

**CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
ANNUAL REPORT
TO
DOUGLAS COUNTY, COLORADO
FISCAL YEAR ENDING DECEMBER 31, 2017**

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, 2017. 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, 2017, 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
Laura Dal Piaz	Assistant Secretary	May 2020

B. Boundary changes made or proposed.

There were no boundary changes made or proposed to the District during 2017.

C. Intergovernmental Agreements entered into or proposed.

There were no IGAs entered into or proposed in 2017.

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

In 2017, 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 2018 budget, which is attached as **Exhibit A**.

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 2018.

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 2017 of \$3,515,210.

K. Information on all debt transactions during the year.

There were no debt transactions during the 2017 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
(2018 Budget)

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
2018
BUDGET MESSAGE

Attached please find a copy of the adopted 2018 budget for the Cherokee Ridge Estates Metropolitan District.

The Cherokee Ridge Estates Metropolitan District has adopted two separate funds, a General Fund to provide for general operating and maintenance expenditures and transfers to the Debt Service Fund; and a Debt Service Fund to provide for payments on the Series 2012 general obligation refunding bonds.

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 2018 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 2018, 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, 2018

	Actual <u>2016</u>	Adopted Budget <u>2017</u>	Actual <u>6/30/2017</u>	Estimate <u>2017</u>	Adopted Budget <u>2018</u>
Beginning fund balance	\$ 44,341	\$ 46,256	\$ 85,444	\$ 85,444	\$ 89,266
Revenues:					
Property taxes	95,644	98,468	93,480	98,468	105,457
Specific ownership taxes	8,800	7,877	5,189	8,700	8,435
Water fee	37,224	18,000	-	18,000	18,000
Remote Fees	300	-	-	-	-
Miscellaneous income	115	-	125	300	300
Interest income	369	300	127	300	400
	<u>142,452</u>	<u>124,645</u>	<u>98,921</u>	<u>125,768</u>	<u>132,592</u>
Total revenues					
Total funds available	<u>186,793</u>	<u>170,901</u>	<u>184,365</u>	<u>211,212</u>	<u>221,858</u>
Expenditures:					
Accounting / audit	5,275	6,500	3,532	7,000	7,000
Insurance	4,607	5,000	4,769	4,769	5,000
Legal	16,554	20,000	6,430	17,000	20,000
Miscellaneous	280	-	12	500	500
County treasurer fees	1,437	1,477	1,403	1,477	1,582
Utilities	2,824	5,000	1,278	4,000	5,000
Landscape maintenance	18,778	15,000	4,853	6,000	15,000
Irrigation Repairs			6,770	7,000	4,000
Snow removal	9,298	15,000	945	9,000	15,000
District management	6,694	8,000	3,472	8,000	8,000
Permit fees	-	1,000	-	-	1,000
Maintenance-water meters	-	2,000	-	2,000	2,000
Maintenance - lighting	2,467	1,600	-	1,500	1,600
Maintenance - Gate	2,710	5,000	889	20,000	5,000
Maintenance - Streets	2,557	15,000	-	1,000	22,000
Maintenance - Wells	660	2,000	-	-	2,000
Front entrance repairs	295	3,000	-	3,000	3,000
Annual beautification	-	4,000	2,405	4,000	4,000
Well inspections	1,213	1,200	-	1,200	1,200
Septic maintenance	2,820	2,500	3,255	3,500	3,500
Septic inspections	2,880	1,000	-	1,000	1,000
Emergency reserve (3%)	-	3,428	-	-	3,821
Transfer to Debt Service	20,000	20,000	-	20,000	20,000
Contingency	-	33,196	-	-	70,655
	<u>101,349</u>	<u>170,901</u>	<u>40,013</u>	<u>121,946</u>	<u>221,858</u>
Total expenditures					
Ending fund balance	<u>\$ 85,444</u>	<u>\$ -</u>	<u>\$ 144,352</u>	<u>\$ 89,266</u>	<u>\$ -</u>
Assessed Valuation	<u>\$ 3,188,130</u>	<u>\$ 3,282,270</u>			<u>\$ 3,515,210</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, 2018**

	Actual <u>2016</u>	Adopted Budget <u>2017</u>	Actual <u>6/30/2017</u>	Estimate <u>2017</u>	Adopted Budget <u>2018</u>
Beginning fund balance	\$ 97,916	\$ 101,923	\$ 102,079	\$ 102,079	\$ 103,290
Revenues:					
Property taxes	63,763	65,646	62,320	65,646	70,304
Specific ownership taxes	5,866	5,251	3,459	5,700	5,624
Interest income	92	-	2	100	100
Transfer from General Fund	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total revenues	<u>89,721</u>	<u>90,897</u>	<u>65,781</u>	<u>91,446</u>	<u>96,028</u>
Total funds available	<u>187,637</u>	<u>192,820</u>	<u>167,860</u>	<u>193,525</u>	<u>199,318</u>
Expenditures:					
Bond principal Series 2012	45,000	50,000	-	50,000	55,000
Bond interest Series 2012	38,600	37,250	18,625	37,250	35,750
Paying agent fees	1,000	2,000	-	2,000	2,000
Treasurer fees	<u>958</u>	<u>985</u>	<u>936</u>	<u>985</u>	<u>1,055</u>
Total expenditures	<u>85,558</u>	<u>90,235</u>	<u>19,561</u>	<u>90,235</u>	<u>93,805</u>
Ending fund balance	<u>\$ 102,079</u>	<u>\$ 102,585</u>	<u>\$ 148,299</u>	<u>\$ 103,290</u>	<u>\$ 105,513</u>
Assessed Valuation	<u>\$ 3,188,131</u>	<u>\$ 3,282,270</u>			<u>\$ 3,515,210</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, 2018**

	Actual <u>2016</u>	Amended Budget <u>2017</u>	Actual <u>6/30/2017</u>	Estimate <u>2017</u>	Adopted Budget <u>2018</u>
Beginning fund balance	\$ 44,982	\$ 44,982	\$ 44,982	\$ 44,982	\$ -
Revenues:					
Miscellaneous	-	-	-	-	-
Transfer from General Fund	-	18	-	18	-
Interest income	-	-	-	-	-
Total revenues	<u>-</u>	<u>18</u>	<u>-</u>	<u>18</u>	<u>-</u>
Total funds available	<u>44,982</u>	<u>45,000</u>	<u>44,982</u>	<u>45,000</u>	<u>-</u>
Expenditures:					
District / Landscape improvements	-	45,000	16,680	45,000	-
Transfer to debt service	-	-	-	-	-
Total expenditures	<u>-</u>	<u>45,000</u>	<u>16,680</u>	<u>45,000</u>	<u>-</u>
Ending fund balance	<u>\$ 44,982</u>	<u>\$ -</u>	<u>\$ 28,302</u>	<u>\$ -</u>	<u>\$ -</u>