



CHEROKEE METROPOLITAN DISTRICT

2018 BUDGET MESSAGE

The Cherokee Metropolitan District is a political subdivision of the State of Colorado. The District provides water and wastewater services; maintains District owned parks and medians, facilitates the installation and maintenance of street lighting; and operates the Cherokee Ridge Golf Course.

The District is governed by a five-member Board, has 42 full-time employees, and hires seasonal workers for golf course operations. The District contracts with various professionals to provide General Management and Chief Financial Officer functions; Attorneys for General Counsel and representation regarding specific legal matters (e.g. water rights negotiations and litigation); Engineers specializing in water and wastewater planning and infrastructure projects; Parks and Open Space maintenance; and various professional consultants, through separate agreements.

Basis of Accounting

The District prepares its budget on the modified accrual basis of accounting and uses both governmental and proprietary funds to budget and report on its financial position.

Revenues

Rates and Fees

The District collects no ad valorem taxes and is financed through rates and fees that are charged to consumers residing within the District's boundaries, as well as from extra-territorial consumers that have contracted with the District for the provision of water and wastewater services.

Intergovernmental Revenue

The District receives additional revenues from the State of Colorado's Conservation Trust Fund (CTF). The Department of Local Affairs distributes CTF monies quarterly to the District for the provision of Park and Recreational services.

Funds

General Fund

The General Fund accounts for the revenue derived from District residents for the provision of street lighting.

Parks Fund

The Parks Fund accounts for revenues generated from monthly Park Fees assessed by the District, CTF monies derived from the State of Colorado, park facilities rental fees, and any grants received for Park related projects. Expenditures are used for Park maintenance and capital improvements.

Golf Course Enterprise Fund

The Golf Course Enterprise Fund reflects revenues generated from greens fees and retail sales and expenditures range from routine operating expenses to Capital expenditures to improve the facility.

Water and Wastewater Enterprise Fund

This is the major accounting fund for District revenues and operating expenditures. Revenue is derived from rates and fees charged to consumers for the provision of water and wastewater services, loan proceeds, and Grant funds. Expenditures reflected in this fund include, but may not be limited to water and wastewater operations, purchase of water resources, capital improvements, and debt service.

Emergency Reserve

At the end of each year the District, where applicable, reserves that portion of the District's governmental funds' balances necessary to comply with the TABOR Amendment.

Capital Improvements

The District is anticipating a need to finance some major capital improvements beginning in 2018 and running through 2022. These projects are necessitated by a compliance order mandated by the State of Colorado regarding effluent discharge limits and a need to begin purchasing renewable water resources to ensure adequate water supply resources for the future. These capital projects will be financed through bonds or notes that are envisioned to be implemented in phases beginning in 2018.

CHEROKEE METROPOLITAN DISTRICT
RESOLUTION NO. 2017-10

A RESOLUTION ADOPTING A BUDGET FOR THE CHEROKEE METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO AND SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2018, AND ENDING ON THE LAST DAY OF DECEMBER, 2018.

WHEREAS, the Board of Directors of the Cherokee Metropolitan District has authorized its consultants and staff to prepare and submit a proposed budget to said governing body no later than October 15, 2017; and

WHEREAS, the proposed budget was submitted to the Board of the District for its consideration on October 15, 2017; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado Law and published in a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 12, 2017, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-301, C.R.S., and Article X, § 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHEROKEE METROPOLITAN DISTRICT OF EL PASO COUNTY, COLORADO, AS FOLLOWS:

Section 1. Adoption of Budget for 2018. That the budget as submitted, attached hereto as **Exhibit A** and incorporated herein by this reference, is hereby approved and adopted by the Board as the true and accurate budget of the Cherokee Metropolitan District for fiscal year 2018.

ADOPTED AND APPROVED this 12th day of December, 2017.

ATTEST:


Melody Helton, Secretary


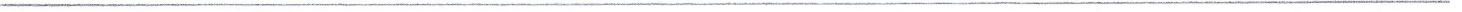

Jan Cederberg, Board President

EXHIBIT A
BUDGET DOCUMENT



CHEROKEE METROPOLITAN DISTRICT
ADOPTED 2018 BUDGET
GENERAL FUND

	<u>2016</u> Actual	<u>2017</u> Estimate	<u>Adopted</u> <u>2018</u> Budget
REVENUES			
Fees - (\$1.40 x 7310) x 12 months	\$ 131,045	\$ 131,000	\$ 131,000
Total Revenues	<u>\$ 131,045</u>	<u>\$ 131,000</u>	<u>\$ 131,000</u>
EXPENDITURES			
Lighting	\$ 121,076	\$ 124,000	\$ 133,000
Total Expenditures	<u>\$ 121,076</u>	<u>\$ 124,000</u>	<u>\$ 133,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,969</u>	<u>\$ 7,000</u>	<u>\$ (2,000)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>\$ 121,877</u>	<u>\$ 131,846</u>	<u>\$ 138,846</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 131,846</u></u>	<u><u>\$ 138,846</u></u>	<u><u>\$ 136,846</u></u>

**CHEROKEE METROPOLITAN DISTRICT
ADOPTED 2018 BUDGET
PARKS FUND**

	<u>2016 Actual</u>	<u>2017 Estimate</u>	<u>Adopted 2018 Budget</u>
REVENUES			
Fees	\$ 168,107	\$ 168,000	\$ 168,000
Conservation Trust funds	126,904	110,000	110,000
Grant - EPC	-	-	350,000
Miscellaneous income/insurance	22,151	75	-
Interest income	51	50	50
Total Revenues	<u>\$ 317,213</u>	<u>\$ 278,125</u>	<u>\$ 628,050</u>
EXPENDITURES			
Parks, landscape and open space	\$ 185,428	\$ 196,321	\$ 209,656
Capital outlay	154,019	100,000	490,000
Total Expenditures	<u>\$ 339,447</u>	<u>\$ 296,321</u>	<u>\$ 699,656</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (22,234)</u>	 <u>\$ (18,196)</u>	 <u>\$ (71,606)</u>
 FUND BALANCE - BEGINNING OF YEAR	 <u>\$ 195,198</u>	 <u>\$ 172,964</u>	 <u>\$ 154,767</u>
FUND BALANCE - END OF YEAR	<u>\$ 172,964</u>	<u>\$ 154,767</u>	<u>\$ 83,161</u>

CHEROKEE METROPOLITAN DISTRICT
ADOPTED 2018 BUDGET
WATER AND WASTEWATER FUND

	2016 Actual	2017 Estimate	Adopted 2018 Budget
REVENUES			
Water sales	\$ 6,773,874	\$ 6,835,000	\$ 7,285,400
Sewer services	4,441,396	4,415,000	4,617,050
Water and wastewater tap fees	1,565,603	1,063,000	1,350,000
Lawsuit settlement/Grant	2,027,000	45,000	130,000
Interest income	47,137	60,000	40,000
Insurance reimbursements	469,456	308,000	-
Miscellaneous income	190,857	227,550	119,200
Loan proceeds	-	-	11,500,000
Total Revenues	<u>\$ 15,515,323</u>	<u>\$ 12,953,550</u>	<u>\$ 25,041,650</u>
EXPENDITURES			
Water system			
Purchased water	\$ 20,718	\$ 13,500	\$ 20,000
Pumping	840,146	871,800	970,000
Treatment	206,457	212,185	244,957
Transmission and distribution	875,360	996,800	1,482,136
Customer service	427,671	368,400	465,170
Total Water system	<u>\$ 2,370,352</u>	<u>\$ 2,462,685</u>	<u>\$ 3,182,263</u>
Wastewater system			
Treatment	\$ 2,109,450	\$ 1,873,100	\$ 2,069,478
Pretreatment	60,041	87,111	93,054
Collection	609,596	649,105	681,500
Customer service	90,519	79,385	100,100
Other	107,248	165,762	314,418
Total Wastewater system	<u>\$ 2,976,854</u>	<u>\$ 2,854,463</u>	<u>\$ 3,258,550</u>
Other			
General and administrative	\$ 2,533,424	\$ 2,018,253	\$ 2,167,187
Capital expenditures	2,273,071	4,150,000	21,324,412
Lawsuit settlement/IGA reimbursement	1,450,000	-	-
Debt principal payments	1,197,924	1,239,038	1,275,153
Interest and bond fees	893,577	920,825	900,974
	<u>8,347,996</u>	<u>8,328,116</u>	<u>25,667,726</u>
Total Expenditures	<u>\$ 13,695,202</u>	<u>\$ 13,645,264</u>	<u>\$ 32,108,539</u>
EXCESS OF REVENUE OVER (UNDER)			
EXPENDITURES	<u>\$ 1,820,121</u>	<u>\$ (691,714)</u>	<u>\$ (7,066,889)</u>
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>\$ 7,979,527</u>	<u>\$ 9,799,648</u>	<u>\$ 9,107,934</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 9,799,648</u>	<u>\$ 9,107,934</u>	<u>\$ 2,041,045</u>

CHEROKEE METROPOLITAN DISTRICT
ADOPTED 2018 BUDGET
GOLF COURSE FUND

	<u>2016 Actual</u>	<u>2017 Estimate</u>	<u>Adopted 2018 Budget</u>
REVENUES			
Golf revenues	\$ 712,627	\$ 715,000	\$ 727,000
Insurance	55,671	48,000	-
Resale	218,424	218,000	215,000
Total Revenues	<u>\$ 986,723</u>	<u>\$ 981,000</u>	<u>\$ 942,000</u>
EXPENDITURES			
Operating expense	\$ 533,195	\$ 592,135	\$ 582,802
Resale expense	140,543	146,000	136,500
General and administrative	164,117	167,627	187,050
Capital expenditures	-	116,250	89,200
Total Expenditures	<u>\$ 837,856</u>	<u>\$ 1,022,012</u>	<u>\$ 995,552</u>
EXCESS OF REVENUE OVER (UNDER)			
EXPENDITURES	<u>\$ 148,867</u>	<u>\$ (41,012)</u>	<u>\$ (53,552)</u>
FUNDS AVAILABLE - BEGINNING OF YEAR			
	<u>\$ (19,791)</u>	<u>\$ 129,076</u>	<u>\$ 88,064</u>
FUNDS AVAILABLE - END OF YEAR			
	<u><u>\$ 129,076</u></u>	<u><u>\$ 88,064</u></u>	<u><u>\$ 34,512</u></u>

PUBLISHER'S AFFIDAVIT

STATE OF COLORADO)
) ss.
COUNTY OF ELBERT)

I, Jenna Lister, do solemnly affirm that I am the Publisher of RANGLAND NEWS; that the same is a weekly newspaper published at Simla, County of Elbert, State of Colorado, and has a general circulation therein; that said newspaper has been continuously and uninterruptedly published in said County of Elbert for a period of at least 52 consecutive weeks next prior to the first publication of the annexed notice, that said newspaper is entered in the post office at Calhan, Colorado as second class mail matter and that said newspaper is a newspaper within the meaning of the Act of the General Assembly of the State of Colorado, approved March 30, 1923, and entitled "Legal Notices and Advertisements," with other Acts relating to the printing and publishing of legal notices and advertisements. That the annexed notice was published in the regular and entire issue of said newspaper, once each week for one successive weeks; that the first publication of said notice was in the Issue of said newspaper dated;

November 30, 2017

and the last publication of said notice was in the issue of said newspaper dated;

and that copies of each number of said paper in which said notice and/or list was published were delivered by carriers or transmitted by mail to each of the subscribers of said newspaper, Ranchland News, according to the accustomed mode of business in this office.

Jenna Lister
Publisher

The above certificate of publication was subscribed and affirmed to before me, a Notary Public, to be the identical person described in the above certificate, on the

30 day of November, 2017

Susan Lister

9/20/20 Notary Public

(My Notary Public Commission Expiration Date)

NOTICE AS TO
PROPOSED 2018
BUDGET

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the CHEROKEE METROPOLITAN DISTRICT for the ensuing year of 2018. A copy of such proposed budget is on file at the Cherokee Metropolitan District, located at 6250 Palmer Park Boulevard, Colorado Springs, CO 80915, where same is open for public inspection. Such proposed budget will be considered at a regular meeting of the Cherokee Metropolitan District scheduled for 1:00 P.M. on Tuesday, December 12th, 2017, at 6250 Palmer Park Boulevard, Colorado Springs, CO.

Any interested elector within the District may inspect the proposed 2018 budget and file or register any objections at any time prior to the final adoption of the proposed 2018 budget.

This meeting is open to the public.

BY ORDER OF THE BOARD OF DIRECTORS CHEROKEE METROPOLITAN DISTRICT

By: /s/ Kurt C. Schlegel

General Manager

Published November 30, 2017

In Ranchland News

Legal No. 17,746

SUSAN LISTER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19964014317
MY COMMISSION EXPIRES 09/20/2020