

**NOTICE OF MEETING
OF THE BOARD OF DIRECTORS OF THE
CHERRY HILLS NORTH METROPOLITAN DISTRICT**

October 5, 2015

Please take notice the meeting of the Board of Directors of the Cherry Hills North Metropolitan District will be held at Duffey's Patio Café, located at 4994 E Hampden Avenue, Denver, Colorado on Thursday, October 8, 2015 at 7:30 a.m. Business to be conducted at the meeting will include:

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1. Public Comment	
2. Approval of the Minutes of the meeting held on September 10, 2015	1
3. Approval of the Compilation Report dated September 30, 2015	4
4. Payment of Expenditures October 8, 2015	8
5. Consideration of Assignment of License Agreement from CHNHOA to District	9
6. Acceptance of HOA Funds (\$5,504.39)	11
7. Ratification of Insurance on Entrance signage	13
8. Authorization of Directors to sign Easement Agreements	
9. Appointment of Budget Officer	
10. 2016 Budget Hearing	16
11. Consideration of bids for sign repair and LED conversion (Colorado Lighting)	19
12. 2015 Audit Proposals	28
13. Storm Sewer Update	
14. 2015 Outfall Line Annual Report	37
15. Old Business	
16. New Business	
17. Adjournment	

Next tentatively scheduled meetings:

November 12, 2015

December 10, 2015

RECORD OF PROCEEDINGS
THE BOARD OF DIRECTORS
CHERRY HILLS NORTH METROPOLITAN DISTRICT

A meeting of the Board of Directors of Cherry Hills North Metropolitan District was held at Duffey's Bakery Patio Cafe, 4994 E. Hampden Avenue, Denver, Colorado 80110 at the hour of 7:30 a.m. on the 10th day of September 2015.

Present were: Harold Roberts, President
 Dan Conway, Vice President
 Geoff Landry, Treasurer
 Marcus McAskin, Secretary
 Keith Bierman, Director
 Darcy Beard, CPA

Director Roberts noted that a quorum of the Board was present and therefore called the meeting of the Board of Directors of the Cherry Hills North Metropolitan District to order.

APPROVAL OF MINUTES

The minutes of the meeting held Friday, July 17, 2015 were reviewed. Director McAskin noted one change to the minutes. Director McAskin made a motion to approve the minutes as amended. The motion was seconded by Director Landry. Upon vote, the minutes were approved as amended with Director Roberts and Director Bierman abstaining.

FINANCIAL REPORT

Ms. Beard distributed the compilation report for the eight months ending August 31, 2015. Ms. Beard noted the District has collected the majority of the property taxes and the expenditures are within the 2015 budget. She noted with the increase in the mill levy, the District will now be able to accumulate reserves at an approximate rate of \$12,000 per year, assuming no decrease in the assessed valuation of property within the District. Director Conway made a motion to accept the compilation reports. The motion was seconded by Director Roberts and upon vote, unanimously passed.

CASH DISBURSEMENTS

Ms. Beard presented the Schedule of Cash Disbursements totaling \$3,547.33. After review, Director McAskin made a motion to approve the cash disbursements. The motion was seconded by Director Bierman and upon vote unanimously approved.

ENGINEER'S REPORT

None.

HOA SIGN COMMITTEE

Directors McAskin and Landry reported the next step in the process of transferring the responsibility for the entrance signs from the Cherry Hills North Homeowners Association (HOA) to the District is the assignment of the license agreement the HOA has with the City of Cherry Hills Village to the District. He further noted some homeowners with signs on their lots have signed the easement agreements and most others are ready to sign. The Directors discussed the need for the homeowner association to transfer the funds received from the insurance policy on the damaged signs to the District and the need to prepare a resolution authorizing one or more Board members to sign the easement agreements on behalf of the District. Director Conway made a motion to move forward with the District's assumption of the sign maintenance and insurance expenses and to formally request transfer of the insurance proceeds from the HOA. The motion was seconded by Director Bierman and upon vote, unanimously approved.

2016 BUDGET

Ms. Beard presented the preliminary 2016 Budget. Director McAskin proposed adding a line item to the budget to upgrade the entrance lighting to L.E.D. lighting noting L.E.D. lights have a long life and do not require frequent change out of bulbs. The Directors agreed to add the line item. Director McAskin will request estimates for the lighting modification and forward the information to Ms. Beard for inclusion in the 2016 budget. Ms. Beard noted the District has filed audit exemptions since 2012 and suggested the District engage an auditor to audit the 2015 financials. The Directors agreed and asked Ms. Beard to solicit bids on the 2015 audit. The Directors reviewed the budget details and set the 2016 Budget Hearing for October 8, 2015 at 7:30 a.m. at Duffey's Bakery Patio Café.

STORM SEWER

The Directors reviewed the memo from Kennedy Jenks dated October 14, 2011 discussing the storm sewer. The memo discussed the easements associated with the storm sewer however, did not indicate to what entity the easements were conveyed. Director McAskin volunteered to contact a title company to obtain informational title commitments on two lots burdened by the easements shown on the map prepared by Kennedy Jenks in order to obtain the reception numbers of the easements and facilitate further research into the grantee or beneficiary of the easement agreement(s). He noted that the title company will have a fee associated with providing the informational commitments. The Directors agreed to pay the associated costs.

ADJOURNMENT

There being no further business to come before the Board, and upon motion duly made, second and unanimously carried, the meeting was adjourned at 8:25 a.m.

MINUTES APPROVED:

Harold Roberts

Daniel Conway

Geoff Landry

Marcus McAskin

Keith Bierman

**DARCY BEARD
CERTIFIED PUBLIC ACCOUNTANT
20363 E. TOP-T RANCH PLACE
PARKER, COLORADO 80134
Mobile 303-594-5488**

Accountant's Compilation Report

**Board of Directors
Cherry Hills North Metropolitan District**

I have compiled the accompanying Treasurer's Report of Cherry Hills North Metropolitan District and the related Statement of Net Assets and Statement of Revenues and Expenditures for the nine months ending September 30, 2015. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 the Statements for Accounting and Review Services issued by the American Institute for 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 the disclosures and the statement of cash flows 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 company's assets, liabilities, equity, revenue and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Cherry Hills North Metropolitan District.

**Darcy Beard
Certified Public Accountant
October 7, 2015**

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
TREASURER'S REPORT**

January 1, 2015 through September 30, 2015

<u>REVENUES</u>	ACTUAL <u>2015</u>	BUDGET <u>2015</u>	BUDGET <u>REMAINING</u>
Property Taxes	\$ 81,835.50	\$ 81,835	\$ (0.50)
Ownership Taxes	4,159.55	3,000	(1,159.55)
Investment Income	585.21	400	(185.21)
	-	-	-
TOTAL REVENUES	\$ 86,580.26	\$ 85,235	\$ (1,345.26)
 <u>EXPENDITURES</u>			
Audit Expense	\$ 500.00	\$ 650	\$ 150.00
Accounting/Management Expense	6,448.00	10,300	3,852.00
County Fees	1,228.87	1,227	(1.87)
Dues	315.90	324	8.10
Election Expense	-	-	-
Insurance & Directors Bonds	1,648.00	1,799	151.00
Legal Fees	-	2,500	2,500.00
Engineering Expense	7,804.25	10,000	2,195.75
Miscellaneous	215.09	500	284.91
Utilities	1,239.12	2,520	1,280.88
Jet Flush, Video, Root Sawing	5,761.00	6,582	821.00
Repairs & Maintenance	-	5,000	5,000.00
Sewer Service Charge	16,545.00	22,060	5,515.00
Website Expenses	-	-	-
Capital Improvements	25,000.00	25,000	-
Outfall Line Expense	3,024.78	3,500	475.22
TOTAL EXPENDITURES	\$ 69,730.01	\$ 91,962	\$ 22,231.99

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2015**

ASSETS

First Bank Checking	\$ 13,794.01
First Bank Savings	162,848.33
ColoTrust	136,635.54
Outfall Line Reserve	975.00
Accrued Interest Receivable	-
Property Tax Receivable	-
Prepaid Insurance	-
Cash with County Treasurer	-
TOTAL ASSETS	<u><u>\$ 314,252.88</u></u>

LIABILITIES & NET ASSETS

Accounts Payable	\$ 1,005.24
Deferred Property Tax	<u>-</u>
Total Current Liabilities	\$ 1,005.24

NET ASSETS

Net Assets - Unrestricted	296,397.39
Change in Net Assets	<u>16,850.25</u>
Total Net Assets	<u><u>313,247.64</u></u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 314,252.88</u></u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
STATEMENT OF REVENUES & EXPENDITURES
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2015**

REVENUES

Property Taxes	\$ 81,835.50
Ownership Taxes	4,159.55
Investment Income	<u>585.21</u>
TOTAL REVENUES	\$ 86,580.26

EXPENDITURES

Audit Expense	\$ 500.00
Accounting/ManagementExpense	6,448.00
Business Meetings	-
County Fees	1,228.87
Dues	315.90
Insurance & Directors Bonds	1,648.00
Legal Fees	-
Election Expense	-
Engineering	7,804.25
Miscellaneous	215.09
Utilities	1,239.12
Jet Flush	5,761.00
Repairs & Maintenance	-
Sewer Service Charge	16,545.00
Website Expenses	-
Capital Improvements	28,024.78
Outfall Committee	<u>-</u>
TOTAL EXPENDITURES	\$ 69,730.01
Change in Net Assets	\$ 16,850.25
Net Assets - Beginning of Year	<u>\$ 296,397.39</u>
Net Assets - End of Month	<u><u>\$ 313,247.64</u></u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
CASH DISBURSEMENTS
OCTOBER 8, 2015**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
Colorado SDA Prop/Liabilty Pool	Insurance	2421	\$ 88.11
Darcy Beard CPA	Acctg/Mgmt	2422	1,404.00
	Office Supplies		12.94
Hillcrest Water & Sanitation	Sewer Treatment	2423	5,515.00
Hillcrest Water & Sanitation	Outfall Line Maint	2424	788.52
Xcel Energy	Utilities	2425	128.61
			-
			-
TOTAL CASH DISBURSEMENTS			<u><u>\$ 7,937.18</u></u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT.

**ASSIGNMENT OF AN AGREEMENT BY AND BETWEEN THE CITY OF CHERRY
HILLS VILLAGE, COLORADO AND THE CHERRY HILLS NORTH
HOMEOWNERS' ASSOCIATION, INC. FOR THE GRANT OF A REVOCABLE
ENCROACHMENT LICENSE TO INSTALL, CONSTRUCT AND MAINTAIN
NEIGHBORHOOD IDENTIFICATION SIGNS ON CITY-OWNED RIGHT-OF-WAY**

This Assignment of Agreement ("Assignment") is entered into by and between the **CHERRY HILLS NORTH HOMEOWNERS' ASSOCIATION, INC.**, a Colorado nonprofit corporation ("Assignor"), and the **CHERRY HILLS NORTH METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado, having a principal office address of c/o Darcy Beard, CPA, P.O. Box 3110, Parker, CO 80134 ("Assignee"), and shall be effective as of September 27, 2015 ("Effective Date").

RECITALS

- A. On or about September 2, 2014, the Assignor and the City of Cherry Hills Village (the "City") entered into that certain agreement for the grant of a revocable encroachment license for certain Chery Hills North neighborhood identification signs (the "Agreement").
- B. A copy of the Agreement is on file with the City Clerk's Office, 2450 E. Quincy Avenue, Cherry Hills Village, Colorado, and is incorporated herein by reference.
- C. Section 4.0 of the Agreement sets forth that the Agreement shall not be assigned by Assignor without the prior written consent of the City, except that Assignor "shall be authorized to assign this Agreement to the Cherry Hills North Metropolitan District . . . without obtaining the written consent of the City."
- D. Section 4.0 of the Agreement further sets forth that if Assignor assigns the Agreement to Assignee, Assignor shall provide written notice to the City within thirty (30) days of the effective date of the assignment.
- E. Assignor desires to assign the Agreement to Assignee.
- F. Assignee desires to accept the assignment of the Agreement from Assignor.

In consideration of the above recitals and the mutual promises and covenants contained herein, the Parties agree as follows:

- 1. Assignment. Assignor hereby assigns all of the rights, interests, benefits and privileges of Assignor as the Licensee under the Agreement.
- 2. Assumption. Assignee hereby accepts the foregoing assignment and assumes and agrees to discharge, keep, perform and fulfill all of the terms, conditions, duties and obligations of Assignor, arising on or after the Effective Date of this Assignment.

3. Release. Assignor shall be released from and Assignee hereby waives all claims, liabilities and obligations in connection with the Agreement arising from and after the Effective Date. Assignee shall be released from and Assignor hereby waives all claims, liabilities and obligations in connection with the Agreement arising prior to the Effective Date.
4. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Colorado.
5. Notification of City. In accordance with Section 4.0 of the Agreement, Assignor agrees to notify the City of this Assignment in writing within 30 days of the Effective Date.
6. Recording. A copy of this Assignment shall be recorded in the real property records of Arapahoe County, Colorado.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the dates set forth below, to be effective as of the Effective Date set forth on page one above.

ASSIGNOR:

CHERRY HILLS NORTH HOMEOWNERS' ASSOCIATION, INC.,
a Colorado nonprofit corporation

By: _____

President

ASSIGNEE:

CHERRY HILLS NORTH METROPOLITAN DISTRICT

By: _____

President

ATTEST:

Secretary or Assistant Secretary

Darcy Beard CPA

From: Board <board-bounces@chnorthmetro.us> on behalf of Marcus McAskin
<mmcaskin@wmcattorneys.com>
Sent: Tuesday, September 22, 2015 5:41 PM
To: District Board of Directors+District Manager
Subject: Re: [Board] FW: Cherry Hills North Metropolitan District - Adding Signs
Attachments: CHN HOA - Assignment to Metro District.pdf; Untitled attachment 00007.txt

Thanks Darcy for pulling the revised quote together.

At the Sept 10 Board meeting, there was a motion made to move forward with the District's assumption of the sign maintenance and insurance expenses and to formally request transfer of the insurance proceeds from the HOA.

I have formally requested same and here's the HOA's response:

Brian Harris

to me

Hi Marcus -

Thanks again to the Metro District for working with the HOA to take over the monuments. The HOA board discussed the transfer and the Metro District's (MD) request for past insurance funds.

Here are the HOA board's financial numbers and what the HOA board is proposing as far transferring funds to the MD.

for the Hudson/Odendahl monument: date of loss 2/2014 Amount paid in from insurance: \$3,064.15

Amount paid out: \$300.00 paid to Sean for sign removal

\$90.00 to DGS Electrical for power disconnect

Difference: \$2,674.15 left over.

for the Holly/Canby monument: date of loss 6/2012 Amount paid in from insurance: \$7,220.72

Amount paid out: \$8,283.85 paid to Sutter Design Group

\$2,150.06 paid to Architectural Signs for lettering

Difference/Loss: \$(3,213.19)

Additional expenses for signs/electrical/lighting for repair of other monuments after the gas boring project and working to re-install power:

Colorado Lighting

\$687.07

\$296.30

\$1,209.30

landscaping in 2015

\$300.00

Total: \$2,492.67

There was \$2,674.15 left over from the Odendahl sign.

The Holly sign went over the insurance funds by \$3,213.19.

This leaves a difference of \$539.04 which was used to maintain the other signs and monument expenses.

There really are no funds remaining from the insurance settlements and those funds received have been used to rebuild and maintain the other monuments.

The HOA currently has \$16,162.68 in the bank.

We have a proposal to install lighting at the Holly/Canby monument at a cost of \$5,504.39 (see attached). If we used a different fixture that did not match, it could go down to closer to \$4,500ish. Personally, we believe the MD can get this done for less.

The HOA board has agreed to offer the Metro District the amount of the lighting bid of \$5,504.39 from our HOA funds.

We hope the Metro District agrees this is a fair amount.

Please confirm this amount will be agreed to and let us know next steps for the transfer. The entire board will not be present at the same time today for the party and I am guessing the transfer agreement is not ready yet.

Let us know next steps! Thanks, Marcus;

Brian _____
Brian and Jamie Harris

SO . . . HOA is going to transfer \$5,504.39 to the District which I believe to be fair. That will allow the District to have the S Holly Street sign lighting completed (power restored, two new LED fixtures, etc.). The bid from Colorado Lighting (Scot Kelly) is \$5,000 for that work.

Colorado Lighting is also in the process of pulling together a bid to convert the other monuments to LED.

Attached is the draft assignment (HOA assigns City-HOA license agreement for the signs to the District).

Note the effective date of the assignment of **September 27, 2015**. This date is proposed because this is the date that the HOA is scheduled to renew its insurance for the signs.

The HOA is currently paying \$2,200/year to insure the signs (at a lower insured value than the SDA Liability Pool quote attached above). The District can insure the signs for \$335 per year (\$1,865.00 less).

In order to save the neighborhood \$\$, I think that it is best to have the SDA pool insure the signs effective September 27.

In order for Darcee to bind coverage on that date – can a couple of you respond that you concur with moving forward with this . . . we can formally ratify at the October meeting.

If everyone is on board with this, I will have the HOA cut the check and have it delivered to the District by our October meeting.

Thanks,

Marcus

From: Board [mailto:board-bounces@chnorthmetro.us] On Behalf Of Darcy Beard CPA
Sent: Tuesday, September 22, 2015 2:37 PM
To: 'District Board of Directors+District Manager' <board@chnorthmetro.us>
Subject: [Board] FW: Cherry Hills North Metropolitan District - Adding Signs

Attached is the updated proposal to insure the entrance signs. Can someone provide the sign addresses and/or location coordinates that I can forward to Metta to bind coverage?

Darcy

From: Metta Spaeth [<mailto:mspaeth@McGriff.com>]

Sent: Tuesday, September 22, 2015 1:54 PM

To: Darcy Beard CPA <darcybeardcpa@comcast.net>

Cc: Anne Ramzy <ARamzy@McGriff.com>; Julie Clark <JClark@McGriff.com>; Sandy Carter <SCarter@McGriff.com>

Subject: RE: Cherry Hills North Metropolitan District - Adding Signs

Darcy,

Please find attached an annual proposal for the signs with the updated information. The pro-rated contribution due will be calculated when the signs are added on to the policy. In order to add the signs onto the Property schedule, we will also need the address and/or the coordinates of their location. Please let me know if there is any other information I can provide for you.

Thank you,

Metta Spaeth

Colorado Special Districts Property & Liability Pool

P.O. Box 1539

Portland, OR 97207-1539

mspaeth@mcgriff.com

P: 503.943.6634 / 800-318-8870 ext. 2,4

F: 503.943.6622



Colorado Special Districts
Property and Liability Pool

[Click here](#) to take our survey and tell us how we're doing!

From: Darcy Beard CPA [<mailto:darcybeardcpa@comcast.net>]

Sent: Monday, September 21, 2015 12:08 PM

To: Metta Spaeth

Subject: Cherry Hills North Metropolitan District

Metta,

On March 19, 2015 you provided a proposal to cover 13 entrance signs for the Cherry Hills North Metropolitan District. The Board will most likely want to add the signs to the property & liability policy effective September 27, 2015. However, the value of the signs has changed and the board would like a new proposal based on the following values:

5 large entrance signs at \$17,000 each

8 small entrance signs at \$10,000 each

If you need anything further, please let me know.

Best regards,

Darcy Beard

Darcy Beard CPA

darcybeardcpa@comcast.net

Office 303-841-3474

Mobile 303-594-5488

Colorado Special Districts Property and Liability Pool

Property Schedule

Policy Year: 1/1/2015 to 1/1/2016

Proposal
28C48032-4089**Cherry Hills North Metropolitan District**

Per Occurrence Deductible: \$500.00

Agent:

Location/Premise Address / Description				Construction Class		Prot. Class	Valuation		Values		Property Contrib.	Quake Contrib.	Flood Contrib.			
Location/Premise#:			Unique #:	48032P13052												
5 Large Entrance Signs—\$17,000 Each			Year Built:	2015	Fire Resistive		3	Replacement		Property:	\$85,000.00		\$173	\$0	\$0	
			Sq. Feet:		Term:	1/1/2015 to 1/1/2016				Contents:						
					County:	Douglas		Ded:	\$500.00		EDP:					
Parker CO 80134			# Stories:								Business Inc:	\$0.00				

Location/Premise#:		Unique #:	48032P13056							
8 Small Entrance Signs—\$10,000 Each		Year Built:	2015	Fire Resistive	3 Replacement	Property:	\$80,000.00	\$162	\$0	\$0
		Sq. Feet:		Term:	1/1/2015 to 1/1/2016	Contents:				
		# Stories:		County:	Douglas	EDP:				
				Ded:	\$500.00	Business Inc:	\$0.00			

Colorado Special Districts Property and Liability Pool

Property Schedule

Policy Year: 1/1/2015 to 1/1/2016

Proposal

28C48032-4089

Cherry Hills North Metropolitan District

Per Occurrence Deductible: \$500.00

Agent:

Location/Premise Address / Description		Construction Class	Prot. Class	Valuation	Values	Property Contrib.	Quake Contrib.	Flood Contrib.
Location/Premise#:	Unique #:				Property:			
	Year Built:				Contents:			
	Sq. Feet:	Term:			EDP:			
	# Stories:	County:		Ded:	Business Inc:			
Location/Premise#:	Unique #:				Property:			
	Year Built:				Contents:			
	Sq. Feet:	Term:			EDP:			
	# Stories:	County:		Ded:	Business Inc:			
Totals:					Property:	\$165,000.00	\$335	\$0
					Contents:			
					EDP:			
					Business Inc:	\$0.00		

Total Insured Value*: \$165,000.00

Minimum Property Contribution: \$335.00

Construction Class Options

Fire Resistive	Noncombustible
Modified Fire Resistive	Joisted Masonry
Masonry Noncombustible	Frame

Valuation Options

Actual Cash Value
Replacement Cost

Protection Class

Fire Protection Class is determined by the level of fire protection in your area. Your local fire department should be able to tell you which Protection Class your property is in.

*only Business Income in excess of \$250,000 per location contributes to the Property TIV

CHERRY HILLS NORTH METROPOLITAN DISTRICT
2016 PROPOSED BUDGET
OCTOBER 8, 2015

	<u>2014 ACTUAL</u>	<u>2015 ADOPTED BUDGET</u>	<u>2015 FORECAST OPERATION</u>	<u>2016 PROPOSED BUDGET</u>
<u>RECEIPTS</u>				
TAXES - PROPERTY	\$ 42,296	\$ 81,835	\$ 81,835	\$ 89,326
TAXES - OWNERSHIP	3,045	3,000	6,000	6,000
INVESTMENT INCOME	<u>244</u>	<u>400</u>	<u>700</u>	<u>725</u>
TOTAL RECEIPTS	\$ 45,585	\$ 85,235	\$ 88,535	\$ 96,051
BALANCE JANUARY 1	<u>312,749</u>	<u>312,748</u>	<u>295,422</u>	<u>294,033</u>
TOTAL RECEIPTS & BEG BALANCE	\$ 358,334	\$ 397,983	\$ 383,957	\$ 390,084
<u>EXPENDITURES</u>				
AUDIT EXPENSE	\$ 500	\$ 650	\$ 500	\$ 3,000
ACCOUNTING	9,275	10,300	8,000	10,500
COUNTY FEES	636	1,228	1,228	1,340
DUES	309	324	316	350
ELECTION EXPENSE	8,088	-	-	3,000
INSURANCE & BONDING	1,713	1,798	1,648	2,000
LEGAL EXPENSE	1,532	2,500	-	3,500
ENGINEERING EXPENSE	10,032	10,000	7,805	8,195
MISCELLANEOUS	502	500	275	650
UTILITIES	2,218	2,520	1,700	1,785
JET FLUSH	6,196	6,582	5,861	7,154
REPAIRS & MAINTENANCE	-	5,000	-	5,000
ENTRANCE MAINTENANCE	-	-	10,000	5,000
SEWER SERVICE CHARGE	19,946	22,060	22,060	10,878
CAPITAL OUTLAY	-	25,000	25,000	25,000
OUTFALL LINE EXPENSES	<u>1,965</u>	<u>3,500</u>	<u>5,532</u>	<u>12,410</u>
TOTAL EXPENDITURES	\$ 62,912	\$ 91,962	\$ 89,925	\$ 99,762
ENDING BALANCE	<u>295,422</u>	<u>306,021</u>	<u>294,033</u>	<u>290,322</u>
TOTAL EXPENDITURES & ENDING BALANCE	<u>\$ 358,334</u>	<u>\$ 397,983</u>	<u>\$ 383,957</u>	<u>\$ 390,084</u>

**CHERRY HILLS NORTH METROPOLITAN DISTRICT
BUDGET DETAIL**

	PROJECTED <u>2015</u>	PROPOSED <u>2016</u>
<u>TAXES - OPERATION</u>		
2016 - 9,880,130 A.V. 8.281 MILLS	\$ 81,835	
2016 - 9,880,130* 8.281 MILLS		\$ 89,326
<u>TAXES - OWNERSHIP</u>	\$ 6,000	\$ 6,000
<u>INVESTMENT INCOME</u>		
FIRST BANK	\$ 400	\$ 300
COLOTRUST (.20%)	275	400
ARAPAHOE COUNTY	25	25
TOTAL INVESTMENT INCOME	\$ 700	\$ 725
<u>AUDIT EXPENSE</u>		
LAST AUDIT 2011	\$ 500	\$ 3,000
<u>ACCOUNTING</u>	\$ 8,000	\$ 10,500
<u>COUNTY FEES</u>	\$ 1,228	\$ 1,340
<u>ELECTION EXPENSE</u>		\$ 3,000
<u>DUES</u>		
SDA DUES	\$ 316	\$ 350
<u>INSURANCE & BONDING</u>	\$ 1,648	\$ 2,000
<u>LEGAL/ PROFESSIONAL FEES</u>		
ENGINEERING	\$ 7,805	\$ 8,195
LEGAL	-	3,500
TOTAL PROFESSIONAL FEES	\$ 7,805	\$ 11,695
<u>MISCELLANEOUS</u>		
OFFICE SUPPLIES	\$ 180	\$ 250
BANK CHARGES	70	100
WEBSITE EXPENSES	-	100
LEGAL PUBLICATIONS	25	200
TOTAL MISC	\$ 275	\$ 650
<u>UTILITIES</u>		
XCEL ENERGY	\$ 1,700	\$ 1,785
	-	
<u>VIDEO, JET CLEAN & ROOT SAW</u>		
VIDEO	\$ 3,393	\$ 3,563
JET CLEAN & ROOT SAW	2,468	2,591
ADDITIONAL UNSCHEDULED	-	1,000
TOTAL VIDEO & JET CLEAN	\$ 5,861	\$ 7,154

CHERRY HILLS NORTH METROPOLITAN DISTRICT
BUDGET DETAIL

	<u>PROJECTED 2015</u>	<u>PROPOSED 2016</u>
<u>REPAIRS & MAINTENANCE</u>		
OTHER REPAIR & MAINT	-	5,000
TOTAL REPAIRS & MAINTENANCE	\$ -	\$ 5,000
 <u>SIGN/ENTRANCE MAINTENANCE</u>		
SIGN MAINTENANCE	\$ -	\$ 2,500
ENTRANCE MAINTENANCE	-	2,500
ENTRANCE LIGHTING	10,000	-
TOTAL SIGN/ENTRANCE MAINTENANCE	\$ 10,000	\$ 5,000
 <u>SEWER SERVICE CHARGE</u>		
HILLCREST CHARGE	\$ 22,060	\$ 10,878
 <u>CAPITAL OUTLAY</u>		
CURED IN PLACE LINING	\$ 25,000	\$ 25,000
CONTINGENCY	-	-
	\$ 25,000	\$ 25,000
 <u>OUTFALL LINE EXPENSE</u>		
OUTFALL LINE MAINTENANCE	\$ 1,755	\$ 7,594
OUTFALL LINE LOAN (TOTAL OF 40 PMTS)	2,777	2,816
OUTFALL LINE CONTINGENCY	1,000	2,000
OUTFALL LINE EXPENSE	\$ 5,532	\$ 12,410

October 7, 2015

Cherry Hills North Metropolitan District
Attn: Board of Directors
c/o Marcus McAskin

Re: Cherry Hills North Metropolitan District
Cherry Hills Village, CO 80113

Proposal #0900.15

We, Colorado Lighting, Inc., propose to replace all linear F36T12 HO lamps and magnetic ballasts with new GE Tetra PowerStrip LED's.

TOTAL JOB COST, to include all labor and material necessary for the complete installation:
\$3,520.36 (plus permit, if needed)
Three Thousand Five Hundred Twenty Dollars and 36/100

First payment (one-third of total) due upon acceptance of this proposal.
Subsequent billing will be in two-week increments.

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. All pricing is based upon first shift work. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance.

Scot Kelley
Scot M. Kelley, CLEP, LEED AP, Account Manager
This proposal may be withdrawn by us if not accepted within 30 days

Signature _____
Signature _____
Date of Acceptance _____

Acceptance of proposal – the above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

The information contained in this message is privileged and confidential and intended only for the use of the individual named on this document. Any unauthorized review, use, disclosure, or distribution is prohibited and could result in monetary damages.

ENERGY CONSERVATION OPPORTUNITY: T12's in MONUMENTS

Location of Opportunity: Cherry Hills North Neighborhood

Project Description: Replace all linear F36T12 HO lamps and magnetic ballasts with new GE Tetra PowerStrip LED's.

Notes: The below rebate is custom and will require preapproval from Xcel. We will also remove the ceramic metal halide fixture at 5191 and only replace it with a linear LED fixture mounted in the monument itself. We are not replacing the fixture at 5310, as this fixture looks to have been eliminated and there is no power there.

Total Project Cost Before Rebate:	\$3,520.36
Estimated Rebate Incentive:	\$0.00
Total Project Cost After Rebate:	\$3,520.36
Simple Payback in Years:	10.34

Est. Annual Maint. Savings:	\$161.00
Est. Annual Electricity Savings:	\$340.44
Est. Annual Combined Savings:	\$501.44
Project Payback in Years:	7.02

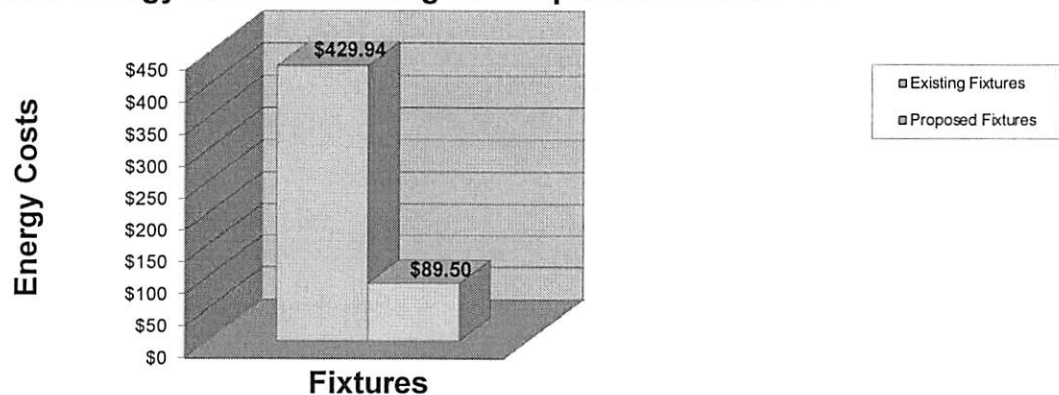
Energy Rate Schedule:	C
Demand Energy Cost:	\$ -
Consumption Energy Cost:	\$ 0.10

Estimated Rebate Incentive By Type	
Prescriptive	Custom
\$0.00	\$310.40

ECO	Status	Lamp Type	Fixture Type	Operating Hours	Fixture Quantity	Total Fixture Watts	Total kW	Kwh Annually	Energy Costs
1	Existing:	F36T12 HO	1x3x1 Linear Fluorescent	4380	14	70	0.98	4,292.40	\$429.94
1	Proposed:	LED Modules	1x3x1 TetraPowerStrip	4380	60	3.4	0.20	893.52	\$89.50
SAVINGS:									

Totals	KW	KWH	COST
TOTAL ANNUAL ENERGY SAVINGS	0.78	3,398.88	\$340.44

Annual Energy Costs of Existing vs. Proposed Fixtures

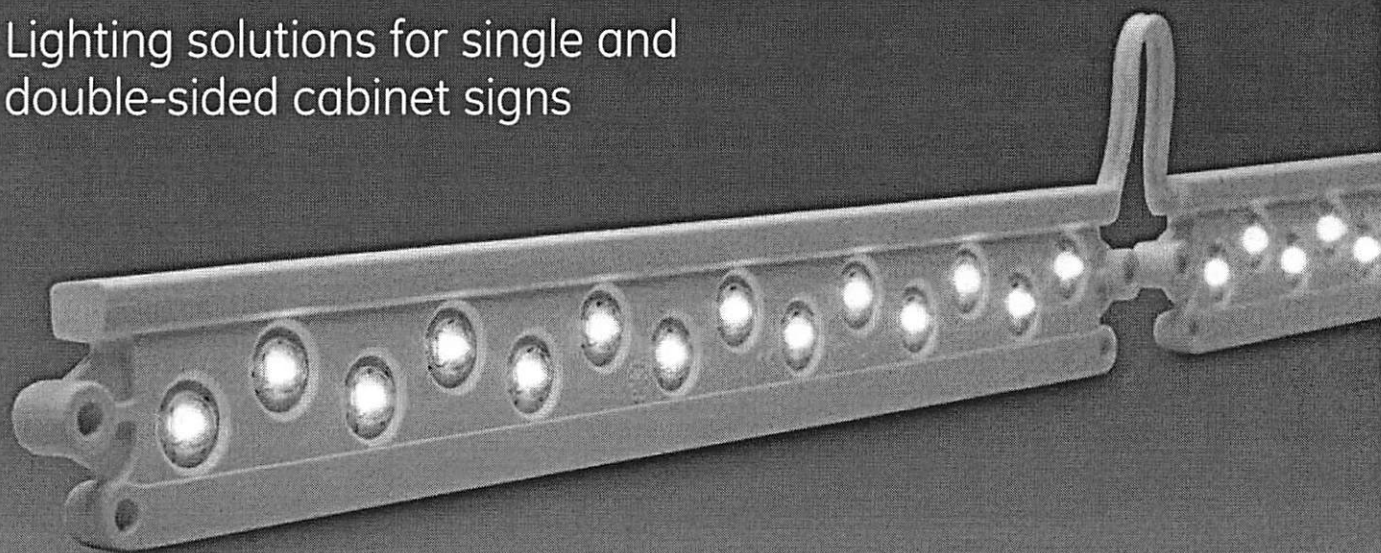


Disclaimer: These calculations were reviewed for accuracy; however, Colorado Lighting, Inc. does not guarantee the energy savings or energy cost savings presented. Colorado Lighting, Inc. shall not, in any case, be liable to

Tetra® PowerStrip

LED Lighting System

Lighting solutions for single and double-sided cabinet signs



imagination at work

Tetra® PowerStrip

Energy efficient solutions for cabinet signs

Tetra PowerStrip and **Tetra PowerStrip High Output** from GE Lighting are the innovative LED systems that replace fluorescent tubes in cabinet signs resulting in reduced energy costs, improved uniformity and lower maintenance expenses.

Tetra PowerStrip and **Tetra PowerStrip High Output** are now a 24 Volt LED system for both single sided and double sided cabinet signs.

Tetra® PowerStrip

- Single and Double-sided LED system
- SS contains 7 LEDs, DS contains 14 LEDs
- 24 Volt System
- Pre-drilled holes and industrial grade mounting tape for easy install

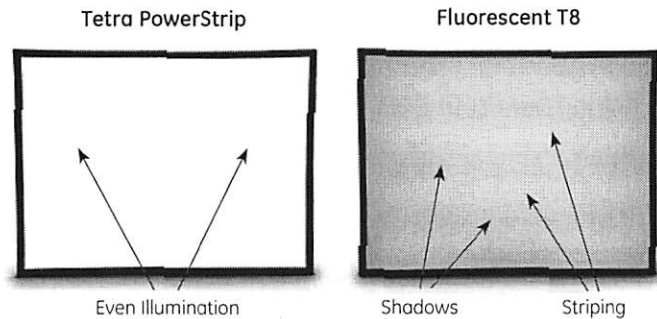
Tetra® PowerStrip High Output

- Single and Double-sided LED system
- SS contains 14 LEDs, DS contains 28 LEDs
- 24 Volt System
- Rail can be custom cut to length

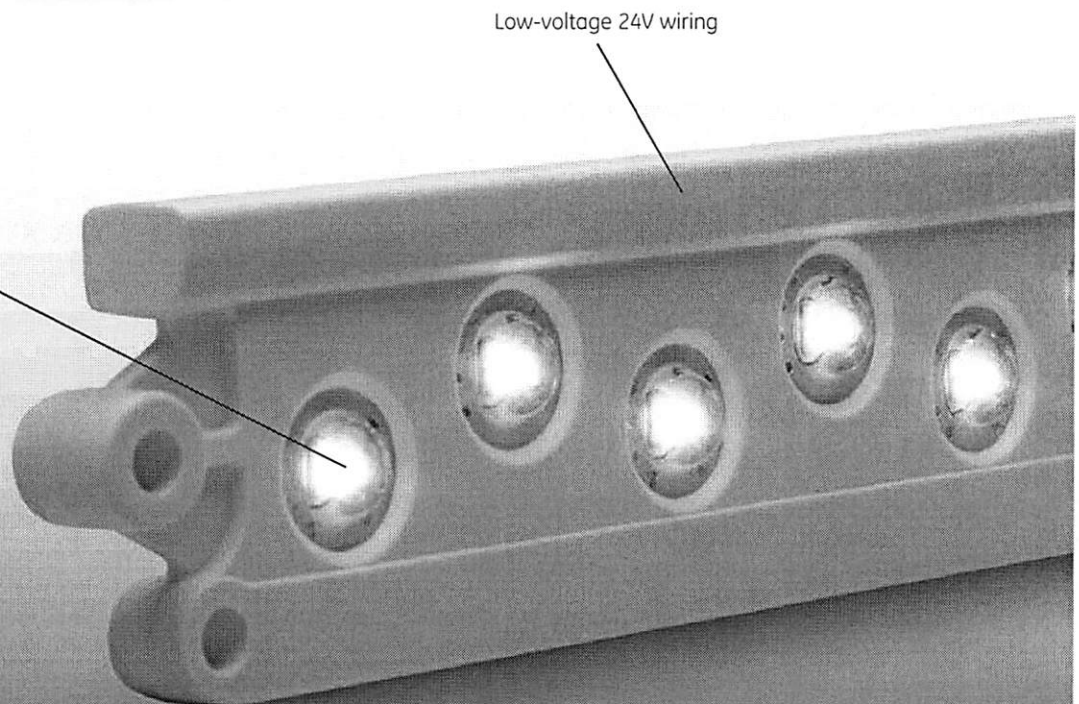
The OptiLens™ Difference

Tetra PowerStrip features **OptiLens™**, an innovative technology that maximizes LED performance. This patent-pending optical lens helps spread light exactly where it's needed most, resulting in bright, uniform light distribution across the entire sign face.

Tetra PowerStrip with OptiLens provides over 20% greater surface area coverage than just LEDs alone. We have added **more LED's** to improve **uniformity**.



Patent-pending **OptiLens™** maximizes the area of light coverage by creating a wide, viewing angle



GE Reliability

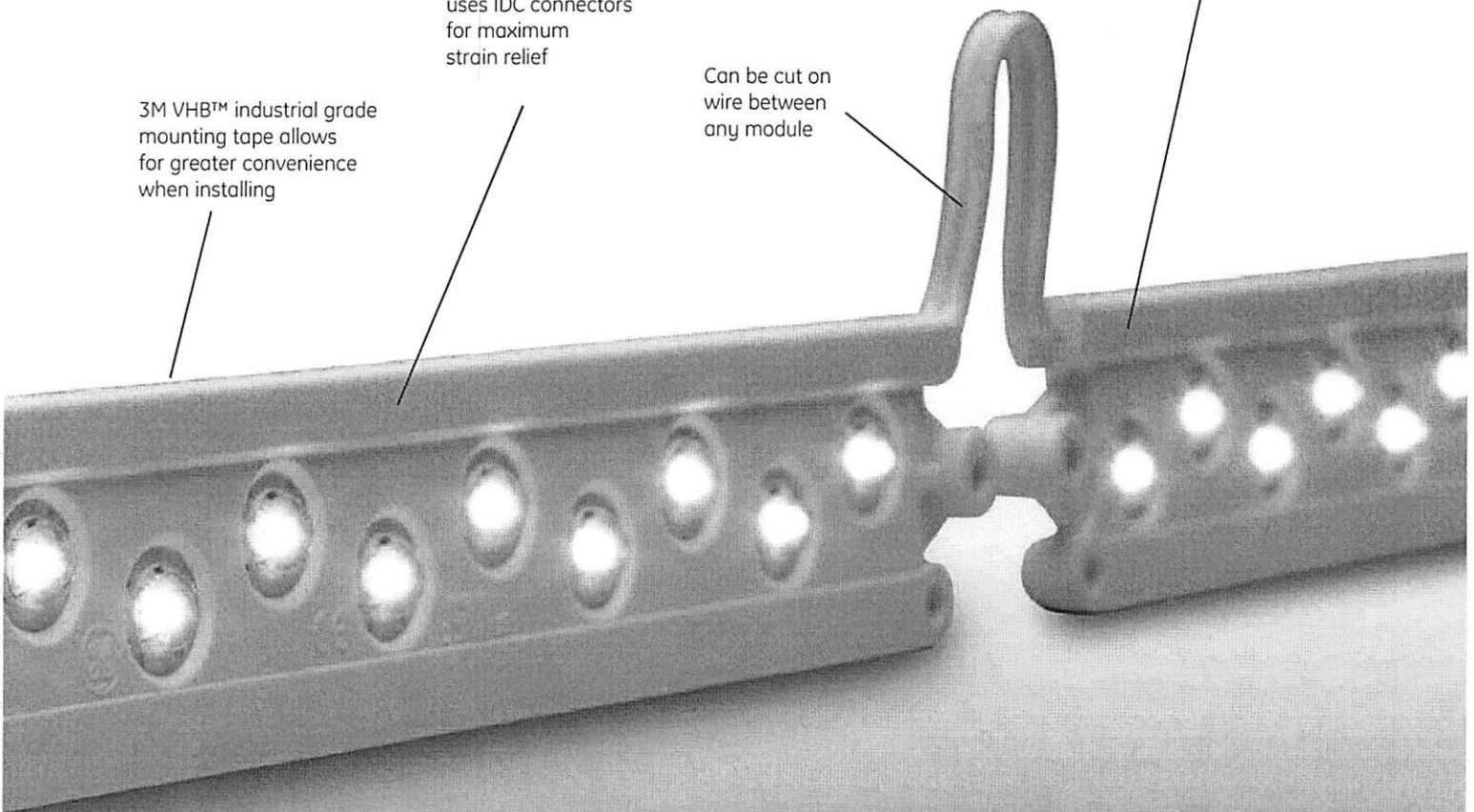
Only GE Lighting Solutions has the depth of experience that comes from supplying over 20 million feet of Tetra LED lighting systems across the globe. Every Tetra product is backed with a reputation for reliability that is unsurpassed in the industry. We perform stringent testing of the entire system-utilizing GE Six Sigma standards-rather than just pass on supplier reported performance claims.

3M VHB™ industrial grade mounting tape allows for greater convenience when installing

Continuous wire through LED module uses IDC connectors for maximum strain relief

Can be cut on wire between any module

Overmolded design protects against moisture, dust and damage



Components

SKU	Description	Package Quantity
GESS2471-2	Tetra PowerStrip 7100K	48 Modules
GESS2450-2	Tetra PowerStrip 5000K	48 Modules
GESS2441-2	Tetra PowerStrip 4100K	48 Modules
GESS2432-2	Tetra PowerStrip 3200K	48 Modules
GEDS71-2	Tetra PowerStrip DS 7100K	32 Modules
GEDS50-2	Tetra PowerStrip DS 5000K	32 Modules
GEDS41-2	Tetra PowerStrip DS 4100K	32 Modules
GEDS32-2	Tetra PowerStrip DS 3200K	32 Modules
GESS24H71-1	Tetra PowerStrip High Output 7100K	48 Modules
GESS24H50-1	Tetra PowerStrip High Output 5000K	48 Modules
GESS24H41-1	Tetra PowerStrip High Output 4100K	48 Modules
GESS24H32-1	Tetra PowerStrip High Output 3200K	48 Modules
GEDSH71-2	Tetra PowerStrip DS High Output 7100K	32 Modules
GEDSH50-2	Tetra PowerStrip DS High Output 5000K	32 Modules
GEDSH41-2	Tetra PowerStrip DS High Output 4100K	32 Modules
GEDSH32-2	Tetra PowerStrip DS High Output 3200K	32 Modules
9409	18 AWG Supply Wire (0.82 mm ²)	500 ft./spool (152.4 m)
191600041	22-14 AWG Twist-On Wire Connectors (0.33 - 2.08 mm ²)	500/PK
192160004	18-14 AWG In-line Connectors (IDC) (0.82 - 2.08 mm ²)	500/PK
GETMEC1	18 AWG Wire End Caps (0.82 mm ²)	100/PK
GEDSRL08	Tetra Mounting Rail	8 Rails
GEDSLB1	Tetra Mounting Rail Assembly Bracket	20/PK
GEDSRC1	Tetra Mounting Clip	8/PK

Technical Specifications

Specification Item	CCT	Typical Brightness (lumens/module)	Voltage	LEDs Module	Energy Consumption (Strip/Module)	Energy Consumption (System/Module)	Power Supply Loading	Viewing Angle
Tetra PowerStrip	7100K, 5000K 4100K, 3200K	300 300	24V	7	2.52	2.96	36 Modules / 100W PS	27x80
Tetra PowerStrip DS	7100K, 5000K 4100K, 3200K	600 600	24V	14	5.04	5.93	16 Modules / 100W PS	27x80
Tetra PowerStrip High Output	7100K, 5000K 4100K, 3200K	368 344	24V	14	2.90	3.41	30 Modules / 100W PS	140°
Tetra PowerStrip DS High Output	7100K, 5000K 4100K, 3200K	735 687	24V	28	5.80	6.82	16 Modules / 100W PS	140°

Specification Item	Tetra PowerStrip
Cutting Resolution	Cut on wire between every module
Power Supply	GEPS24-25U-NA Input: 90-264VAC; Output: 24VDC GEPS24D-80U Input: 90-305VAC; Output: 24VDC GEPS24-100-NA Input: 108-305VAC; Output: 24VDC GEPS24-100-GL Input: 108-305VAC; Output: 24VDC GEPS24-180U Input: 90-305VAC; Output: 24VDC
Maximum Supply Wire Limits	60W, 80W, 100W, 180W 25W Supply Wire Gauge 20 ft. (6.1 m) 120 ft. (36.6 m) 18AWG/0.82mm ² supply wire - 9409 25 ft. (7.6 m) 16AWG/1.31mm ² supply wire 35 ft. (10.6 m) 14AWG/2.08mm ² supply wire 40 ft. (12.1 m) 12AWG/3.31mm ² supply wire <i>Wiring to be installed in accordance with Article 725 of the National Electric code (NEC).</i>
Operating Environment	-40 °C to +60 °C
Module Dimensions (h x l x w)	Tetra PowerStrip: 0.33 x 1.12 x 9.30 in. (8.4 x 28.5 x 236 mm) Tetra PowerStrip DS: 0.34 x 1.30 x 9.17 in. (8.6 x 33 x 232.9 mm) Tetra PowerStrip High Output: 0.47 x 9.29 x 1.12 in. (12 x 29 x 236 mm) Tetra PowerStrip DS High Output: 0.55 x 8.98 x 1.32 in. (14 x 34 x 228 mm)
Sign Dimensions	For best results, recommended sign depth is 5 inches (127mm) or greater For best results, recommended sign depth is 10 inches (254mm) or greater
Warranty	GE offers a limited system warranty of up to five (5) years
System Certifications	UL Recognized #E219167, UL Classified #E229508, CE, RCM, RoHS.



www.gelighting.com

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SIGN127 (Rev 08/31/15)

October 7, 2015

Cherry Hills North Metropolitan District
 Attn: Board of Directors
 c/o Marcus McAskin

Re: Cherry Hills North Metropolitan District
 Cherry Hills Village, CO 80113

Proposal # 0898.15

We, Colorado Lighting, Inc., propose to run new electrical and install two (2) new 27 watt Rab LED flood lights at the 3991 S. Holly Way monument.

TOTAL JOB COST, to include all labor and material necessary for the complete installation:
 \$3,720.45 (plus permit, if needed)
 Three Thousand Seven Hundred Twenty Dollars and 45/100

First payment (one-third of total) due upon acceptance of this proposal.
 Subsequent billing will be in two-week increments.

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. All pricing is based upon first shift work. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance.

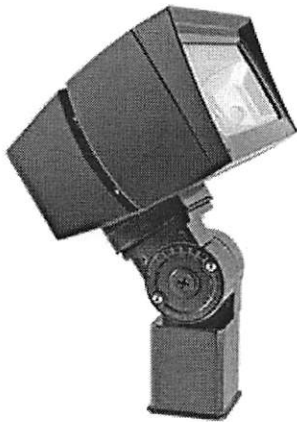
Scot Kelley
Scot M. Kelley, CLEP, LEED AP, Account Manager
 This proposal may be withdrawn by us if not accepted within 30 days

Signature _____
 Signature _____
 Date of Acceptance _____

Acceptance of proposal – the above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

The information contained in this message is privileged and confidential and intended only for the use of the individual named on this document. Any unauthorized review, use, disclosure, or distribution is prohibited and could result in monetary damages.

FFLED26SFY



Rectangular shaped LED floodlight designed to replace 100W Metal Halide. Patent Pending airflow technology ensures long LED and driver lifespan. Use for building facade lighting, sign lighting, LED landscape lighting and instant-on security lighting.

Color: Bronze

Weight: 14.2 lbs

Project:

Type:

Prepared By:

Date:

Driver Info

Type: Constant Current
120V: 0.24A
208V: 0.15A
240V: 0.13A
277V: 0.11A
Input Watts: 27W
Efficiency: 97%

LED Info

Watts: 26W
Color Temp: 3000K (Warm)
Color Accuracy: 81 CRI
L70 Lifespan: 100,000
Lumens: 2,369
Efficacy: 88 LPW

Technical Specifications

Listings

UL Listing:

Suitable For Wet Locations. Suitable for mounting within 1.2M(4FT) of the ground.

IESNA LM-79 & LM-80 Testing:

RAB LED luminaires have been tested by an independent laboratory in accordance with IESNA LM-79 and LM-80, and have received the Department of Energy "Lighting Facts" label.

DLC Listed:

This product is on the Design Lights Consortium (DLC) Qualified Products List and is eligible for rebates from DLC Member Utilities.

Optical

Lumen Maintenance:

100,000-hour LED lifespan based on IES LM-80 results and TM-21 calculations.

NEMA Type:

NEMA Beam Spread of 7H x 6V

Construction

IP Rating:

Ingress Protection rating of IP65 for dust and water.

Ambient Temperature:

Suitable for use in 40°C ambient temperatures.

Cold Weather Starting:

The minimum starting temperature is -40°F/-40°C.

Thermal Management Housing:

Superior heat sinking with external Air-Flow fins.

Housing:

Die-cast aluminum housing, lens frame and mounting arm.

Mounting:

Heavy-duty Slip Fitter for 2 3/8" OD pipe.

Effective Projected Area:

EPA = 0.75

Reflector:

Specular polycarbonate

Gaskets:

High-temperature silicone gaskets.

Finish:

Our environmentally friendly polyester powder coatings are formulated for high-durability and long-lasting color, and contains no VOC or toxic heavy metals.

Green Technology:

Mercury and UV free.

LED Characteristics

LEDs:

Multi-chip 26W high output long life LED

Color Consistency:

3-step MacAdam Ellipse binning to achieve consistent fixture-to-fixture color.

Color Stability:

LED color temperature is warranted to shift no more than 200K in CCT over a 5 year period.

Color Uniformity:

RAB's range of CCT (Correlated Color Temperature) follows the guidelines of the American National Standard for (SSL) Products, ANSI C78.377-2008.

Electrical

Driver:

Constant Current, Class 2, 100-277V, 50/60 Hz, 6 kV surge protection, 120V: 0.24A, 208V: 0.15A, 240V: 0.13A, 277V: 0.11A.

Power Factor:

99.6% at 120V, 88.5% at 277V

THD:

7.7% at 120V, 10.5% at 277V

Other

Equivalency:

The FFLED26SFY is equivalent in delivered lumens to a 100W Metal Halide.

California Title 24:

See FFLED26SFY/PC, FFLED26SFY/PCS, FFLED26SFY/PC2, or FFLED26SFY/PCS2 for a 2013 California Title 24 compliant model.

Warranty:

RAB warrants that our LED products will be free from defects in materials and workmanship for a period of five (5) years from the date of delivery to the end user, including coverage of light output, color stability, driver performance and fixture finish.

Technical Specifications (continued)

Other

Patents:

The FFLED design is protected by U.S. Pat. D643,147, Canada Pat. 140798, China Pat. ZL201130171304.1, Mexico Pat. 36757 and pending patent in Taiwan.

Threaded Size:

1/2" threaded arm.

Country of Origin:

Designed by RAB in New Jersey and assembled in the USA by RAB's IBEW Local 3 workers.

Buy American Act Compliant:

This product is a COTS item manufactured in the United States, and is compliant with the Buy American Act.

Recovery Act (ARRA) Compliant:

This product complies with the 52.225-21 "Required Use of American Iron, Steel, and Manufactured Goods-- Buy American Act-- Construction Materials (October 2010).

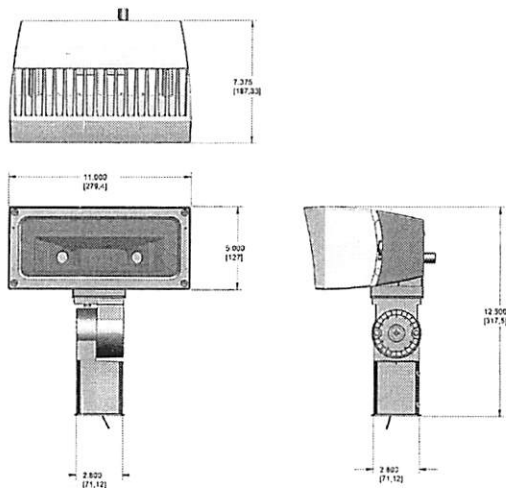
Trade Agreements Act Compliant:

This product is a COTS item manufactured in the United States, and is compliant with the Trade Agreements Act.

GSA Schedule:

Suitable in accordance with FAR Subpart 25.4.

Dimensions



Features

- Ultra efficient LED and optical design
- Replaces 100W MH floodlights
- 100,000 hour life based on LM-80 tests
- Air-flow technology heatsink
- 5-year warranty

Ordering Matrix

Family	Watts	Mount	Color Temp	Beam Spread	Finish	Dimming	Voltage	Photocell
FFLED	26 = 26W	= Arm T = Trunnion SF = Slipfitter	= Cool Y = Warm N = Neutral	= 7H x 6V B44 = 4H x 4V B55 = 5H x 5V	= Bronze W = White	= No Dimming /D10 = Dimmable	= 120-277V /480 = 480 Volt	= No Photocell /PC = 120V Button /PC2 = 277V Button /PCS = 120V Swivel /PCS2 = 277V Swivel

L. PAUL GOEDECKE P.C.

CERTIFIED PUBLIC ACCOUNTANTS

950 WADSWORTH BLVD.
SUITE 204
LAKEWOOD, COLORADO 80214
TELEPHONE (303) 232 2866
FAX (303) 232-9452
lpgepa@qwestoffice.net

September 22, 2015

Board of Directors
Cherry Hills North Metropolitan District

c/o: Darcy Beard
P.O. Box 3110
Parker, CO 80134

We are pleased to confirm our understanding of the services we are to provide Cherry Hills North Metropolitan District for the year ended December 31, 2015. We will audit the financial statements of the governmental activities, the business-type activities (if applicable), each major fund and the aggregate remaining fund information, which collectively comprise Cherry Hills North Metropolitan District's basic financial statements, as of and for the year ended December 31, 2015.

Audit Objective

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with U.S. generally accepted auditing standards and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you.

That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Compliance

Identifying and ensuring that Cherry Hills North Metropolitan District complies with laws, regulations, contracts, and agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Cherry Hills North Metropolitan District's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit Procedures—Internal Control

In planning and performing our audits, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on Cherry Hills North Metropolitan District's financial statements.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body or audit committee of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Audit Administration, Fees, and Other

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$2,400.00. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

L. Paul Goedecke, P.C. certifies that as of the date of this letter, it does not knowingly employ or contract with an illegal alien who will perform work under this agreement and that we will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees who are newly hired to perform work under this agreement. If we fail to comply with any provision of C.R.S. 8-17.5-102 (2) the District may terminate this agreement for breach of contract, and we shall be liable for actual and consequential damages to the District. We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to C.R.S. 8-117-102(5).

If and only to the extent this engagement constitutes a "sole source government contract" within the meaning of Article XXVIII of the constitution of the State of Colorado, then the provisions of Sections 15 through 17 of Article XXVIII ("Amendment 54") are hereby incorporated into this letter agreement, and we shall comply with the provisions of Amendment 54. If any provision or provisions of Amendment 54 are held to be unconstitutional or otherwise invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to this letter agreement, such provision or provisions shall no longer be incorporated herein and we shall have no obligations under such provision or provisions.

We appreciate the opportunity to be of service to Cherry Hills North Metropolitan District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,

L. Paul Goedecke P.C.

L. Paul Goedecke P.C.

RESPONSE:

This letter correctly sets forth the understanding of Cherry Hills North Metropolitan District.

By: _____

Title: _____

Date: _____

October 6, 2015

Board of Directors
Cherry Hills North Metropolitan District
c/o Darcy Beard
PO Box 3110
Parker, CO 80134

We are pleased to confirm our understanding of the services we are to provide Cherry Hills North Metropolitan District for the year ended December 31, 2015. We will audit the financial statements of the governmental activities, the business-type activities (if applicable), each major fund and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Cherry Hills North Metropolitan District as of and for the year ended December 31, 2015.

The document will also include management's discussion and analysis (as prepared by management) if applicable. We will apply certain limited procedures, which will consist principally of inquiries of management regarding methods of measurement and presentation, to management's discussion and analysis. However, we will not audit management's discussion and analysis and will express no opinion on it.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Cherry Hills North Metropolitan District and the respective changes in financial position and where applicable, cash flows, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct or material effect on the financial statements. However, we will inform you of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Cherry Hills North Metropolitan District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

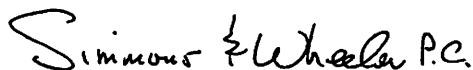
Audit Administration, Fees and Other

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$ 3,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. We will contact you to schedule an appropriate time to commence our field work.

We certify that we will comply with the provisions of C.R.S. §8-17.5-101, *et seq.* We will not knowingly employ or contract with an illegal alien to perform work under this contract. We represent, warrant, and agree that we have verified that we do not employ any illegal aliens, through participation in the Electronic Employment Verification Program administered by the Social Security Administration and the Department of Homeland Security. We have not used the Electronic Employment Verification Program to undertake pre-employment screening of job applicants. We shall use no subcontractor in the performance of our services under this engagement letter. We will comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation the department is undertaking pursuant to the law. If we violate any provision of C.R.S. §8-17.5-101, *et seq.* the District may terminate this contract for breach of contract and we shall be liable for actual and consequential damages to the District.

We appreciate the opportunity to be of service to Cherry Hills North Metropolitan District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Simmons & Wheeler, P.C.

RESPONSE

This letter correctly sets forth the understanding of Cherry Hills North Metropolitan District:

By _____
 Title _____
 Date _____

HILLCREST WATER & SANITATION DISTRICT

**7995 E. Prentice Avenue, Suite 103E
Greenwood Village, Colorado 80111
(303) 381-4960
(303) 381-4961 (FAX)**

September 30, 2015

Boards of Directors

Mansfield Heights Water & Sanitation District
Cherry Hills North Metropolitan District
Cherry Hills Village Sanitation District
Devonshire Heights Water & Sanitation District

**RE: Hillcrest Water & Sanitation District
2015 Annual Report**

Dear Board Members:

Pursuant to the provisions of the Second Amended and Restated IGA, please find attached Hillcrest's Annual Report relating to the Outfall Line. The Annual Report has been updated to include 2015 Outfall Line expenditures, including an estimate of expenses remaining with respect to 2015. Also, the proposed 2016 budget is included for your review and comment.

Annual Highlights

State Revolving Fund Loan: The project is complete. The final debt service schedule is attached. The Outfall Line participating districts are responsible for 43% of the debt service payment.

Treatment Fees: Hillcrest has received the 2016 treatment fee invoice from Metro Wastewater. 2015 treatment fees were \$113,129 and the 2016 invoice is for \$55,785 – a reduction of \$57,344. We believe lining of the Outfall Line contributed to this savings. This very large decrease, however, should be viewed as somewhat misleading since the actual estimated cost of 2016 service is \$121,445 total for our five districts. The nearly \$66,000 difference reflects realized savings of just under \$33,000 relating to each of 2014 and 2015 in comparison with our previously estimated and paid charges from Metro. While we are hopeful that most of this savings will continue, we remain reluctant to plan on it.

Flooding: During the week of June 9, we experienced excessive rain in a very concentrated period, which resulted in sewage flooding of several homes within the Outfall Line service area. Our engineers have provided the following information:

1. There was no evidence of a backup or blockage.
2. It appears that infiltration and inflow overwhelmed the system.
3. Possible contributing factors:
 - a. illegal sump pump outlets connected to sanitary sewer services at homes
 - b. service connections leaking at the main (around the opening)
 - c. deteriorating residents' service lines leaking along the length of the pipe and flowing into the main
 - d. The entire Outfall has been lined, so we don't expect that there was infiltration along it (except where residential services connect to the District's main).

The Hillcrest Board has sent the attached informational piece to its customers regarding illegal sump pumps connected to the sewer system and deteriorating service lines, and the effect it has on the Outfall Line and their neighbors. Please share this information with your customers.

Due to the necessity to investigate the cause of the flooding and communication with affected homeowners, 2015 Outfall Line expenses for administration and engineering exceeded the amount budgeted. A cost summary is shown in Table 1 below.

The following four Tables can be used in the preparation of your 2016 budget. Table 1 shows what Operations and Maintenance costs are expected to be in 2015 vs. what was budgeted to be spent in 2015.

Table 1 Summary of Estimated 2015 Operation and Maintenance Costs vs. Budget

	<u>Estimate</u>	vs. <u>Budget</u>
Hillcrest	\$3,528	\$1,176
Mansfield	1,989	663
Cherry Hills North	1,755	585
Cherry Hills San	1,260	420
Devonshire	<u>468</u>	<u>156</u>
	\$9,000	\$3,000

Table 2 presents a summary of the SRF loan payments made in 2015, Budget to Actual, and the projected amount to be paid in 2016. As shown in Table 2, the amount due by all of the Outfall participants in 2015 for SRF payments will be \$14,290, which equals 43.00% of the total payment due of \$33,233. In 2016, the Outfall amount due will be \$14,447, which is 43.00% of the total payment due of \$33,598, and will be split between the Outfall participants as shown in the Table 2. The last document attached to this Report is the final Debt Service Schedule for the Loan. As you can see, the Annual Debt Service payment remains constant through the term of the loan.

Table 2 Summary of SRF Loan Payment

	2015 <u>Actual</u>	2015 <u>Budget</u>	2016 <u>Budget</u>
Hillcrest	\$ 5,601	\$ 5,584	\$ 5,663
Mansfield	3,158	3,147	3,193
Cherry Hills North	2,787	2,777	2,817
Cherry Hills San	2,001	1,994	2,023
Devonshire	<u>743</u>	<u>741</u>	<u>751</u>
	\$14,290	\$14,243	\$14,447

As reflected in Table 3 and 4 below, in addition to the SRF loan payment of \$14,447, \$24,500 is budgeted to cover general maintenance, engineering and administration of the Outfall Line in 2016. In 2016, a complete video inspection and cleaning of the entire Outfall Line will be done to ensure there are no lining issues.

Table 3 Outfall Line 2016 Budget Charges to Districts

<u>District</u>	<u>O&M</u>	<u>SRF</u>	<u>Total</u>
Hillcrest (39.2%)	\$ 9,603	\$ 5,663	\$15,267
Mansfield (22.1%)	5,415	3,193	8,608
Devonshire Heights (5.2%)	1,274	751	2,025
Cherry Hills North (19.5%)	4,778	2,817	7,594
Cherry Hills Village (14.0%)	<u>3,430</u>	<u>2,023</u>	<u>5,453</u>
Totals	\$24,500	\$14,447	\$38,947


Table 4 Summary of 2016 Budgeted Expenditures for the Outfall Line

Administration	\$ 2,500
Engineering – General	2,000
Engineering – Outfall Video Inspection	7,500
Video Taping and Maintenance	12,500
SRF – Debt Services Payment	<u>14, 447</u>
	\$38,947

Pursuant to the terms of the IGA, please respond to me, in writing, with any questions or concerns you may have, no later than November 1, 2015. My email address is: sblair@crsolorado.com.

Very truly yours,

HILLCREST WATER & SANITATION DISTRICT



Sue Blair
District Manager

Attachments: 2015 Annual Report
Outfall Line Reserve Account Statement as of 8/31/15
Educational Letter
Final Debt Service Schedule

Hillcrest Water & Sanitation District
Outfall Line Expenses Shared by All Districts

2015 ANNUAL REPORT

Invoice Date	Invoice Number	CK #	Ck Date	Service Provider	Outfall Invoice Amount
2014					
Billing to Districts in January/March 2015 for 2014					
1/8/2015	5143	1656	3.11.15	CRS for 2014	\$ 315.00
2014 Subtotal					\$ 315.00

Hillcrest 39.2%	Mansfield 22.1%	CH North 19.5%	CH Village 14.0%	Devonshire 5.2%	Total
123.48	69.62	61.43	44.10	16.38	315.00
paid	paid	paid	paid	paid	

2015					
Billing to Districts in March 2015					
2/2, 3/4	5200, 5427	1656	3.11.15	CRS	\$ 508.56
2015 Subtotal					\$ 508.56

Hillcrest 39.2%	Mansfield 22.1%	CH North 19.5%	CH Village 14.0%	Devonshire 5.2%	Total
199.35	112.39	99.18	71.20	26.45	508.56
paid	paid	paid	paid	paid	

Billing to Districts in May 2015- SRF Loan					
5.1.15	Payment #3	Wire	4.21.15	State	7,066.43
2015 Subtotal					\$ 7,066.43

Hillcrest 39.2%	Mansfield 22.1%	CH North 19.5%	CH Village 14.0%	Devonshire 5.2%	Total
2,770.04	1,561.68	1,377.95	989.30	367.45	7,066.43
paid	paid	paid	paid	paid	

Billing to Districts in July 2015					
5/12, 6/3, 7/8	5657, 5678, 5735	1668	7.15.15	CRS	\$ 2,282.00
2015 Subtotal					\$ 2,282.00

Hillcrest 39.2%	Mansfield 22.1%	CH North 19.5%	CH Village 14.0%	Devonshire 5.2%	Total
893.13	504.33	444.99	320.88	118.66	2,282.00
paid	paid	paid	paid	paid	

Billing to Districts in September 2015					
9/8/2015	5791, 5846	1681	9.8.15	CRS	\$ 1,046.00
9/8/2015	93732, 94637	1682	9.8.15	Kennedy/Jenks Consultants	\$ 2,997.69
2015 Subtotal					\$ 4,043.69

Hillcrest 39.2%	Mansfield 22.1%	CH North 19.5%	CH Village 14.0%	Devonshire 5.2%	Total
1,585.13	893.66	788.52	566.12	210.27	4,043.69

Total YTD Billed for 2015
Total Paid as of 9.2.15
Total Due From Districts

\$ 3,072.06	\$ 2,710.64	\$ 1,947.50	\$ 722.84
(2,178.40)	(1,477.13)	(1,381.38)	(393.90)
<u>\$ 893.66</u>	<u>\$ 1,233.51</u>	<u>\$ 566.12</u>	<u>\$ 328.94</u>

Estimated Amounts Remaining to be Billed for 2015

Administrative Expenses	\$ 1,200.00
Engineering Expenses	\$ 965.00
State - Loan	\$ 7,223.62
Subtotal	\$ 9,388.62

Hillcrest 39.2%	Mansfield 22.1%	CH North 19.5%	CH Village 14.0%	Devonshire 5.2%	Total
3,680.34	2,074.89	1,830.78	1,314.41	488.21	9,388.62



Summary Statement

August 2015

Hillcrest Outfall Line Committee

c/o Community Resource Services 7995 E Prentice Avenue, Suite 103E
Greenwood Village, CO 80111
U.S.A.

COLOTRUST PLUS+

Average Monthly Yield: 0.19%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
CO-01-0915-8001 RESERVE FUND	5,106.40	0.00	0.00	0.88	5.11	5,106.86	5,107.28

COLOTRUST PRIME

Average Monthly Yield: 0.04%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
CO-01-0915-2686 General - 2686	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total	5,106.40	0.00	0.00	0.88	5.11	5,106.86	5,107.28
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Account Statement

August 2015

Hillcrest Outfall Line Committee

c/o Community Resource Services 7995 E Prentice Avenue, Suite 103E
Greenwood Village, CO 80111
U.S.A.

COLOTRUST PLUS+ CO-01-0915-8001

Summary

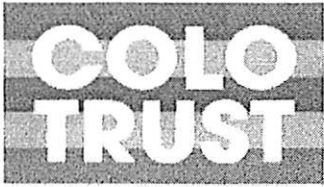
Average Monthly Yield: 0.19%

		Beginning Balance	Contributions	Withdrawals	Income Earned	Average Daily Balance	Month End Balance
CO-01-0915-8001	RESERVE FUND	5,106.40	0.00	0.00	0.88	5,106.86	5,107.28

Transactions

Date	Transaction Description	Contributions & Income Earned	Withdrawals	Balance	Transaction Number
08/01/2015	Beginning Balance			5,106.40	
08/31/2015	Income Earned For The Period	0.88			
08/31/2015	Ending Balance			5,107.28	

Email: invest@colotrust.com Tel: (877) 311-0219 / (303) 864-7474 Fax: (877) 311-0220 www.colotrust.com



Account Statement

August 2015

Hillcrest Outfall Line Committee

c/o Community Resource Services 7995 E Prentice Avenue, Suite 103E
Greenwood Village, CO 80111
U.S.A.

COLOTRUST PRIME CO-01-0915-2686

Summary

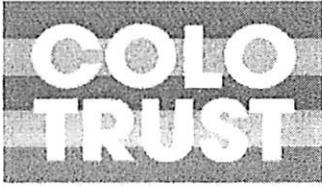
Average Monthly Yield: 0.04%

		Beginning Balance	Contributions	Withdrawals	Income Earned	Average Daily Balance	Month End Balance
CO-01-0915-2686	General - 2686	0.00	0.00	0.00	0.00	0.00	0.00

Transactions

Date	Transaction Description	Contributions & Income Earned	Withdrawals	Balance	Transaction Number
08/01/2015	Beginning Balance			0.00	
08/31/2015	Ending Balance			0.00	

Email: invest@colotrust.com Tel: (877) 311-0219 / (303) 864-7474 Fax: (877) 311-0220 www.colotrust.com

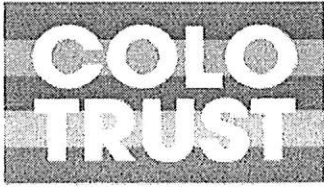


Daily Rates

August 2015

COLOTRUST PLUS+

Date	Dividend Rate	Annual Yield
01-Aug-15	0.000004952	0.18%
02-Aug-15	0.000004952	0.18%
03-Aug-15	0.000004991	0.18%
04-Aug-15	0.000005056	0.19%
05-Aug-15	0.000005005	0.18%
06-Aug-15	0.000005097	0.19%
07-Aug-15	0.000005083	0.19%
08-Aug-15	0.000005083	0.19%
09-Aug-15	0.000005083	0.19%
10-Aug-15	0.000005058	0.19%
11-Aug-15	0.000005091	0.19%
12-Aug-15	0.000005274	0.19%
13-Aug-15	0.000005295	0.19%
14-Aug-15	0.000005266	0.19%
15-Aug-15	0.000005266	0.19%
16-Aug-15	0.000005266	0.19%
17-Aug-15	0.000005163	0.19%
18-Aug-15	0.000005151	0.19%
19-Aug-15	0.000005117	0.19%
20-Aug-15	0.000005126	0.19%
21-Aug-15	0.000005132	0.19%
22-Aug-15	0.000005132	0.19%
23-Aug-15	0.000005132	0.19%
24-Aug-15	0.000005205	0.19%
25-Aug-15	0.000005161	0.19%
26-Aug-15	0.000005229	0.19%
27-Aug-15	0.000005293	0.19%
28-Aug-15	0.000005285	0.19%
29-Aug-15	0.000005285	0.19%
30-Aug-15	0.000005285	0.19%
31-Aug-15	0.000005348	0.20%



Daily Rates

August 2015

COLOTRUST PRIME

Date	Dividend Rate	Annual Yield
01-Aug-15	0.000001425	0.05%
02-Aug-15	0.000001425	0.05%
03-Aug-15	0.000001168	0.04%
04-Aug-15	0.000001115	0.04%
05-Aug-15	0.000001097	0.04%
06-Aug-15	0.000001106	0.04%
07-Aug-15	0.000001131	0.04%
08-Aug-15	0.000001131	0.04%
09-Aug-15	0.000001131	0.04%
10-Aug-15	0.000001105	0.04%
11-Aug-15	0.000001105	0.04%
12-Aug-15	0.000001396	0.05%
13-Aug-15	0.000001399	0.05%
14-Aug-15	0.000001126	0.04%
15-Aug-15	0.000001126	0.04%
16-Aug-15	0.000001126	0.04%
17-Aug-15	0.000001166	0.04%
18-Aug-15	0.000000992	0.04%
19-Aug-15	0.000000975	0.04%
20-Aug-15	0.000000713	0.03%
21-Aug-15	0.000000592	0.02%
22-Aug-15	0.000000592	0.02%
23-Aug-15	0.000000592	0.02%
24-Aug-15	0.000000976	0.04%
25-Aug-15	0.000000998	0.04%
26-Aug-15	0.000000742	0.03%
27-Aug-15	0.000000597	0.02%
28-Aug-15	0.000000587	0.02%
29-Aug-15	0.000000587	0.02%
30-Aug-15	0.000000587	0.02%
31-Aug-15	0.000001481	0.05%

HILLCREST WATER & SANITATION DISTRICT
c/o COMMUNITY RESOURCE SERVICES (CRS)
7995 E. PRENTICE AVENUE, SUITE 103E
GREENWOOD VILLAGE, CO 80111
303.381.4960

July 2015

Dear Hillcrest Water & Sanitation District Homeowner:

Hillcrest Water and Sanitation District (HWSD) is a sanitary sewer district in Cherry Hills Village, Colorado, servicing 259 customers. In addition, HWSD maintains the Outfall Line which flows into Metro Wastewater Reclamation District (Metro) at Florida and University. The Outfall Line services approximately 737 customers. During the week of June 9, we experienced excessive rain and sewage flooding of several homes within the Outfall Line service area. Our engineers have provided the following information:

1. There was no evidence of a backup or blockage.
2. It appears that infiltration and inflow overwhelmed the system.
3. Possible contributing factors:
 - a. illegal sump pump outlets connected to sanitary sewer services at homes
 - b. service connections leaking at the main (around the opening)
 - c. deteriorating residents' service lines leaking along the length of the pipe and flowing into the main
 - d. The entire Outfall has been lined, so we don't expect that there was infiltration along the main (except where residential services connect to the District's main).

SUMP PUMPS MAY NOT BE CONNECTED TO THE SANITARY SEWER SYSTEM. This is because sanitary sewer lines are sized only to accommodate *sanitary* sewer flow. If we allowed each homeowner to connect a sump pump, thereby adding groundwater or storm water to the sanitary sewer system, we would expect the resulting flows to exceed the capacity of the pipe, which was a contributing factor to the basement flooding that occurred in June. In addition, when essentially clean water enters the sewer system through sumps pumps or deteriorating service lines, it significantly increases the volume of the District's flows, costing us all more money for treatment.

Sanitary sewer flows from HWSD are treated by Metro. Metro charges our customers for wastewater treatment and requires HWSD to implement Metro's rules and regulations. Metro does not allow sump pumps to be connected to the sanitary sewer system. This is because groundwater or storm water increases volume and treatment costs for the plant, and could cause capacity issues at the plant just as it did in the Outfall Line.

Therefore, if your sump pump is connected to your sanitary sewer service, HWSD requires that you disconnect it immediately so that groundwater/storm water does not enter the sanitary sewer system. The sump discharge can run to the street or simply into your yard. Please notify us when it has been disconnected.

HOMEOWNERS ARE RESPONSIBLE FOR THE MAINTENANCE AND/OR REPLACEMENT OF RESIDENTIAL SEWER SERVICE LINES – NOT THE DISTRICT. The service line that is the homeowner's responsibility extends from the District's sewer main in the street to each home. Excess water flowing into broken service lines infiltrates the sanitary sewer system.

If you would like to discuss this matter further, contact Lisa Schwein with Kennedy/Jenks, the District's Engineer. Kennedy/Jenks' phone number is 303-985-3636. Business hours are: Monday through Thursday between the hours of 7:30 a.m. and 5:30 p.m., and Fridays between 8:00 a.m. and 12:00 noon.

Thank you in advance for your cooperation in this matter.

THE BOARD OF DIRECTORS OF THE
HILLCREST WATER & SANITATION DISTRICT

BY: _____
Tom Wolf, President

**WATER POLLUTION CONTROL REVOLVING FUND
LOAN REPAYMENT SCHEDULE
HILLCREST WATER AND SANITATION DISTRICT
Loan Number: #W13F311**

PAYMENT DATES	CHERRY HILLS NORTH Portion	PAYMENT	PRINCIPAL	REMAINING PRINCIPAL	CALCULATED INTEREST
				\$507,047.64	
11/1/2015	\$1,408.61	\$16,799.12	\$11,728.64	\$495,319.00	\$5,070.48
5/1/2016	\$1,408.61	\$16,799.12	\$11,845.93	\$483,473.07	\$4,953.19
11/1/2016	\$1,408.61	\$16,799.12	\$11,964.39	\$471,508.68	\$4,834.73
5/1/2017	\$1,408.61	\$16,799.12	\$12,084.03	\$459,424.65	\$4,715.09
11/1/2017	\$1,408.61	\$16,799.12	\$12,204.87	\$447,219.78	\$4,594.25
5/1/2018	\$1,408.61	\$16,799.12	\$12,326.92	\$434,892.86	\$4,472.20
11/1/2018	\$1,408.61	\$16,799.12	\$12,450.19	\$422,442.67	\$4,348.93
5/1/2019	\$1,408.61	\$16,799.12	\$12,574.69	\$409,867.98	\$4,224.43
11/1/2019	\$1,408.61	\$16,799.12	\$12,700.44	\$397,167.54	\$4,098.68
5/1/2020	\$1,408.61	\$16,799.12	\$12,827.44	\$384,340.10	\$3,971.68
11/1/2020	\$1,408.61	\$16,799.12	\$12,955.72	\$371,384.38	\$3,843.40
5/1/2021	\$1,408.61	\$16,799.12	\$13,085.28	\$358,299.10	\$3,713.84
11/1/2021	\$1,408.61	\$16,799.12	\$13,216.13	\$345,082.97	\$3,582.99
5/1/2022	\$1,408.61	\$16,799.12	\$13,348.29	\$331,734.68	\$3,450.83
11/1/2022	\$1,408.61	\$16,799.12	\$13,481.77	\$318,252.91	\$3,317.35
5/1/2023	\$1,408.61	\$16,799.12	\$13,616.59	\$304,636.32	\$3,182.53
11/1/2023	\$1,408.61	\$16,799.12	\$13,752.76	\$290,883.56	\$3,046.36
5/1/2024	\$1,408.61	\$16,799.12	\$13,890.28	\$276,993.28	\$2,908.84
11/1/2024	\$1,408.61	\$16,799.12	\$14,029.19	\$262,964.09	\$2,769.93
5/1/2025	\$1,408.61	\$16,799.12	\$14,169.48	\$248,794.61	\$2,629.64
11/1/2025	\$1,408.61	\$16,799.12	\$14,311.17	\$234,483.44	\$2,487.95
5/1/2026	\$1,408.61	\$16,799.12	\$14,454.29	\$220,029.15	\$2,344.83
11/1/2026	\$1,408.61	\$16,799.12	\$14,598.83	\$205,430.32	\$2,200.29
5/1/2027	\$1,408.61	\$16,799.12	\$14,744.82	\$190,685.50	\$2,054.30
11/1/2027	\$1,408.61	\$16,799.12	\$14,892.26	\$175,793.24	\$1,906.86
5/1/2028	\$1,408.61	\$16,799.12	\$15,041.19	\$160,752.05	\$1,757.93
11/1/2028	\$1,408.61	\$16,799.12	\$15,191.60	\$145,560.45	\$1,607.52
5/1/2029	\$1,408.61	\$16,799.12	\$15,343.52	\$130,216.93	\$1,455.60
11/1/2029	\$1,408.61	\$16,799.12	\$15,496.95	\$114,719.98	\$1,302.17
5/1/2030	\$1,408.61	\$16,799.12	\$15,651.92	\$99,068.06	\$1,147.20
11/1/2030	\$1,408.61	\$16,799.12	\$15,808.44	\$83,259.62	\$990.68
5/1/2031	\$1,408.61	\$16,799.12	\$15,966.52	\$67,293.10	\$832.60
11/1/2031	\$1,408.61	\$16,799.12	\$16,126.19	\$51,166.91	\$672.93
5/1/2032	\$1,408.61	\$16,799.12	\$16,287.45	\$34,879.46	\$511.67
11/1/2032	\$1,408.61	\$16,799.12	\$16,450.33	\$18,429.13	\$348.79
5/1/2033	\$1,408.61	\$16,799.12	\$16,614.83	\$1,814.30	\$184.29
11/1/2033	\$153.65	\$1,832.44	\$1,814.30	\$0.00	\$18.14
Total	\$50,863.47	\$606,600.76	\$507,047.64		\$99,553.12