Mode of Eligible Elector Notification**: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification and directed staff to post the District’s required transparency notice information on the Special District Association’s website.

### **ADJOURNMENT**

There being nothing further for the Board to discuss at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

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

THESE MINUTES APPROVED AS THE OFFICIAL NOVEMBER 27, 2017 MINUTES OF THE RIVERDALE PEAKS II METROPOLITAN DISTRICT AND WATER UTILITY ENTERPRISE BY THE BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
Brian Bata

\_\_\_\_\_  
Jeffrey Hartman

\_\_\_\_\_  
Annette Peters

RESOLUTION NO. 2017-11-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
RIVERDALE PEAKS II METROPOLITAN DISTRICT  
ESTABLISHING REGULAR MEETING DATES, TIME AND LOCATION, AND  
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

C. Pursuant to Section 32-1-903, C.R.S., special districts are required to post notices of regular and special meetings at three (3) public places within the district and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting.

D. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

E. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Riverdale Peaks II Metropolitan District of the County of Adams, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the "**District Board**") has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the Directors and consultants of the District in that they live and/or work outside the twenty (20) mile radius requirement.

3. That regular meetings of the District Board of the Riverdale Peaks II Metropolitan District for the year 2018 shall be held on June 27, 2018 and November 14, 2018 at 6:00 p.m., at the Anythink Library Wright Farms, 5877 E 120th Ave, Thornton, Colorado in Adams County, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each Director.

5. That, until circumstances change and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s), location(s) and any such objections shall be considered by the District Board in setting future meetings.

7. Notice of Meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

- (a) On the south east corner of the intersection of 128<sup>th</sup> Avenue and Wabash Place (the entry to the subdivision)

8. Notices of regular and special meetings required to be posted at three (3) public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall be made pursuant to Section 32-1-903, C.R.S., at the following locations:

- (a) On the south east corner of the intersection of 128th Avenue and Wabash Place (the entry to the subdivision)
- (b) Two other locations within the boundaries of the District, at the discretion of the person posting.

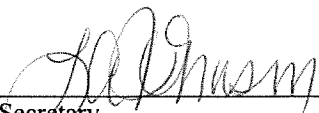
9. Jeff Hartman, or his/her designee, is hereby appointed to post the above-referenced notices.

RESOLUTION APPROVED AND ADOPTED on November 27, 2018.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**

By:   
President

Attest:

  
Secretary



RESOLUTION TO AMEND 2017 BUDGET  
RIVERDALE PEAKS II METROPOLITAN DISTRICT

WHEREAS, the Board of Directors of the Riverdale Peaks II Metropolitan District adopted a budget and appropriated funds for the fiscal year 2017 as follows:

General Fund	\$	90,348
Debt Service Fund	\$	54,295
Water Enterprise Fund	\$	95,310

WHEREAS, the necessity has arisen for additional expenditures in the Water Enterprise Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2017; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the Water Enterprise Fund from water charges.

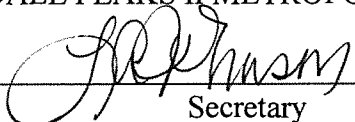
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Riverdale Peaks II Metropolitan District shall and hereby does amend the adopted Budget for the fiscal year 2017 and adopts a supplemental budget and appropriation for the Water Enterprise Fund for the fiscal year 2017, as follows:

Water Enterprise Fund	\$	107,000
-----------------------	----	---------

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 27<sup>th</sup> day of November, 2017.

RIVERDALE PEAKS II METROPOLITAN DISTRICT

By:   
Secretary

**RESOLUTION NO. 2017-11-03**

**RESOLUTION OF THE  
RIVERDALE PEAKS II METROPOLITAN DISTRICT  
ADAMS COUNTY, COLORADO  
REGARDING THE ESTABLISHMENT OF  
AN AVAILABILITY OF SERVICE CHARGE**

WHEREAS, Riverdale Peaks II Metropolitan District, Adams County, Colorado (the “District”), is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to the District’s Service Plan approved June 3, 2002 (the “Service Plan”), the District is empowered to construct, operate and maintain, *inter alia*, water improvements; and

WHEREAS, pursuant to the Service Plan, the District may impose a system of fees, rates, tolls, penalties or charges in connection with its provision of services; and

WHEREAS, pursuant to Section 32-1-1006(1)(h)(I), C.R.S., the District is authorized to impose an availability of service charge (the “AOS Charge”) against each residential lot served by the District at such time as service is available within one hundred feet (100’) of the property line but no connection to such service line or lines has been made; and

WHEREAS, pursuant to Section 32-1-1006(1)(h)(I)(C), C.R.S., proceeds from the AOS Charge may only be used for the purpose of paying principal of and interest on any outstanding indebtedness or bonds; and

WHEREAS, pursuant to Section 32-1-1006(1)(h)(I)(E), C.R.S., the AOS Charge may not exceed fifty percent (50%) of the fees, rates or charges paid by the average customer in the District, calculated by dividing the total usage quantity for the District over the last fiscal year by the total number of users, resulting in an average usage and applying the applicable rates; and

WHEREAS, pursuant to Section 32-1-1006(1)(h)(I)(B), C.R.S., a notice was mailed to each taxpaying elector of the District that the District is holding a meeting to consider imposing the AOS Charge (the “District Meeting”); and

WHEREAS, at the District Meeting, the District’s Board of Directors (the “Board”) reviewed the presentation of principal and interest to be paid in 2018 on its outstanding General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2005, in the aggregate principal amount of \$3,105,000 (“Bonds”) and funds projected to be available for payment on the Bonds in 2018 from the AOS Charge and taxes from the debt service mill levy; and

WHEREAS, at the District Meeting, the Board considered all public comment provided during deliberation on this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RIVERDALE PEAKS II METROPOLITAN DISTRICT, ADAMS COUNTY, COLORADO, AS FOLLOWS:

1. At the District Meeting held on Monday, November 27, 2018, the Board determined that it is in the best interests of the District and its inhabitants to impose a monthly AOS Charge, beginning on January 1, 2018 and continuing through December 31, 2018, in the amount of \$ 70.00, which equals fifty percent (50%) of the total base potable water rate and base irrigation water rate combined, to be imposed against each residential lot with a water line installed and ready for connection within one hundred feet (100') of the property line of such residential lot for which no connection to such water line or lines has been made.

2. The AOS Charge shall be invoiced on a monthly basis. The initial payment shall be invoiced on January 1, 2018 and shall be due no later than January 15, 2018. Thereafter, the AOS Charge shall be invoiced on the first (1<sup>st</sup>) day of each month and payment shall be due and payable in full no later than the fifteenth (15<sup>th</sup>) day of that same month (the "Payment Date"), through December, 2018.

3. If payment in full is not received by 4:00 pm on the Payment Date, the AOS Charge is deemed past due and otherwise outstanding. A "Reminder Notice" will be sent at such time.

4. Failure to make payment of any AOS Charge due hereunder within ten (10) days of the date on the Reminder Notice shall constitute a default in the payment of such AOS Charge. Upon default, simple interest shall accrue on such total amount of the AOS Charge due at the rate of twelve percent (12%) per annum until paid, as permitted by Section 29-1-1102(7), C.R.S. and Section 32-1-1006(1)(d), C.R.S.

5. If payment of all past due amounts, including interest (the "Delinquent Balance"), is not received within thirty (30) days of the Payment Date, the District Manager for the District shall be authorized to pursue any statutory means of collection including certification of the Delinquent Balance to the Adams County Treasurer pursuant to Section 32-1-1101(1)(e), C.R.S. or the lien remedies provided by Section 32-1-1001(1)(j), C.R.S (the "Lien Option").

6. If the Lien Option is pursued, the District Manager shall deliver a Notice of Intent to File a Lien Statement (the "Lien Notice") after the Delinquent Balance has remained unpaid for thirty (30) days following the Payment Date. The Lien Notice shall give notice that the District intends to perfect its lien against the property associated with the Delinquent Balance by recording a Lien Statement in the office of the Adams County Clerk and Recorder.

7. If payment of the Delinquent Balance is not made in full within ten (10) days of the date on the Lien Notice, the District Manager for the District shall record a Lien Statement against the property associated with the Delinquent Balance in the office of the Adams County Clerk and Recorder.

8. The AOS Charge shall constitute a statutory and perpetual charge and lien upon the property associated with the Delinquent Balance pursuant to Section 32-1-1001(1)(j), C.R.S., from the date the same becomes due and payable until paid. The lien shall be perpetual in nature

as defined by the laws of the State of Colorado and shall run with the land and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens.

9. The District Manager will be responsible for the collection and enforcement of the collection of the AOS Charge. The AOS Charge shall remain in effect until modified by the Board. Nothing herein shall limit the Board from modifying the AOS Charge from time to time.

10. The District shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law, including, but not limited to, foreclosure of its perpetual liens. The property owner associated with the Delinquent Balance shall pay all costs, including attorney fees, incurred by the District in connection with the foregoing. In foreclosing such lien, the District will enforce the lien only to the extent necessary to collect the Delinquent Balance and costs of collection (including, but not limited to, reasonable attorneys' fees).

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

12. Any inquiries pertaining to the AOS Charge may be directed to the District's Manager at: Riverdale Peaks II Metropolitan District, 141 Union Blvd. #150, Lakewood, CO 80228.

13. This Resolution shall be effective as of the date provided below.

[Remainder of Page Intentionally Left Blank]

[Signature Page to Resolution for Availability of Service Charge]

APPROVED AND ADOPTED THIS 27th day of November, 2017.

**RIVERDALE PEAKS II METROPOLITAN  
DISTRICT**

By:   
\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary

RESOLUTION NO. 2017 - 11 - 04  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE RIVERDALE PEAKS II METROPOLITAN DISTRICT  
TO ADOPT THE 2018 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Riverdale Peaks II Metropolitan District ("District") has appointed the District Accountant to prepare and submit a proposed 2017 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, 2017, 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 November 27, 2017, 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 interfund 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 Riverdale Peaks II Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Riverdale Peaks II Metropolitan District for the 2018 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 27th day of November, 2017.

  
\_\_\_\_\_

(SEAL)

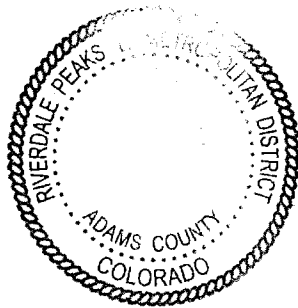


EXHIBIT A  
(Budget)





Certified Public Accountants and Business Consultants

### Accountant's Compilation Report

Board of Directors  
Riverdale Peaks II Metropolitan District  
Adams County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Riverdale Peaks II Metropolitan District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, the actual comparative information for the year ending December 31, 2016, and the adopted budget for the year ending December 31, 2017 in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the Budget Message included in the budget submission to the State of Colorado which describes that the budgetary basis of accounting is the modified accrual basis in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Riverdale Peaks II Metropolitan District.

*Barnes Griggs & Associates, PC*

Lakewood, Colorado  
January 13, 2018

---

Barnes Griggs & Associates, PC

# RIVERDALE PEAKS II METROPOLITAN DISTRICT

## 2018 Budget Message

### **Introduction**

Riverdale Peaks II Metropolitan District, the (“District”) was organized in 2002 to provide financing for the design, acquisition, installation, construction and completion of certain water, sanitation, street, safety protection, parks and recreation, transportation improvements, and the operation and maintenance of the District.

The 2018 budget was prepared in accordance with the Local Budget Law of Colorado. The budget reflects the projected spending plan for the 2018 fiscal year based on available revenues. This budget provides for the annual debt service on the District’s General Obligation Debt, the general operation of the District, and a business-like enterprise for the distribution of treated water.

The Board of Directors authorized adjustment of the District mill levy in accordance with the Colorado Constitution, Article X, Section 3 (the “Gallagher Adjustment”). The Gallagher Adjustment and the District’s Service Plan authorize an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after June 3, 2002, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property taxes commencing on and after January 1, 2017, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property. The Gallagher Adjustment for the District allows for a total mill levy imposition, as noted in the following paragraph, so the District’s revenue is neither diminished nor enhanced.

The District’s assessed value increased approximately 84.21% to \$1,785,520 in 2017. The District’s mill levy increased to 106.363 mills in 2017 for taxes collected in the 2018 fiscal year. Of the 106.363 mills, 63.542 mills are designated to the Debt Service Fund.

### **Budgetary Basis of Accounting**

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget. The District’s General Fund is considered a governmental fund and is reported using the economic resources focus and the modified accrual basis of accounting. The District’s Water Enterprise Fund is also reported using the economic resources focus and the modified accrual basis of accounting. Revenues are recorded when earned and expenses recorded when the 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 levied.

### **Fund Summaries**

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, landscape maintenance, snow removal and other expenses related to statutory operations of a local government. The General Fund's primary sources of revenue are property taxes and specific ownership taxes.

The **Debt Service Fund** is used to account for property taxes, availability of service fees and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. Beginning in 2015 the District has been unable to pay the scheduled principal and interest payments. As a result, the District has budgeted to pay \$122,939 in interest during 2018.

#### Riverdale Peaks II Metropolitan District

Bonds Principal and Interest Maturing in the Year Ending December 31	Series 2005 General Obligation Bonds		
	Principal	Interest	Total
2018	\$ 75,000	\$ 191,255	\$ 266,255 *
2019	80,000	186,455	266,455
2020	90,000	181,335	271,335
2021	95,000	175,575	270,575
2022	105,000	169,495	274,495
2023-2027	685,000	733,405	1,418,405
2028-2032	1,010,000	471,575	1,481,575
2033-2035	815,000	108,550	923,550
	<u>\$2,955,000</u>	<u>\$2,217,645</u>	<u>\$5,172,645</u>

\* District budgeted \$122,939 in interest in 2018

The **Water Enterprise Fund** accounts for the operations that are financed and operated in a manner similar to private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through user charges.

### **Emergency Reserve**

As required by Section 20 of Article X of the Colorado Constitution ("TABOR"), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenue in the General Fund.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**Assessed Value, Property Tax and Mill Levy Information**

	<b>2016 Actual</b>	<b>2017 Adopted Budget</b>	<b>2018 Adopted Budget</b>
<b>Assessed Valuation</b>	\$ 960,620	\$ 969,260	\$ 1,785,520
<b>Mill Levy</b>			
General Fund	42.821	42.821	42.821
Debt Service Fund	40.000	40.000	63.542
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	5.598	-	-
<b>Total Mill Levy</b>	<u>88.419</u>	<u>82.821</u>	<u>106.363</u>
<b>Property Taxes</b>			
General Fund	\$ 41,135	\$ 41,505	\$ 76,458
Debt Service Fund	38,425	38,770	113,456
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	5,378	-	-
<b>Actual/Budgeted Property Taxes</b>	<u>\$ 84,938</u>	<u>\$ 80,275</u>	<u>\$ 189,914</u>

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**

**GENERAL FUND  
2018 Adopted Budget  
with 2016 Actual, 2017 Budget, and 2017 Estimated**

	2016 YTD Actual	2017 Adopted Budget	2017 Estimated	2018 Adopted Budget
<b>BEGINNING FUND BALANCE</b>	\$ 27,049	\$ 46,551	\$ 46,089	\$ 30,782
<b>REVENUE</b>				
Property taxes	45,571	41,505	41,505	76,458
Specific ownership tax	3,833	3,500	3,900	4,600
Interest income	196	50	500	500
Other income	915	-	8,949	-
<b>Total Revenue</b>	<u>50,515</u>	<u>45,055</u>	<u>54,854</u>	<u>81,558</u>
<b>Total Funds Available</b>	<u>77,563</u>	<u>91,606</u>	<u>100,943</u>	<u>112,340</u>
<b>EXPENDITURES</b>				
Accounting	1,726	1,726	2,000	2,000
County Treasurer's fee	646	623	623	1,147
Insurance and Bonds	1,486	1,320	1,243	1,320
Election Expense	29	-	-	500
District Management	4,034	4,100	4,100	4,100
Legal Services	3,330	2,800	2,800	2,800
Miscellaneous	3,022	2,500	3,000	3,000
Banking fees	70	50	50	50
Snow Removal	1,463	-	-	-
Landscape Maintenance	4,117	4,700	4,700	4,700
Landscape Improvements	-	26,535	-	30,000
Contingency	-	4,642	-	-
<b>Total Expenditures</b>	<u>19,922</u>	<u>48,996</u>	<u>18,516</u>	<u>49,617</u>
<b>TRANSFER AND OTHER (USES)</b>				
Emergency Reserve	-	(1,352)	(1,646)	(2,447)
Transfer to Enterprise Fund	(11,552)	(40,000)	(50,000)	(42,300)
<b>Total Transfer and Other (Uses)</b>	<u>(11,552)</u>	<u>(41,352)</u>	<u>(51,646)</u>	<u>(44,747)</u>
<b>Total Expenditures Requiring Appropriation</b>	<u>31,474</u>	<u>90,348</u>	<u>70,161</u>	<u>94,364</u>
<b>ENDING FUND BALANCE</b>	\$ 46,089	\$ 1,258	\$ 30,782	\$ 17,976

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**

**DEBT SERVICE FUND  
2018 Adopted Budget  
with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated**

	<b>2016 Actual</b>	<b>2017 Adopted Budget</b>	<b>2017 Estimated</b>	<b>2018 Adopted Budget</b>
BEGINNING FUND BALANCE	\$ 8,436	\$ -	\$ (1,079)	\$ -
<b>REVENUE</b>				
Property taxes	37,648	38,770	38,770	113,456
Specific ownership tax	3,167	2,900	3,100	5,400
Availability of Service Fee	19,125	12,600	12,600	11,760
Interest income	51	25	120	25
<b>Total Revenue</b>	<b>59,990</b>	<b>54,295</b>	<b>54,590</b>	<b>130,641</b>
<b>Total Funds Available</b>	<b>68,426</b>	<b>54,295</b>	<b>53,511</b>	<b>130,641</b>
<b>EXPENDITURES</b>				
Auditing	3,900	4,000	4,000	4,000
County Treasurer's fee	603	582	582	1,702
Interest expense - bonds	63,002	47,713	46,930	122,939
Paying agent / trustee fees	2,000	2,000	2,000	2,000
<b>Total Expenditures</b>	<b>69,505</b>	<b>54,295</b>	<b>53,512</b>	<b>130,641</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>69,505</b>	<b>54,295</b>	<b>53,512</b>	<b>130,641</b>
ENDING FUND BALANCE	\$ (1,079)	\$ -	\$ -	\$ -

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**

**WATER ENTERPRISE FUND  
2018 Adopted Budget  
with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated**

	<b>2016 YTD Actual</b>	<b>2017 Adopted Budget</b>	<b>2017 Estimated</b>	<b>2018 Adopted Budget</b>
BEGINNING FUND BALANCE	\$ (170,960)	\$ (171,073)	\$ (166,334)	\$ (164,213)
<b>REVENUE</b>				
Water Charges	56,269	48,720	56,500	65,520
Water Review Fee	975	-	-	-
Other income	311	-	421	-
Meter Fee	18,949	14,000	-	16,800
Landscape Design Fee	1,360	-	2,200	-
<b>Total Revenue</b>	<b>77,865</b>	<b>62,720</b>	<b>59,121</b>	<b>82,320</b>
<b>Transfers and Other Sources</b>				
Transfer from General Fund	11,552	40,000	50,000	42,300
<b>Total Funds Available</b>	<b>(81,543)</b>	<b>(68,353)</b>	<b>(57,213)</b>	<b>(39,593)</b>
<b>EXPENDITURES</b>				
Accounting	6,914	7,000	7,000	7,000
Billing and meter reading	3,062	3,100	3,100	3,100
Operations	9,877	10,000	10,000	10,000
Equipment Repair	2,898	3,000	3,000	3,000
Meter Install and Inspect	15,559	14,000	2,400	16,800
Landscape Design Review	1,190	-	1,020	-
Testing	1,660	2,700	6,700	2,700
Chemicals & Supplies	1,396	2,700	7,500	5,000
Generator Preventive Mtce	450	740	740	740
Storage Tank Cleaning	-	-	-	3,000
Insurance	5,186	5,705	5,316	5,500
District Management	3,840	3,840	3,840	3,840
Miscellaneous	75	700	700	700
Utilities	19,915	19,000	19,000	19,000
Fuel Generator	-	800	800	800
Storage Tank Repair	4,737	-	-	-
Repair and Mtce Reserve	-	22,025	35,884	43,440
Accrued Interest on Dev Adv	8,031	-	-	-
<b>Total Administrative</b>	<b>84,791</b>	<b>95,310</b>	<b>107,000</b>	<b>124,620</b>
<b>Total Expenditures</b>	<b>84,791</b>	<b>95,310</b>	<b>107,000</b>	<b>124,620</b>
<b>Total Expenditures Requiring Appropriation</b>				
	84,791	95,310	107,000	124,620
ENDING FUND BALANCE	\$ (166,334)	\$ (163,663)	\$ (164,213)	\$ (164,213)

This financial information should be read only in connection with the accompanying accountant's compilation report and budget message.

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the Riverdale Peaks II Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2018, duly adopted at a meeting of the Board of Directors of the Riverdale Peaks II Metropolitan District held on November 27, 2017.

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



RESOLUTION NO. 2017 - 11 - 05  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE RIVERDALE PEAKS II METROPOLITAN DISTRICT  
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Riverdale Peaks II Metropolitan District (“District”) has adopted the 2018 annual budget in accordance with the Local Government Budget Law on November 27, 2017; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2018 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

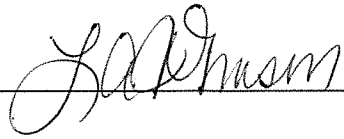
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Riverdale Peaks II Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2018 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 2018 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 the Adams 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 27th day of November, 2017.

(SEAL)



  
\_\_\_\_\_

**EXHIBIT A**  
(Certification of Tax Levies)

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

TO: County Commissioners<sup>1</sup> of Adams County, Colorado.

On behalf of the Riverdale Peaks II Metropolitan District,  
 (taxing entity)<sup>A</sup>  
 the Board of Directors,  
 (governing body)<sup>B</sup>  
 of the Riverdale Peaks II Metropolitan District,  
 (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 1,785,520 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 1,785,520 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

Submitted: 12/15/17 for budget/fiscal year 2018  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>42.821</u> mills	\$ <u>76,458</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>42.821</b> mills	<b>\$ 76,458</b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>63.542</u> mills	\$ <u>113,456</u>
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>106.363</b> mills	<b>\$ 189,914</b>

Contact person: (print) Lisa A. Johnson Daytime phone: (303) 987-0835  
 Signed: Eric S. Barnes Title: Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1.	Purpose of Issue:	General Obligation Limited Tax Bonds
	Series:	Series 2005
	Date of Issue:	September 1, 2005
	Coupon Rate:	6.4% to 6.5%
	Maturity Date:	December 1, 2035
	Levy:	63.542
	Revenue:	\$113,456

2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	

**CONTRACTS<sup>K</sup>:**

3.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

4.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

RESOLUTION NO. 2017-11-12

**RESOLUTION OF THE BOARD OF DIRECTORS OF RIVERDALE PEAKS II  
METROPOLITAN DISTRICT AUTHORIZING ADJUSTMENT OF THE DISTRICT  
MILL LEVY IN ACCORDANCE WITH THE COLORADO CONSTITUTION,  
ARTICLE X, SECTION 3**

A. Riverdale Peaks II Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.

B. The District operates pursuant to its Service Plan approved by the Board of County Commissioners of Adams County on June 3, 2002, (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.

C. The Service Plan authorizes a maximum mill levy of 50.000 mills (“**Maximum Mill Levy**”).

D. The Service Plan and Article X, Section 3 of the Colorado Constitution, (the “**Gallagher Adjustment**”) authorizes adjustment of the Maximum Mill Levy in the event that the method of calculating assessed valuation is changed after June 3, 2002, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The Maximum Mill Levy may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

E. The Service Plan and Gallagher Adjustment provide that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

F. The Colorado General Assembly passed House Bill 17-1349, signed by the Governor of Colorado on June 15, 2017, which amends Section 39-1-104.2, C.R.S., setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property tax years commencing on and after January 1, 2017, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property.

G. The Board of Directors of the District (the “**Board**”) authorized by the Service Plan and the Gallagher Adjustment, determines it to be in the best interest of the District, its residents, users, property owners, and the public to adjust the Maximum Mill Levy to reflect the statutory change in the ratio of valuation for assessment from 7.96% to 7.2%, so that actual tax

revenues are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment for residential real property.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Riverdale Peaks II Metropolitan District, Adams County, Colorado:

1. The Board of the District hereby authorizes the adjustment of the Maximum Mill Levy to reflect the statutory change in the ratio of valuation for assessment for residential real property to 7.2% (from 7.96%).

2. The Gallagher Adjustment allows for a total mill levy imposition of 63.542 (the "**Gallagherized Mill Levy**") so that District revenues shall be neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment to 7.2%.

3. The Gallagherized Mill Levy shall be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of Adams County on or before December 15, 2017, for collection in 2018.

**[SIGNATURE PAGE FOLLOWS]**

**[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE  
DISTRICT MILL LEVY IN ACCORDANCE WITH THE COLORADO  
CONSTITUTION, ARTICLE X, SECTION 3]**

RESOLUTION APPROVED AND ADOPTED ON November \_\_, 2017.

**RIVERDALE PEAKS II METROPOLITAN  
DISTRICT**



\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary

RESOLUTION NO. 2017-11-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE RIVERDALE PEAKS II METROPOLITAN DISTRICT  
CALLING A REGULAR ELECTION FOR DIRECTORS  
ON MAY 8, 2018 (THE “ELECTION”)**

A. The terms of the offices of Directors Ron Sanderson and Annette Perters shall expire upon the election of their successors at the regular election, to be held on May 8, 2018, and upon such successors taking office.

B. The term of the office to which Director Jeffrey Harman has previously been appointed expires upon his re-election, or the election of his successor at the Election, and upon such successor taking office.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect one (1) Director to serve until the next regular election, to occur May 5, 2020, and two (2) Directors to serve until the second regular election, to occur May 3, 2022.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Riverdale Peaks II Metropolitan District (the “**District**”) of the County of Adams, Colorado:

1. Date and Time of Election. The Election shall be held on May 8, 2018, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, one (1) Director shall be elected to serve until the next regular election, to occur May 5, 2020, and two (2) Directors shall be elected to serve until the second regular election, to occur May 3, 2022.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Lisa Johnson shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, c/o Special District Management Services,



Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (May 1, 2018).

6. Self-Nomination and Acceptance Forms. Self-nomination and acceptance forms are available at the office of the Designated Election Official located at the above address. All candidates must file a self-nomination and acceptance form with the Designated Election Official no earlier than January 1, 2018 and no later than the close of business on March 2, 2018.

7. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 6, 2018 or at any time thereafter, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, 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 law.


8. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

9. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

10. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

RESOLUTION APPROVED AND ADOPTED on November 21, 2017.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**

By:   
\_\_\_\_\_  
President

Attest:  
  
\_\_\_\_\_  
Secretary

**Riverdale Peaks II Metropolitan District**  
**December-17**

	<u>General</u>	<u>Debt</u>	<u>Enterprise</u>	<u>Totals</u>
Disbursements	\$ 7,565.20	\$ -	\$ 14,419.33	\$ 21,984.53
<b>Total Disbursements from Checking Acct</b>	<b>\$7,565.20</b>	<b>\$0.00</b>	<b>\$14,419.33</b>	<b>\$21,984.53</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5657</b>							
12/13/2017	Colorado Special District P&L	31C60218-985	Prepaid Expense	1-1240	5,574.15	5,574.15	
Total 5657:						5,574.15	
<b>5658</b>							
12/13/2017	Mail Services LLC	1619341	Billing	4-7210	44.56	44.56	
Total 5658:						44.56	
<b>5659</b>							
12/13/2017	McGeady Becher P.C.	654M 11/17	Legal Services	1-7460	203.00	203.00	
Total 5659:						203.00	
<b>5660</b>							
12/13/2017	Metrowest Newspapers	170518-111650-12422	Miscellaneous	1-7480	19.80	19.80	
Total 5660:						19.80	
<b>5661</b>							
12/13/2017	Neighborhood Lawn Care, Inc	991	Landscape Mainten	1-7510	333.64	333.64	
Total 5661:						333.64	
<b>5662</b>							
12/13/2017	Ramey Environmental Complia	15579	Operations	4-7240	669.48	669.48	
12/13/2017	Ramey Environmental Complia	15579	Testing	4-7260	222.60	222.60	
12/13/2017	Ramey Environmental Complia	15579	Equipment Repair	4-7248	19.75	19.75	
12/13/2017	Ramey Environmental Complia	15693	Chemicals & Suppli	4-7270	265.18	265.18	
12/13/2017	Ramey Environmental Complia	15693	Testing	4-7260	21.00	21.00	
12/13/2017	Ramey Environmental Complia	15693	Operations	4-7240	271.35	271.35	
Total 5662:						1,469.36	
<b>5663</b>							
12/13/2017	Special Dist Mgmt Srvs	25703	District Managemen	1-7440	336.17	336.17	
12/13/2017	Special Dist Mgmt Srvs	25703	District Managemen	4-7440	320.00	320.00	
12/13/2017	Special Dist Mgmt Srvs	25703	Accounting	1-7000	143.83	143.83	
12/13/2017	Special Dist Mgmt Srvs	25703	Accounting	4-7000	576.17	576.17	
12/13/2017	Special Dist Mgmt Srvs	25703	Billing	4-7210	223.83	223.83	
12/13/2017	Special Dist Mgmt Srvs	25703	Miscellaneous	1-7480	179.96	179.96	
Total 5663:						1,779.96	
<b>5664</b>							
12/13/2017	T Charles Wilson Insurance	5997	Prepaid Expense	1-1240	750.00	750.00	
Total 5664:						750.00	
<b>5665</b>							
12/13/2017	United Power	11/17 2200	Utilities	4-7850	1,016.24	1,016.24	
12/13/2017	United Power	11/17 2501	Utilities	4-7850	235.75	235.75	
12/13/2017	United Power	11/17 2503	Utilities	4-7850	20.57	20.57	
12/13/2017	United Power	11/17 3503	Utilities	4-7850	20.23	20.23	

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
Total 5665:						<u>1,292.79</u>	
<b>5666</b>							
12/13/2017	Utility Notification Center	217110768	Miscellaneous	1-7480	24.65	<u>24.65</u>	
Total 5666:						<u>24.65</u>	
<b>5667</b>							
12/14/2017	Ramey Environmental Complia	15141	Equipment Repair	4-7248	10,385.00	<u>10,385.00</u>	
Total 5667:						<u>10,385.00</u>	
<b>10031</b>							
12/13/2017	Century Link	0630 11/17	Utilities	4-7850	107.62	<u>107.62</u>	M
Total 10031:						<u>107.62</u>	
Grand Totals:						<u><u>21,984.53</u></u>	

**Riverdale Peaks II Metropolitan District**  
**January-18**

	<u>General</u>	<u>Debt</u>	<u>Enterprise</u>	<u>Totals</u>
Disbursements	\$ 1,272.99	\$ -	\$ 3,701.05	\$ 4,974.04
				\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$1,272.99</b>	<b>\$0.00</b>	<b>\$3,701.05</b>	<b>\$4,974.04</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5668</b>							
01/12/2018	Mail Services LLC	1622831	Billing	4-7210	44.56	44.56	
Total 5668:						44.56	
<b>5669</b>							
01/12/2018	McGeady Becher P.C.	654M 12/17	Legal Services	1-7460	203.00	203.00	
Total 5669:						203.00	
<b>5670</b>							
01/12/2018	Neighborhood Lawn Care, Inc	1023	Landscape Mainten	1-7510	345.31	345.31	
Total 5670:						345.31	
<b>5671</b>							
01/12/2018	Ramey Environmental Complia	15771	Operations	4-7240	669.48	669.48	
Total 5671:						669.48	
<b>5672</b>							
01/12/2018	Special Dist Mgmt Srvs	27166	District Managemen	1-7440	336.17	336.17	
01/12/2018	Special Dist Mgmt Srvs	27166	District Managemen	4-7440	320.00	320.00	
01/12/2018	Special Dist Mgmt Srvs	27166	Accounting	1-7000	143.83	143.83	
01/12/2018	Special Dist Mgmt Srvs	27166	Accounting	4-7000	576.17	576.17	
01/12/2018	Special Dist Mgmt Srvs	27166	Billing	4-7210	223.83	223.83	
01/12/2018	Special Dist Mgmt Srvs	27166	Miscellaneous	1-7480	230.18	230.18	
Total 5672:						1,830.18	
<b>5673</b>							
01/12/2018	United Power	12/17 2200	Utilities	4-7850	1,482.96	1,482.96	
01/12/2018	United Power	12/17 2501	Utilities	4-7850	235.75	235.75	
01/12/2018	United Power	12/17 2503	Utilities	4-7850	20.45	20.45	
01/12/2018	United Power	12/17 3503	Utilities	4-7850	20.23	20.23	
Total 5673:						1,759.39	
<b>5674</b>							
01/12/2018	Utility Notification Center	217120724	Miscellaneous	1-7480	14.50	14.50	
Total 5674:						14.50	
<b>10032</b>							
01/12/2018	Century Link	0630 12/17	Utilities	4-7850	107.62	107.62	M
Total 10032:						107.62	
Grand Totals:						4,974.04	

Riverdale Peaks II Metropolitan District  
February-18

	General	Debt	Enterprise	Totals
Disbursements	\$ 1,140.83	\$ -	\$ 3,790.68	\$ 4,931.51
			\$	-
<b>Total Disbursements from Checking Acct</b>	<b>\$1,140.83</b>	<b>\$0.00</b>	<b>\$3,790.68</b>	<b>\$4,931.51</b>



Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5675</b>							
02/15/2018	Mail Services LLC	1626741	Billing	4-7210	47.41	47.41	
Total 5675:						47.41	
<b>5676</b>							
02/15/2018	McGeady Becher P.C.	654M 1/18	Legal Services	1-7460	200.00	200.00	
Total 5676:						200.00	
<b>5677</b>							
02/15/2018	Neighborhood Lawn Care, Inc	1052	Landscape Mainten	1-7510	345.31	345.31	
Total 5677:						345.31	
<b>5678</b>							
02/15/2018	Ramey Environmental Complia	15922	Operations	4-7240	662.87	662.87	
02/15/2018	Ramey Environmental Complia	15922	Testing	4-7260	21.00	21.00	
Total 5678:						683.87	
<b>5679</b>							
02/15/2018	Special Dist Mgmt Srvs	28521	District Managemen	1-7440	336.17	336.17	
02/15/2018	Special Dist Mgmt Srvs	28521	District Managemen	4-7440	320.00	320.00	
02/15/2018	Special Dist Mgmt Srvs	28521	Accounting	1-7000	143.83	143.83	
02/15/2018	Special Dist Mgmt Srvs	28521	Accounting	4-7000	576.17	576.17	
02/15/2018	Special Dist Mgmt Srvs	28521	Billing	4-7210	223.83	223.83	
02/15/2018	Special Dist Mgmt Srvs	28521	Miscellaneous	1-7480	93.77	93.77	
Total 5679:						1,693.77	
<b>5680</b>							
02/15/2018	United Power	1/18 2200	Utilities	4-7850	1,517.97	1,517.97	
02/15/2018	United Power	1/18 2501	Utilities	4-7850	252.97	252.97	
02/15/2018	United Power	1/18 2503	Utilities	4-7850	30.45	30.45	
02/15/2018	United Power	1/18 3503	Utilities	4-7850	30.23	30.23	
Total 5680:						1,831.62	
<b>5681</b>							
02/15/2018	Utility Notification Center	217010731	Miscellaneous	1-7480	21.75	21.75	
Total 5681:						21.75	
<b>10033</b>							
02/15/2018	Century Link	0630 2/18	Utilities	4-7850	107.78	107.78	M
Total 10033:						107.78	
Grand Totals:						4,931.51	

**Riverdale Peaks II Metropolitan District**  
**March-18**

	<u>General</u>	<u>Debt</u>	<u>Enterprise</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 1,563.04	\$ -	\$ 4,840.12	\$ 6,403.16
				\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$1,563.04</b>	<b>\$0.00</b>	<b>\$4,840.12</b>	<b>\$6,403.16</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5682</b>							
03/13/2018	Mail Services LLC	1630063	Billing	4-7210	47.46	47.46	
Total 5682:						47.46	
<b>5683</b>							
03/13/2018	McGeady Becher P.C.	654M 2/18	Legal Services	1-7460	200.00	200.00	
Total 5683:						200.00	
<b>5684</b>							
03/13/2018	Neighborhood Lawn Care, Inc	1106	Landscape Mainten	1-7510	345.31	345.31	
03/13/2018	Neighborhood Lawn Care, Inc	1112	Repair and Mtce Re	4-7896	746.00	746.00	
Total 5684:						1,091.31	
<b>5685</b>							
03/13/2018	Ramey Environmental Complia	16089	Operations	4-7240	682.87	682.87	
03/13/2018	Ramey Environmental Complia	16089	Operations	4-7240	20.00	20.00	
03/13/2018	Ramey Environmental Complia	16089	Operations	4-7240	181.47	181.47	
03/13/2018	Ramey Environmental Complia	16089	Testing	4-7260	135.00	135.00	
03/13/2018	Ramey Environmental Complia	16165	Testing	4-7260	174.69	174.69	
Total 5685:						1,194.03	
<b>5686</b>							
03/13/2018	Special Dist Mgmt Svcs	29929	District Managemen	1-7440	336.17	336.17	
03/13/2018	Special Dist Mgmt Svcs	29929	District Managemen	4-7440	320.00	320.00	
03/13/2018	Special Dist Mgmt Svcs	29929	Accounting	1-7000	143.83	143.83	
03/13/2018	Special Dist Mgmt Svcs	29929	Accounting	4-7000	576.17	576.17	
03/13/2018	Special Dist Mgmt Svcs	29929	Billing	4-7210	223.83	223.83	
03/13/2018	Special Dist Mgmt Svcs	29929	Miscellaneous	1-7480	67.71	67.71	
Total 5686:						1,667.71	
<b>5687</b>							
03/13/2018	Special District Association	20180225144562466	Miscellaneous	1-7480	458.42	458.42	
Total 5687:						458.42	
<b>5688</b>							
03/13/2018	United Power	2/18 2200	Utilities	4-7850	1,348.45	1,348.45	
03/13/2018	United Power	2/18 2503	Utilities	4-7850	20.45	20.45	
03/13/2018	United Power	2/18 3503	Utilities	4-7850	20.22	20.22	
03/13/2018	United Power	2/182501	Utilities	4-7850	235.75	235.75	
Total 5688:						1,624.87	
<b>5689</b>							
03/13/2018	Utility Notification Center	218020709	Miscellaneous	1-7480	11.60	11.60	
Total 5689:						11.60	
<b>10034</b>							
03/13/2018	Century Link	0630 3/18	Utilities	4-7850	107.76	107.76	M

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
						<u>107.76</u>	
						<u>6,403.16</u>	

Riverdale Peaks II Metropolitan District  
April-18

	General	Debt	Enterprise	Totals
Disbursements	\$ 1,021.47	\$ -	\$ 3,367.68	\$ 4,389.15
<b>Total Disbursements from Checking Acct</b>	<b>\$1,021.47</b>	<b>\$0.00</b>	<b>\$3,367.68</b>	<b>\$4,389.15</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5690</b>							
04/13/2018	County of Adams	386921	Miscellaneous	1-7480	97.41	97.41	
04/13/2018	County of Adams	389051	Miscellaneous	1-7480	34.85	34.85	
Total 5690:						<u>132.26</u>	
<b>5691</b>							
04/13/2018	Diesel Service Supply	147000358	Generator Preventiv	4-7272	750.00	750.00	
Total 5691:						<u>750.00</u>	
<b>5692</b>							
04/13/2018	Mail Services LLC	1633472	Billing	4-7210	42.31	42.31	
Total 5692:						<u>42.31</u>	
<b>5693</b>							
04/13/2018	McGeady Becher P.C.	654M 3/18	Legal Services	1-7460	207.20	207.20	
Total 5693:						<u>207.20</u>	
<b>5694</b>							
04/13/2018	Ramey Environmental Complia	16252	Operations	4-7240	682.87	682.87	
04/13/2018	Ramey Environmental Complia	16252	Testing	4-7260	21.00	21.00	
04/13/2018	Ramey Environmental Complia	16252	Operations	4-7240	93.99	93.99	
Total 5694:						<u>797.86</u>	
<b>5695</b>							
04/13/2018	Special Dist Mgmt Srvs	31483	District Managemen	1-7440	336.17	336.17	
04/13/2018	Special Dist Mgmt Srvs	31483	District Managemen	4-7440	320.00	320.00	
04/13/2018	Special Dist Mgmt Srvs	31483	Accounting	1-7000	143.83	143.83	
04/13/2018	Special Dist Mgmt Srvs	31483	Accounting	4-7000	576.17	576.17	
04/13/2018	Special Dist Mgmt Srvs	31483	Billing	4-7210	223.83	223.83	
04/13/2018	Special Dist Mgmt Srvs	31483	Miscellaneous	1-7480	174.46	174.46	
Total 5695:						<u>1,774.46</u>	
<b>5696</b>							
04/13/2018	United Power	03/28 2501	Utilities	4-7850	235.75	235.75	
04/13/2018	United Power	3/19 2200	Utilities	4-7850	314.26	314.26	
Total 5696:						<u>550.01</u>	
<b>5697</b>							
04/13/2018	Utility Notification Center	218030760	Miscellaneous	1-7480	27.55	27.55	
Total 5697:						<u>27.55</u>	
<b>10035</b>							
04/13/2018	Century Link	0630 4/18	Utilities	4-7850	107.50	107.50	M
Total 10035:						<u>107.50</u>	
Grand Totals:						<u><u>4,389.15</u></u>	

Riverdale Peaks II Metropolitan District  
May-18

	General	Debt	Enterprise	Totals
Disbursements	\$ 1,233.56	\$ -	\$ 4,178.15	\$ 5,411.71
<b>Total Disbursements from Checking Acct</b>	<b>\$1,233.56</b>	<b>\$0.00</b>	<b>\$4,178.15</b>	<b>\$5,411.71</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5698</b>							
05/10/2018	Mail Services LLC	1637014	Billing	4-7210	42.47	42.47	
Total 5698:						42.47	
<b>5699</b>							
05/10/2018	McGeady Becher P.C.	654M 4/18	Legal Services	1-7460	200.00	200.00	
Total 5699:						200.00	
<b>5700</b>							
05/10/2018	Metrowest Newspapers	0411-2018-180580	Election Expense	1-7430	21.12	21.12	
Total 5700:						21.12	
<b>5701</b>							
05/10/2018	Neighborhood Lawn Care, Inc	1142	Landscape Mainten	1-7510	345.31	345.31	
Total 5701:						345.31	
<b>5702</b>							
05/10/2018	Ramey Environmental Complia	16433	Operations	4-7240	733.12	733.12	
05/10/2018	Ramey Environmental Complia	16433	Testing	4-7260	21.00	21.00	
05/10/2018	Ramey Environmental Complia	16433	Operations	4-7240	224.79	224.79	
Total 5702:						978.91	
<b>5703</b>							
05/10/2018	Special Dist Mgmt Svcs	33084	District Managemen	1-7440	336.17	336.17	
05/10/2018	Special Dist Mgmt Svcs	33084	District Managemen	4-7440	320.00	320.00	
05/10/2018	Special Dist Mgmt Svcs	33084	Accounting	1-7000	143.83	143.83	
05/10/2018	Special Dist Mgmt Svcs	33084	Accounting	4-7000	576.17	576.17	
05/10/2018	Special Dist Mgmt Svcs	33084	Billing	4-7210	223.83	223.83	
05/10/2018	Special Dist Mgmt Svcs	33084	Landscape Design	4-7237	170.00	170.00	
05/10/2018	Special Dist Mgmt Svcs	33084	Miscellaneous	1-7480	161.03	161.03	
Total 5703:						1,931.03	
<b>5704</b>							
05/10/2018	United Power	4/18 2200	Utilities	4-7850	1,483.09	1,483.09	
05/10/2018	United Power	4/18 2501	Utilities	4-7850	235.75	235.75	
05/10/2018	United Power	4/18 2503	Utilities	4-7850	20.33	20.33	
05/10/2018	United Power	4/18 3503	Utilities	4-7850	20.10	20.10	
Total 5704:						1,759.27	
<b>5705</b>							
05/10/2018	Utility Notification Center	218040788	Miscellaneous	1-7480	26.10	26.10	
Total 5705:						26.10	
<b>10036</b>							
05/10/2018	Century Link	5/18	Utilities	4-7850	107.50	107.50	M
Total 10036:						107.50	



Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
Grand Totals:						<u>5,411.71</u>	

Riverdale Peaks II Metropolitan District  
June-18

	General	Debt	Enterprise	Totals
Disbursements	\$ 1,159.73	\$ -	\$ 4,756.37	\$ 5,916.10
			\$	-
<b>Total Disbursements from Checking Acct</b>	<b>\$1,159.73</b>	<b>\$0.00</b>	<b>\$4,756.37</b>	<b>\$5,916.10</b>

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Auto Pay
<b>5706</b>							
06/12/2018	Mail Services LLC	1641253	Billing	4-7210	64.11	64.11	
Total 5706:						64.11	
<b>5707</b>							
06/12/2018	McGeady Becher P.C.	654M 5/18	Legal Services	1-7460	200.00	200.00	
Total 5707:						200.00	
<b>5708</b>							
06/12/2018	Neighborhood Lawn Care, Inc	1195	Landscape Mainten	1-7510	345.31	345.31	
Total 5708:						345.31	
<b>5709</b>							
06/12/2018	Ramey Environmental Complia	16546	Operations	4-7240	250.98	250.98	
06/12/2018	Ramey Environmental Complia	16546	Testing	4-7260	21.00	21.00	
06/12/2018	Ramey Environmental Complia	16631	Operations	4-7240	682.87	682.87	
06/12/2018	Ramey Environmental Complia	16631	Testing	4-7260	380.40	380.40	
Total 5709:						1,335.25	
<b>5710</b>							
06/12/2018	Special Dist Mgmt Svcs	34447	District Managemen	1-7440	336.17	336.17	
06/12/2018	Special Dist Mgmt Svcs	34447	District Managemen	4-7440	320.00	320.00	
06/12/2018	Special Dist Mgmt Svcs	34447	Accounting	1-7000	143.83	143.83	
06/12/2018	Special Dist Mgmt Svcs	34447	Accounting	4-7000	576.17	576.17	
06/12/2018	Special Dist Mgmt Svcs	34447	Billing	4-7210	223.83	223.83	
06/12/2018	Special Dist Mgmt Svcs	34447	Landscape Design	4-7237	170.00	170.00	
06/12/2018	Special Dist Mgmt Svcs	34447	Meter Install and Ins	4-7254	200.00	200.00	
06/12/2018	Special Dist Mgmt Svcs	34447	Miscellaneous	1-7480	92.37	92.37	
Total 5710:						2,062.37	
<b>5711</b>							
06/12/2018	United Power	05/18 3503	Utilities	4-7850	20.22	20.22	
06/12/2018	United Power	5/18 2200	Utilities	4-7850	1,483.09	1,483.09	
06/12/2018	United Power	5/18 2501	Utilities	4-7850	235.75	235.75	
06/12/2018	United Power	5/18 2503	Utilities	4-7850	20.45	20.45	
Total 5711:						1,759.51	
<b>5712</b>							
06/12/2018	Utility Notification Center	218050792	Miscellaneous	1-7480	42.05	42.05	
Total 5712:						42.05	
<b>10037</b>							
06/12/2018	Century Link	6/18	Utilities	4-7850	107.50	107.50	M
Total 10037:						107.50	
Grand Totals:						5,916.10	



# SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
FAX: 720.348.2920

\_\_\_\_\_, 2018

To the Board of Directors  
Riverdale Peaks II Metropolitan District  
Arapahoe County, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Riverdale Peaks II Metropolitan District (District) for the year ended December 31, 2017 and have issued our report thereon dated \_\_\_\_\_, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit.

## Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in the engagement letter dated October 26, 2017, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

## Planned Scope and Timing of Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We generally communicate our significant findings at the conclusion of the audit. However, some matters may have been communicated sooner, particularly if significant difficulties were encountered during the audit where assistance was needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We also communicate any internal control related matters that are required to be communicated under professional standards.

The audit was performed in June 2018 and we issued our report on \_\_\_\_\_, 2018.

## Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. There were no accounting estimates that are considered particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing the audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. See Exhibit I for the corrected misstatement noted during the audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representation*

We have requested certain representations from management that are included in the management representation letter dated \_\_\_\_\_, 2018.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on supplementary information, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Schilling & Company, Inc.

Adj. Journal Entries  
 Riverdale Peaks II Metropolitan District  
 December 31, 2017

Done by:	Date:	Index:
Reviewer:	Date:	

AJE No.	Account Description	W/P Ref	Account Number	Debits	Credits
1	Meter Install and Inspect	302	4-7254	2,462.92	
1	Chemicals & supplies		4-7270		2,462.92
To reclassify meter purchased to correct account					
2	Water Charges	B-1	4-6380	980.00	
2	Accounts Receivable		4-1130		980.00
To remove January 2018 Availability of Service billing from accounts receivable at 12/31/17.					
Totals				3,442.92	3,442.92

DRAFT

**RIVERDALE PEAKS II  
METROPOLITAN DISTRICT  
Adams County, Colorado**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

DRAFT 6/22/18



## Table of Contents

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	I
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide financial statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	6
Statement of Net Position – Proprietary Fund	7
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	8
Statement of Cash Flows – Proprietary Fund	9
Notes to Financial Statements	10
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Debt Service Fund	26
Schedule of Revenues, Expenditures and Changes in Funds Available – Budget and Actual Enterprise Fund	27
<b>OTHER INFORMATION</b>	
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	28
Schedule of Debt Service Requirements to Maturity	29



## SCHILLING & COMPANY, INC.

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
FAX: 720.348.2920

### **Independent Auditor's Report**

Board of Directors  
Riverdale Peaks II Metropolitan District  
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Riverdale Peaks II Metropolitan District (District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The prior year partial comparative information has been derived from the District's 2016 financial statements and, in our report dated July 26, 2017, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities and each major fund.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Riverdale Peaks II Metropolitan District, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows, 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.

## **Other Matters**

### *Required Supplementary Information*

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**BASIC FINANCIAL STATEMENTS**

DRAFT 6/22/18

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**December 31, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments - unrestricted	\$ 54,018	\$ 7,881	\$ 61,899
Cash and investments - restricted	6,093	-	6,093
Prepaid expenses	6,567	-	6,567
Receivable - County Treasurer	630	-	630
Accounts receivable - customers	-	8,673	8,673
Property taxes receivable	189,914	-	189,914
Capital assets, not being depreciated	720,888	-	720,888
Capital assets, net of depreciation	2,142,719	-	2,142,719
Total assets	<u>3,120,829</u>	<u>16,554</u>	<u>3,137,383</u>
<b>LIABILITIES</b>			
Accounts payable	928	3,701	4,629
Accrued interest payable	485,366	-	485,366
Noncurrent liabilities:			
Due within one year	185,000	-	185,000
Due in more than one year	5,485,831	189,531	5,675,362
Total liabilities	<u>6,157,125</u>	<u>193,232</u>	<u>6,350,357</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue			
Total deferred inflows of resources	189,914	-	189,914
	<u>189,914</u>	<u>-</u>	<u>189,914</u>
<b>NET POSITION</b>			
Net investment in capital assets	(1,352,847)	-	(1,352,847)
Restricted for:			
Emergencies	1,700	-	1,700
Unrestricted	(1,875,063)	(176,678)	(2,051,741)
Total net position	<u>\$ (3,226,210)</u>	<u>\$ (176,678)</u>	<u>\$ (3,402,888)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 103,891	\$ -	\$ -	\$ -	\$ (103,891)	\$ -	\$ (103,891)
Interest and related costs on long-term debt	328,706	9,000	-	-	(319,706)	-	(319,706)
Total governmental activities	<u>432,597</u>	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>(423,597)</u>	<u>-</u>	<u>(423,597)</u>
Business-type activities:							
Enterprise	105,976	72,432	-	-	-	(33,544)	(33,544)
Total business-type activities	<u>105,976</u>	<u>72,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,544)</u>	<u>(33,544)</u>
Total primary government	<u>\$ 538,573</u>	<u>\$ 81,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(423,597)</u>	<u>(33,544)</u>	<u>(457,141)</u>
General revenues:							
Taxes:							
Property taxes					79,649	-	79,649
Specific ownership taxes					7,781	-	7,781
Net investment income					623	-	623
Transfers					(23,200)	23,200	-
Total general revenues and transfers					<u>73,802</u>	<u>23,200</u>	<u>97,002</u>
Change in net position					(349,795)	(10,344)	(360,139)
Net position - Beginning					(2,876,415)	(166,334)	(3,042,749)
Net position - Ending					<u>\$ (3,226,210)</u>	<u>\$ (176,678)</u>	<u>\$ (3,402,888)</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2017**

	<b>General</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments - unrestricted	\$ 54,018	\$ -	\$ 54,018
Cash and investments - restricted	-	6,093	6,093
Prepaid expenditures	6,567	-	6,567
Cash with County Treasurer	326	304	630
Property tax receivable	76,458	113,456	189,914
<b>TOTAL ASSETS</b>	<b>\$ 137,369</b>	<b>\$ 119,853</b>	<b>\$ 257,222</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 928	\$ -	\$ 928
Total liabilities	928	-	928
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	76,458	113,456	189,914
Total deferred inflows of resources	76,458	113,456	189,914
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid expenditures	6,567	-	6,567
Spendable			
Restricted for emergencies	1,700	-	1,700
Restricted for debt service	-	6,397	6,397
Assigned for subsequent year's expenditures	12,806	-	12,806
Unassigned	38,910	-	38,910
Total fund balances	59,983	6,397	66,380
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 137,369</b>	<b>\$ 119,853</b>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Capital assets	2,863,607
----------------	-----------

Some liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

General obligation bonds payable	(3,065,000)
Accrued interest payable on general obligation bonds	(485,366)
Developer advances payable and accrued interest thereon	(2,605,831)
Net position of governmental activities	\$ (3,226,210)

These financial statements should be read only in connection with the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property tax	\$ 41,181	\$ 38,468	\$ 79,649
Specific ownership tax	4,023	3,758	7,781
Availability of service fees	-	9,000	9,000
Net investment income	454	169	623
Other	8,949	-	8,949
Total revenues	<u>54,607</u>	<u>51,395</u>	<u>106,002</u>
<b>EXPENDITURES</b>			
Current			
Management fees	4,034	-	4,034
Accounting	1,896	-	1,896
Audit	-	4,000	4,000
Legal	2,408	-	2,408
Insurance and bonds	992	-	992
County Treasurer's fees	615	582	1,197
Landscape maintenance	4,004	-	4,004
Miscellaneous	3,564	-	3,564
Debt service			
Paying agent fees	-	2,000	2,000
Bond interest	-	37,337	37,337
Total expenditures	<u>17,513</u>	<u>43,919</u>	<u>61,432</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>37,094</u>	<u>7,476</u>	<u>44,570</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (to) from other funds	<u>(23,200)</u>	<u>-</u>	<u>(23,200)</u>
Total other financing sources (uses)	<u>(23,200)</u>	<u>-</u>	<u>(23,200)</u>
<b>NET CHANGE IN FUND BALANCES</b>	13,894	7,476	21,370
<b>FUND BALANCES - BEGINNING OF YEAR</b>	46,089	(1,079)	45,010
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 59,983</u>	<u>\$ 6,397</u>	<u>\$ 66,380</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.



**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2017**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	\$ 21,370
<p>Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. Instead the cost of the asset is allocated over its estimated useful life, and recorded as depreciation expense in each of those years.</p>	
Depreciation	(81,796)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in accrued interest on developer advances	(106,157)
Change in accrued interest on bonds	<u>(183,212)</u>
Change in net position - Governmental activities	<u><u>\$ (349,795)</u></u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2017**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Property tax	\$ 41,505	\$ 41,181	\$ (324)
Specific ownership taxes	3,500	4,023	523
Net investment income	50	454	404
Sale of property	-	8,949	8,949
Other	-	-	-
Total revenues	<u>45,055</u>	<u>54,607</u>	<u>9,552</u>
<b>EXPENDITURES</b>			
Management fees	4,100	4,034	66
Accounting	1,726	1,896	(170)
Legal	2,800	2,408	392
Insurance and bonds	1,320	992	328
Election	-	-	-
County Treasurer's fees	622	615	7
Landscape maintenance	4,700	4,004	696
Landscape improvements	26,535	-	26,535
Miscellaneous	2,500	3,514	(1,014)
Banking fees	50	50	-
Contingency and emergency reserve	5,994	-	5,994
Total expenditures	<u>50,347</u>	<u>17,513</u>	<u>32,834</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(5,292)</u>	<u>37,094</u>	<u>42,386</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	<u>(40,000)</u>	<u>(23,200)</u>	<u>16,800</u>
Total other financing sources (uses)	<u>(40,000)</u>	<u>(23,200)</u>	<u>16,800</u>
<b>NET CHANGE IN FUND BALANCE</b>	(45,292)	13,894	59,186
<b>FUND BALANCE - BEGINNING OF YEAR</b>	46,551	46,089	(462)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,259</u>	<u>\$ 59,983</u>	<u>\$ 58,724</u>

These financial statements should be read only in connection with the  
accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
December 31, 2017  
(with comparative totals for December 31, 2016)**

	<b>Enterprise Fund</b>	
	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and investments - unrestricted	\$ 7,881	\$ 15,023
Due from Debt Service Fund	-	1,305
Accounts receivable - customers	8,673	4,727
Total assets	<u>16,554</u>	<u>21,055</u>
<b>LIABILITIES</b>		
Accounts payable	3,701	5,889
Noncurrent liabilities		
Due in more than one year	189,531	181,500
Total liabilities	<u>193,232</u>	<u>187,389</u>
<b>UNRESTRICTED NET POSITION</b>	<u>\$ (176,678)</u>	<u>\$ (166,334)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**Year Ended December 31, 2017**  
**(with comparative totals for December 31, 2016)**

	<b>Enterprise Fund</b>	
	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>		
Water charges	\$ 70,141	\$ 56,269
Water conservation review fee	-	975
Water meter fee	-	18,949
Landscape design fee	1,870	1,360
Other revenue	421	312
Total operating revenues	<u>72,432</u>	<u>77,865</u>
<b>OPERATING EXPENDITURES</b>		
Management	3,840	3,840
Accounting	6,914	6,914
Billing	3,188	3,062
Operations	10,006	11,067
Insurance	5,316	5,186
Generator preventative maintenance	1,473	450
Repairs and maintenance	35,240	2,898
Storage tank repairs	-	4,737
Meter install and inspection	4,063	15,559
Testing	5,967	1,660
Chemicals and supplies	2,742	1,396
Generator fuel	-	-
Utilities	19,121	19,915
Miscellaneous	75	75
Total operating expenses	<u>97,945</u>	<u>76,759</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(25,513)</u>	<u>1,106</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Transfers from other funds	23,200	11,552
Interest expense	(8,031)	(8,032)
Total nonoperating revenues (expenses)	<u>15,169</u>	<u>3,520</u>
<b>CHANGES IN NET POSITION</b>	(10,344)	4,626
<b>NET POSITION - BEGINNING OF YEAR</b>	(166,334)	(170,960)
<b>NET POSITION - END OF YEAR</b>	<u>\$ (176,678)</u>	<u>\$ (166,334)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND  
Year Ended December 31, 2017  
(with comparative totals for December 31, 2016)**

	<b>Enterprise Fund</b>	
	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 69,791	\$ 77,306
Payments to suppliers	(100,133)	(74,871)
Net cash provided (required) by operating activities	<u>(30,342)</u>	<u>2,435</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer from other funds	23,200	11,552
Net cash provided by noncapital financing activities	<u>23,200</u>	<u>11,552</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(7,142)	13,987
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>15,023</u>	<u>1,036</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 7,881</u>	<u>\$ 15,023</u>
<b>Reconciliation of operating (loss) to net cash provided (required) by operating activities</b>		
Operating income (loss)	\$ (25,513)	\$ 1,106
Adjustments to reconcile operating loss to net cash required by operating activities:		
(Increase) decrease in accounts receivable	(3,946)	746
(Increase) decrease in due from Debt Service Fund	1,305	(1,305)
Increase (decrease) in accounts payable	<u>(2,188)</u>	<u>1,888</u>
Net cash provided (required) by operating activities	<u>\$ (30,342)</u>	<u>\$ 2,435</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Riverdale Peaks II Metropolitan District (District), a quasi-municipal corporation, was organized on December 2, 2002, and is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was established to provide financing for the design, acquisition and construction of streets, traffic and safety controls, water, sanitary sewer, park and recreation, mosquito control, television relay and translation and transportation facilities.

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

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set 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 District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the District. The difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources of the District is reported as net position.

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.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Taxes and other items, not properly included among program revenues, are reported instead as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide and proprietary fund 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 related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The District reports the following major proprietary fund:

The Enterprise Fund accounts for the water operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The 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.

During 2017, the Board of Director's approved supplemental appropriations for the Enterprise Fund.

**Pooled Cash and Investments**

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 single bank account. 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 funds' average equity balance in total cash. Investments are carried at fair value.

**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 taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are 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 of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.



**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital Assets, which include property and infrastructure improvements (e.g. water improvements, park and recreation improvements, and similar items) are reported 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. Such assets are recorded at historical cost. 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 asset 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. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Pump station	25 years
Water system	50 years
Irrigation and fencing	10 years

**Water Rights**

In order to provide water for in-house and irrigation uses within the District, the District acquired the rights to 87.93 acre-feet of non-tributary Denver Basin aquifer ground water from Prospect Farms, LLC, in 2005. The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

**Surface Rights**

In order to assure uninterrupted provision of water to the District, the District acquired certain surface rights within the boundaries of the District from Riverdale Holdings, LLC, and Elkhart, LLC, in 2005. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

**Water Facilities Fees**

Water facility fees of \$19,750 per residential equivalent unit are charged against properties within the District. The facilities fee is due at the time of issuance of a building permit by Adams County. The District records the facilities fee as revenue when received, which may be at the transfer of property from the Developer to a builder. The District does not anticipate receipt of any additional fees as the remaining vacant land in the District has been acquired by Brighton School District 27J and Adams County. (See Note 9 regarding Developer guarantee.)

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Availability of Service Fees**

The District imposes an Availability of Service charge on all vacant lots in the District with a water line installed and ready for connection. The Fee may not exceed fifty percent of the fees, rates or charges paid by the average customer in the District and is calculated by dividing the total usage quantity for the District over the last fiscal year by the total number of users, resulting in an average usage and applying the applicable rates. The calculated maximum fee for calendar year 2017 was \$93.45 per month however the Board of Directors set the fee at \$75 per month. The fees charged are to be used solely for the repayment of bond principal and interest.

**Fund Balances – Governmental Funds**

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

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

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2017 are classified in the accompanying statement of net position as follows:

Cash and investments - unrestricted	\$ 61,899
Cash and investments - restricted	<u>6,093</u>
	<u><u>\$ 67,992</u></u>

Cash and investments as of December 31, 2017 consist of the following:

Deposits with financial institutions	\$ 28,518
Investments	<u>39,474</u>
	<u><u>\$ 67,992</u></u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. 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 for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. 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.

At December 31, 2017, the District's cash deposits had a bank balance of \$49,780 and carrying balance of \$28,518.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirement.

At December 31, 2017, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 39,474</u>

**CSAFE**

During 2017, the District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard and Poor's. As of December 31, 2017, the District had \$39,474 invested in CSAFE. Information related to CSAFE, including the annual audited financial statements, can be found at the CSAFE website at [www.csafe.org](http://www.csafe.org). Information related to Standard & Poor's ratings can be obtained from Standard & Poor's.

**Investment Valuation**

Certain investments are measured at fair value on a recurring basis and are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: 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 has invested in CSAFE, an external investment pool that records its investments at amortized cost and therefore is not subject to the hierarchy disclosure requirements above.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 4 - CAPITAL ASSETS**

An analysis of the changes in property for the period ended December 31, 2017 follows:

	<u>Balance at December 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2017</u>
<b><u>Governmental Activities</u></b>				
Capital assets, not being depreciated:				
Surface rights	\$ 113,718	\$ -	\$ -	\$ 113,718
Water Rights	351,720	-	-	351,720
Land and landscaping	255,450	-	-	255,450
Total capital assets, not being depreciated	<u>720,888</u>	<u>-</u>	<u>-</u>	<u>720,888</u>
Capital assets, being depreciated:				
Water system	1,760,020	-	-	1,760,020
Pump station	1,123,276	-	-	1,123,276
Irrigation and fencing	16,651	-	-	16,651
Total capital assets, being depreciated	<u>2,899,947</u>	<u>-</u>	<u>-</u>	<u>2,899,947</u>
Less accumulated depreciation for:				
Water system	(296,217)	(35,199)	-	(331,416)
Pump station	(369,225)	(44,932)	-	(414,157)
Irrigation and fencing	(9,990)	(1,665)	-	(11,655)
Total accumulated depreciation	<u>(675,432)</u>	<u>(81,796)</u>	<u>-</u>	<u>(757,228)</u>
Total capital assets being depreciated, net	<u>2,224,515</u>	<u>(81,796)</u>	<u>-</u>	<u>2,142,719</u>
 Total capital assets, net	 <u>\$ 2,945,403</u>	 <u>\$ (81,796)</u>	 <u>\$ -</u>	 <u>\$ 2,863,607</u>

Total depreciation expense for the water system, pump station, and irrigation and fencing was charged to the general government function of the District in the amount of \$81,796 for the year ended December 31, 2017.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 5 – LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2017.

	<b>Balance at December 31, 2016</b>	<b>New Issues/ Additions</b>	<b>Retirements</b>	<b>Balance at December 31, 2017</b>	<b>Due Within One Year</b>
<b><u>Governmental</u></b>					
Series 2005 G.O. Bonds	\$ 3,065,000	\$ -	\$ -	\$ 3,065,000	\$185,000
Developer advances:					
Operations	365,068	-	-	365,068	-
Capital	1,151,454	-	-	1,151,454	-
Accrued interest on					
Developer advances:					
Operations	262,614	25,555	-	288,169	-
Capital	720,538	80,602	-	801,140	-
	<u>5,564,674</u>	<u>106,157</u>	<u>-</u>	<u>5,670,831</u>	<u>185,000</u>
<b><u>Business-type</u></b>					
Developer advances:					
Enterprise operations	114,731	-	-	114,731	-
Accrued interest on					
Developer advances:					
Enterprise operations	66,769	8,031	-	74,800	-
	<u>181,500</u>	<u>8,031</u>	<u>-</u>	<u>189,531</u>	<u>-</u>
Total district obligations	<u>\$ 5,746,174</u>	<u>\$ 114,188</u>	<u>\$ -</u>	<u>\$ 5,860,362</u>	<u>\$ 185,000</u>

**General Obligation Bonds**

On September 29, 2005, the District issued \$3,105,000 in General Obligation Bonds (Limited Tax Convertible to Unlimited Tax) dated September 1, 2005, for infrastructure improvements and related initial operation and maintenance costs. The bonds are term bonds due December 1, 2025 with an interest rate of 6.40% paid semi-annually on June 1 and December 1 and due December 1, 2035 with an interest rate of 6.50% paid semi-annually on June 1 and December 1. The 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, on December 1, 2015, and on any date thereafter, upon payment of par and accrued interest, without redemption premium. The bonds maturing December 1, 2025 are subject to mandatory sinking fund redemptions on December 1, 2007 and on each December 1 thereafter in increasing annual amounts through December 1, 2025. The bonds maturing on December 1, 2035 are subject to mandatory sinking fund redemptions on December 1, 2026 and on each December 1 thereafter in increasing annual amounts.

The proceeds of such debt were used for bond issuance costs, capitalized interest, capital infrastructure costs and reimbursement to the Developer for advances made to the District.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)**

The bonds are payable from pledged revenue, including the District's covenant to levy the required mill levy on all taxable property within the District and water facilities fees (See Note 9 – WATER FACILITIES FEE AGREEMENT). The minimum mill levy is 38.000 mills and the maximum levy is 63.542, as adjusted by the Gallagher Amendment, until the ratio of the District's debt to its assessed value is 50% or less at which time the required mill levy becomes unlimited. The District must levy taxes sufficient to make debt service payments when combined with other pledged revenue sources.

On December 14, 2009, the District entered into an agreement with the bond trustees, Colorado Bondshares, AIM High Income Muni Fund, and Colorado State Bank and Trust, N.A., to temporarily reduce the maximum required mill levy for the tax year 2009 (for collection in 2010) to 40.000. On December 1, 2010 and November 30, 2011 the agreement was renewed for the tax years 2010 and 2011 for collection in 2011 and 2012. On November 28, 2012, November 21, 2013, November 17, 2014, November 16, 2015 and November 16, 2017, the District entered into agreements with the bond trustees, Colorado Bondshares, Invesco High Yield Municipal Fund and Colorado State Bank and Trust, N.A. to temporarily reduce the maximum required mill levy for the tax years 2012, 2013, 2014, 2015 and 2016 (for collection in 2013, 2014, 2015, 2016 and 2017) to 40.000 mills. It was determined by all parties to the agreements that the imposition of the maximum required mill levy, as required by the bond indenture, would not be in the best interests of the District, its taxpayers and residents, or the bondholders. The District levied the maximum required under this agreement of 40.000 mills for debt service to be collected in 2010-2017. No agreement was entered into regarding the mill for 2017 (collection in 2018). The District levied the maximum mill levy of 63.542.

On May 21, 2015, a material event notification was filed by the District to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the June 1, 2015 interest payment due of \$99,147.50. The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee, total \$40,286.78 which resulted in a payment shortfall of \$58,860.72.

On December 10, 2015, a material event notification was filed by the District to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the December 1, 2015 principal payment due of \$5,000 and interest payment due of \$99,147.50. The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee, total \$22,538.45 which resulted in a payment shortfall of \$5,000 of principal and \$76,609.05 of interest.

On June 1, 2016, a material event notification was filed by the District to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the June 1, 2017 interest payment due of \$98,987.50. The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee, total \$25,002.15 which resulted in a payment shortfall of \$73,985.35.

On December 1, 2016, a material event notification was filed by the District to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the December 1, 2017 principal payment due of \$40,000 and interest payment due of \$98,987.50.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)**

The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee, total \$38,000.00 which resulted in a payment shortfall of \$40,000 of principal and \$60,987.50 of interest.

On June 1, 2017, a material event notification was filed by the District to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the June 1, 2017 interest payment due of \$97,707.50. The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee, total \$19,000.00 which resulted in a payment shortfall of \$78,707.50.

On December 1, 2017, a material event notification was filed by the District to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the December 1, 2017 interest payment due of \$97,707.50. The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee, total \$18,336.86 which resulted in a payment shortfall of \$79,370.64.

On June 1, 2018, a material event notification was filed by the District to inform the bondholders and potential purchasers of the Bonds of the lack of funds available to make the June 1, 2018 interest payment due of \$95,627.50. The amount available from Pledged Revenues in the District's Debt Service Fund, as well as the Bond Fund and Surplus Fund held by the trustee, total \$63,297.51 which resulted in a payment shortfall of \$32,329.99.

Under Section 2.01(g) of the Indenture, to the extent interest on any bond is not paid when due, such interest shall compound semiannually on each interest payment date, at the rate then borne by the bond.

As of December 31, 2017, the District had unpaid accrued interest of \$468,842.

The District's bonds scheduled maturities are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 185,000	* \$ 660,097	* \$ 845,097
2019	80,000	186,455	266,455
2020	90,000	181,335	271,335
2021	95,000	175,575	270,575
2022	105,000	169,495	274,495
2023-2027	685,000	733,405	1,418,405
2028-2032	1,010,000	471,575	1,481,575
2033-2035	815,000	108,550	923,550
	<u>\$ 3,065,000</u>	<u>\$ 2,686,487</u>	<u>\$ 5,751,487</u>

\* - includes unpaid principal and interest from prior years.



**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Authorization**

On November 5, 2002, the District’s electors authorized the issuance of indebtedness in an amount not to exceed \$15,428,750 for infrastructure improvements and \$500,000 for operations at an interest rate not to exceed 18%; and \$15,428,750 for refunding the District’s debt or other obligations.

At December 31, 2017, the District had authorized but unissued indebtedness in the following amount allocated for the following purposes:

	<b>Authorized November 5, 2002 Election</b>	<b>Authorization Used by Series 2005 Bonds</b>	<b>Remaining December 31, 2017</b>
Water system	\$ 7,581,000	\$ 2,321,919	\$ 5,259,081
Parks and recreation	585,000	493,385	91,615
Operations and maintenance	500,000	-	500,000
Sanitary sewer	3,001,250	289,696	2,711,554
Streets	4,261,500	-	4,261,500
Refunding of debt	15,428,750	-	15,428,750
	<u>\$ 31,357,500</u>	<u>\$ 3,105,000</u>	<u>\$ 28,252,500</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$5,887,500. Mill Levy requirements and restrictions are discussed earlier in this note in the section titled “General Obligation Bonds”.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District’s service area. As of the date of this report (as noted on the Independent Auditor’s Report on page I), the amount and timing of any debt issuance is not determinable.

**Advance and Reimbursement Agreement**

The District entered into an Advance and Reimbursement Agreement with Quebec Corp. (Quebec), the former developer of the District, on July 1, 2005. According to the terms of the agreement, the District shall reimburse Quebec for any advances made to the District for construction, maintenance and operation costs associated with the provision of certain public improvements, facilities and services, together with interest at 7% per annum from the date of the advance. The District shall make payment for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements, and debt service costs and expenses of the District. The payment to Quebec is subordinate to the District’s obligation to reimburse Gateway American Properties, LLC, for any advances made pursuant to the Advance and Reimbursement Agreement dated January 15, 2003.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)**

There were no advances from Quebec during 2017. The total balance due Quebec, under the Advance and Reimbursement Agreement at December 31, 2017 is \$1,631,253 plus accrued interest of \$1,164,109.

**NOTE 6 – FUND EQUITY**

At December 31, 2017, the District reported the following classifications of fund equity.

**Nonspendable Fund Balance**

The nonspendable fund balance in the General Fund in the amount of \$6,567 is comprised of prepaid amounts which are not in spendable form.

**Restricted Fund Balance**

The restricted fund balance in the General Fund in the amount of \$1,700 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 12).

**Assigned Fund Balance**

The assigned fund balance in the General Fund in the amount of \$12,806 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

**NOTE 7 - NET POSITION**

The District's net position consists of three components: net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, developer advances, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2017, the District reported \$(1,352,847) net investment in capital assets calculated as follows:

Net investment in capital assets:

Capital assets, net	\$ 2,863,607
Current and noncurrent portion of long-term obligations - Bonds	(3,065,000)
Noncurrent portion of long-term obligations - Developer advances (capital)	(1,151,454)
Net investment in capital assets	<u><u>\$ (1,352,847)</u></u>

The restricted portion of net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 7 - NET POSITION (CONTINUED)**

District's restricted net position at December 31, 2017 is \$1,700 as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 12).

The District's unrestricted net position at December 31, 2017 totaled \$(2,051,741). This deficit is due to governmental and business-type activities being funded mainly by advances from the former developer of the District, including related accrued interest.

**NOTE 8 – INTERFUND TRANSFERS**

As of December 31, 2017, the General Fund transferred \$23,200 to the Enterprise Fund to pay for operating expenses not sufficiently funded by water revenues.

**NOTE 9 – WATER FACILITIES FEE AGREEMENT**

On September 27, 2005, Quebec and Gateway American Properties, LLC (Gateway) entered into an agreement to partially guarantee the collection of water facilities fees. Facilities fees paid at a rate faster than the prescribed minimum guaranty amounts will be credited against the guaranteed amount due in subsequent years. Under the terms of the agreement, Quebec was obligated to pay \$177,750 of these fees for the year ended December 31, 2009, \$592,500 for the year ended December 31, 2010, \$533,250 for the year ended December 31, 2011, \$434,500 for the year ended December 31, 2012, \$434,500 for the year ended December 31, 2013 and \$414,750 for the year ended December 31, 2014. On April 14, 2017, the District sent notice to Quebec Corp. and Gateway regarding the 2009-2015 payments including accrued interest due under the Agreement. As of the date of the audit report, the fees remain unpaid as follows, \$1,485,784 of interest accrued at 10%, per the agreement, was added to the amounts due for a total of \$4,073,034 at December 31, 2017. An allowance for doubtful accounts has been established in the amount of \$4,073,034. Therefore, the net receivable at December 31, 2017 due from the Developer is \$-0-.

**NOTE 10 – TOLLING AGREEMENT**

With the consent of the then current Bondholders, Quebec Corp. ("Quebec"), Gateway American Properties, LLC ("Gateway"), and the District executed a Tolling Agreement effective November 26, 2012 (the "Tolling Agreement"), suspending the running of all statute(s) of limitations, principles of laches, or other principles or doctrines, whether statutory or common law in origin or nature, which could have the effect or intention of barring or limiting, in whole or in part, the filing and prosecution of any claim, demand, cause of action, or remedy of any kind by the District due to the passage of a period of time running from the occurrence of the wrong complained of or from the District's purported discovery of the wrong complained of in relation to failure of Quebec and Gateway to pay the Shortfall Amounts as required by the Water Facilities Fee Agreement. Quebec and Gateway in no way agree or acknowledge that the District has any claim of whatever nature against them, whether sounding in tort, breach of contract, or any other claim or theory, and by entering into the Tolling Agreement, are not admitting to any wrongdoing in connection with the District's alleged claims in connection with the Water Facilities Agreement. The Tolling Agreement shall remain in effect until the tenth business day after either the District has provided written notice to Quebec of the District's intent to terminate

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 10 – TOLLING AGREEMENT (CONTINUED)**

the Tolling Agreement, or Quebec or Gateway has furnished written notice to the District of Quebec or Gateway's intent to terminate the Tolling Agreement.

**NOTE 11 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2017. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool 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 12 - TAX, SPENDING AND DEBT LIMITATIONS**

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provision of TABOR.

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.

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

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)**

not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 5, 2002, the District's electors authorized the District to increase taxes \$200,000 annually or by a lesser annual amount as may be necessary to pay the District's operations and maintenance and other expenses without limitation of rate. Further the District's electors authorized the District to collect, retain and spend all District revenue, other than ad valorem taxes, without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

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 and qualifications as an Enterprise, will require judicial interpretation.

DRAFT 6/22/18

This information is an integral part of the accompanying financial statements

**SUPPLEMENTAL INFORMATION**

DRAFT 6/22/18

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
Year Ended December 31, 2017**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 38,770	\$ 38,468	\$ (302)
Specific ownership taxes	2,900	3,758	858
Availability of service fees	12,600	9,000	(3,600)
Net investment income	25	169	144
Total revenues	54,295	51,395	(2,900)
<b>EXPENDITURES</b>			
Audit	4,000	4,000	-
County treasurer's fees	582	582	-
Paying agent fees	2,000	2,000	-
Bond interest	47,713	37,337	10,376
Total expenditures	54,295	43,919	10,376
<b>NET CHANGE IN FUND BALANCE</b>	-	7,476	7,476
<b>FUND BALANCE - BEGINNING OF YEAR</b>	-	(1,079)	(1,079)
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 6,397	\$ 6,397

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUNDS AVAILABLE - BUDGET AND ACTUAL  
ENTERPRISE FUND  
Year Ended December 31, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Water charges	\$ 48,720	\$ 70,000	\$ 70,141	\$ 141
Water meter fee	14,000	-	-	-
Landscape design fee	-	1,360	1,870	510
Other	-	312	421	109
Transfers from other funds	40,000	40,000	23,200	(16,800)
Total revenues	<u>102,720</u>	<u>111,672</u>	<u>95,632</u>	<u>(16,040)</u>
<b>EXPENDITURES</b>				
Management	3,840	3,840	3,840	-
Accounting	7,000	6,914	6,914	-
Billing	3,100	3,200	3,188	12
Operations	10,000	10,100	10,006	94
Insurance	5,705	5,400	5,316	84
Generator preventive maintenance	740	1,500	1,473	27
Repairs and maintenance	3,000	12,100	12,061	39
Meter install and inspect	14,000	4,100	4,063	37
Testing	2,700	6,000	5,967	33
Chemicals and supplies	2,700	3,500	2,742	758
Utilities	19,000	21,000	19,121	1,879
Fuel generator	800	-	-	-
Miscellaneous	700	100	75	25
Repair and maintenance reserve	22,025	29,246	23,179	6,067
Total expenditures	<u>95,310</u>	<u>107,000</u>	<u>97,945</u>	<u>9,055</u>
<b>NET CHANGE IN FUNDS AVAILABLE</b>	7,410	4,672	(2,313)	(6,985)
<b>FUNDS AVAILABLE - BEGINNING OF YEAR</b>	(171,073)	15,166	15,166	-
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u>\$ (163,663)</u>	<u>\$ 19,838</u>	<u>\$ 12,853</u>	<u>\$ (6,985)</u>

Funds available is computed as follows:

Current assets	\$ 16,554
Current liabilities	(3,701)
	<u>\$ 12,853</u>

Reconciliation of Budgetary Basis to the Statement of Revenues,  
Expenses and Changes in Fund Net Position

Net change in funds available - budgetary basis	\$ (2,313)
Change in interest on long term obligations	(8,031)
Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	<u>\$ (10,344)</u>



**OTHER INFORMATION**

DRAFT 6/22/18

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
SUMMARY OF ASSESSED VALUATION , MILL LEVY  
AND PROPERTY TAXES COLLECTED  
Year Ended December 31, 2017**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied			Property Taxes		Percentage Collected to Levied
		General	Debt	Total	Levied	Collected	
2008	\$ 1,209,380	10.000	38.000	48.000	\$ 58,050	\$ 58,062	100.0%
2009	\$ 1,423,670	10.000	38.000	48.000	\$ 68,336	\$ 68,087	99.6%
2010	\$ 1,434,740	33.475	40.000	73.475	\$ 105,418	\$ 105,401	100.0%
2011	\$ 1,257,590	33.475	40.000	73.475	\$ 92,401	\$ 92,396	100.0%
2012	\$ 966,410	33.475	40.000	73.475	\$ 71,007	\$ 71,003	100.0%
2013	\$ 945,330	33.475	40.000	73.475	\$ 69,458	\$ 69,465	100.0%
2014	\$ 840,770	42.821	40.000	82.821	\$ 69,633	\$ 64,255	92.3%
2015	\$ 782,800	42.821	40.000	82.821	\$ 64,832	\$ 61,329	94.6%
2016	\$ 960,620	48.419 (a)	40.000	88.419	\$ 84,937	\$ 83,218	98.0%
2017	\$ 969,260	42.821	40.000	82.821	\$ 80,275	\$ 79,649	99.2%
Estimated for year ending December 31, 2018	\$ 1,785,520	42.821	63.542	106.363	\$ 189,914		

**NOTE:** Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

(a) - includes 5.598 mill levy for refunds and abatements.

**RIVERDALE PEAKS II METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2017**

**\$3,105,000 General Obligation Bonds, Series 2005  
(Limited Tax Convertible to Unlimited Tax)  
Interest Rate 6.40% (\$970,000 Term Bond Due  
December 1, 2025) and 6.50% (\$2,135,000  
Term Bond Due December 1, 2035)  
Principal Due December 1  
Interest Due June 1 and December 1**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2018 *	\$ 185,000	\$ 660,097	\$ 845,097
2019	80,000	186,455	266,455
2020	90,000	181,335	271,335
2021	95,000	175,575	270,575
2022	105,000	169,495	274,495
2023	115,000	162,775	277,775
2024	125,000	155,415	280,415
2025	135,000	147,415	282,415
2026	150,000	138,775	288,775
2027	160,000	129,025	289,025
2028	175,000	118,625	293,625
2029	185,000	107,250	292,250
2030	200,000	95,225	295,225
2031	215,000	82,225	297,225
2032	235,000	68,250	303,250
2033	250,000	52,975	302,975
2034	275,000	36,725	311,725
2035	290,000	18,850	308,850
	<u>\$ 3,065,000</u>	<u>\$ 2,686,487</u>	<u>\$ 5,751,487</u>

\* includes \$110,000 of unpaid principal due on December 1, 2015 , December 1, 2016 and December 1, 2017 and \$468,842 of unpaid interest.

## RIVERDALE PEAKS II METROPOLITAN DISTRICT

\_\_\_\_\_, 2018

Schilling & Company, Inc.  
PO Box 631579  
Highlands Ranch, CO 80163

This representation letter is provided in connection with your audit of the financial statements of Riverdale Peaks II Metropolitan District, which comprise the respective financial position of the governmental activities, the business-type activities, and each major fund as of December 31, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of the date of the Independent Auditor's Report the following representations made to you during your audit.

### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 26, 2017 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units, if any, required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- 7) Adjustments or disclosures have been made for all material events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We have reviewed the attached Exhibit I of corrected misstatements and are in agreement with them. We have directed that these correcting entries be posted to the accounting records of the District.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management,
  - b) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

### **Government—specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented, if any.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 31) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 32) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, assigned and unassigned) are properly classified and, if applicable, approved.
- 34) Investments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) The Management's Discussion and Analysis which is required supplementary information (RSI) has been omitted from the financial statements. We are aware that such information is required by accounting principles generally accepted in the United States.
- 44) With respect to the Supplemental Information as listed in the table of contents:
  - a) We acknowledge our responsibility for presenting the Supplemental Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplemental Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplemental Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the Supplemental Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 45) The District understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the District is in compliance.

46) We have directed that all banking and savings and loan institutions be notified of our assigned number which identifies that our deposits are subject to the respective Public Deposit Protection Act.

RIVERDALE PEAKS II METROPOLITAN DISTRICT

---

Member of the Board of Directors

---

District Manager



Adj. Journal Entries  
 Riverdale Peaks II Metropolitan District  
 December 31, 2017

Done by:	Date:	Index:
Reviewer:	Date:	

AJE No.	Account Description	W/P Ref	Account Number	Debits	Credits
1	Meter Install and Inspect	302	4-7254	2,462.92	
1	Chemicals & supplies		4-7270		2,462.92
To reclassify meter purchased to correct account					
2	Water Charges	B-1	4-6380	980.00	
2	Accounts Receivable		4-1130		980.00
To remove January 2018 Availability of Service billing from accounts receivable at 12/31/17.					
Totals				3,442.92	3,442.92



**Neighborhood Lawn Care Inc.**

2466 E 99th Ave  
Thornton, CO 80229

Phone # 303-917-1296      halderete@nlawncare.com

# Estimate

Date	Estimate #
6/8/2018	114

Name / Address
Riverdale Peaks II Metropolitan District Dan Cordova 141 Union Blvd. Suite 150 Lakewood, CO 80228

			Project
Description	Qty/Hr.	Rate	Total
Galvanized Edging	11	25.00	275.00
River Rock-3/4 inch plus Labor		2,900.00	2,900.00
Neighborhood Lawn Care will like to thank you for your business.			<b>Total</b>
			\$3,175.00



**Ramey Environmental Compliance, Inc.**  
Management and Operation Solutions for  
Water and Wastewater Treatment  
**303-833-5505**

PO Box 99, Firestone, Colorado 80520  
email: [contact.us@RECinc.net](mailto:contact.us@RECinc.net)  
[www.RECinc.net](http://www.RECinc.net)

## **Monthly Activities for November 2017 Riverdale Peaks II**

Beginning of the month readings (11/6/17)

Distribution Totalizer:	15,973,222
Irrigation Totalizer:	13,606,040

End of the month readings (12/1/17)

Distribution Totalizer:	15,993,407
Irrigation Totalizer:	13,606,040

**11/1/2017:** Routine Check: had to re-prime Stenner Pump again. Will replace suction line on next visit 11/6/17.

**11/6/2017:** Routine Checks completed. Stenner Pump required service and needs a new #2 tube will replace on Wednesday visit to high plains. The Cl<sub>2</sub> residual is acceptable at 0.47 mg/L.

**11/15/17:** Routine Checks completed. Chlorine order submitted.

**11/20/17:** Routine Checks completed.

**11/29/17:** Routine Checks completed.



**Ramey Environmental Compliance, Inc.**  
Management and Operation Solutions for  
Water and Wastewater Treatment  
**303-833-5505**

PO Box 99, Firestone, Colorado 80520  
email: [contact.us@RECinc.net](mailto:contact.us@RECinc.net)  
[www.RECinc.net](http://www.RECinc.net)

## **Riverdale Peaks II Monthly Activities Report: December 2017**

Beginning of the month readings (12/5/17)

Distribution Totalizer:	16,173,900 gal
Irrigation Totalizer:	13,606,040 gal

End of the month readings (1/1/18)

Distribution Totalizer:	16,583,300 gal
Irrigation Totalizer:	13,606,041 gal

**12/05/2017:** Routine Checks completed. Collected monthly compliance samples and delivered to lab.

**12/13/2017:** Routine checks completed.

**12/20/17:** Routine checks completed. Verified all heaters including gen block heater working for upcoming weather advisory.

**12/27/17:** Routine checks completed.



**Ramey Environmental Compliance, Inc.**  
Management and Operation Solutions for  
Water and Wastewater Treatment  
**303-833-5505**

PO Box 99, Firestone, Colorado 80520  
email: [contact.us@RECinc.net](mailto:contact.us@RECinc.net)  
[www.RECinc.net](http://www.RECinc.net)

## **Riverdale Peaks II Monthly Activities Report: January 2018**

Beginning of the month readings (01/05/18)

Distribution Totalizer:	16,583,300 gal
Irrigation Totalizer:	13,606,041 gal

End of the month readings (1/29/18)

Distribution Totalizer:	16,864,900 gal
Irrigation Totalizer:	13,606,041 gal

**01/05/2018:** Routine checks completed. On Friday the 5th for monthly flow totals.

**01/10/2018:** Routine checks completed. Chlorine meter required recalibration off by -0.23. Had to recalibrate twice due to out of range slope adjust error. Second calibration and diagnostics fine membrane change not warranted at this time.

**01/18/2018:** Routine checks completed. Collected compliance samples and delivered to lab.

**01/24/2018:** Routine checks completed. Recalibrated inline chlorine meter.

**01/29/2018:** Routine checks completed.



**Ramey Environmental Compliance, Inc.**  
Management and Operation Solutions for  
Water and Wastewater Treatment  
**303-833-5505**

PO Box 99, Firestone, Colorado 80520  
email: [contact.us@RECinc.net](mailto:contact.us@RECinc.net)  
[www.RECinc.net](http://www.RECinc.net)

## **Riverdale Peaks II Monthly Activities Report: February 2018**

Beginning of the month readings (02/05/18)

Distribution Totalizer:	16,950,800 gal
Irrigation Totalizer:	13,606,041 gal

End of the month readings (2/21/18)

Distribution Totalizer:	17,156,100 gal
Irrigation Totalizer:	13,606,041 gal

**02/05/2018:** Routine Checks: Found both padlocks on the Water tank cut. Only found one shank to the locks the combination portions of the locks are gone replaced them with one lock from 0866 and the lock from the pump station hatchway. The old keyed locks were still in the pump station so I placed one of those on the pump station hatchway. I was unable to see any foreign material in the water tank and no other sign of unauthorized access was noted other than the cut locks. On the way out of the area I met up with Adams County Sheriff's deputy T. Scully (13-16). She gave me the case number of 18-1099, in discussion with her and answering her questions on the history of the site the vandalism etc. we discussed what steps could be taken. I said that more patrols should probably happen at the site especially on Friday and Saturday nights. As the neighbors had informed me that is when they have seen kids up around the tank in the past. I also said that the Federal charges do apply to this site as it is a community potable water facility.

**02/15/18:** Routine checks: Checked the top hatch of the Tank again to verify no tampering due to the discovery of road flares on the ground that appeared to have been thrown from the top of the tank. Swept up water from hatch leak. Pulled samples and measured the openings discovered on the inspection for repairs.

**02/21/18:** Routine checks completed.



**Ramey Environmental Compliance, Inc.**  
Management and Operation Solutions for  
Water and Wastewater Treatment  
**303-833-5505**

PO Box 99, Firestone, Colorado 80520  
email: [contact.us@RECinc.net](mailto:contact.us@RECinc.net)  
[www.RECinc.net](http://www.RECinc.net)

## **Riverdale Peaks II Monthly Activities Report: March 2018**

Beginning of the month readings (03/07/18)

Distribution Totalizer:	17,338,200 gal
Irrigation Totalizer:	13,606,041 gal

End of the month readings (03/28/18)

Distribution Totalizer:	17,635,493 gal
Irrigation Totalizer:	13,606,041 gal

**03/07/2018:** Showed Dave Mardick around, took all readings and checked generators. Locked all generators except two that we enter for readings.

**03/13/2018:** Normal checks and readings. Collected Bac-T from 12411 Verbena CL2 was 0.50 mg/L.

**03/22/2018:** Weekly process checks completed. Cl2 residual was 0.67 mg/L. Changed meter inside to read the same. Couldn't get the door unlocked on the generator to check oil.

**03/28/2018:** Weekly process checks completed. Cl2 residual on the unit was 0.58 mg/L. Hach meter shows 0.50 mg/L. Adjusted the station unit.



**Ramey Environmental Compliance, Inc.**  
Management and Operation Solutions for  
Water and Wastewater Treatment  
303-833-5505

PO Box 99, Firestone, Colorado 80520  
email: [contact.us@RECinc.net](mailto:contact.us@RECinc.net)  
[www.RECinc.net](http://www.RECinc.net)

## **Riverdale Peaks II Monthly Activities Report: April 2018**

Beginning of the month readings (04/04/18)

Distribution Totalizer:	17,740,200 gal
Irrigation Totalizer:	13,608,277 gal

End of the month readings (04/30/18)

Distribution Totalizer:	18,228,700 gal
Irrigation Totalizer:	13,815,585 gal

**04/04/2018:** Cl<sub>2</sub> meter in building is showing 0.38 ppm. Grab sample shows 0.07 ppm. The pump tube in the housing is moving to the outside. Pressed the prime mode on the pump and it didn't seem to make a difference. Residual at 12411 Verbena was 0.11 ppm. Notified main office and Jim White made a trip to replace the Cl<sub>2</sub> pump tube/fittings, pump now back online. The Cl<sub>2</sub> was 0.35 ppm after replacing tubing, re-priming, and calibrating.

**04/10/2018:** Weekly process checks completed. Collected BacT from 12725 Uinta. Cl<sub>2</sub> residual was 1.00 ppm. Did the readings in the well house. Grab sample was 1.17 ppm compared to 0.57 ppm on the cl<sub>2</sub> meter in the vault house.

**04/16/2018:** Weekly readings completed. Chlorine residual at the well house 1.10 ppm. Adjusted the Cl<sub>2</sub> meter to match.

**04/24/2018:** Weekly checks and readings. Chlorine residual Hach meter is showing 0.24 ppm. The Prominent meter in well house is showing 0.57 ppm. Tried to adjust and now it's showing calibration failure. The Cl<sub>2</sub> tank could use a delivery of 100 gal.

**04/30/2018:** Weekly checks. EP Cl<sub>2</sub> was 0.55 ppm. Prominent showed 0.53 ppm. Treatment Tech showed up with Cl<sub>2</sub> solution, 55 gal.



MAR 18 2015



**COLORADO**

Department of Public Health & Environment

Dedicated to protecting and improving the health and environment of the people of Colorado

March 12, 2015

Ms. Lisa Johnson  
 Riverdale Peaks II Metropolitan District  
 141 Union Blvd Ste 150  
 Lakewood, CO 80228-1898

Subject: Sanitary Survey of Riverdale Peaks II Metropolitan District  
 Public Water System Identification No. CO0101675  
 Adams County

Dear Ms. Johnson:

This letter serves to report the findings of the sanitary survey conducted by the Field Services Section of the Colorado Department of Public Health and Environment's Water Quality Control Division (the Department) at Riverdale Peaks II Metropolitan District (the Supplier) on March 4, 2015. The assistance that was provided during the sanitary survey was very helpful and is greatly appreciated. Table 1 identifies the parties present during the sanitary survey.

**Table 1: Parties Present**

Name	Organization
Jeff Rabas	Riverdale Peaks II Metropolitan District
Christine Lukasik	Colorado Department of Public Health and Environment

This letter is the Supplier's notification of any significant deficiencies and/or alleged violations of the *Colorado Primary Drinking Water Regulations* (Regulation 11), 5 CCR 1002-11 identified during the sanitary survey. A significant deficiency represents an unacceptable risk to public health or safe delivery of drinking water. For all significant deficiencies, a written response to this letter is required within 45 days. Significant deficiencies must be resolved either within 120 days of this notification or by an alternative deadline proposed by the Supplier and agreed to by the Department. Table 2 summarizes the number of findings and the required written response and resolution dates.

**Table 2: Sanitary Survey Findings**

Severity Category	Number Identified	Written Response Due (within 45 days of letter date):	Resolution Due (within 120 days of letter, or Department-approved alternate date):
Significant Deficiencies	0	Not applicable	Not applicable
Other Violations	1	No response required	No later than the next sanitary survey
Observations-Recommendations	2	No response required	Not applicable

A list of the findings for each category in Table 2 can be found immediately below.

**Significant Deficiencies:**

According to Regulation 11, Section 11.3(66), a significant deficiency means:

*any situation, practice, or condition in a public water system with respect to design, operation, maintenance, or administration, that the state determines may result in or have the potential to result in production of finished drinking water that poses an unacceptable risk to health and welfare of the public served by the water system.*

The Supplier's written response to this letter must address all items listed in this category. All significant deficiencies must be corrected and will be followed up by the Department.

**No significant deficiencies were identified.**

**Other Violations:**

Other violations may be identified during a sanitary survey that are not significant deficiencies but must be corrected. The Supplier may be contacted by a compliance specialist from the Department's Compliance Assurance Section for additional follow-up on these violations. The Supplier must resolve these violations prior



to the subsequent sanitary survey, which will be verified by the Department's inspector at that time. The following other violation was identified:

**1. R510 - Monitoring, Recordkeeping and Data Verification:**

*General Monitoring Plan:* The Supplier lacked a monitoring plan, the monitoring plan did not include the required content, the monitoring plan had not been updated for facility changes or the monitoring plan had not been submitted. This is a violation of Regulation 11, Section 11.5.

According to Section 11.5 of Regulation 11, all public water systems shall develop and implement a monitoring plan. At the time of the sanitary survey, the Department inspector observed that the Supplier did have a monitoring plan, however some updating is required. The Supplier must develop a monitoring plan that includes all the requirements of Section 11.5. The Supplier is expected to enhance the treatment schematic to show a valve that protects the distribution system from backflow, show directional arrows and show recirculation to tank. The sampling map could be used as a distribution map and marked up to show valves, hydrants, and size and type of pipe. In order to aid in the development of the plan, the Department recommends that the Supplier use the Department's monitoring plan template, which can be accessed from <http://wqcdcompliance.com> If the Supplier would like help developing the monitoring plan, please request coaching assistance via the Department's Local Assistance Unit website at <https://www.colorado.gov/pacific/cdphe/drinking-water-training-opportunities> which has an online coaching request link. After developing the monitoring plan, the Supplier is required to submit a copy to the Department and may do so via email to [cdphe.drinkingwater@state.co.us](mailto:cdphe.drinkingwater@state.co.us) or mail a hard copy to the following address:

Colorado Department of Public Health and Environment  
Water Quality Control Division/Compliance Assurance Section  
4300 Cherry Creek Drive South  
Denver, CO 80246-1530

Once submitted to the Department, the monitoring plan will be reviewed by the Department's Drinking Water Compliance Assurance Section and the Supplier may be contacted by a compliance specialist regarding this review at some point in the future.

**Observations/Recommendations:**

While the Department does not directly follow up on the observations/recommendations, the Supplier is advised to address them. The following observations/recommendations were identified:

**1. F330 - Distribution: Distribution System (SDWIS ID: DS001)**

*Storage Maintenance:* Maintenance program for the storage structure.

At the time of the sanitary survey, the Department inspector found that the Supplier had a May 28, 2014 inspection and cleaning of the water system's storage tank. Several findings required attention by the Supplier such as installation of a hatch gasket, tank seam sealing and repair or replacement of a PVC inlet. On March 5, 2015, the Supplier's operator in responsible charge representative confirmed the hatch gasket had been installed on the storage tank. However, other recommendations for maintenance have not been executed such as the repair or replacement of the PVC inlet and sealing of tank seams. The Supplier indicated that these conditions would be addressed in spring 2015, which the Department strongly encourages for protection of public health and safety, elimination of deteriorating tank conditions and tank preservation. Please note that the Department, in cooperation with the Water Quality Control Commission, is proposing new regulations to take effect on April 1, 2016 that would require all public water systems to have a storage tank inspection and maintenance program. The program must include accurately documenting tank inventory as well as storage tank inspections. Periodic inspections will be required at least quarterly and comprehensive inspections will be required every five years. For more information, please visit the Department's website at <http://wqcdcompliance.com>

The Department recommends that the Supplier inspect and clean the storage tank per American Water Works Association (AWWA) recommended frequency of at least once every three to five years (AWWA Manual M42 1998) and that the Supplier begin to perform periodic inspections at least quarterly. The Supplier should also conduct and document storage tank inspections and cleaning procedures per AWWA's recommended standards. The Department recommends utilizing a National Association of Corrosion Engineers certified inspector using AWWA D101-53 standards. In response to providing documentation for the upcoming tank regulations, the Supplier is encouraged to document quarterly tank inspections with quantitative and/or descriptive results in a log book or with pictures or on a form checklist which is dated, initialed and has a column for descriptive comments.

## 2. D251 - Distribution: Distribution System (SDWIS ID: DS001)

**Unaccounted for Water:** Determining the percentage of unaccounted for water. Colorado Design Criteria for Potable Water Systems, Section 8.12.

As discussed during the sanitary survey, the Supplier indicated that the percentage of unaccounted for water is not determined on a regular basis. Special District Management Services reads the meters and Ramey Environmental Compliance, Inc. provides the totalizing meter measurement. The Supplier should task one of its contractors to calculate unaccounted for water and apprise operators of the results. The analysis may help identify high volume leaks or illegal service taps in the distribution system. Holes in pipelines and compromised pipe joints are potential entry points for contaminated ground water. According to the U.S Environmental Protection Agency's Guidance for Sanitary Surveys, a loss of 15 percent or greater is considered high for unaccounted for water.

### Field Verification/Sampling

While performing the sanitary survey, the inspector verified operator certification requirements and performed water quality sampling for chlorine residual. Table 3 indicates the operator certification verification for Riverdale Peaks II Metropolitan District. Table 4 indicates the results of the water quality sampling performed on-site.

**Table 3: Operator Certification Verification**

Category	Required Certification Level	Name of Operator in Responsible Charge	Certification Level Held and No.	Certification Expiration Date
Treatment	D	Robert W. Ramey	W-A: 1773	September 22, 2016
Distribution	1	Robert W. Ramey	D-4: 16815	July 3, 2015

**Table 4: Sampling Results**

Parameter	Sample Location	Value	Units	Notes
Disinfectant Residual	Entry Point Sample Tap	0.45	mg/L	Online chlorine analyzer 0.49 mg/l

### Reminders

- Regulation 11, Section 11.4(1)(b) (Prior Approval Required) requires the Department's approval prior to commencement of construction of any improvements, treatment process modifications or the addition of new water sources.
- Most regulations, guidance documents and forms are available via the Internet on the Department's website. Please link to <http://wqcdcompliance.com> for further information.

Enclosed with this letter you will find a postage-paid Customer Satisfaction Survey Postcard. Please take a few moments to complete the survey and return it to the Department. Your efforts to provide feedback to improve the sanitary survey process are appreciated.

If you have any questions, please contact me by phone at 303-692-6291 or via email at [christine.lukasik@state.co.us](mailto:christine.lukasik@state.co.us) Thank you for your time and cooperation.

Sincerely,



Christine Lukasik  
Associate Field Engineer  
Field Services Section  
Water Quality Control Division  
Colorado Department of Public Health and Environment

cc: Tri-County Health Department  
Drinking Water File, PWSID No. C00101675  
Aquifer Case ES.15.INSP.02024  
Wayne Ramey, ORC  
Kelly Jacques, P.E., Field Unit I Manager, CDPHE-WQCD-Field Services Section