



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
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## **Accountant's Compilation Report**

Board of Directors  
Cherry Creek South Metropolitan District No. 11

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Cherry Creek South Metropolitan District No. 11 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018 in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of 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 Cherry Creek South Metropolitan District No. 11.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 15, 2019

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 11  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/15/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 18,535	\$ 9,473	\$ 30,025
REVENUES			
Property taxes	596	596	494
Specific ownership taxes	64	60	44
Interest income	19	57	155
Advance for Tract N drainage maintenance	-	30,000	-
Developer advance	15,000	89,283	129,744
Total revenues	<u>15,679</u>	<u>119,996</u>	<u>130,437</u>
Total funds available	<u>34,214</u>	<u>129,469</u>	<u>160,462</u>
EXPENDITURES			
General Fund	7,876	57,000	127,000
Debt Service Fund	456	444	446
Capital Projects Fund	16,409	42,000	33,000
Total expenditures	<u>24,741</u>	<u>99,444</u>	<u>160,446</u>
Total expenditures and transfers out requiring appropriation	<u>24,741</u>	<u>99,444</u>	<u>160,446</u>
ENDING FUND BALANCES	<u>\$ 9,473</u>	<u>\$ 30,025</u>	<u>\$ 16</u>
EMERGENCY RESERVE	\$ 100	\$ 10	\$ 10
RESERVE FOR TRACT N	-	30,000	-
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 30,010</u>	<u>\$ 10</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 11  
PROPERTY TAX SUMMARY INFORMATION  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/15/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 13,150	\$ 13,150	\$ 13,770
Vacant land	3,880	3,880	3,880
Certified Assessed Value	<u>\$ 17,030</u>	<u>\$ 17,030</u>	<u>\$ 17,650</u>
<b>MILL LEVY</b>			
General	12.500	12.500	5.500
Debt Service	22.500	22.500	22.500
Total mill levy	<u>35.000</u>	<u>35.000</u>	<u>28.000</u>
<b>PROPERTY TAXES</b>			
General	\$ 213	\$ 213	\$ 97
Debt Service	383	383	397
Budgeted property taxes	<u>\$ 596</u>	<u>\$ 596</u>	<u>\$ 494</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 213</b>	<b>\$ 213</b>	<b>\$ 97</b>
Debt Service	<b>383</b>	<b>383</b>	<b>397</b>
	<u><b>\$ 596</b></u>	<u><b>\$ 596</b></u>	<u><b>\$ 494</b></u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 11  
GENERAL FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/15/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ 7,360	\$ 30,010
REVENUES			
Property taxes	213	213	97
Specific ownership taxes	23	21	9
Interest income	-	33	150
Developer advance	15,000	49,383	96,744
Advance for Tract N drainage maintenance	-	30,000	-
Total revenues	<u>15,236</u>	<u>79,650</u>	<u>97,000</u>
Total funds available	<u>15,236</u>	<u>87,010</u>	<u>127,010</u>
EXPENDITURES			
General and administrative			
Accounting	764	16,000	20,000
County Treasurer's fee	3	9	1
Directors' fees	600	800	1,200
Dues	-	-	4,000
Insurance	800	10,196	24,000
District management	-	-	2,500
Legal	3,289	26,000	40,000
Miscellaneous	12	3,395	4,699
Tract N drainage maintenance	-	-	30,000
Paying agent fees	600	600	600
Repay Developer advance	1,808	-	-
Contingency	-	-	-
Total expenditures	<u>7,876</u>	<u>57,000</u>	<u>127,000</u>
Total expenditures and transfers out requiring appropriation	<u>7,876</u>	<u>57,000</u>	<u>127,000</u>
ENDING FUND BALANCES	<u>\$ 7,360</u>	<u>\$ 30,010</u>	<u>\$ 10</u>
EMERGENCY RESERVE	\$ 100	\$ 10	\$ 10
RESERVE FOR TRACT N	-	30,000	-
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 30,010</u>	<u>\$ 10</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 11  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/15/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 26	\$ 13	\$ 15
REVENUES			
Property taxes	383	383	397
Specific ownership taxes	41	39	35
Interest income	19	24	5
Total revenues	<u>443</u>	<u>446</u>	<u>437</u>
Total funds available	<u>469</u>	<u>459</u>	<u>452</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	6	-	6
Debt Service			
Bond interest	450	444	440
Total expenditures	<u>456</u>	<u>444</u>	<u>446</u>
Total expenditures and transfers out requiring appropriation	<u>456</u>	<u>444</u>	<u>446</u>
ENDING FUND BALANCES	<u>\$ 13</u>	<u>\$ 15</u>	<u>\$ 6</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 11  
CAPITAL PROJECTS FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/15/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 18,509	\$ 2,100	\$ -
REVENUES			
Developer advance	-	39,900	33,000
Total revenues	<u>-</u>	<u>39,900</u>	<u>33,000</u>
Total funds available	<u>18,509</u>	<u>42,000</u>	<u>33,000</u>
EXPENDITURES			
General and Administrative			
Accounting	3,056	1,025	3,000
District management	-	-	-
Legal	13,353	40,975	30,000
Engineering	-	-	-
Total expenditures	<u>16,409</u>	<u>42,000</u>	<u>33,000</u>
Total expenditures and transfers out requiring appropriation	<u>16,409</u>	<u>42,000</u>	<u>33,000</u>
ENDING FUND BALANCES	<u>\$ 2,100</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 11**  
**2020 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by Order and Decree of the District Court of Douglas County, Colorado on November 18, 2004, to provide financing for design, acquisition, construction and installation, relocation and redevelopment of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, sewer and drainage facilities, public transportation, and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of the Town of Parker, Douglas County, Colorado.

At its organization election held on November 2, 2004, the voters approved general obligation indebtedness of \$37,560,000 for street improvements, \$37,560,000 for traffic safety, \$59,280,000 for parks and recreational facilities, \$14,280,000 for sanitary sewer system, \$8,880,000 for a complete potable and non-potable water system, \$130,000,000 for refunding District debt and \$10,000,000 for general operation and maintenance. District voters approved authorization to increase property tax up to \$1,000,000 annually to pay for the operations and maintenance expenditures of the District. Per the District's Service Plan, the Districts are limited to issuing a total of \$213,500,000, in the aggregate. Additionally, the election allows the District to collect, spend and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

The District has no employees and all administrative function are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**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 or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the mill levy adopted by the District.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 11  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9.0% of the property taxes collected

**Interest income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.00%.

**Developer Advances**

The District is in the development stage. As such, operating and administrative costs will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for the future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**Expenditures**

**General and Administrative**

General and administrative expenditures include services necessary to maintain the District's administrative viability such as legal, accounting, dues and insurance.

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**Capital Expenditures**

Capital related expenditures in 2020 are primarily legal fees in connection with amending the District's Service Plan.

**Debts and Leases**

On December 11, 2015, the District issued \$500,000 in General Obligation Limited Tax Bonds, Series 2015 at an interest rate of 4% - 6%. The Bonds are general obligations of the District, secured and payable from Pledged Revenue which include property tax revenue, net of costs of collection, and any other legally available amounts. To the extent of available Pledged Revenue, principal of the Bond shall be redeemed prior to maturity, in whole or in part, with no redemption premium. The Bonds are due December 15, 2044. The Bond was issued to pay the costs of providing certain public improvements.

The District has no operating or capital leases.



**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 11  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserve Funds**

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

**This information is an integral part of the accompanying budget.**