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Accountant's Compilation Report

Board of Directors
Cherry Creek Basin Water Quality Authority

Management is responsible for the accompanying budget of revenues expenditures and fund balances/funds available of Cherry Creek Basin Water Quality Authority for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, 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 Basin Water Quality Authority.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 20, 2018

**CHERRY CREEK BASIN WATER QUALITY AUTHORITY
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUNDS AVAILABLE	\$ 2,340,402	\$ 2,889,927	\$ 3,035,275
REVENUE			
Property taxes	1,769,270	1,933,296	2,083,096
Specific ownership tax	176,532	175,000	166,648
Interest income	33,528	69,000	51,000
Contributed capital	9,438	-	-
Reimbursed expenditures	1,059	-	-
Recreation fees	212,905	215,000	200,000
Building permit fees	196,569	200,000	200,000
Wastewater surcharge	109,463	100,000	120,000
Other revenue	-	100	100
Total revenue	<u>2,508,764</u>	<u>2,692,396</u>	<u>2,820,844</u>
TRANSFERS IN	<u>1,462,625</u>	<u>1,614,838</u>	<u>1,691,906</u>
Total funds available	<u>6,311,791</u>	<u>7,197,161</u>	<u>7,548,025</u>
EXPENDITURES			
General Fund	838,879	1,046,048	1,217,946
Pollution Abatement Fund	1,094,984	1,376,000	2,168,000
Enterprise Fund	25,376	125,000	160,000
Total expenditures	<u>1,959,239</u>	<u>2,547,048</u>	<u>3,545,946</u>
TRANSFERS OUT	<u>1,462,625</u>	<u>1,614,838</u>	<u>1,691,906</u>
Total expenditures and transfers out requiring appropriation	<u>3,421,864</u>	<u>4,161,886</u>	<u>5,237,852</u>
ENDING FUNDS AVAILABLE	<u>\$ 2,889,927</u>	<u>\$ 3,035,275</u>	<u>\$ 2,310,173</u>
EMERGENCY RESERVE	\$ 59,300	\$ 64,700	\$ 68,400
FACILITIES MAINTENANCE RESERVE	25,000	25,000	25,000
CAPITAL RESERVE	250,000	250,000	750,000
TOTAL DESIGNATED RESERVE	<u>\$ 334,300</u>	<u>\$ 339,700</u>	<u>\$ 843,400</u>

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

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

12/20/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION - ARAPAHOE			
Residential	\$ 848,131,910	\$ 937,088,681	\$ 959,711,127
Commercial	581,220,918	723,801,306	755,642,399
Industrial	1,800,030	1,939,122	4,624,900
Agricultural	956,529	938,836	935,268
State assessed	4,771,180	4,445,310	3,113,530
Vacant land	42,040,179	49,530,272	45,037,102
Personal property	149,537,067	149,973,610	141,107,747
Other	12,290	13,559	13,559
	<u>1,628,470,103</u>	<u>1,867,730,696</u>	<u>1,910,185,632</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$1,628,470,103</u>	<u>\$1,867,730,696</u>	<u>\$1,910,185,632</u>
MILL LEVY			
General	0.500	0.500	0.500
Temporary Mill Levy Reduction	(0.029)	(0.049)	(0.021)
Refund and abatements	0.002	0.002	0.000
Total mill levy	<u>0.473</u>	<u>0.453</u>	<u>0.479</u>
PROPERTY TAXES			
General	\$ 814,235	\$ 933,865	\$ 955,093
Temporary Mill Levy Reduction	(47,226)	(91,519)	(40,114)
Refund and abatements	3,257	3,735	-
Levied property taxes	770,266	846,082	914,979
Adjustments to actual/rounding	(3,604)	-	-
Budgeted property taxes	<u>\$ 766,662</u>	<u>\$ 846,082</u>	<u>\$ 914,979</u>
ASSESSED VALUATION - DOUGLAS			
Residential	1,297,999,940	\$ 1,431,563,540	\$ 1,486,936,850
Commercial	449,228,320	537,706,560	551,498,010
Industrial	73,835,610	97,333,890	96,962,610
Agricultural	10,366,040	9,706,420	10,031,030
State assessed	4,439,000	6,034,900	3,250,200
Vacant land	112,795,720	145,489,070	130,257,650
Personal property	185,216,100	192,666,600	186,773,950
Other	163,820	199,040	123,030
	<u>2,134,044,550</u>	<u>2,420,700,020</u>	<u>2,465,833,330</u>
Adjustments	(9,211,693)	(20,669,910)	(27,176,798)
Certified Assessed Value	<u>\$2,124,832,857</u>	<u>\$2,400,030,110</u>	<u>\$2,438,656,532</u>
MILL LEVY			
General	0.500	0.500	0.500
Temporary Mill Levy Reduction	(0.029)	(0.049)	(0.021)
Refund and abatements	0.002	0.002	0.000
Total mill levy	<u>0.473</u>	<u>0.453</u>	<u>0.479</u>
PROPERTY TAXES			
General	\$ 1,062,416	\$ 1,200,015	\$ 1,219,328
Temporary Mill Levy Reduction	(61,620)	(117,601)	(51,212)
Refund and abatements	4,250	4,800	-
Levied property taxes	1,005,046	1,087,214	1,168,116
Adjustments to actual/rounding	(2,438)	-	-
Budgeted property taxes	<u>\$ 1,002,608</u>	<u>\$ 1,087,214</u>	<u>\$ 1,168,116</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 1,769,270</u>	<u>\$ 1,933,296</u>	<u>\$ 2,083,096</u>
	<u>\$ 1,769,270</u>	<u>\$ 1,933,296</u>	<u>\$ 2,083,096</u>

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

**CHERRY CREEK BASIN WATER QUALITY AUTHORITY
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 1,134,582	\$ 1,108,472	\$ 924,942
REVENUE			
Property taxes	1,769,270	1,933,296	2,083,096
Specific ownership tax	176,532	175,000	166,648
Interest income	20,685	48,000	30,000
Contributed capital	9,438	-	-
Total revenue	<u>1,975,925</u>	<u>2,156,296</u>	<u>2,279,744</u>
Total funds available	<u>3,110,507</u>	<u>3,264,768</u>	<u>3,204,686</u>
EXPENDITURES			
General and administrative			
Accounting	41,973	50,000	43,500
Auditing	10,773	6,200	6,500
County Treasurer's fee	26,571	28,999	31,246
Dues and licenses	1,347	1,585	1,500
Insurance and bonds	10,166	8,764	12,000
Management/administration	80,543	95,000	150,000
Legal services	43,678	70,000	65,000
Office/miscellaneous expense	3,833	1,000	5,000
TAC coordination	8,000	10,000	10,000
CC Stewardship Partners	25,000	25,000	27,500
Information & education coordination	8,111	7,500	5,000
CCBWQA website	5,050	4,000	5,000
WQCC regulation hearings	184	12,000	15,000
Equipment	9,438	-	-
	<u>274,667</u>	<u>320,048</u>	<u>377,246</u>
Watershead Management			
Annual report	32,118	35,000	31,500
Data management	27,811	36,000	49,700
General watershed management	123,130	150,000	139,500
	<u>183,059</u>	<u>221,000</u>	<u>220,700</u>
Sampling and Analysis Program			
General technical support	102,731	60,000	60,000
Monitoring - Reservoir	96,383	110,000	110,000
Monitoring - Watershed	83,341	80,000	85,000
Data management	-	30,000	65,000
	<u>282,455</u>	<u>280,000</u>	<u>320,000</u>
Special Projects			
Studies - undesignated	98,698	133,000	220,000
Special projects - RDS study	-	22,000	20,000
Special projects - reservoir model runs	-	60,000	60,000
Special projects - watershed model runs	-	10,000	-
	<u>98,698</u>	<u>225,000</u>	<u>300,000</u>
Total expenditures	<u>838,879</u>	<u>1,046,048</u>	<u>1,217,946</u>
TRANSFERS OUT			
Transfers to Pollution Abatement Fund	<u>1,163,156</u>	<u>1,293,778</u>	<u>1,367,846</u>
Total expenditures and transfers out requiring appropriation	<u>2,002,035</u>	<u>2,339,826</u>	<u>2,585,792</u>
ENDING FUND BALANCE	<u>\$ 1,108,472</u>	<u>\$ 924,942</u>	<u>\$ 618,894</u>
EMERGENCY RESERVE	<u>\$ 59,300</u>	<u>\$ 64,700</u>	<u>\$ 68,400</u>
TOTAL DESIGNATED RESERVE	<u>\$ 59,300</u>	<u>\$ 64,700</u>	<u>\$ 68,400</u>

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

**CHERRY CREEK BASIN WATER QUALITY AUTHORITY
POLLUTION ABATEMENT FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 231,758	\$ 601,023	\$ 840,861
REVENUE			
Interest income	565	1,000	1,000
Reimbursed expenditures	1,059	-	-
Total revenue	<u>1,624</u>	<u>1,000</u>	<u>1,000</u>
TRANSFERS IN			
Transfers from General Fund	1,163,156	1,293,778	1,367,846
Transfers from Enterprise Fund	299,469	321,060	324,060
Total transfers in	<u>1,462,625</u>	<u>1,614,838</u>	<u>1,691,906</u>
Total funds available	<u>1,696,007</u>	<u>2,216,861</u>	<u>2,533,767</u>
EXPENDITURES			
General and administrative			
Management/administration	157,174	255,000	225,000
Stream corridor preservation	438	25,000	25,000
	<u>157,612</u>	<u>280,000</u>	<u>250,000</u>
Pollution Reduction Facilities - O&M			
PRF monitoring	1,210	-	-
PRF revegetation	2,343	40,000	7,000
PRF weed control	6,626	4,000	7,000
PRF reservoir destratification	-	93,000	50,000
PRF undesignated	-	-	90,000
	<u>10,179</u>	<u>137,000</u>	<u>154,000</u>
Reservoir Projects			
Meteorological station	-	-	20,000
Utilities - reservoir destratification	33,342	20,000	67,000
O&M - reservoir destratification	4,532	-	85,000
Reservoir shoreline stablization - west shade shelter	-	-	530,000
Reservoir shoreline stabilization - General	77	25,000	91,000
	<u>37,951</u>	<u>45,000</u>	<u>793,000</u>
Stream Reclamation Projects			
Stream reclamation - Piney Creek	860,815	500,000	-
Stream reclamation - CCSP to Eco Park	2,858	-	-
Stream reclamation - CC 12-Mile Park Phase II	25,569	-	-
Stream reclamation - CCSP Reach I	-	110,000	350,000
Stream reclamation - CCSP Reach II	-	270,000	-
Stream reclamation - McMurdo Gulch	-	34,000	386,000
Stream reclamation - CC Scott Road	-	-	170,000
Stream reclamation - Lone Tree Creek	-	-	65,000
	<u>889,242</u>	<u>914,000</u>	<u>971,000</u>
Total expenditures	<u>1,094,984</u>	<u>1,376,000</u>	<u>2,168,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,094,984</u>	<u>1,376,000</u>	<u>2,168,000</u>
ENDING FUND BALANCE	<u>\$ 601,023</u>	<u>\$ 840,861</u>	<u>\$ 365,767</u>

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

**CHERRY CREEK BASIN WATER QUALITY AUTHORITY
ENTERPRISE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUNDS AVAILABLE	\$ 974,062	\$ 1,180,432	\$ 1,269,472
REVENUE			
Recreation fees	212,905	215,000	200,000
Building permit fees	196,569	200,000	200,000
Wastewater surcharge	109,463	100,000	120,000
Other revenue	-	100	100
Interest income	12,278	20,000	20,000
Total revenue	<u>531,215</u>	<u>535,100</u>	<u>540,100</u>
Total funds available	<u>1,505,277</u>	<u>1,715,532</u>	<u>1,809,572</u>
EXPENDITURES			
General and administrative			
Information & education (signage)	6,190	15,000	-
Equipment	19,186	10,000	60,000
Contingency	-	100,000	100,000
Total expenditures	<u>25,376</u>	<u>125,000</u>	<u>160,000</u>
TRANSFERS OUT			
Transfers to Pollution Abatement Fund	<u>299,469</u>	<u>321,060</u>	<u>324,060</u>
Total expenditures and transfers out requiring appropriation	<u>324,845</u>	<u>446,060</u>	<u>484,060</u>
ENDING FUNDS AVAILABLE	<u>\$ 1,180,432</u>	<u>\$ 1,269,472</u>	<u>\$ 1,325,512</u>
FACILITIES MAINTENANCE RESERVE	\$ 25,000	\$ 25,000	\$ 25,000
CAPITAL RESERVE	250,000	250,000	750,000
TOTAL DESIGNATED RESERVE	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ 775,000</u>

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

**CHERRY CREEK BASIN WATER QUALITY AUTHORITY
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Cherry Creek Basin Water Quality Authority (the Authority) is a quasi-municipal corporation and political sub-division of the State of Colorado. Formed on June 16, 1988, the Authority was created by Colorado HB1029 to monitor the water quality in the Cherry Creek Basin and to construct facilities to control the accumulation of pollutants.

The District has no employees and all operations and administrative functions 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 Authority 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. For financial statement reporting under generally accepted accounting principles (GAAP), the Authority uses the full accrual basis of difference from GAAP accounting for Fund Balance. Funds Available represents each fund's current assets less its current liabilities except for the current portion of long-term debt. In addition, the budget separates individual funds which are included as one entity in the GAAP presentation.

Colorado Revised Statute 25-8.5-111(3), as amended by Senate Bill 01-066 in 2001, states that the Authority must spend a minimum of 60% of revenues (collected from fees, tolls, and property tax) on the construction and maintenance of pollution abatement projects in the Cherry Creek Basin or on payments due on debt incurred entirely for such projects. The minimum pollution abatement expenditure requirement is not restricted by fund, but is applied to the Authority as a whole.

Revenues

Property Taxes

The primary source of revenue is property taxes. Property taxes are levied by the Authority'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 sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Authority.

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget.

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 Authority's share will be equal to approximately 8% of the property taxes collected.

**CHERRY CREEK BASIN WATER QUALITY AUTHORITY
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Net Investment Income

Interest earned on the Authority's available funds has been estimated based on an average interest rate of approximately 2.0%.

Fees

The Authority receives recreation fees from the State of Colorado. These fees are a portion of the entry fees to Cherry Creek State Park. The fees are remitted to the Authority on a monthly basis.

The Authority receives building permit fees from various governmental entities that reside within the Authority's borders. These fees are typically remitted on a quarterly basis.

The Authority receives wastewater surcharges from the surrounding water and sanitation districts that operate wastewater treatment facilities and discharge into the Cherry Creek Basin. These surcharges are remitted to the Authority on a quarterly basis by each District.

Expenditures

Administrative and Operating Expenditures

Operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, meeting expense and other administrative expenses. Estimated expenditures related to water quality management were also included in the General Fund budget.

Capital Projects

Anticipated expenditures for capital projects are detailed on the Pollution Abatement Fund page of the budget.

Debt and Leases

The Authority has no bond indebtedness or any operating or capital leases.

Reserves

Emergency Reserve

The Authority has provided for an Emergency Reserve equal to at least 3% of fiscal year spending as defined under the TABOR Amendment.

Facilities Maintenance Reserve

The Authority has provided for a facilities maintenance reserve of \$25,000 for use in subsequent year capital maintenance projects.

**CHERRY CREEK BASIN WATER QUALITY AUTHORITY
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves - (continued)

Capital Reserve

The Authority has provided for a total capital reserve of \$750,000 for use in subsequent year capital replacement projects.

This information is an integral part of the accompanying budget.