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May 9, 2014

Office of the State Auditor  
1525 Sherman Street, 7<sup>th</sup> Floor  
Denver, Colorado 80203

Douglas County Clerk and Recorder  
P.O. Box 1360  
Castle Rock, Colorado 80104

Division of Local Government  
1313 Sherman Street  
Room 521  
Denver, Colorado 80203

**Re: Annual Report for Ravenna Metropolitan District**


To Whom It May Concern:

Pursuant to Section XIV of the Service Plan enclosed please find the 2013 Annual Report for Ravenna Metropolitan District.

Please contact our office with any questions regarding the Annual Report.

Sincerely,

ICENOGLER | SEAVER | POGUE  
A Professional Corporation



Stacie L. Pacheco  
Paralegal

/SLP

Enclosure

**RAVENNA METROPOLITAN DISTRICT  
COUNTY OF DOUGLAS, STATE OF COLORADO**

**ANNUAL REPORT FOR FISCAL YEAR 2013**

Pursuant to Section XIV of the Ravenna Metropolitan District Service Plan, approved by the Douglas County Board of County Commissioners (the "County") on April 7, 2004, the District hereby submits its annual report for fiscal year 2013 (the "Reporting Period") to the County with regard to the following matters:

A. Boundary changes of the District.

No boundary changes were made or proposed during the Reporting Period.

B. Intergovernmental Agreements entered into or proposed.

The District did not enter into any intergovernmental agreements during the Reporting Period. No intergovernmental agreements are currently proposed.

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

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

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

The District has submitted a "First Amendment to Service Plan for Ravenna Metropolitan District" ("First Amendment") for review and approval by the Douglas County Board of County Commissioners. The purpose of this First Amendment is to grant the District with the authority and power to provide security services and covenant enforcement and design review services within the boundaries of the District as permitted pursuant to C.R.S. §§ 32-1-1004(7) and (8), respectively. The District is currently working with the County Planning Services Division with regard to certain documentation required in support of this First Amendment.

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

The District's revenue projections and operating costs for fiscal year 2014 are set forth in the District's 2014 budget attached hereto as Exhibit A.

In addition, as reported in the District's 2012 annual report, on April 10, 2013, via Resolution, the Board of Directors for the District found and concluded that the District was unable to discharge its indebtedness as it becomes due based on short-term and long-term projected cash flow analysis, resulting in severe hardship to the District and the District's taxpayers, to the detriment of the District's creditors. In order to provide for the orderly and equitable payment of the obligations of the District, the District authorized the District's legal

counsel, as designated by the District, to file a Chapter 9 bankruptcy plan for the adjustment of District debt under federal bankruptcy law as provided in Section 32-1-1403, C.R.S. However, the District determined to delay filing such petition in bankruptcy while it continued discussions with its bondholders with regard to renegotiating its debt service obligations due on the District's General Obligation Limited Tax Bonds and Supplemental "B" Interest Registered Coupons issued in 2007.

Despite numerous good faith attempts, the District was unsuccessful in renegotiating its debt service obligations due to the holders of its Series 2007 Bonds. On January 27, 2014, the Board adopted an amended and restated resolution to file a Chapter 9 bankruptcy plan for the adjustment of District debt under federal bankruptcy law. As of March 2014, the District effectively ran out of cash. Anticipating this, in early February, the District began formulating a comprehensive plan of adjustment to address its chronic insolvency. The plan was completed on February 26, 2014 and immediately transmitted to the District's creditors, including Colorado BondShares, United Water and Sanitation District ("United"), River Canyon Real Estate Investments, LLC, and Ravenna Master Homeowners' Association ("HOA"). The District has reached agreement in principle with the HOA and anticipates reaching agreement with the District's taxpayers regarding their treatment under the Plan. The District was unable to reach any agreement in principle with its remaining creditors. On April 2, 2014, the District filed a voluntary petition for Chapter 9 bankruptcy in the United States Bankruptcy Court for the District of Colorado (Case No. 14-14207-EEB), seeking approval of a plan for the adjustment of debts of the District.

F. A summary of any litigation involving the District.

As reported in Part E above, on April 2, 2014, the District filed a voluntary petition for Chapter 9 bankruptcy in the United States Bankruptcy Court for the District of Colorado (Case No. 14-14207-EEB), seeking approval of a plan for the adjustment of debts of the District. Objections to the District's petition must be filed with the Court by May 7, 2014. If any objections are filed, the Court will hold a non-evidentiary hearing on the petition and any objections on May 15, 2014.

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

Proposed plans for the District for fiscal year 2014 are set forth in the District's 2014 budget attached hereto as Exhibit A.

H. Status of construction of public improvements.

All public improvements are completed.


I. The current assessed valuation of the District.

The assessed valuation of the District for taxable year 2013 is \$6,147,746.

The foregoing Annual Report and accompanying exhibits are submitted this 30<sup>th</sup> day of April, 2014.

Sincerely,

ICENOGLE | SEAVER | POGUE  
A Professional Corporation

By:   
Alan D. Pogue, Esq.

**EXHIBIT A**

**2014 Budget**

# Ravenna Metropolitan District

January 22, 2014

Via email: [dlq-filing@state.co.us](mailto:dlq-filing@state.co.us)

Colorado Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203

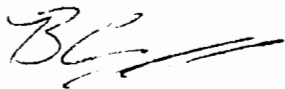
RE: Ravenna Metropolitan District 2014 Budget

To Whom It May Concern:

Attached are true and accurate copies of the adopted 2014 Budget for Ravenna Metropolitan District in Douglas County, Colorado, submitted pursuant to C.R.S. Section 29-1-113. The budget was adopted on October 22, 2013.

If there are any questions on the budget, please contact our office at (970) 669-3611.

Sincerely,  
RAVENNA METROPOLITAN DISTRICT



Pinnacle Consulting Group Inc.  
Accounting Manager

Enc.

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Managed by Pinnacle Consulting Group, Inc.  
1627 East 18<sup>th</sup> Street  
Loveland, CO 80538  
Phone: (970) 669-3611 \* Fax: (970) 669-3612

# **RAVENNA METROPOLITAN DISTRICT**

## **2014 BUDGET MESSAGE**

The Ravenna Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was organized on May 18, 2004, and is wholly located within Douglas County, Colorado. Through its Service Plan, the District is authorized to finance improvements including roadway improvements, emergency access roads, street landscaping, street lighting, monumentation, signage, safety controls, landscaping, water, sanitary sewer, stormwater, television relay, mosquito control and park and recreation improvements and facilities.

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

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

## **2014 BUDGET STRATEGY**

The District's strategy in preparing the 2014 budget is to strive to provide services as desired by the property owners and residents of the District in the most economic manner possible.

### ***General Fund***

General and administrative expenses budgeted in the amount of \$754,927 are to be paid by facilities acquisition fees of \$498,150, property taxes of \$18,443, specific ownership taxes of \$1,475, and other revenue of \$238,000 totaling to a budgeted amount of \$756,069 in revenue.

### ***Debt Service Fund***

The District adopted a Debt Service Fund mill levy of 60 mills which resulted in \$368,865 in property tax, \$29,509 in specific ownership tax, and \$1,000 in interest and other income. The budgeted expenditures of \$397,775 consist of payments for the District's bonds and other fees.

### ***Enterprise Fund***

In the Enterprise Fund, water, sewer and operations fees and reimbursements account for the 2014 budgeted operating revenues of \$1,052,690. Enterprise expenditures are budgeted at \$846,040.

### *Debt*

On December 6, 2007, the District issued \$9,000,000 in General Obligation Limited Tax Bonds and Supplemental Registered Coupons for the purpose of funding the design, acquisition, construction, completion, installation, relocation and/or provision of public improvements for the District, capitalizing a portion of the initial interest to accrue on the Series 2007 Obligations and paying the costs of issuing the Series 2007 Obligations. The Term Bonds mature on December 1, 2037, and bear an interest rate of 7.00%. The Supplemental "B" Interest Registered Coupons mature and accrete interest at the rate of 8.25% interest.

### *Reserve*

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2014, as defined under TABOR.





**Accountant's Report**

**BOARD OF DIRECTORS  
RAVENNA METROPOLITAN DISTRICT**

I have compiled the statements of revenues and expenditures for the year ended December 31, 2012 and the eleven months ended November 30, 2013 for Ravenna Metropolitan District. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of Ravenna Metropolitan District for the year ending December 31, 2014 in accordance with standards established by the American Institute of Certified Public Accountants.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Ravenna Metropolitan District.

**Peggy Dowswell, CPA**  
January 22, 2014

**STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS**

2012 Actual, 2013 Adopted Budget and Projected Actual,  
Year-to-date Actual, 2014 Adopted Budget

**Modified Accrual Budgetary Basis**

<b>GENERAL FUND</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>Actual</b>	<b>2014</b>
	<b>Audited</b>	<b>Amended</b>	<b>Projected</b>	<b>Through</b>	<b>Adopted</b>
<b>Revenues</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>11/30/13</b>	<b>Budget</b>
Facilities Acquisition Fees	\$138,353	\$660,000	\$660,000	\$590,692	\$498,150
Property Taxes	15,172	31,587	16,758	16,758	18,443
Specific Ownership Taxes	2,307	2,612	2,321	1,954	1,475
Interest & Other Income	460	200	205	217	0
Transfer from Other Fund	124,366	0	0	0	0
Contingent Revenue	0	0	0	0	238,000
<b>Total Revenues</b>	<b>\$280,658</b>	<b>\$694,399</b>	<b>\$679,284</b>	<b>\$609,622</b>	<b>\$756,069</b>
<b>Expenditures</b>					
Audit	\$3,630	\$0	\$0	\$0	\$3,000
Accounting & District Admin	47,852	9,000	9,000	9,000	0
County Treasurer's Fees	229	474	474	129	277
Election	0	0	0	0	3,000
Insurance & Bonds	6,316	7,000	6,926	6,926	7,000
Legal	81,461	15,000	15,000	12,824	3,500
Miscellaneous	2,674	3,000	2,750	2,521	2,000
Lease Payment	138,353	660,000	660,000	589,667	498,150
Contingent Expenses	0	0	0	0	238,000
<b>Total Operating Expenditures</b>	<b>\$280,515</b>	<b>\$694,474</b>	<b>\$694,150</b>	<b>\$621,067</b>	<b>\$754,927</b>
<b>Revenues over/(under) Expend</b>	<b>\$143</b>	<b>(\$75)</b>	<b>(\$14,866)</b>	<b>(\$11,445)</b>	<b>\$1,142</b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>143</b>	<b>143</b>	<b>143</b>	<b>106</b>
<b>Ending Fund Balance</b>	<b>\$143</b>	<b>\$68</b>	<b>(\$14,723)</b>	<b>(\$11,302)</b>	<b>\$1,248</b>

<b>DEBT SERVICE FUND</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>Actual</b>	<b>2014</b>
	<b>Audited</b>	<b>Amended</b>	<b>Projected</b>	<b>Through</b>	<b>Adopted</b>
<b>Revenues</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>11/30/13</b>	<b>Budget</b>
Property Taxes	\$303,430	\$631,736	\$335,167	\$335,167	\$368,865
Specific Ownership Taxes	46,125	52,230	39,067	39,067	29,509
Interest & Other Income	1,662	2,000	2,000	1,801	1,000
<b>Total Revenues</b>	<b>\$351,217</b>	<b>\$685,966</b>	<b>\$376,234</b>	<b>\$376,034</b>	<b>\$399,374</b>
<b>Expenditures</b>					
County Treasurer's Fees	\$4,575	\$9,476	\$2,573	\$2,573	\$5,533
Bond Principal-B coupons	101,920	290,000	460,000	290,000	300,000
Bond Interest	0	589,000	0	0	90,000
Audit	0	4,000	4,000	3,631	0
Paying Agent Fees	1,094	2,000	1,810	1,810	2,242
Transfer to Other Fund	250,000	0	0	0	0
<b>Total Debt Service Expend</b>	<b>\$357,589</b>	<b>\$894,476</b>	<b>\$468,383</b>	<b>\$298,014</b>	<b>\$397,775</b>
<b>Revenues over/(under) Expend</b>	<b>(\$6,372)</b>	<b>(\$208,510)</b>	<b>(\$92,149)</b>	<b>\$78,020</b>	<b>\$1,599</b>
<b>Beginning Fund Balance</b>	<b>215,353</b>	<b>208,981</b>	<b>208,981</b>	<b>208,981</b>	<b>331</b>
<b>Ending Fund Balance</b>	<b>\$208,981</b>	<b>\$471</b>	<b>\$116,832</b>	<b>\$287,002</b>	<b>\$1,930</b>

**STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS**

2012 Actual, 2013 Adopted Budget and Projected Actual,

Year-to-date Actual, 2014 Adopted Budget

Modified Accrual Budgetary Basis					
<b>ENTERPRISE FUND</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>Actual</b>	<b>2014</b>
	<b>Audited</b>	<b>Amended</b>	<b>Projected</b>	<b>Through</b>	<b>Adopted</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>11/30/13</b>	<b>Budget</b>
<b>Revenues</b>					
Water Usage	\$34,088	\$30,000	\$34,000	\$31,339	\$30,000
Water Resource Fees	60,666	85,000	85,000	80,315	92,720
Sewer Taps	0	15,126	17,126	15,126	0
Sewer Service Fees	24,705	30,000	30,000	29,938	32,970
Water Tap	0	0	3,456	3,456	0
Operation Fee	144,568	546,887	550,038	550,038	729,000
Golf Course/HOA Reimb	57,107	100,000	100,000	95,771	165,500
Penalties & Interest	2,953	24,000	24,000	23,703	2,500
Miscellaneous Revenue	11,137	3,270	3,270	3,270	0
Transfer from Other Fund	125,634	0	0	0	0
<b>Total Revenues</b>	<b>\$460,857</b>	<b>\$834,283</b>	<b>\$846,890</b>	<b>\$832,957</b>	<b>\$1,052,690</b>
<b>Expenditures</b>					
Audit	\$3,630	\$3,500	\$3,500	\$3,500	\$4,500
District Mgmt & Accounting	47,852	99,000	110,000	109,197	108,000
Office and Other	948	0	1,000	1,000	0
Engineering	0	3,000	6,289	6,289	3,000
Legal	88,162	135,000	135,000	130,415	96,500
Legal - Bankruptcy (Ch. 11, Dev)	0	175,000	175,000	169,644	30,000
Permits and Fees	0	1,200	0	0	1,200
Roxborough Taps - Pass through	0	15,126	15,126	15,126	0
Sewer Fees RWSD	23,150	20,000	20,000	20,131	24,570
Storage	535	800	800	858	800
Trash	1,253	1,000	1,100	1,071	1,250
United - Water Resource Fees	61,176	85,000	85,000	75,768	92,720
Fuel - Ranger	3,655	3,900	3,900	3,016	4,000
Maintenance - Ranger	2,926	3,500	3,500	13	3,500
Major Well Repairs	0	50,000	20,000	0	0
Water Treatment Plant	93,908	97,000	97,000	81,252	78,930
Water Tap	0	0	3,456	3,456	0
Raw Water Delivery - Onsite	53,194	63,500	80,000	70,617	57,970
Raw Water Delivery - Offsite	103,918	95,000	85,000	74,336	262,500
Distribution System	3,655	5,000	5,000	2,242	4,500
Sewer System	1,563	1,600	1,600	1,145	1,500
Storm Water System	1,563	1,600	3,000	3,263	1,600
Streets: Snow & Ice Operations	17,179	40,400	40,400	25,100	36,000
Streets: Maintenance	4,590	10,000	10,000	6,005	19,000
Streets: Lights	6,369	6,500	7,500	7,315	6,500
Entry-Way Feature	5,406	3,500	3,500	1,702	7,500
<b>Total Enterprise Expenditures</b>	<b>\$524,631</b>	<b>\$920,126</b>	<b>\$916,671</b>	<b>\$812,461</b>	<b>\$846,040</b>
<b>Revenues over/(under) Expend</b>	<b>(\$63,774)</b>	<b>\$ (85,843)</b>	<b>(\$69,781)</b>	<b>\$ 20,496</b>	<b>\$206,650</b>
<b>Beginning Fund Balance</b>	<b>(44,274)</b>	<b>(108,048)</b>	<b>(108,048)</b>	<b>(108,048)</b>	<b>(192,797)</b>
<b>Ending Fund Balance</b>	<b>(\$108,048)</b>	<b>(\$193,891)</b>	<b>(\$177,829)</b>	<b>\$ (87,552)</b>	<b>\$13,853</b>
<b>See Accompanying Accountant's Report</b>					
Page 2					