

**CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
ANNUAL REPORT
TO
DOUGLAS COUNTY, COLORADO
FISCAL YEAR ENDING DECEMBER 31, 2013**

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, 2014, for the fiscal year ending December 31, 2013. 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, 2013, 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 2014
Laura DalPiaz	Treasurer	May 2016
James Reitz	Secretary	May 2014
Doyle Dean Unruh	Assistant Secretary	May 2014
Pat Schurott	Assistant Secretary	May 2016

B. Boundary changes made or proposed.

There were no boundary changes made or proposed to the District during 2013.

C. Intergovernmental Agreements entered into or proposed.

There were no intergovernmental agreements with other governmental bodies made or proposed in 2013.

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

There were no changes or proposed changes in the District's policies in 2013.

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 2014 budget, which is attached as Exhibit A.

G. A summary of any litigation involving the District.

There is no litigation of which we are aware currently pending or anticipated against 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 2014.

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 2013 of \$2,715,151. The District certified a mill levy of 50.000 mills to be assessed against property within the District, for collection in 2014.

K. Information on all debt transactions during the year.

There were no debt transactions during the 2013 year.

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

There are 44 residential lots, of which 29 contain completed or partially completed homes. The current population of the District is approximately 58.

EXHIBIT A
2014 BUDGET

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
2014
BUDGET MESSAGE

Attached please find a copy of the adopted 2014 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 operating expenditures and general maintenance 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 2014 will be property and specific ownership taxes. The District intends to impose a 50.000 mill levy on property within the District for 2014, 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, 2014

	Actual 2012	Adopted Budget 2013	Actual 9/30/2013	Estimate 2013	Adopted Budget 2014
Beginning fund balance	\$ 147,546	\$ 154,437	\$ 102,162	\$ 102,162	\$ 91,917
Revenues:					
Property taxes	120,229	120,462	115,447	120,462	81,455
Specific ownership taxes	9,395	8,432	7,449	9,600	5,702
Development fees	-	-	-	-	-
Landscape review fees	-	-	-	-	-
Miscellaneous income	-	-	479	479	-
Interest income	687	500	504	600	250
	<u>130,311</u>	<u>129,394</u>	<u>123,879</u>	<u>131,141</u>	<u>87,407</u>
Total revenues					
	<u>130,311</u>	<u>129,394</u>	<u>123,879</u>	<u>131,141</u>	<u>87,407</u>
Total funds available	<u>277,857</u>	<u>283,831</u>	<u>226,041</u>	<u>233,303</u>	<u>179,324</u>
Expenditures:					
Accounting / audit	6,863	5,500	8,525	9,500	5,500
Insurance	3,483	3,700	3,629	3,629	4,000
Legal	27,390	25,000	15,568	19,000	20,000
Miscellaneous	1,513	2,000	32	500	2,000
Directors' fees	-	-	-	-	-
Election expense	-	-	-	-	-
Office expense	-	650	-	100	500
County treasurer fees	1,809	1,807	1,736	1,807	1,222
Utilities	4,810	5,000	1,983	3,500	5,000
Landscape maintenance	10,341	30,000	24,201	30,000	30,000
Snow removal	4,755	15,000	4,065	9,000	15,000
District management	9,046	12,000	7,304	10,000	12,000
Permit fees	-	1,000	-	-	1,000
Maintenance					
Maintenance - lighting	1,253	1,600	3,536	1,600	1,600
Maintenance - waterfall	705	1,000	-	1,000	1,000
Maintenance - Gate	833	5,000	8,497	9,000	5,000
Maintenance - Streets	1,680	10,000	5,550	5,550	10,000
Maintenance - Wells	3,696	10,000	1,904	3,000	10,000
Maintenance - Silo	550	1,000	-	1,000	1,000
Lighting / light fixture upgrades	16,000	-	-	-	-
Front entrance repairs	45,913	-	-	-	-
Annual beautification	1,400	4,000	-	3,000	4,000
Well inspections	-	1,200	-	1,200	1,200
Septic maintenance	315	5,000	-	3,000	5,000
Septic inspections	8,340	1,000	-	1,000	1,000
Emergency reserve (3%)	-	4,244	-	-	4,081
Transfer to Capital Projects	25,000	25,000	-	25,000	-
Transfer to Debt Service	-	1,965	-	-	30,000
Contingency	-	111,165	-	-	9,221
	<u>175,695</u>	<u>283,831</u>	<u>86,530</u>	<u>141,386</u>	<u>179,324</u>
Total expenditures					
	<u>175,695</u>	<u>283,831</u>	<u>86,530</u>	<u>141,386</u>	<u>179,324</u>
Ending fund balance	<u>\$ 102,162</u>	<u>\$ -</u>	<u>\$ 139,511</u>	<u>\$ 91,917</u>	<u>\$ -</u>
Assessed Valuation	<u>\$ 4,087,060</u>	<u>\$ 4,015,400</u>			<u>\$ 2,715,151</u>
Mill levy	<u>30.000</u>	<u>30.000</u>			<u>30.000</u>

Cherokee Ridge Estates Metropolitan District
Adopted Budget
Capital Fund
For the Year ended December 31, 2014

	Actual <u>2012</u>	Adopted Budget <u>2013</u>	Actual <u>9/30/2013</u>	Estimate <u>2013</u>	Adopted Budget <u>2014</u>
Beginning fund balance	\$ 13,597	\$ 28,597	\$ 36,597	\$ 36,597	\$ 51,597
Revenues:					
Miscellaneous		-	-	-	-
Transfer from General Fund	25,000	25,000	-	25,000	-
Interest income	-	-	-	-	-
	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total revenues					
	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total funds available	<u>38,597</u>	<u>53,597</u>	<u>36,597</u>	<u>61,597</u>	<u>51,597</u>
Expenditures:					
Legal	-	-	-	-	-
Accounting	-	-	-	-	-
Engineering	-	-	-	-	-
District / Landscape improvements	2,000	53,597	-	10,000	51,597
Transfer to debt service	-	-	-	-	-
	<u>2,000</u>	<u>53,597</u>	<u>-</u>	<u>10,000</u>	<u>51,597</u>
Total expenditures					
	<u>2,000</u>	<u>53,597</u>	<u>-</u>	<u>10,000</u>	<u>51,597</u>
Ending fund balance	<u>\$ 36,597</u>	<u>\$ -</u>	<u>\$ 36,597</u>	<u>\$ 51,597</u>	<u>\$ -</u>

Cherokee Ridge Estates Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2014

	Actual <u>2012</u>	Adopted Budget <u>2013</u>	Actual <u>9/30/2013</u>	Estimate <u>2013</u>	Adopted Budget <u>2014</u>
Beginning fund balance	\$ 107,319	\$ 90,101	\$ 93,996	\$ 93,996	\$ 98,613
Revenues:					
Property taxes	80,152	80,308	76,964	80,308	54,303
Specific ownership taxes	6,263	6,425	4,966	6,400	4,344
Refunding Bonds	1,161,194			-	
Interest income	447	-	200	250	100
Transfer from General Fund	-	1,965	-	-	30,000
	<u>1,248,056</u>	<u>88,698</u>	<u>82,130</u>	<u>86,958</u>	<u>88,747</u>
Total revenues					
Total funds available	<u>1,355,375</u>	<u>178,799</u>	<u>176,126</u>	<u>180,954</u>	<u>187,360</u>
Expenditures:					
Bond principal Series 2005	30,000		-	-	-
Bond interest Series 2005	66,750		-	-	-
Bond principal Series 2012		40,000		40,000	45,000
Bond interest Series 2012		45,493	19,311	40,636	41,450
Transfer to escrow - Series 2005	1,113,583			-	
Issuance costs	49,590			-	
Paying agent fees	250	2,000	250	500	2,000
Treasurer fees	1,206	1,205	1,075	1,205	815
	<u>1,261,379</u>	<u>88,698</u>	<u>20,636</u>	<u>82,341</u>	<u>89,265</u>
Total expenditures					
Ending fund balance	<u>\$ 93,996</u>	<u>\$ 90,101</u>	<u>\$ 155,490</u>	<u>\$ 98,613</u>	<u>\$ 98,095</u>
Assessed Valuation	<u>\$ 4,087,060</u>	<u>\$ 4,015,400</u>			<u>\$ 2,715,151</u>
Mill Levy	<u>21.000</u>	<u>20.000</u>			<u>20.000</u>
Total Mill Levy	<u>51.000</u>	<u>50.000</u>			<u>50.000</u>