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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, 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 Basin Water Quality Authority.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 3, 2020

**CHERRY CREEK BASIN WATER QUALITY AUTHORITY
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUNDS AVAILABLE	\$ 2,889,927	\$ 3,629,893	\$ 4,101,259
REVENUE			
Property Taxes	1,922,290	2,071,095	2,238,901
Specific Ownership Tax	177,445	185,200	171,936
Interest Income	75,689	107,800	48,800
Recreation Fees	214,883	200,000	400,000
Building Permit Fees	236,251	175,000	200,000
Wastewater Surcharge	109,440	110,000	110,000
Total revenue	<u>2,735,998</u>	<u>2,849,095</u>	<u>3,169,637</u>
TRANSFERS IN	<u>1,613,687</u>	<u>1,708,677</u>	<u>1,912,760</u>
Total funds available	<u>7,239,612</u>	<u>8,187,665</u>	<u>9,183,656</u>
EXPENDITURES			
General Fund	945,020	1,180,729	905,504
Pollution Abatement Fund	1,041,312	1,137,000	3,661,000
Enterprise Fund	9,700	60,000	200,000
Total expenditures	<u>1,996,032</u>	<u>2,377,729</u>	<u>4,766,504</u>
TRANSFERS OUT	<u>1,613,687</u>	<u>1,708,677</u>	<u>1,912,760</u>
Total expenditures and transfers out requiring appropriation	<u>3,609,719</u>	<u>4,086,406</u>	<u>6,679,264</u>
ENDING FUNDS AVAILABLE	<u>\$ 3,629,893</u>	<u>\$ 4,101,259</u>	<u>\$ 2,504,392</u>
EMERGENCY RESERVE	\$ 65,000	\$ 70,000	\$ 73,100
FACILITIES MAINTENANCE RESERVE	25,000	25,000	100,000
CAPITAL RESERVE	250,000	750,000	750,000
TOTAL DESIGNATED RESERVE	<u>\$ 340,000</u>	<u>\$ 845,000</u>	<u>\$ 923,100</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION - ARAPAHOE			
Residential	\$ 937,088,681	\$ 959,711,127	\$ 1,123,032,868
Commercial	723,801,306	755,642,399	976,214,369
Industrial	1,939,122	4,624,900	12,211,005
Agricultural	938,836	935,268	344,370
State assessed	4,445,310	3,113,530	20,655,910
Vacant land	49,530,272	45,037,102	52,694,883
Personal property	149,973,610	141,107,747	-
Other	13,559	13,559	13,559
Certified Assessed Value	<u>\$ 1,867,730,696</u>	<u>\$ 1,910,185,632</u>	<u>\$ 2,185,166,964</u>
MILL LEVY			
General	0.500	0.500	0.500
Temporary Mill Levy Reduction	(0.049)	(0.021)	(0.049)
Refund and abatements	0.002	0.000	0.000
Total mill levy	<u>0.453</u>	<u>0.479</u>	<u>0.451</u>
PROPERTY TAXES			
General	\$ 933,865	\$ 955,093	\$ 1,092,583
Temporary Mill Levy Reduction	(91,519)	(40,114)	(107,073)
Refund and abatements	3,735	-	-
Levied property taxes	846,082	914,979	985,510
Adjustments to actual/rounding	(4,816)	(5,271)	-
Budgeted property taxes	<u>\$ 841,266</u>	<u>\$ 909,708</u>	<u>\$ 985,510</u>
ASSESSED VALUATION - DOUGLAS			
Residential	\$ 1,431,563,540	\$ 1,486,936,850	\$ 1,761,052,910
Commercial	537,706,560	551,498,010	565,358,320
Industrial	97,333,890	96,962,610	125,178,090
Agricultural	9,706,420	10,031,030	10,798,460
State assessed	6,034,900	3,250,200	3,194,200
Vacant land	145,489,070	130,257,650	167,250,940
Personal property	192,666,600	186,773,950	189,176,880
Other	199,040	123,030	108,350
Adjustments	(20,669,910)	(27,176,798)	(42,981,063)
Certified Assessed Value	<u>\$ 2,400,030,110</u>	<u>\$ 2,438,656,532</u>	<u>\$ 2,779,137,087</u>
MILL LEVY			
General	0.500	0.500	0.500
Temporary Mill Levy Reduction	(0.049)	(0.021)	(0.049)
Refund and abatements	0.002	0.000	0.000
Total mill levy	<u>0.453</u>	<u>0.479</u>	<u>0.451</u>
PROPERTY TAXES			
General	\$ 1,200,015	\$ 1,219,328	\$ 1,389,569
Temporary Mill Levy Reduction	(117,601)	(51,212)	(136,178)
Refund and abatements	4,800	-	-
Levied property taxes	1,087,214	1,168,116	1,253,391
Adjustments to actual/rounding	(6,190)	(6,729)	-
Budgeted property taxes	<u>\$ 1,081,024</u>	<u>\$ 1,161,387</u>	<u>\$ 1,253,391</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 1,922,290</u>	<u>\$ 2,071,095</u>	<u>\$ 2,238,901</u>
	<u>\$ 1,922,290</u>	<u>\$ 2,071,095</u>	<u>\$ 2,238,901</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 1,108,472	\$ 1,042,157	\$ 794,946
REVENUE			
Property Taxes	1,922,290	2,071,095	2,238,901
Specific Ownership Tax	177,445	185,200	171,936
Interest Income	51,248	77,500	24,000
Total revenue	<u>2,150,983</u>	<u>2,333,795</u>	<u>2,434,837</u>
Total funds available	<u>3,259,455</u>	<u>3,375,952</u>	<u>3,229,783</u>
EXPENDITURES			
General and administrative			
Accounting	46,727	43,500	45,000
Auditing	6,200	6,500	6,700
County Treasurer's Fee	28,862	31,066	33,584
Dues and Licenses	1,585	1,238	1,500
Insurance and Bonds	8,764	10,725	12,000
Management/Administration	94,172	110,000	150,000
Legal Services	61,373	65,000	75,000
Office/miscellaneous expense	265	5,000	5,000
TAC Coordination	8,000	10,000	10,000
CC Stewardship Partners	25,000	27,500	27,500
Information & Education Coordination	5,853	5,000	7,500
CCBWQA Website	6,230	12,000	6,000
WQCC Regulation Hearings	15,748	30,000	50,000
	<u>308,779</u>	<u>357,529</u>	<u>429,784</u>
Watershead Management			
Annual Report	29,358	31,500	24,000
Data Management	54,077	49,700	50,000
General Watershed Management	137,058	139,500	127,000
	<u>220,493</u>	<u>220,700</u>	<u>201,000</u>
Sampling and Analysis Program			
General Technical Support	59,239	60,000	59,220
Monitoring - Reservoir	104,512	110,000	82,700
Monitoring - Watershed	72,139	85,000	81,200
Data Management	46,543	65,000	51,600
	<u>282,433</u>	<u>320,000</u>	<u>274,720</u>
Special Projects			
Special Projects - RDS Study	-	42,500	-
Special Projects - Reservoir Model Runs	-	40,000	-
Studies - Undesignated	133,315	200,000	-
	<u>133,315</u>	<u>282,500</u>	<u>-</u>
Total expenditures	<u>945,020</u>	<u>1,180,729</u>	<u>905,504</u>
TRANSFERS OUT			
Transfers to Pollution Abatement Fund	<u>1,272,278</u>	<u>1,400,277</u>	<u>1,472,360</u>
Total expenditures and transfers out requiring appropriation	<u>2,217,298</u>	<u>2,581,006</u>	<u>2,377,864</u>
ENDING FUND BALANCE	<u>\$ 1,042,157</u>	<u>\$ 794,946</u>	<u>\$ 851,919</u>
EMERGENCY RESERVE	<u>\$ 65,000</u>	<u>\$ 70,000</u>	<u>\$ 73,100</u>
TOTAL DESIGNATED RESERVE	<u>\$ 65,000</u>	<u>\$ 70,000</u>	<u>\$ 73,100</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
2020 BUDGET**

**WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 601,023	\$ 1,174,463	\$ 1,747,440
REVENUE			
Interest Income	1,065	1,300	800
Total revenue	<u>1,065</u>	<u>1,300</u>	<u>800</u>
TRANSFERS IN			
Transfers from General Fund	1,272,278	1,400,277	1,472,360
Transfers from Enterprise Fund	341,409	308,400	440,400
Total transfers in	<u>1,613,687</u>	<u>1,708,677</u>	<u>1,912,760</u>
Total funds available	<u>2,215,775</u>	<u>2,884,440</u>	<u>3,661,000</u>
EXPENDITURES			
General and administrative			
Management/Administration	195,042	225,000	240,000
PAPS - RDS Evaluation	-	45,000	-
PAPS - Reservoir and Watershed Model Runs	-	40,000	-
PAPS - Reservoir to 12- Mile Park Study	-	-	125,000
PAPS - Undesignated	-	-	300,000
	<u>195,042</u>	<u>310,000</u>	<u>665,000</u>
Pollution Reduction Facilities - O&M			
PRF Revegetation	19,415	7,000	-
PRF Weed Control	-	7,000	-
PRF Reservoir Destratification	22,855	-	-
Utilities - Reservoir Destratification	-	40,000	40,000
O&M - Reservoir Reostratification	-	45,000	95,000
PRF Restoration	-	-	151,000
PRF Routine	-	-	20,000
PRF Emergency Repairs	-	-	90,000
PRF Preservation - Acquisition Lease	-	-	50,000
	<u>42,270</u>	<u>99,000</u>	<u>446,000</u>
Reservoir Projects			
Meteorological Station	-	10,000	20,000
RDS Rehabilitation	-	-	300,000
Reservoir Shoreline Stabilization - East Boat Ramp	-	-	50,000
Reservoir Shoreline Stabilization - East Shade Shelter	-	-	60,000
Reservoir Shoreline Stabilization - Tower Loop	-	-	110,000
Reservoir Shoreline Stabilization - West Shade Shelter	-	25,000	925,000
Reservoir Shoreline Stabilization - General	-	91,000	-
	<u>-</u>	<u>126,000</u>	<u>1,465,000</u>
Stream Reclamation Projects			
Stream Reclamation - Piney Creek	500,000	-	-
Stream Reclamation - CCSP Reach I	-	46,000	140,000
Stream Reclamation - CCSP Reach II	270,000	-	-
Stream Reclamation - McMurdo Gulch	34,000	386,000	60,000
Stream Reclamation - CC Scott Road	-	170,000	350,000
Stream Reclamation - CC10 Improvements Phase 1	-	-	150,000
Stream Reclamation - CCSP Reach IV	-	-	180,000
Stream Reclamation - CC Pine Drive (KOA Property)	-	-	205,000
	<u>804,000</u>	<u>602,000</u>	<u>1,085,000</u>
Total expenditures	<u>1,041,312</u>	<u>1,137,000</u>	<u>3,661,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,041,312</u>	<u>1,137,000</u>	<u>3,661,000</u>
ENDING FUND BALANCE	<u>\$ 1,174,463</u>	<u>\$ 1,747,440</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 BASIN WATER QUALITY AUTHORITY
ENTERPRISE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUNDS AVAILABLE	\$ 1,180,432	\$ 1,413,273	\$ 1,558,873
REVENUE			
Recreation Fees	214,883	200,000	400,000
Building Permit Fees	236,251	175,000	200,000
Wastewater Surcharge	109,440	110,000	110,000
Interest Income	23,376	29,000	24,000
Total revenue	<u>583,950</u>	<u>514,000</u>	<u>734,000</u>
Total funds available	<u>1,764,382</u>	<u>1,927,273</u>	<u>2,292,873</u>
EXPENDITURES			
General and administrative			
Information & Education (Signage)	3,225	-	-
Equipment	6,475	60,000	65,000
Tributary Planning	-	-	85,000
Contingency	-	-	50,000
Total expenditures	<u>9,700</u>	<u>60,000</u>	<u>200,000</u>
TRANSFERS OUT			
Transfers to Pollution Abatement Fund	<u>341,409</u>	<u>308,400</u>	<u>440,400</u>
Total expenditures and transfers out requiring appropriation	<u>351,109</u>	<u>368,400</u>	<u>640,400</u>
ENDING FUNDS AVAILABLE	<u>\$ 1,413,273</u>	<u>\$ 1,558,873</u>	<u>\$ 1,652,473</u>
FACILITIES MAINTENANCE RESERVE	\$ 25,000	\$ 25,000	\$ 100,000
CAPITAL RESERVE	250,000	750,000	750,000
TOTAL DESIGNATED RESERVE	<u>\$ 275,000</u>	<u>\$ 775,000</u>	<u>\$ 850,000</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
2020 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 Authority has an employee and some operations and administrative functions are contracted.

The Authority 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.

**CHERRY CREEK BASIN WATER QUALITY AUTHORITY
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 Authority's share will be equal to approximately 6% of the property taxes collected from Arapahoe County and 9% of the property taxes from Douglas County.

Net Investment Income

Interest earned on the Authority's available funds has been estimated based on historical interest earnings.

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 Authority'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.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

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.

**CHERRY CREEK BASIN WATER QUALITY AUTHORITY
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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 \$100,000 for use in subsequent year capital maintenance projects.

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.