

**CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT  
ANNUAL REPORT  
TO  
DOUGLAS COUNTY, COLORADO  
FISCAL YEAR ENDING DECEMBER 31, 2016**

Pursuant to the Cherokee Ridge Estates Metropolitan District Service Plan, the District is required to provide an annual report to Douglas County by April 15, for the fiscal year ending December 31, 2016. This annual report contains information concerning the following matters:

- A. List of Board of Directors;
- B. Boundary changes made or proposed;
- C. Intergovernmental Agreements entered into or proposed;
- D. Changes or proposed changes in the District's policies;
- E. Changes or proposed changes in the District's operations;
- F. Any changes in the financial status of the District including revenue projections or operating costs;
- G. A summary of any litigation involving the District;
- H. Proposed plans for the year immediately following the year summarized in the annual report;
- I. Status of construction of public improvements;
- J. The current assessed valuation in the District;
- K. Information on all debt transactions during the year; and
- L. Status of build-out and current district population.

For the year ending December 31, 2016, the District makes the following report:

**A. List of Board or Directors.**

<u>Name</u>	<u>Position</u>	<u>Term Expiration</u>
Michael C. Gass	President	May 2018
Russell Nelson	Treasurer	May 2020
James Reitz	Secretary	May 2018
Doyle Dean Unruh	Assistant Secretary	May 2018

**B. Boundary changes made or proposed.**

There were no boundary changes made or proposed to the District during 2016.

**C. Intergovernmental Agreements entered into or proposed.**

There were no intergovernmental agreements with other governmental bodies made or proposed in 2016.

**D. Changes or proposed changes in the District's policies.**

In 2016, the Board adopted a fee resolution for water use, penalties for high use, billing, and a late fee structure.

**E. Changes or proposed changes in the District's operations.**

The District continues to own and maintain all common areas, including the streets.

The District continues to use the services of a District Manager to oversee the majority of District operations.

**F. Any changes in the financial status of the District including revenue projections or operating costs.**

The current status of the financial condition is reflected in the adopted 2017 budget, which is attached as **Exhibit A**.

The District may receive additional revenue from water use fees and penalties in 2017.

**G. A summary of any litigation involving the District.**

We are not aware of any current or anticipated litigation involving the District.

**H. Proposed plans for the year immediately following the year summarized in the annual report.**

The District has no current plans for construction of public improvements for 2017.

**I. Status of the construction of public improvements.**

Same as section H.

**J. The current assessed valuation in the District.**

The District has received a certification of valuation from the Douglas County Assessor that reports a taxable assessed valuation for the District for 2016 of \$3,282,270. The District certified a mill levy of 50.000 mills to be assessed against property within the District, for collection in 2017.

**K. Information on all debt transactions during the year.**

There were no debt transactions during the 2016 year.

**L. Status of build-out and current district population.**

There are 43 residential lots, of which 33 contain completed or partially completed homes. The current population of the District is approximately 99.

**EXHIBIT A**  
**(2017 Budget)**

**CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT**  
**2017**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2017 budget for the Cherokee Ridge Estates Metropolitan District.

The Cherokee Ridge Estates Metropolitan District has adopted three separate funds, a General Fund to provide for general operating and maintenance expenditures and transfers to the Debt Service Fund; a Debt Service Fund to provide for payments on the Series 2012 general obligation refunding bonds; and a Capital Fund to provide for the estimated infrastructure costs that are to be built by the District.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the District in 2017 will be property and specific ownership taxes and water fees. The District intends to impose a 50.000 mill levy on property within the District for 2017, of which 30.000 mills will be dedicated to the General Fund and the balance of 20.000 mills will be allocated to the Debt Service Fund.

**Cherokee Ridge Estates Metropolitan District**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2017**

	Actual <u>2015</u>	Adopted Budget <u>2016</u>	Actual <u>9/30/2016</u>	Estimate <u>2016</u>	Adopted Budget <u>2017</u>
Beginning fund balance	\$ 75,902	\$ 36,876	\$ 44,341	\$ 44,341	\$ 46,256
Revenues:					
Property taxes	82,722	95,644	95,644	95,644	98,468
Specific ownership taxes	7,953	7,652	6,562	8,700	7,877
Water fee	18,005	15,000		15,000	18,000
Miscellaneous income	377	-	415	415	-
Interest income	459	100	314	400	300
	<u>109,516</u>	<u>118,396</u>	<u>102,935</u>	<u>120,159</u>	<u>124,645</u>
Total revenues					
Total funds available	<u>185,418</u>	<u>155,272</u>	<u>147,276</u>	<u>164,500</u>	<u>170,901</u>
Expenditures:					
Accounting / audit	6,158	6,500	4,102	5,500	6,500
Insurance	3,807	4,200	4,607	4,607	5,000
Legal	18,745	20,000	13,750	20,000	20,000
Miscellaneous	40	-	280	500	-
County treasurer fees	1,244	1,435	1,437	1,437	1,477
Utilities	2,757	5,000	2,167	4,000	5,000
Landscape maintenance	9,302	15,000	16,082	17,000	15,000
Snow removal	12,708	15,000	8,380	15,000	15,000
District management	6,868	8,000	4,957	8,000	8,000
Permit fees	-	1,000	-	-	1,000
Maintenance-water meters	6,978	2,000	-	2,000	2,000
Maintenance - lighting	2,000	1,600	2,467	1,500	1,600
Maintenance - Gate	13,169	5,000	2,710	5,000	5,000
Maintenance - Streets	12,113	15,000	925	1,000	15,000
Maintenance - Wells	-	-	365	-	2,000
Maintenance - Entrance	-	-	295	-	-
Front entrance repairs	9,798	5,000	-	3,000	3,000
Annual beautification	3,115	4,000	-	4,000	4,000
Well inspections	-	1,200	613	1,200	1,200
Septic maintenance	2,275	2,500	2,820	3,500	2,500
Septic inspections	-	1,000	-	1,000	1,000
Emergency reserve (3%)	-	3,403	-	-	3,428
Transfer to Capital Projects	-	-	-	-	-
Transfer to Debt Service	30,000	20,000	-	20,000	20,000
Contingency	-	18,434	-	-	33,196
	<u>141,077</u>	<u>155,272</u>	<u>65,957</u>	<u>118,244</u>	<u>170,901</u>
Total expenditures					
Ending fund balance	<u>\$ 44,341</u>	<u>\$ -</u>	<u>\$ 81,319</u>	<u>\$ 46,256</u>	<u>\$ -</u>
Assessed Valuation	<u>\$ 2,757,390</u>	<u>\$ 3,188,130</u>			<u>\$ 3,282,270</u>
Mill levy	<u>30.000</u>	<u>30.000</u>			<u>30.000</u>

**Cherokee Ridge Estates Metropolitan District  
Adopted Budget  
Debt Service Fund  
For the Year ended December 31, 2017**

	Actual <u>2015</u>	Adopted Budget <u>2016</u>	Actual <u>9/30/2016</u>	Estimate <u>2016</u>	Adopted Budget <u>2017</u>
Beginning fund balance	\$ 98,759	\$ 96,200	\$ 97,916	\$ 97,916	\$ 101,923
Revenues:					
Property taxes	55,148	63,763	63,763	63,763	65,646
Specific ownership taxes	5,302	5,101	4,374	5,700	5,251
Interest income	136	-	93	100	-
Transfer from General Fund	<u>30,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total revenues	<u>90,586</u>	<u>88,864</u>	<u>68,230</u>	<u>89,563</u>	<u>90,897</u>
Total funds available	<u>189,345</u>	<u>185,064</u>	<u>166,146</u>	<u>187,479</u>	<u>192,820</u>
Expenditures:					
Bond principal Series 2012	50,000	45,000	-	45,000	50,000
Bond interest Series 2012	40,100	38,600	19,300	38,600	37,250
Paying agent fees	500	2,000	500	1,000	2,000
Treasurer fees	<u>829</u>	<u>956</u>	<u>958</u>	<u>956</u>	<u>985</u>
Total expenditures	<u>91,429</u>	<u>86,556</u>	<u>20,758</u>	<u>85,556</u>	<u>90,235</u>
Ending fund balance	<u>\$ 97,916</u>	<u>\$ 98,508</u>	<u>\$ 145,388</u>	<u>\$ 101,923</u>	<u>\$ 102,585</u>
Assessed Valuation	<u>\$ 2,757,390</u>	<u>\$ 3,188,130</u>			<u>\$ 3,282,270</u>
Mill Levy	<u>20.000</u>	<u>20.000</u>			<u>20.000</u>
Total Mill Levy	<u>50.000</u>	<u>50.000</u>			<u>50.000</u>

**Cherokee Ridge Estates Metropolitan District  
 Adopted Budget  
 Capital Fund  
 For the Year ended December 31, 2017**

	Actual <u>2015</u>	Adopted Budget <u>2016</u>	Actual <u>9/30/2016</u>	Estimate <u>2016</u>	Adopted Budget <u>2017</u>
Beginning fund balance	\$ 61,597	\$ 61,597	\$ 44,982	\$ 44,982	\$ 44,982
Revenues:					
Miscellaneous	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>61,597</u>	<u>61,597</u>	<u>44,982</u>	<u>44,982</u>	<u>44,982</u>
Expenditures:					
District / Landscape improvements	16,615	61,597	-	-	44,982
Transfer to debt service	-	-	-	-	-
Total expenditures	<u>16,615</u>	<u>61,597</u>	<u>-</u>	<u>-</u>	<u>44,982</u>
Ending fund balance	<u>\$ 44,982</u>	<u>\$ -</u>	<u>\$ 44,982</u>	<u>\$ 44,982</u>	<u>\$ -</u>