



DENVER
THE MILE HIGH CITY
Michael B. Hancock
Mayor

DEPARTMENT OF FINANCE

BRENDAN J. HANLON
CHIEF FINANCIAL OFFICER

201 W. Colfax Avenue, Dept 1010
Denver, CO 80202
p: (720) 913-1514
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www.denvergov.org/finance

RECEIVED AUG 19 2016

August 16, 2016

Ms. Julie Underdahl
President & CEO
Cherry Creek North Business Improvement District
299 Milwaukee Street, Suite 201
Denver, CO 80206

Dear Julie,

AE

This letter is to remind you to submit your District's **2017 Operating Plan and Budget (OP&B)** for review and approval as required by State Statute (C.R.S. 31-25-1211) by **September 30, 2016**. Please file the original hard copy of the OP&B with the City Clerk noting the City Clerk file number (i.e. **Filing No. 89-909-**), so that the Clerk can then fill in the blank with the current extension letter. Also, please send an electronic copy to Michael.Kerrigan@denvergov.org and to Jose Cornejo, Manager of Public Works, c/o Brendan Kelly at Brendan.Kelly@denvergov.org or if mailed, to Dept 509 with the same address above.

The City then has until December 5th to review and approve such items. If an OP&B is not submitted by the required date, no funds will be available for 2017.

In order for the Denver City Council to approve your OP&B for 2017 in accordance with the aforementioned State Statute, and in order to properly assess whether the OP&B is acting in accordance with the formal authority granted to the BID, City Council has requested the following items be provided on an annual basis:

1. 2016 year-to-date "budget to actual" financial reports, including projected 2016 year end budget.
2. Any material departures from the 2016 Operating Plan, and an explanation.
3. A copy of your Public Notice publication for the 2017 Budget public meeting.
 - a. This year all BIDs must have completed their public meetings prior to OP&B submission to the City.
4. The status of any planned or outstanding indebtedness.
5. The results of any audits conducted during the year, if not already submitted.
6. A copy of the By-laws, if any, in effect in 2016/2017.
7. A list of official board actions (motions) in the past year.
8. Current list of all Board members including name, address, phone, fax and email as well as term appointment and expiration date.
9. Board members attendance records for the past year.
10. A list of activities performed in 2016 and planned for in 2017;
11. Please provide any documented tangible impacts and performance measures that your BID provides and tracks. For instance this could include trend occupancy rates, business or citizen surveys, crime rates, lease rates, taxable retail sales, number of jobs created, pedestrian/visitor counts, and business license revenues. Any additional information would be beneficial for the City Council budget approval process.

Please do not hesitate to contact me at 720-913-5550 if you have any questions or require additional information.

Sincerely,
Michael Kerrigan
Sr. Financial Analyst





LETTER OF SUBMITTAL



September 30, 2016

TO: City Clerk
City and County of Denver
Department of Finance
201 W Colfax Ave, dept. 1010
Denver, CO 80202

Dear City Clerk,

Enclosed please find the original Budget and Operating Plan for Cherry Creek North Business Improvement District No. 1. If you have any questions or need additional information, please feel free to contact me.

Respectfully,

A handwritten signature in black ink, reading "Julie Underdahl", is written over a printed name.

Julie Underdahl | President and CEO
Cherry Creek North BID
299 Milwaukee St, Ste 201 | Denver, CO 80206
ph | 303.394.2904, fx | 303.394.2139
julie@cherrycreeknorth.com
www.cherrycreeknorth.com

Enclosures

CC: Jose Cornejo, Manager of Public Works
Richard Sheehan, Sr. Financial Management Analyst
Jason Carroll, CliftonLarsonAllen



**2016 YEAR TO DATE
“BUDGET TO ACTUAL”
FINANCIAL REPORTS
INCLUDING
PROJECTED 2016
YEAR END BUDGET**

All Funds

Cherry Creek North Business Improvement District
 BALANCE SHEET - GOVERNMENTAL FUNDS
 August 31, 2016

	General Fund	Debt Service	All Funds
ASSETS			
Cash	\$ 258,858.02	\$ 0.00	\$ 258,858.02
Investments - Colotrust	14,234.22	723.66	14,957.88
Investments - 1st Bank	1,887,277.67	938,782.07	2,826,059.74
Accounts Receivable	13,500.00	0.00	13,500.00
Receivable from County Treasurer	43,229.90	10,455.98	53,685.88
Prepaid Expenses	24,140.91	0.00	24,140.91
TOTAL ASSETS	\$ 2,241,240.72	\$ 949,961.71	\$ 3,191,202.43
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 51,141.99	\$ 0.00	\$ 51,141.99
Deferred Comp-Employee Contr	7,196.86	0.00	7,196.86
Deferred Comp-Employer Contr	5,591.54	0.00	5,591.54
Accrued PTO	57,975.29	0.00	57,975.29
Total liabilities	121,905.68	0.00	121,905.68
FUND BALANCES			
Fund Balance	1,497,289.04	949,961.71	2,447,250.75
Board-designated ending fund balance	622,046.00	0.00	622,046.00
Total fund balance	2,119,335.04	949,961.71	3,069,296.75
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,241,240.72	\$ 949,961.71	\$ 3,191,202.43

Cherry Creek North Business Improvement District
**STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**
 FOR THE MONTH ENDED August 31, 2016

General Fund

	Current Month		Year to Date		Year To Date	
	Actual	Annual Budget	Actual	Annual Budget	Variance	% Annual Budget
REVENUE						
Property Taxes	\$ 20,754.11	\$ 16,000.00	\$ 2,266,668.10	\$ 2,306,000.00	(39,331.90)	(1.71) %
Specific Ownership Taxes	22,783.07	19,083.00	154,199.40	152,664.00	1,535.40	1.01 %
Interest Income	49.97	166.00	1,450.08	1,328.00	122.08	9.19 %
Miscellaneous income	0.00	416.00	0.00	3,328.00	(3,328.00)	(100.00) %
Events Income	32,227.79	60,000.00	67,702.12	60,000.00	7,702.12	12.84 %
Marketing Income	0.00	0.00	6,900.00	0.00	6,900.00	0.00 %
Gift Card Sales	3,790.34	5,418.00	25,732.60	43,330.00	(17,597.40)	(40.61) %
Parking Garage Income	16,700.00	10,833.00	126,199.00	86,664.00	39,535.00	45.62 %
Management Fees - Parking	0.00	0.00	40,000.00	40,000.00	0.00	0.00 %
Total revenue	96,305.28	111,916.00	2,688,851.30	2,693,314.00	(4,462.70)	(0.17) %
EXPENDITURES						
Administration	33,656.60	44,028.00	364,631.03	355,962.00	8,669.03	2.44 %
Marketing, Communications, Tourism & Events	142,689.46	173,989.00	672,337.56	787,952.00	(115,614.44)	(14.67) %
Physical Environment	62,008.39	67,273.00	541,478.90	712,684.00	(171,205.10)	(24.02) %
Parking Operations	15,712.62	12,500.00	89,325.05	125,000.00	(35,674.95)	(28.54) %
Total expenditures	254,067.07	297,790.00	1,667,772.54	1,981,598.00	(313,825.46)	(15.84) %
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(157,761.79)	(185,874.00)	1,021,078.76	711,716.00	309,362.76	43.47 %
OTHER FINANCING SOURCES (USES)						
Total other financing sources (uses)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00 %
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER USES	(157,761.79)	(185,874.00)	1,021,078.76	711,716.00	309,362.76	43.47 %
FUND BALANCE - BEGINNING			1,098,256.28	1,017,113.00	81,143.28	7.98 %
FUND BALANCE - ENDING			\$ 2,119,335.04	\$ 1,728,829.00	390,506.04	22.59 %
						\$ 852,334.00

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted. In addition, the annual budget information excludes required summaries of significant assumptions and accounting policies.

Cherry Creek North Business Improvement District
**STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE MONTH ENDED August 31, 2016**

General Fund

EXPENDITURE DETAILS

	Current Month		Year to Date		Variance		Annual Budget
	Actual	Annual Budget	Actual	Annual Budget	Variance	%	
ADMINISTRATION							
Admin - Internal Office							
Bank Charges	\$ 157.25	\$ 125.00	\$ 1,138.04	\$ 1,000.00	(138.04)	(13.80) %	\$ 1,500.00
Copier Expense	1,161.21	1,250.00	8,910.65	10,000.00	1,089.35	10.89 %	15,000.00
Computer Expense	1,787.07	1,000.00	18,512.21	21,000.00	2,487.79	11.85 %	25,000.00
Postage and Meter Rental	112.52	166.00	1,421.11	1,328.00	(93.11)	(7.01) %	2,000.00
Telephone/Fax/Communications	227.22	1,666.00	8,945.74	13,328.00	4,382.26	32.88 %	20,000.00
Office Furniture and Equipment	0.00	0.00	6,716.79	7,000.00	283.21	4.05 %	7,000.00
Delivery Service	420.60	83.00	464.60	664.00	199.40	30.03 %	1,000.00
Office Supplies	256.71	583.00	3,944.17	4,664.00	719.83	15.43 %	7,000.00
Other admin/director's expense	(1,184.62)	1,083.00	2,833.88	8,664.00	5,830.12	67.29 %	13,000.00
Memberships	0.00	0.00	5,362.50	5,000.00	(362.50)	(7.25) %	5,000.00
Board and committee meeting expenses	0.00	416.00	600.21	3,328.00	2,727.79	81.96 %	5,000.00
Education/travel expenses/seminars	1,799.08	916.00	12,563.00	7,328.00	(5,235.00)	(71.44) %	11,000.00
Office rent and cleaning services	11,193.27	10,333.00	100,883.27	82,664.00	(18,219.27)	(22.04) %	124,000.00
County Treasurer's Fee	206.54	200.00	22,603.77	22,338.00	(265.77)	(1.19) %	23,138.00
Total Admin - Internal Office	16,156.85	17,821.00	194,899.94	188,306.00	(6,593.94)	(3.50) %	259,638.00
Admin - Professional Services							
Accounting	6,521.14	6,500.00	52,132.74	52,000.00	(132.74)	(0.26) %	78,000.00
Audit	0.00	0.00	7,000.00	7,000.00	0.00	0.00 %	7,000.00
Legal Services	831.70	1,250.00	4,096.07	10,000.00	5,903.93	59.04 %	15,000.00
HR & Strategic planning	0.00	1,833.00	20,180.00	14,664.00	(5,516.00)	(37.62) %	22,000.00
Contingency	0.00	7,000.00	6,571.51	7,000.00	428.49	6.12 %	7,000.00
Total Admin - Professional Services	7,352.84	16,583.00	89,980.32	90,664.00	683.68	0.75 %	129,000.00
Admin - Benefits/Salaries/Taxes							
Admin - Employee salaries	7,836.00	7,083.00	58,912.60	56,664.00	(2,248.60)	(3.97) %	85,000.00
Admin - Employee taxes	137.11	125.00	1,018.32	1,000.00	(18.32)	(1.83) %	1,500.00
Admin - Employee benefits	2,173.80	2,416.00	19,819.85	19,328.00	(491.85)	(2.54) %	29,000.00
Total Admin - Benefits/Salaries/Taxes	10,146.91	9,624.00	79,750.77	76,992.00	(2,758.77)	(3.58) %	115,500.00
Total expenditures	\$ 33,656.60	\$ 44,028.00	\$ 364,631.03	\$ 355,962.00	(8,669.03)	(2.44) %	\$ 504,138.00

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted. In addition, the annual budget information excludes required summaries of significant assumptions and accounting policies.

Cherry Creek North Business Improvement District
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE MONTH ENDED August 31, 2016

General Fund

EXPENDITURE DETAILS

MARKETING, COMMUNICATIONS, TOURISM & EVENTS

	Current Month		Year to Date		Variance	
	Actual	Annual Budget	Actual	Annual Budget	Variance	%
Outreach						
Community organization support	\$ 1,350.00	\$ 0.00	\$ 16,145.00	\$ 15,850.00	(295.00)	(1.86) %
Contingency - outreach	0.00	0.00	0.00	0.00	0.00	0.00 %
Area research	6,850.00	0.00	6,850.00	8,800.00	1,950.00	22.16 %
General outreach	5.40	500.00	805.40	1,500.00	694.60	46.31 %
Special projects	12,385.00	5,500.00	75,496.05	86,800.00	11,303.95	13.02 %
Total Outreach	20,590.40	6,000.00	99,296.45	112,950.00	13,653.55	12.09 %
Marketing						
Advertising - local	55,297.05	79,250.00	101,232.11	113,000.00	11,767.89	10.41 %
Creative/Design	7,505.50	10,248.00	64,401.37	86,232.00	21,830.63	25.32 %
Printing	0.00	6,000.00	14,455.73	31,582.00	17,126.27	54.23 %
Digital	601.85	59.00	(542.85)	9,212.00	(9,568.86)	(10.39) %
Marketing services	3,939.00	4,706.00	31,694.97	34,673.00	2,978.03	8.59 %
Advertising - tourism	250.00	250.00	65,762.45	60,000.00	(5,762.45)	(9.60) %
Contingency - business development	104.98	20.00	2,195.46	3,530.00	1,334.54	37.81 %
Gift Card Promotion/Donation	195.00	750.00	4,710.00	6,000.00	1,290.00	21.50 %
Total Marketing	67,893.38	101,283.00	294,620.95	344,229.00	49,608.05	14.41 %
Gift Card Program						
Gift Card Program	3,410.55	5,416.00	26,400.60	43,328.00	16,927.40	39.07 %
Gift Card Fees	172.35	333.00	2,028.42	2,664.00	635.58	23.86 %
Total Gift Card Program	3,582.90	5,749.00	28,429.02	45,992.00	17,562.98	38.19 %
Events						
Event Printing	412.71	2,000.00	2,321.25	3,000.00	678.75	22.63 %
Event Marketing Outreach	4,366.06	3,000.00	9,866.06	10,000.00	133.94	1.34 %
Event Operations	3,325.00	5,000.00	4,325.00	5,000.00	675.00	13.50 %
Event Production	7,975.85	20,000.00	13,347.95	25,000.00	11,652.05	46.61 %
Food & Beverage	839.93	625.00	5,839.93	625.00	(5,214.93)	(834.39) %
Event Supplies	1,362.79	250.00	2,831.26	500.00	(2,331.26)	(466.25) %
Event Contingency	0.00	0.00	0.00	0.00	0.00	0.00 %
Total Events	23,282.34	30,875.00	38,531.45	44,125.00	5,593.55	12.68 %
Marketing - Benefits/Salaries/Taxes						
Marketing - Employee salaries	22,108.36	23,666.00	174,345.22	189,328.00	14,982.78	7.91 %
Marketing - Employee taxes	382.80	416.00	2,911.80	3,328.00	416.20	12.51 %
Marketing - Employee benefits	4,849.28	6,000.00	34,202.67	48,000.00	13,797.33	28.74 %
Total Marketing - Benefits/Salaries/Taxes	27,340.44	30,082.00	211,459.69	240,656.00	29,196.31	12.13 %
Total expenditures	142,689.46	173,989.00	672,337.56	787,952.00	115,614.44	14.67 %

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Cherry Creek North Business Improvement District
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE MONTH ENDED August 31, 2016

General Fund

EXPENDITURE DETAILS

	Current Month		Year to Date		Variance		Variance %	Annual Budget
	Actual	Annual Budget	Actual	Annual Budget	Actual	Annual Budget		
PHYSICAL ENVIRONMENT								
Physical Environment								
General Maintenance	\$ 3,267.08	\$ 8,700.00	\$ 50,155.20	\$ 103,600.00	\$ 53,444.80	\$ 140,300.00	51.59 %	\$ 140,300.00
Maint. Vehicles & Equipment	0.00	500.00	4,352.83	19,800.00	15,447.17	40,000.00	78.02 %	40,000.00
PE Services	1,340.00	0.00	4,890.00	0.00	(4,890.00)	0.00	0.00 %	0.00
Fillmore plaza maintenance	0.00	1,250.00	2,100.00	10,000.00	7,900.00	15,000.00	79.00 %	15,000.00
Maintenance - First Ave Median	0.00	1,416.00	4,490.00	11,328.00	6,838.00	17,000.00	60.36 %	17,000.00
Seasonal Plantings/Landscaping	19,850.55	12,500.00	128,165.47	127,700.00	(465.47)	175,000.00	(0.36) %	175,000.00
Contingency	46.93	0.00	46.93	0.00	(46.93)	8,600.00	0.00 %	8,600.00
Utilities	6,746.72	6,200.00	27,373.12	43,100.00	15,726.88	65,000.00	36.49 %	65,000.00
District Insurance	0.00	0.00	36,091.77	40,000.00	3,908.23	40,000.00	9.77 %	40,000.00
Holiday lights	0.00	0.00	43,980.00	41,000.00	(2,980.00)	85,000.00	(7.27) %	85,000.00
Maintenance Reserve	287.27	0.00	5,680.82	22,500.00	16,819.18	45,000.00	74.75 %	45,000.00
Total Physical Environment	31,538.55	30,566.00	307,326.14	419,028.00	111,701.86	630,900.00	26.66 %	630,900.00
PE - Benefits/Salaries/Taxes								
PE - Employee salaries	24,874.70	28,291.00	187,623.00	226,328.00	38,705.00	339,500.00	17.10 %	339,500.00
PE - Employee taxes	431.21	500.00	3,628.60	4,000.00	371.40	6,000.00	9.29 %	6,000.00
PE - Employee benefits	5,163.93	7,916.00	42,901.16	63,328.00	20,426.84	95,000.00	32.26 %	95,000.00
Total PE - Benefits/Salaries/Taxes	30,469.84	36,707.00	234,152.76	293,656.00	59,503.24	440,500.00	20.26 %	440,500.00
Total expenditures	\$ 62,008.39	\$ 67,273.00	\$ 541,478.90	\$ 712,684.00	171,205.10	\$ 1,071,400.00	24.02 %	\$ 1,071,400.00
PARKING OPERATIONS								
Parking Operations	\$ 11,162.62	\$ 12,500.00	\$ 79,275.05	\$ 100,000.00	\$ 20,724.95	\$ 150,000.00	20.72 %	\$ 150,000.00
Parking program implementation	4,550.00	0.00	10,050.00	25,000.00	14,950.00	50,000.00	59.80 %	50,000.00
Contingency	0.00	0.00	0.00	0.00	0.00	6,000.00	0.00 %	6,000.00
Total expenditures	\$ 15,712.62	\$ 12,500.00	\$ 89,325.05	\$ 125,000.00	35,674.95	\$ 206,000.00	28.54 %	\$ 206,000.00

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted. In addition, the annual budget information excludes required summaries of significant assumptions and accounting policies.

Cherry Creek North Business Improvement District
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE MONTH ENDED August 31, 2016

	Current Month		Summary	Actual	Year to Date		Variance	Annual Budget
	Actual	Annual Budget			Annual Budget	%		
REVENUE								
Property Taxes	\$ 10,613.11	\$ 2,000.00	8,613.11	\$ 1,159,114.72	\$ 1,183,000.00	(23,885.28)	(2.02) %	\$ 1,190,355.00
Interest Income	14.51	250.00	(235.49)	405.33	2,000.00	(1,594.67)	(79.73) %	3,000.00
Total revenue	10,627.62	2,250.00	8,377.62	1,159,520.05	1,185,000.00	(25,479.95)	(2.15) %	1,193,355.00
EXPENDITURES								
Bond Principal - 2015 Series	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %	700,000.00
Bond Interest - 2015 Series	0.00	0.00	0.00	205,658.56	209,819.00	(4,160.44)	(1.98) %	419,639.00
Paying Agent Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %	500.00
Undesignated Contingencies	0.00	0.00	0.00	3,360.49	0.00	3,360.49	0.00 %	17,957.00
County Treasurer's fees	105.62	50.00	55.62	11,558.98	11,725.00	(166.02)	(1.42) %	11,904.00
Total expenditures	105.62	50.00	55.62	220,578.03	221,544.00	(965.97)	(0.44) %	1,150,000.00
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	10,522.00	2,200.00	8,322.00	938,942.02	963,456.00	(24,513.98)	(2.54) %	43,355.00
OTHER FINANCING SOURCES (USES)								
Total other financing sources (uses)	\$ 0.00	\$ 0.00	0.00	\$ 0.00	\$ 0.00	0.00	0.00 %	\$ 0.00
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER USES	10,522.00	2,200.00	8,322.00	938,942.02	963,456.00	(24,513.98)	(2.54) %	43,355.00
FUND BALANCE - BEGINNING				11,019.69	774,233.00	(763,213.31)	(98.58) %	774,233.00
FUND BALANCE - ENDING				\$ 949,961.71	\$ 1,737,689.00	(787,727.29)	(45.33) %	\$ 817,588.00

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances — governmental funds have been omitted. In addition, the annual budget information excludes required summaries of significant assumptions and accounting policies.



2016 OPERATING PLAN AND EXPLANATION

(NONE)



**PUBLIC NOTICE
PUBLICATIONS**

AND

2017 DRAFT BUDGET

STATE OF COLORADO

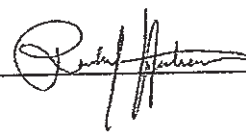
County of Denver

RECEIVED SEP 06 2016

NOTICE AS TO PROPOSED 2017 BUDGET

Proposed 2017 Budget for the Cherry Creek North Business Improvement District No. 1 will be submitted to the City and County of Denver. A copy of such proposed budget will be filed in the office of Cherry Creek North Business Improvement District, 299 Milwaukee Street, Suite 201, Denver, CO 80206, where same will be open for public inspection. The proposed budget will be considered at the regular monthly meeting of the Board of Directors to be held at the Halcyon hotel in Cherry Creek North, 245 Columbine Street, Denver, CO 80206, on September 14, 2016 at 11 a.m. Any interested elector within such Cherry Creek North Business Improvement District may inspect the proposed budget and file or register any objection thereto at any time before the final adoption of the budget. Dated: August 31, 2016 CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT No. 1 By: Roy Kline, Chair of the Board of Directors

Rachel Hesterman being duly sworn, says that she is a classified account executive of the Denver Business Journal, a weekly newspaper published and printed in Denver in said County and State; that said newspaper has a general circulation in said County and has been continuously and uninterruptedly published therein, during a period of at least fifty-two consecutive weeks prior to the first publication of the annexed notice; that said newspaper is a newspaper within the meaning of the act of the General Assembly of the State of Colorado, entitled "An Act to regulate the printing of legal notices and advertisements" and amendments thereto; that the notice of which the annexed is a printed copy taken from said newspaper, via published in said newspaper, and in the regular and entire issue of every number thereof, once a week for one successive weeks; that said notice was so published in said newspaper proper and not in any supplement thereof and that the first publication of said notice as aforesaid was on the 02 day of September, 2016 and the last on the 02 day of September, 2016.



Subscribed and sworn before me, this 2nd day of September, of 2016.



My commission expires 01/15/2020

RACHEL HESTERMAN
Notary Public
State of Colorado

**NOTICE AS TO PROPOSED
2017 BUDGET**

Proposed 2017 Budget for the Cherry Creek North Business Improvement District No. 1 will be submitted to the City and County of Denver. A copy of such proposed budget will be filed in the office of Cherry Creek North Business Improvement District, 299 Milwaukee Street, Suite 201, Denver, CO 80206, where same will be open for public inspection. The proposed budget will be considered at the regular monthly meeting of the Board of Directors; to be held at the Halcyon hotel in Cherry Creek North, 245 Columbine Street, Denver, CO 80206, on September 14, 2016 at 11 a.m. Any interested elector within such Cherry Creek North Business Improvement District may inspect the proposed budget and file or register any objection thereto at any time before the final adoption of the budget. Dated: August 31, 2016 CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT No. 1
By: Roy Kline, Chair of the Board of Directors.

Classified 2nd and FINAL Proof

Your ad will go to press the way it appears here. Unless there are typographical errors, no other changes will be made.

- Ad approved
 Ad approved with correction of typos

Signature _____

Date _____

R. Kline
8.31.2016

Fax to 303.803.9203



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

Board of Directors
Cherry Creek North Business Improvement District No. 1
Denver County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Cherry Creek North Business Improvement District No.1 for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 American Institute of Certified Public Accountants. 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.

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 North Business Improvement District No. 1.

Greenwood Village, Colorado
_____, 2016

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
SUMMARY**

**FORECASTED 2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

9/29/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ 3,247,920	\$ 1,791,346	\$ 1,109,276	\$ 1,109,276	\$ 1,002,822
REVENUES					
1 Property taxes	2,735,105	3,518,114	3,365,074	3,467,936	3,882,708
2 Specific ownership taxes	212,183	229,000	111,430	222,860	252,000
3 Net investment income	6,926	5,000	1,007	2,200	5,000
4 Bond issuance	16,460,000	-	-	-	-
5 Events income	-	60,000	27,650	74,000	75,000
6 Gift card sales	47,983	65,000	20,563	50,000	55,000
7 Parking garage income	179,317	130,000	95,999	193,700	196,200
8 Management fees - Parking	40,000	40,000	40,000	40,000	40,000
9 Outreach support	35,000	-	-	-	-
10 Marketing income	71,418	5,000	486	10,000	10,000
Total revenues	19,787,932	4,052,114	3,662,209	4,060,696	4,515,908
Total funds available	23,035,852	5,843,460	4,771,485	5,169,972	5,518,730
EXPENDITURES					
11 General					
12 Admin - Internal Office	236,110	259,638	157,464	271,546	275,290
13 Admin - Professional Services	113,681	129,000	68,707	129,500	138,000
14 Admin - Salaries/Taxes/Benefits	133,981	115,500	60,658	123,600	129,700
15 Outreach	60,471	157,000	53,386	160,000	194,000
16 Marketing	497,814	597,000	203,944	618,000	655,000
17 Marketing - Salaries/Taxes/Benefits	289,739	361,000	157,101	341,700	364,000
18 Physical Environment	489,927	630,900	222,766	630,804	665,000
19 Physical Env - Salaries/Taxes/Benefits	425,600	440,500	174,513	427,000	473,000
20 Parking Operations	151,333	206,000	60,027	191,000	206,000
21 Gift Card Program	50,807	69,000	22,555	54,000	59,000
22 Events	-	58,000	8,650	70,000	80,000
23 Debt Service					
24 Bond interest 2008 Series	359,429	-	-	-	-
25 Bond interest 2009 Series	448,610	-	-	-	-
26 Bond interest 2015 Series	-	419,639	205,659	419,639	409,760
27 Bond Issuance Costs	145,600	-	-	-	-
28 Bond principal 2008 Series	380,000	-	-	-	-
29 Bond principal 2015 Series	-	700,000	-	700,000	715,000
30 County Treasurer's fees	10,403	11,904	11,352	11,734	13,137
31 Deposit with refunding agent	18,132,171	-	-	-	-
32 Paying agent fees	900	500	-	500	1,000
33 Undesignated contingencies	-	17,957	3,360	18,127	16,103
Total expenditures	21,926,576	4,173,538	1,410,142	4,167,150	4,393,990
Total expenditures and transfers out requiring appropriation	21,926,576	4,173,538	1,410,142	4,167,150	4,393,990
ENDING FUND BALANCES	\$ 1,109,276	\$ 1,669,922	\$ 3,361,343	\$ 1,002,822	\$ 1,124,740

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

9/29/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
ASSESSED VALUATION - DENVER					
Commercial	\$ 143,650,600	\$ 189,664,340	\$ 189,664,340	\$ 189,664,340	\$ -
Vacant Land	408,730	408,730	408,730	408,730	-
Personal Property	13,650,430	13,650,430	13,650,430	13,650,430	-
State Assessed	1,510,100	1,510,100	1,510,100	1,510,100	-
Total AV	-	-	-	-	226,502,660
Certified Assessed Value	<u>\$ 159,219,860</u>	<u>\$ 205,233,600</u>	<u>\$ 205,233,600</u>	<u>\$ 205,233,600</u>	<u>\$ 226,502,660</u>
MILL LEVY					
GENERAL FUND	10.942	17.642	17.642	17.642	17.642
DEBT SERVICE FUND	6.700	5.800	5.800	5.800	5.800
TEMPORARY MILL LEVY REDUCTION	-	(6.300)	(6.300)	(6.300)	(6.300)
Total Mill Levy	<u>17.642</u>	<u>17.142</u>	<u>17.142</u>	<u>17.142</u>	<u>17.142</u>
PROPERTY TAXES					
GENERAL FUND	\$ 1,742,184	\$ 3,620,731	\$ 3,620,731	\$ 3,620,731	\$ 3,995,960
DEBT SERVICE FUND	1,066,773	1,190,355	1,190,355	1,190,355	1,313,715
TEMPORARY MILL LEVY REDUCTION	-	(1,292,972)	(1,292,972)	(1,292,972)	(1,426,967)
Levied property taxes	2,808,957	3,518,114	3,518,114	3,518,114	3,882,708
Adjustments to actual/rounding	-	-	(102,862)	-	-
Refund and abatements	(73,852)	-	(50,178)	(50,178)	-
Budgeted Property Taxes	<u>\$ 2,735,105</u>	<u>\$ 3,518,114</u>	<u>\$ 3,365,074</u>	<u>\$ 3,467,936</u>	<u>\$ 3,882,708</u>
BUDGETED PROPERTY TAXES					
GENERAL FUND	\$ 1,696,379	\$ 2,327,759	\$ 2,226,500	\$ 2,294,559	\$ 2,568,993
DEBT SERVICE FUND	1,038,726	1,190,355	1,138,574	1,173,377	1,313,715
	<u>\$ 2,735,105</u>	<u>\$ 3,518,114</u>	<u>\$ 3,365,074</u>	<u>\$ 3,467,936</u>	<u>\$ 3,882,708</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
GENERAL FUND**

**FORECASTED 2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

9/29/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ 1,262,062	\$ 1,017,113	\$ 1,098,256	\$ 1,098,256	\$ 968,025
REVENUES					
1 Property taxes	1,696,379	2,327,759	2,226,500	2,294,559	2,568,993
2 Specific ownership taxes	212,183	229,000	111,430	222,860	252,000
3 Net investment income	3,377	2,000	866	1,800	4,500
4 Events income	-	60,000	27,650	74,000	75,000
5 Gift card sales	47,983	65,000	20,563	50,000	55,000
6 Parking garage income	179,317	130,000	95,999	193,700	196,200
7 Management fees - Parking	40,000	40,000	40,000	40,000	40,000
8 Outreach support	35,000	-	-	-	-
9 Marketing income	71,418	5,000	486	10,000	10,000
Total revenues	2,285,657	2,858,759	2,523,494	2,886,919	3,201,693
Total funds available	3,547,719	3,875,872	3,621,750	3,985,175	4,169,718
EXPENDITURES					
General					
10 Admin - Internal Office	236,110	259,638	157,464	271,546	275,290
11 Admin - Professional Services	113,681	129,000	68,707	129,500	138,000
12 Admin - Salaries/Taxes/Benefits	133,981	115,500	60,658	123,600	129,700
13 Outreach	60,471	157,000	53,386	160,000	194,000
14 Marketing	497,814	597,000	203,944	618,000	655,000
15 Marketing - Salaries/Taxes/Benefits	289,739	361,000	157,101	341,700	364,000
16 Physical Environment	489,927	630,900	222,766	630,804	665,000
17 Physical Env - Salaries/Taxes/Benefits	425,600	440,500	174,513	427,000	473,000
18 Parking Operations	151,333	206,000	60,027	191,000	206,000
19 Gift Card Program	50,807	69,000	22,555	54,000	59,000
20 Events	-	58,000	8,650	70,000	80,000
Total expenditures	2,449,463	3,023,538	1,189,771	3,017,150	3,238,990
Total expenditures and transfers out requiring appropriation	2,449,463	3,023,538	1,189,771	3,017,150	3,238,990
ENDING FUND BALANCES	\$ 1,098,256	\$ 852,334	\$ 2,431,979	\$ 968,025	\$ 930,728
EMERGENCY RESERVE	\$ 63,800	\$ 85,800	\$ 75,800	\$ 86,700	\$ 96,100
BOARD RESERVE	548,566	670,085	670,085	667,588	713,648
UNDESIGNATED	485,890	96,449	1,686,094	213,737	120,980
TOTAL RESERVE	\$ 1,098,256	\$ 852,334	\$ 2,431,979	\$ 968,025	\$ 930,728

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
GENERAL FUND EXPENDITURE DETAILS
FORECASTED 2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

3 or more

9/29/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
Admin - Internal Office					
1 Bank charges	\$ 1,574	\$ 1,500	\$ 815	\$ 1,600	\$ 1,600
2 Board and committee meeting expenses	3,101	5,000	600	3,000	3,000
3 Computer expenses	17,379	25,000	14,808	25,000	18,000
4 Copier expenses	14,748	15,000	6,588	14,000	14,000
5 County Treasurer's fees	16,989	23,138	22,199	22,946	25,690
6 Delivery expenses	468	1,000	44	500	1,000
7 Education/travel expenses/seminars	11,571	11,000	9,315	16,000	16,000
8 Memberships	4,697	5,000	4,263	5,000	5,000
9 Office furniture and equipment	6,335	7,000	5,601	7,000	7,000
10 Office rent and cleaning services	128,172	124,000	78,297	140,000	142,000
11 Office supplies	7,392	7,000	2,681	5,000	7,000
12 Other admin/director's expenses	8,465	13,000	3,435	10,000	13,000
13 Postage and meter expenses	1,423	2,000	696	1,500	2,000
14 Telephone/fax/communications	13,796	20,000	8,122	20,000	20,000
Total Admin - Internal Office	\$ 236,110	\$ 259,638	\$ 157,464	\$ 271,546	\$ 275,290
Admin - Professional Services					
15 Accounting	\$ 77,823	\$ 78,000	\$ 39,109	\$ 78,500	\$ 82,000
16 Audit expenses	6,821	7,000	7,000	7,000	7,000
17 Contingency	-	7,000	6,572	7,000	7,000
18 HR & Strategic planning	16,080	22,000	14,030	27,000	27,000
19 Legal expenses	12,957	15,000	1,996	10,000	15,000
Total Admin - Professional Services	\$ 113,681	\$ 129,000	\$ 68,707	\$ 129,500	\$ 138,000
Admin - Benefits/Salaries/Taxes					
20 Employee benefits	\$ 27,699	\$ 29,000	\$ 15,892	\$ 30,000	\$ 31,000
21 Employee salaries	104,482	85,000	44,009	92,000	97,000
22 Employee taxes	1,800	1,500	757	1,600	1,700
Total Admin - Benefits/Salaries/Taxes	\$ 133,981	\$ 115,500	\$ 60,658	\$ 123,600	\$ 129,700
Outreach					
24 Contingency	\$ 4,800	7,000	-	7,000	7,000
25 Community organization support	19,955	22,000	14,325	22,000	22,000
26 Area research	4,800	10,000	-	13,000	13,000
27 General outreach	21,680	12,000	800	12,000	12,000
28 Special projects	9,236	106,000	38,261	106,000	140,000
Total Outreach	\$ 60,471	\$ 157,000	\$ 53,386	\$ 160,000	\$ 194,000
Events					
29 Printing	\$ -	\$ 10,000	\$ 278	\$ 10,000	\$ 10,500
30 Marketing outreach	-	10,000	2,000	10,000	10,500
31 Operations	-	5,000	1,000	5,000	10,000
32 Production	-	25,000	5,372	37,000	35,000
33 Food and beverage	-	3,000	-	3,000	10,500
34 Supplies	-	3,000	-	3,000	1,500
35 Contingency	-	2,000	-	2,000	2,000
Total Events	\$ -	\$ 58,000	\$ 8,650	\$ 70,000	\$ 80,000

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
GENERAL FUND EXPENDITURE DETAILS
FORECASTED 2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

9/29/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
Marketing					
1 Advertising - local	\$ 200,949	\$ 225,000	\$ 44,556	\$ 225,000	\$ 250,000
2 Advertising - tourism	79,128	88,000	60,762	88,000	88,000
3 Business development	-	-	2,039	9,000	5,000
4 Contingency	100	9,000	-	9,000	9,000
5 Creative / Design	68,200	125,000	43,044	135,000	130,000
6 Events	60,521	-	-	-	-
7 Gift card promotion	9,140	9,000	4,450	9,000	9,000
8 Marketing - printing	37,201	65,000	13,258	65,000	65,000
9 Digital	13,032	24,000	9,567	24,000	24,000
10 Marketing services	29,543	52,000	26,268	54,000	75,000
Total Marketing	\$ 497,814	\$ 597,000	\$ 203,944	\$ 618,000	\$ 655,000
Gift Card Program					
11 Gift Card Program	\$ 47,433	\$ 65,000	\$ 20,884	\$ 50,000	\$ 55,000
12 Gift Card Fees	3,374	4,000	1,671	4,000	4,000
Total Gift Card Program	\$ 50,807	\$ 69,000	\$ 22,555	\$ 54,000	\$ 59,000
Marketing - Benefits/Salaries/Taxes					
11 Employee benefits	\$ 47,493	\$ 72,000	\$ 24,826	\$ 69,000	\$ 73,000
12 Employee salaries	238,150	284,000	130,129	268,000	286,000
13 Employee taxes	4,096	5,000	2,146	4,700	5,000
Total Marketing - Benefits/Salaries/Taxes	\$ 289,739	\$ 361,000	\$ 157,101	\$ 341,700	\$ 364,000
Physical Environment					
14 Contingency	\$ 7,020	\$ 8,600	\$ -	\$ 8,600	\$ 8,000
15 District insurance	35,483	40,000	35,904	35,904	40,000
16 Fillmore plaza maintenance	2,285	15,000	2,100	8,000	15,000
17 General maintenance	133,895	140,300	35,756	140,300	150,000
18 Holiday lights and décor	59,505	85,000	43,980	85,000	90,000
19 Maintenance vehicles and equipment	25,542	40,000	4,191	40,000	40,000
20 Maintenance - First Ave Median	10,983	17,000	6,735	17,000	17,000
21 Seasonal plantings and landscape	159,155	175,000	73,631	175,000	175,000
23 Maintenance reserve	-	45,000	7,033	45,000	45,000
24 Utilities	56,059	65,000	13,436	65,000	65,000
25 PE services	-	-	-	11,000	20,000
Total Physical Environment	\$ 489,927	\$ 630,900	\$ 222,766	\$ 630,804	\$ 665,000
Physical Env - Benefits/Salaries/Taxes					
25 Employee benefits	\$ 89,094	\$ 95,000	\$ 32,817	\$ 82,000	\$ 94,000
26 Employee salaries	330,850	339,500	138,912	339,000	372,000
27 Employee taxes	5,656	6,000	2,784	6,000	7,000
Total Physical Env - Benefits/Salaries/Taxes	\$ 425,600	\$ 440,500	\$ 174,513	\$ 427,000	\$ 473,000
Parking Operations					
28 Contingency	\$ 6,575	\$ 6,000	\$ -	\$ 6,000	\$ 6,000
29 Parking operations (Clayton garage)	144,758	150,000	57,527	150,000	150,000
30 Parking program implementation	-	50,000	2,500	35,000	50,000
Total Parking Operations	\$ 151,333	\$ 206,000	\$ 60,027	\$ 191,000	\$ 206,000

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
DEBT SERVICE FUND
FORECASTED 2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

9/29/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ 1,985,858	\$ 774,233	\$ 11,020	\$ 11,020	\$ 34,797
REVENUES					
1 Property taxes	1,038,726	1,190,355	1,138,574	1,173,377	1,313,715
2 Net investment income	3,549	3,000	141	400	500
3 Bond issuance	16,460,000	-	-	-	-
Total revenues	<u>17,502,275</u>	<u>1,193,355</u>	<u>1,138,715</u>	<u>1,173,777</u>	<u>1,314,215</u>
Total funds available	<u>19,488,133</u>	<u>1,967,588</u>	<u>1,149,735</u>	<u>1,184,797</u>	<u>1,349,012</u>
EXPENDITURES					
Debt Service					
4 Bond interest 2008 Series	359,429	-	-	-	-
5 Bond interest 2009 Series	448,610	-	-	-	-
6 Bond interest 2015 Series	-	419,639	205,659	419,639	409,760
7 Bond Issuance Costs	145,600	-	-	-	-
8 Bond principal 2008 Series	380,000	-	-	-	-
9 Bond principal 2015 Series	-	700,000	-	700,000	715,000
10 County Treasurer's fees	10,403	11,904	11,352	11,734	13,137
11 Deposit with refunding agent	18,132,171	-	-	-	-
12 Paying agent fees	900	500	-	500	1,000
13 Undesignated contingencies	-	17,957	3,360	18,127	16,103
Total expenditures	<u>19,477,113</u>	<u>1,150,000</u>	<u>220,371</u>	<u>1,150,000</u>	<u>1,155,000</u>
Total expenditures and transfers out requiring appropriation	<u>19,477,113</u>	<u>1,150,000</u>	<u>220,371</u>	<u>1,150,000</u>	<u>1,155,000</u>
ENDING FUND BALANCES	<u>\$ 11,020</u>	<u>\$ 817,588</u>	<u>\$ 929,364</u>	<u>\$ 34,797</u>	<u>\$ 194,012</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Cherry Creek North Business Improvement District No. 1 (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado. The District was organized on November 28, 1988, and is governed according to the provisions of the Colorado Business Improvement Act (C.R.S. 31-25 part 12). The District's service area is located in Denver County, Colorado.

The District was established for the purpose of maintaining public improvements and planning developmental activities; promotion and marketing of District activity; organization, promotion, marketing, and management of public events; activities supporting business recruitment, management, and development; security for businesses and public areas located within the District; snow removal and refuse collection; and providing design assistance.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on page 3 of the budget at the adopted total mill levy of 17.142, 17.642 mills for operations, 5.800 mills for debt service and (6.300) mills for temporary mill levy reduction.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.50%.

Parking Garage Income and Management Fees – Parking

In 2003, the District entered into an intergovernmental agreement with the City and County of Denver for the operation and maintenance of an off-street parking facility and promotion of on-street parking facilities. The District collects and retains all parking fees.

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

The District also receives a fee of \$40,000 per year from the City and County of Denver for the management of the parking services.

Gift Card Income

The District receives income from the sale of gift cards. As received, cash is used to purchase gift cards, appearing also as part of gift card program expense for the period.

Events Income

This includes any funds that may be received from corporations and other organizations in exchange for marketing and advertising in conjunction with a specific event. For example, the District produces the Cherry Creek North Food & Wine event (F&W) and received income in exchange for promotion of a corporation's support of F&W, the community and the District.

Marketing Income

This includes any fees that may be received from retailers and other organizations in exchange for advertising. For example, the District publishes a directory of businesses within the District (the Directory) and receives sponsorship income in exchange for advertising in the Directory.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, rent, utilities, and salaries of administrative personnel and management.

Marketing Expenditures

Marketing expenditures include the estimated services necessary to promote the District's shopping and special events. This includes advertising, community and tourism outreach programs, special events, and salaries of marketing personnel.

Marketing Services fund programs such as summer internship, photography services, PR firm management and fees, and communications consulting services.

Special Projects fund non-recurring strategic projects that support the District's programs such as public realm, marketing, mobility/parking and outreach.

Physical Environment Expenditures

Physical environment expenditures include the estimated services necessary to maintain the District's grounds and to provide security for patrons, and salaries of physical environment personnel.

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures - (continued)

PE Services fund programs such as consulting fees for GIS streetscape asset management, landscape consultation, and maintenance team support.

Parking Operations Expenditures

Parking operations expenditures include the estimated services necessary to provide parking for patrons. This includes Owners Association dues on parking spaces and salaries of personnel associated with the parking operations. Management of parking operations is currently handled by Standard Parking.

Capital Outlay

There are no anticipated expenditures in 2017.

Debt and Leases

Series 2008

On October 30, 2008, the District issued General Obligation Bonds, Series 2008, in the amount of \$9,250,000, with interest of 4.000% to 5.125%, consisting of serial bonds due annually through 2028. The Series 2008 Bonds maturing on and after December 1, 2019 are subject to redemption prior to maturity at the option of the District, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturities as the District shall determine and by lot within a maturity, on December 1, 2018 and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The principal and interest of these bonds are insured as to repayment by the District.

The 2008 Bonds are secured by and payable from revenue which consists of required mill levy revenues. The required mill levy is imposed upon all taxable property in the District each year in an amount, when combined with amounts on deposit in the Bond Fund, sufficient to pay the principal and interest of the 2008 Bonds, without limitation as to rate or amount.

Series 2009

On September 17, 2009, the District issued General Obligation Bonds, Series 2009, in the amount of \$9,250,000, with interest of 4.000% to 5.000%, consisting of serial bonds due annually through 2032. The Series 2009 Bonds maturing on and after December 1, 2020, are subject to redemption prior to maturity at the option of the District, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturities as the District shall determine and by lot within a maturity, on December 1, 2019, and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The Bonds are subject to mandatory sinking fund redemption by lot beginning December 1, 2030.

The 2009 Bonds are secured by and payable from revenue which consists of required mill levy revenues. The required mill levy is imposed upon all taxable property in the District each year in an amount, when combined with amounts on deposit in the Bond Fund, sufficient to pay the principal and interest of the 2009 Bonds, without limitation as to rate or amount.

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Series 2015

On December 2, 2015, the District issued \$16,460,000 in General Obligation Refunding Bonds, with interest of 2.600%. The Series 2015 Bonds are maturing on December 1, 2030. The proceeds from Series 2015 bonds are

used to establish an irrevocable trust account (the "Refunding Escrow") to refund the 2008 and 2009 Bonds on the first date on which they may be redeemed prior to their maturities. The Refunding Escrow will be sufficient to pay the principal and interest on the 2008 Bonds up to and through the call date of December 1, 2018, and on the 2009 Bonds up to and through the call date of December 1, 2019.

The defeased bonds are not considered a liability of the District since sufficient funds were deposited in the Refunding Escrow and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds when due.

The District's current debt service schedule is attached.

The District has no operating or capital leases.

Reserve Funds

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2017, as defined under TABOR.

This information is an integral part of the accompanying budget.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2016

Bonds and Interest Maturing in the Year Ending December 31,	\$16,460,000			Annual Debt Service
	General Obligation Refunding Bonds			
	Series 2015			
	Dated December 8, 2015			
	Interest Rate of 2.600%			
	Interest Payable			
	June 1 and December 1			
	Principal Payable December 1			
	Principal		Interest	
2017	\$ 715,000	\$	409,760	\$ 1,124,760
2018	755,000		391,170	1,146,170
2019	795,000		371,540	1,166,540
2020	850,000		350,870	1,200,870
2021	910,000		328,770	1,238,770
2022	975,000		305,110	1,280,110
2023	1,040,000		279,760	1,319,760
2024	1,110,000		252,720	1,362,720
2025	1,180,000		223,860	1,403,860
2026	1,255,000		193,180	1,448,180
2027	1,325,000		160,550	1,485,550
2028	1,780,000		126,100	1,906,100
2029	1,495,000		79,820	1,574,820
2030	1,575,000		40,950	1,615,950
	<u>\$ 15,760,000</u>	<u>\$</u>	<u>3,514,160</u>	<u>\$ 19,274,160</u>

PRELIMINARY DRAFT - SUBJECTION TO REVISION

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



PLANNED OR OUTSTANDING INDEBTENDNESS

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2016

Bonds and Interest Maturing in the Year Ending December 31,	\$16,460,000 General Obligation Refunding Bonds Series 2015 Dated December 8, 2015 Interest Rate of 2.600% Interest Payable June 1 and December 1 Principal Payable December 1		Annual Debt Service		
	Principal	Interest			
	2017	\$ 715,000		\$ 409,760	\$ 1,124,760
	2018	755,000		391,170	1,146,170
2019	795,000	371,540	1,166,540		
2020	850,000	350,870	1,200,870		
2021	910,000	328,770	1,238,770		
2022	975,000	305,110	1,280,110		
2023	1,040,000	279,760	1,319,760		
2024	1,110,000	252,720	1,362,720		
2025	1,180,000	223,860	1,403,860		
2026	1,255,000	193,180	1,448,180		
2027	1,325,000	160,550	1,485,550		
2028	1,780,000	126,100	1,906,100		
2029	1,495,000	79,820	1,574,820		
2030	1,575,000	40,950	1,615,950		
	<u>\$ 15,760,000</u>	<u>\$ 3,514,160</u>	<u>\$ 19,274,160</u>		

PRELIMINARY DRAFT - SUBJECT TO REVISION
This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.



AUDITS

**CHERRY CREEK NORTH
BUSINESS IMPROVEMENT DISTRICT NO. 1
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS
December 31, 2015**

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Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cherry Creek North Business Improvement District
City and County of Denver, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Cherry Creek North Business Improvement District (the District), a component unit of the City and County of Denver, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2015, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wagner Barnett & Duggan, PC

Lakewood, Colorado
February 29, 2016

BASIC FINANCIAL STATEMENTS

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
STATEMENT OF NET POSITION
December 31, 2015

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,151,531
Cash and investments - Restricted	79,323
Accounts receivable	17,352
Prepaid expenses	8,931
Receivable - County Treasurer	20,527
Property taxes receivable	3,518,114
Capital assets:	
Depreciable, net	<u>13,641,726</u>
Total assets	<u>18,437,504</u>
DEFERRED OUTFLOWS OF RESOURCES	
Loss on refunding	<u>1,915,601</u>
Total deferred outflows of resources	<u>1,915,601</u>
LIABILITIES	
Accounts payable	70,007
Accrued liabilities	98,381
Accrued interest payable	26,443
Noncurrent liabilities	
Due within one year	700,000
Due in more than one year	<u>15,760,000</u>
Total liabilities	<u>16,654,831</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	<u>3,518,114</u>
Total deferred inflows of resources	<u>3,518,114</u>
NET POSITION	
Net investment in capital assets	(902,673)
Restricted for:	
Emergency reserves	68,600
Debt service	11,020
Unrestricted	<u>1,003,213</u>
Total net position	<u>\$ 180,160</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1

(a component unit of the City and County of Denver)

STATEMENT OF ACTIVITIES

Year Ended December 31, 2015

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Functions/Programs</u>				
Primary government:				
Government activities:				
General government	\$ 2,239,952	\$ 154,401	\$ -	\$ (2,085,551)
Physical environment	898,504	-	-	(898,504)
Parking operations	151,333	219,317	-	67,984
Interest on long-term debt and related costs	924,048	-	-	(924,048)
	<u>\$ 4,213,837</u>	<u>\$ 373,718</u>	<u>\$ -</u>	<u>(3,840,119)</u>
General revenues:				
Property taxes				2,735,105
Specific ownership taxes				212,183
Net investment income				6,926
Total general revenues				<u>2,954,214</u>
Change in net position				(885,905)
Net position - Beginning				1,066,065
Net position - Ending				<u>\$ 180,160</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General	Debt Service	Governmental Funds
ASSETS			
Cash and investments	\$ 1,151,531	\$ -	\$ 1,151,531
Cash and investments - Restricted	68,600	10,723	79,323
Accounts receivable	17,352	-	17,352
Receivable - County Treasurer	19,780	747	20,527
Prepaid expenses	8,931	-	8,931
Property taxes receivable	<u>2,327,759</u>	<u>1,190,355</u>	<u>3,518,114</u>
TOTAL ASSETS	<u>\$ 3,593,953</u>	<u>\$1,201,825</u>	<u>\$ 4,795,778</u>
 LIABILITIES			
Accounts payable	\$ 69,557	\$ 450	\$ 70,007
Accrued liabilities	<u>98,381</u>	<u>-</u>	<u>98,381</u>
Total liabilities	<u>167,938</u>	<u>450</u>	<u>168,388</u>
 DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	<u>2,327,759</u>	<u>1,190,355</u>	<u>3,518,114</u>
Total deferred inflows of resources	<u>2,327,759</u>	<u>1,190,355</u>	<u>3,518,114</u>
 FUND BALANCES			
Nonspendable:			
Prepaid amounts	8,931	-	8,931
Restricted for:			
Emergency reserves	68,600	-	68,600
Debt service	-	11,020	11,020
Assigned:			
Subsequent year's expenditures	164,779	-	164,779
Unassigned:			
General government	<u>855,946</u>	<u>-</u>	<u>855,946</u>
Total fund balances	<u>1,098,256</u>	<u>11,020</u>	<u>1,109,276</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,593,953</u>	<u>\$1,201,825</u>	
 Reconciliation of Balance Sheet - Governmental Funds to Statement of Net Position			
Capital assets are reported as assets on the Statement of Net Position but are recorded as expenditures in the funds.			13,641,726
Capital assets, net			
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			1,915,601
Loss on refunding			
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			(16,460,000)
Bonds payable			(26,443)
Bond interest payable			<u>180,160</u>
Net position of governmental activities			<u><u>\$ 180,160</u></u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 1,696,379	\$ 1,038,726	\$ 2,735,105
Specific ownership taxes	212,183	-	212,183
Interest income	3,377	3,549	6,926
Outreach support	35,000	-	35,000
Sponsorship sales	71,418	-	71,418
Gift card sales	47,983	-	47,983
Parking garage income	179,317	-	179,317
Management fees - Parking	40,000	-	40,000
Total revenues	<u>2,285,657</u>	<u>1,042,275</u>	<u>3,327,932</u>
EXPENDITURES			
Current			
Administration	483,772	-	483,772
Marketing, communications, tourism and events	898,831	-	898,831
Physical environment	915,527	-	915,527
Parking operations	151,333	-	151,333
Debt service			
County Treasurer's fee	-	10,403	10,403
Bond principal - 2008 Series	-	380,000	380,000
Bond interest - 2008 Series	-	359,429	359,429
Bond interest - 2009 Series	-	448,610	448,610
Paying agent fees	-	900	900
Bond issuance costs	-	145,600	145,600
Total expenditures	<u>2,449,463</u>	<u>1,344,942</u>	<u>3,794,405</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(163,806)</u>	<u>(302,667)</u>	<u>(466,473)</u>
OTHER FINANCING SOURCES (USES)			
Bond issuance	-	16,460,000	16,460,000
Deposit with refunding agent	-	(18,132,171)	(18,132,171)
Total other financing sources (uses)	<u>-</u>	<u>(1,672,171)</u>	<u>(1,672,171)</u>
NET CHANGE IN FUND BALANCES	(163,806)	(1,974,838)	(2,138,644)
FUND BALANCES - BEGINNING OF YEAR	<u>1,262,062</u>	<u>1,985,858</u>	<u>3,247,920</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,098,256</u>	<u>\$ 11,020</u>	<u>\$ 1,109,276</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
Year Ended December 31, 2015

Net change in fund balances - Governmental funds \$ (2,138,644)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are depreciated over their estimated useful lives.

Expenditures for capital assets	22,413
Current year depreciation	(862,739)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Bond refunded and paid	16,560,000
Bond issuance	(16,460,000)
Loss on refunding	1,915,601
Bond premium amortization	36,570

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest on bonds - Change in liability	40,894
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Change in net position of governmental activities	\$ (885,905)
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These financial statements should be read only in connection with the accompanying notes to financial statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property taxes	\$ 1,742,184	\$ 1,696,379	\$ (45,805)
Specific ownership taxes	183,000	212,183	29,183
Interest income	2,500	3,377	877
Outreach support	-	35,000	35,000
FNO income	15,000	-	(15,000)
Sponsorship sales	33,000	71,418	38,418
Gift card sales	65,000	47,983	(17,017)
Parking garage income	120,000	179,317	59,317
Management fees - Parking	40,000	40,000	-
Total revenues	<u>2,200,684</u>	<u>2,285,657</u>	<u>84,973</u>
EXPENDITURES			
Administration	481,982	483,772	(1,790)
Marketing, communications, tourism and events	982,100	898,831	83,269
Physical environment	898,100	915,527	(17,427)
Parking operations	126,000	151,333	(25,333)
Total expenditures	<u>2,488,182</u>	<u>2,449,463</u>	<u>38,719</u>
NET CHANGE IN FUND BALANCES	(287,498)	(163,806)	123,692
FUND BALANCES - BEGINNING OF YEAR	<u>1,175,424</u>	<u>1,262,062</u>	<u>86,638</u>
FUND BALANCES - END OF YEAR	<u>\$ 887,926</u>	<u>\$ 1,098,256</u>	<u>\$ 210,330</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - DEFINITION OF REPORTING ENTITY

Cherry Creek North Business Improvement District No. 1 (the District) is a quasi-municipal corporation and political subdivision of the State of Colorado. The District was organized on November 28, 1988, and is governed according to the provisions of the Colorado Business Improvement Act (C.R.S. 31-25 part 12). The District's service area is located in the City and County of Denver, Colorado (City). The District was established for the purpose of maintaining public improvements and planning developmental activities; promotion and marketing of District activity; organization, promotion, marketing, and management of public events; activities supporting business recruitment, management, and development; security for businesses and public areas located within the District; snow removal and refuse collection; and providing design assistance.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District's annual budget is required to be submitted to and approved by the City, thus enabling the City to impose its will on the District. Consequently, the District is considered to be a component unit of the City.

The District has a twelve member Board of Directors comprised of a chairperson, vice-chair person, secretary-treasurer, and eleven members. In evaluating the District as a reporting entity, the Board has addressed all potential component units for which the District may or may not be financially accountable, and as such, be includable within the District's financial statements. The District is not financially accountable for any other organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflows, liabilities and deferred inflows of the District is reported as net position.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are recorded as a reduction in liabilities and are shown as: 1) increases in assets, and 2) redemption of bonds and notes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with Local Government Budget Law of Colorado and the Business Improvement District Law, the District's Board of Directors prepares an annual operating plan and budget that is submitted no later than each September 30 to the City for approval. The District's Board of Directors conducts a public hearing prior to adopting the final budget for the ensuing year, setting the mill levy, and appropriating sums of money within the Budget. The District then certifies its mill levy to the Assessor and the Council of the City and County of Denver prior to the statutory certification date, December 15. The District may modify the budget and the appropriation of sums of money within the budget. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its Debt Service Fund budget for the year ended December 31, 2015.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Vehicles	5-7 years
Office furniture and equipment	5-7 years
Maintenance equipment	5-7 years
Leasehold improvements	7 years
Streets	20 years

Amortization

In the government-wide financial statements, the loss on bond refunding is being amortized using the interest method over the life of the refunded bonds. The amortization amount is a component of interest expense and the unamortized deferred loss is reflected as a deferred inflow of resources.

Compensated Absences

The District has a policy that allows employees to accumulate unused flex-time benefits based on the length of service. Employees are encouraged to use all of their flex-time benefits earned each year. However, at this time, there is no restriction on how much may be carried over to the next calendar year. Compensated absences are accrued when incurred in the financial statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has only has one item that qualifies for reporting in this category. Accordingly, the item, *loss on refunding*, is deferred and recognized as an outflow of resources in the period that the amounts become available.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2015, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 1,151,531
Cash and investments - Restricted	79,323
Total cash and investments	<u>\$ 1,230,854</u>

Cash and investments as of December 31, 2015, consist of the following:

Deposits with financial institutions	\$ 1,215,933
Investments	14,921
Total cash and investments	<u>\$ 1,230,854</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2015, the District's cash deposits had a bank balance and a carrying balance of \$1,215,933.

Investments

The District has adopted a formal investment policy, which includes following state statutes regarding investments. It sets out the following priorities for investments: 1) safety of principal is the primary objective, 2) portfolio shall retain sufficient liquidity to meet all reasonably anticipated operating cash needs, 3) investment purchases and sales shall be managed in a manner consistent with the BID's financial management goals, and 4) attaining a market rate of return throughout interest rate cycles. The District will only use security dealers who meet specific requirements detailed within the policy.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2015, the District had the following investments:

Investment	Maturity	Fair Value
Colorado Liquid Asset Trust (Colotrust)	Weighted average under 60 days	\$ <u>14,921</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. Colotrust offers two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, certain obligations of agencies of the U.S. government and written purchase agreements collateralized by U.S Treasury securities or certain obligations of U.S government agencies. COLOTRUST PLUS+ may also invest in highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as a custodian for Colotrust's portfolios pursuant to a custodian agreement.

The custodian acts as a safekeeping agent for Colotrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by Colotrust. Colotrust is rated AAAM by Standard & Poor's.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	<u>January 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 2015</u>
Depreciable assets				
Vehicles	\$ 31,021	\$ -	\$ -	\$ 31,021
Office furniture and equipment	169,445	5,390	-	174,835
Maintenance equipment	63,009	13,837	-	76,846
Leasehold improvements	14,730	-	-	14,730
Street	<u>16,999,352</u>	<u>3,186</u>	<u>-</u>	<u>17,002,538</u>
Totals at historical cost	<u>17,277,557</u>	<u>22,413</u>	<u>-</u>	<u>17,299,970</u>
Less accumulated depreciation for:				
Vehicles	(31,021)	-	-	(31,021)
Office furniture and equipment	(141,609)	(9,655)	-	(151,264)
Maintenance equipment	(58,243)	(2,736)	-	(60,979)
Leasehold improvements	(14,730)	-	-	(14,730)
Streets	<u>(2,549,902)</u>	<u>(850,348)</u>	<u>-</u>	<u>(3,400,250)</u>
Total accumulated depreciation	<u>(2,795,505)</u>	<u>(862,739)</u>	<u>-</u>	<u>(3,658,244)</u>
Capital assets, net	<u>\$ 14,482,052</u>	<u>\$ (840,326)</u>	<u>\$ -</u>	<u>\$ 13,641,726</u>

Depreciation expenses were charged to functions/programs of the District as follows:

Governmental activities:	
General Government	<u>\$ 862,739</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 5 - LONG-TERM DEBT

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2015:

	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds,					
Series 2008	\$ 7,310,000	\$ -	\$ (7,310,000)	\$ -	\$ -
Series 2009	9,250,000	-	(9,250,000)	-	-
Series 2015	-	16,460,000	-	16,460,000	700,000
Premium, Series 2008	23,750	-	(23,750)	-	-
Premium, Series 2009	12,820	-	(12,820)	-	-
	<u>\$ 16,596,570</u>	<u>\$ 16,460,000</u>	<u>\$ (16,596,570)</u>	<u>\$ 16,460,000</u>	<u>\$ 700,000</u>

The details of the District's long-term obligations are as follows:

General Obligation Bonds

\$9,250,000 General Obligation Bonds, Series 2008, dated October 30, 2008, with interest of 4.000% to 5.125%, consisting of serial bonds due annually through 2028. The Series 2008 Bonds maturing on and after December 1, 2019, are subject to redemption prior to maturity at the option of the District, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturities as the District shall determine and by lot within a maturity, on December 1, 2018, and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The principal and interest of these bonds are insured as to repayment by the District.

The 2008 Bonds are secured by and payable from revenue which consists of required mill levy revenues. The required mill levy is imposed upon all taxable property in the District each year in an amount, when combined with amounts on deposit in the Bond Fund, sufficient to pay the principal and interest of the 2008 Bonds, without limitation as to rate or amount. The Series 2008 Bonds were refunded on December 8, 2015.

\$9,250,000 General Obligation Bonds, Series 2009, dated September 17, 2009, with interest of 4.000% to 5.000%, consisting of serial bonds due annually through 2032. The Series 2009 Bonds maturing on and after December 1, 2020, are subject to redemption prior to maturity at the option of the District, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturities as the District shall determine and by lot within a maturity, on December 1, 2019, and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The Bonds are subject to mandatory sinking fund redemption by lot beginning December 1, 2030. The 2009 Bonds are secured by and payable from revenue which consists of required mill levy revenues.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The required mill levy is imposed upon all taxable property in the District each year in an amount, when combined with amounts on deposit in the Bond Fund, sufficient to pay the principal and interest of the 2009 Bonds, without limitation as to rate or amount. The Series 2009 Bonds were refunded on December 8, 2015.

\$16,460,000 General Obligation Refunding Bonds, Series 2015, dated December 8, 2015, with interest of 2.600%. The Series 2015 Bonds mature on December 1, 2030 and are not subject to redemption prior to maturity. The Bonds are subject to mandatory sinking fund redemption beginning on December 1, 2016. The proceeds from Series 2015 bonds were used to establish an irrevocable trust account (the "Refunding Escrow") to refund the Series 2008 and 2009 Bonds on the first date on which they may be redeemed prior to their maturities.

The District advance refunded Series 2008 and Series 2009 bonds to reduce its total debt service payments over the next 17 years by \$4,799,564 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,496,869. The defeased bonds are not considered a liability of the District since sufficient funds in the amount of \$18,132,171 were deposited with the Refunding Escrow and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds until the call date, at which point of the bonds will be repaid in its entirety from the remaining funds in the escrow account. Series 2008 and Series 2009 bonds will be redeemed on December 1, 2018 and December 1, 2019, respectively. As of December 31, 2015, the outstanding principal balance of the defeased bond is \$16,180,000.

The District's Series 2015 Bonds principal and interest will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 700,000	\$ 419,639	\$ 1,119,639
2017	715,000	409,760	1,124,760
2018	755,000	391,170	1,146,170
2019	795,000	371,540	1,166,540
2020	850,000	350,870	1,200,870
2021-2025	5,215,000	1,390,220	6,605,220
2026-2030	7,430,000	600,600	8,030,600
	<u>\$ 16,460,000</u>	<u>\$ 3,933,799</u>	<u>\$ 20,393,799</u>

At December 31, 2015, the District has issued all authorized indebtedness at a total of \$18,500,000.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 6 - NET POSITION

The District has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2015, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net investment in capital assets	
Capital assets, net	\$ 13,641,726
Current portion of outstanding long-term obligations	(700,000)
Noncurrent portion of outstanding long-term obligations	(15,760,000)
Loss on refunding (net of accumulated amortization)	1,915,601
Net investment in capital assets	\$ (902,673)

The restricted component of net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2015, as follows:

	Governmental Activities
Restricted net position:	
Emergency reserves	\$ 68,600
Debt service	11,020
Total restricted net position	\$ 79,620

The District's unrestricted net position as of December 31, 2015, totaled \$1,003,213.

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2015. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 7 - RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 8 - DEFERRED COMPENSATION PLAN

The District maintains a deferred compensation plan and a pension plan in accordance with Internal Revenue Service Code Sections 457 and 401(a), respectively. The plans below are administered by ICMA-RC:

1. Social Security Replacement Plan (required participation): The District has opted not to participate in the traditional federal Social Security program by providing a retirement program that privatizes the employee's and employer's social security deductions into individual accounts to be managed by the employee. Each pay period, 6.2% of the employee's check is deposited into a 457 individual retirement plan in conjunction with the District depositing an equal 6.2% contribution into an individual 401 retirement plan.
2. District Retirement Plan (optional participation): The District offers an employer matching retirement plan for those full time employees electing to participate. Participation requires that the employee elects to have 4% of their check deducted and placed into an individual 457 retirement account. If the employee elects to participate in the optional program, the District will contribute a matching 4% of the employee's check into an individual 401 retirement plan.
3. On September 10, 2014, the District's Board of Directors adopted the Resolution Approving a New Employee Deferred Compensation Program. The program consists of a new employer contribution of up to 5% of each eligible employee's salary awarded at the end of each calendar year. The program requires three years of continuous employee service to receive 50% of the employer's contribution and five years of continuous service to receive 100%. Furthermore, the Board of Directors may elect at the end of each calendar year to partially or fully fund this program based on any reason they deem appropriate.

Employer contributions to the plans in 2014 and 2015 were \$91,549 and \$81,642, respectively. The funds are not available until termination, retirement, death, or unforeseen emergencies.

NOTE 9 - INTERGOVERNMENTAL AGREEMENT

In 2003, the District entered into an intergovernmental agreement with the City and County of Denver for the operation and maintenance of an off-street parking facility and the promotion of on-street parking facilities. Management of parking operations is currently handled by SP Plus.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 9 - INTERGOVERNMENTAL AGREEMENT (CONTINUED)

The District receives \$40,000 a year from the City and County of Denver for the management of the parking services.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation. The District has made certain interpretations of the amendment's language in order to determine its compliance.

On November 5, 1996, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR. In 1999, the Colorado Attorney General determined that the District was exempt from TABOR.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The District leases office and parking space under an operating lease. The original lease expired on December 31, 2010, and was extended to January 31, 2018. Total rental expense for the year ended December 31, 2015, was \$124,545.

The future minimum annual rental commitments under this lease are follows:

	<u>Minimum Lease Payments</u>
Year ending December 31,	
2016	\$ 61,693
2017	63,431
2018	<u>5,298</u>
	<u>\$ 130,422</u>

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,066,773	\$ 1,038,726	\$ 1,038,726	\$ -
Interest income	5,000	3,549	3,549	-
Total revenues	<u>1,071,773</u>	<u>1,042,275</u>	<u>1,042,275</u>	<u>-</u>
EXPENDITURES				
County Treasurer's fee	10,668	10,403	10,403	-
Bond principal - 2008 Series	380,000	380,000	380,000	-
Bond interest - 2008 Series	359,429	359,429	359,429	-
Bond interest - 2009 Series	448,610	448,610	448,610	-
Paying agent fees	2,000	900	900	-
Bond issuance costs	-	145,600	145,600	-
Undesignated Contingencies	4,293	47,887	-	47,887
Total expenditures	<u>1,205,000</u>	<u>1,392,829</u>	<u>1,344,942</u>	<u>47,887</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(133,227)</u>	<u>(350,554)</u>	<u>(302,667)</u>	<u>47,887</u>
OTHER FINANCING SOURCES AND (USES)				
Bond issuance	-	16,460,000	16,460,000	-
Deposit with refunding agent	-	(18,132,171)	(18,132,171)	-
Total other financial sources (uses)	<u>-</u>	<u>(1,672,171)</u>	<u>(1,672,171)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(133,227)</u>	<u>(2,022,725)</u>	<u>(1,974,838)</u>	<u>47,887</u>
FUND BALANCES - BEGINNING OF YEAR	<u>1,998,364</u>	<u>1,985,858</u>	<u>1,985,858</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,865,137</u>	<u>\$ (36,867)</u>	<u>\$ 11,020</u>	<u>\$ 47,887</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2015

Bonds and Interest Maturing in the Year Ending December 31,	\$16,460,000		Annual Debt Service
	General Obligation Refunding Bonds		
	Series 2015		
	Dated December 8, 2015		
	Interest Rate of 2.600%		
	Interest Payable		
	June 1 and December 1		
	Principal Payable December 1		
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 700,000	\$ 419,639	\$ 1,119,639
2017	715,000	409,760	1,124,760
2018	755,000	391,170	1,146,170
2019	795,000	371,540	1,166,540
2020	850,000	350,870	1,200,870
2021	910,000	328,770	1,238,770
2022	975,000	305,110	1,280,110
2023	1,040,000	279,760	1,319,760
2024	1,110,000	252,720	1,362,720
2025	1,180,000	223,860	1,403,860
2026	1,255,000	193,180	1,448,180
2027	1,325,000	160,550	1,485,550
2028	1,780,000	126,100	1,906,100
2029	1,495,000	79,820	1,574,820
2030	1,575,000	40,950	1,615,950
	<u>\$ 16,460,000</u>	<u>\$ 3,933,799</u>	<u>\$ 20,393,799</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2015

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Tax Levy</u>	<u>Mills Levied</u>	<u>Total Property Taxes</u>			<u>Percent Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>		
2011	\$ 188,980,290	17.642	\$ 3,333,990	\$ 3,211,557	(1)	96.33%
2012	\$ 155,166,940	17.642	\$ 2,737,455	\$ 2,719,684		99.35%
2013	\$ 154,649,440	17.642	\$ 2,728,325	\$ 2,739,111		100.40%
2014	\$ 160,662,450	17.642	\$ 2,834,407	\$ 2,783,444	(2)	98.20%
2015	\$ 159,219,860	17.642	\$ 2,808,957	\$ 2,735,105	(3)	97.37%
Estimated for the year ending December 31, 2016	\$ 205,233,600	17.142	\$ 3,518,114			

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior year.

- (1) Taxes were abated and refunded, amounting to \$57,662, in collection year ended 2011 per County.
- (2) Taxes were abated and refunded, amounting to \$37,409, in collection year ended 2014 per County.
- (3) Taxes were abated and refunded, amounting to \$59,579, in collection year ended 2015 per County.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL
Years Ended December 31,

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
REVENUES					
Property taxes	\$ 1,991,886	\$ 1,686,815	\$ 1,698,864	\$ 1,726,361	\$ 1,696,379
Specific ownership taxes	192,421	183,508	170,728	191,671	212,183
Interest income	4,912	1,871	3,270	2,890	3,377
Reimbursed expenditures	-	-	-	10,118	-
FNO income	-	-	-	19,173	-
Outreach support	-	-	-	-	35,000
Parking revenue	99,815	92,814	118,912	129,016	179,317
Event revenue	16,600	17,600	27,397	11,065	71,418
Management fees - Parking	40,000	40,000	40,000	40,000	40,000
Other income	-	17,554	-	-	-
Gift card sales	44,304	59,959	67,098	76,881	47,983
Total revenues	<u>2,389,938</u>	<u>2,100,121</u>	<u>2,126,269</u>	<u>2,207,175</u>	<u>2,285,657</u>
EXPENDITURES					
Current operating					
Administration	520,700	462,975	440,775	460,152	478,382
Operations	1,630,209	1,815,802	1,791,442	1,846,537	1,948,668
Capital outlay	14,242	14,242	17,581	2,151	22,413
Total expenditures	<u>2,165,151</u>	<u>2,293,019</u>	<u>2,249,798</u>	<u>2,308,840</u>	<u>2,449,463</u>
NET CHANGE IN FUND BALANCES	224,787	(192,898)	(123,529)	(101,665)	(163,806)
FUND BALANCES - BEGINNING OF YEAR	1,455,367	1,680,154	1,487,256	1,363,727	1,262,062
FUND BALANCES - END OF YEAR	<u>\$ 1,680,154</u>	<u>\$ 1,487,256</u>	<u>\$ 1,363,727</u>	<u>\$ 1,262,062</u>	<u>\$ 1,098,256</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
 (a component unit of the City and County of Denver)
TEN LARGEST TAXPAYERS OF TAXABLE PROPERTY
 (Unaudited)
 (Assessed Valuation for 2015 Taxes Due in 2016)

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
AMCAP CLAYTON LLC	\$ 14,828,860	7.23%
SE FILLMORE PLACE LLC	14,016,660	6.83%
100 SAINT PAUL LLC	13,532,450	6.59%
151 DETROIT STREET CF LLC	12,484,300	6.08%
SE BCC BUILDING LLC	9,644,530	4.70%
UPI 2ND JOSEPHINE LLC	9,635,490	4.69%
DIAMONDROCK CHERRY CREEK OWNER	9,450,120	4.60%
OFFICES AT UNIVERSITY LLC	7,755,900	3.78%
THE SHOPS AT NORTHCREEK LLC	4,869,630	2.37%
LULUS PLAZAS LIMITED LIABILITY	4,496,450	2.19%
ALL OTHERS	104,519,210	50.94%
	<u>\$ 205,233,600</u>	<u>100.00%</u>



BY-LAWS

BYLAWS OF CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1

(A Business Improvement District created pursuant to the Colorado Business Improvement District Act, as amended, and Ordinance No. 741 (1988) of the Council of the City and County of Denver.)

AS AMENDED BY THE BOARD OF DIRECTORS
February 12, 2014

ARTICLE 1

Offices

The principal office of the Cherry Creek North Business Improvement District No. 1, hereafter known as the "District", shall be at a location in Denver, Colorado as the Board of Directors may determine or as the affairs of the District may require from time to time.

ARTICLE II

Board of Directors

1. General Powers. Except as otherwise provided by law or these bylaws, the affairs of the District shall be governed by its Board of Directors, hereinafter sometimes known as the "Board".
2. Number. In accordance with City and County of Denver Ordinance No. 153 (Series of 1999), the Board shall consist of no fewer than nine (9) to no more than fifteen (15) members. Within this range, a majority vote of the Board may set the number of directors by resolution or by amendment of the District's Number of Board Members Governing Policy.

3. Composition. Each member of the Board shall be an elector of the District, and no more than one-half of the members of the board may be affiliated with one owner or lessee of taxable real or personal property in the District.
4. Appointment and Term of Office. In accordance with C.R.S. § 31-25-1209(b), the directors shall be appointed by the Mayor and approved by the City Council of the City and County of Denver, and shall serve at the pleasure of the Mayor and the City Council. Each year at the regular meeting of the Board during the month of November, the Board shall nominate a successor for each director whose term shall expire that year, except that the Board may propose to adjust the number of directors to be appointed in a given year in order to achieve staggered terms, so that approximately one-third of directors' terms expire in a given year. The nominations process shall be described in the District's Governing Policies. A copy of the slate recommended by the nominating committee shall be included in the notice to each director of any regular or special meeting at which the nomination of a director for proposal to the Mayor will take place. In selecting a nominee, the Board shall give such consideration as it may deem appropriate to the need for representation of the variety of commercial property owners and businesses, both in terms of the nature of goods or service provided and the relative size of the businesses, within the District. The Board shall also give consideration to the expressed commitment of a nominee to fulfill the obligations and commitments inherent in participation on the Board, as enumerated within these bylaws or in governing policies adopted by the Board. The Board shall propose its nominees to the Mayor confirming the term of the continuing members of the Board and recommending each nominee to fill a vacancy created by an expiring term to serve for a term of three (3) years, for a maximum of two consecutive three year terms. Prospective directors recommended by the Board to the Mayor shall assume their role on January 1st, and shall have voting rights and be recognized as a formal Board member unless/until notification is received that they have not been approved by the City Council.
5. Vacancies. In the event that a vacancy created on the Board of Directors shall occur for any cause other than the expiration of the director's term, including removal, the Board of Directors shall nominate a succeeding director by a vote

of a majority of the remaining directors (even if such a majority is less than a quorum) at any regular or special meeting of the board held within 75 days of the occurrence of such vacancy. In selecting a nominee, the Board shall give such consideration as it may deem appropriate to the need for representation of the variety of commercial property owners and businesses, both in terms of the nature of goods or service provided and the relative size of the businesses, within the District. The Board of Directors shall nominate to the Mayor a succeeding director to fill the vacancy.

6. Consultation with Electors. Each year, no later than 5 days before the scheduled date for the regular meeting of the Board during the month of September, the Secretary shall cause notice to be given to the electors (as defined in C.R.S. § 31-25-1203(4)(a), as may be amended) of all openings on the Board, which will occur that year as a result of the expiration of directors' terms. Such notice shall describe the number of openings on the Board; describe the term to be filled; and state that the Board intends to propose to the Mayor nominees to succeed to the position of those directors whose terms are expiring, or to fill such vacancies, created by causes other than expiration of a director's term as may exist on the Board. Notice of any opening on the Board, whether created by expiration of a director's term or any other cause, shall be sent to each elector by first class mail at his or her last-known address, as disclosed by the tax records of the County of Denver, and shall be deemed to have been given 3 days after it is placed in the United States mail, postage prepaid. Such notice shall disclose the name of the members of the nominating committee as well as the mailing address of the District office and shall direct that the electors may mail any suggestions for potential nominees for directors to the members of the nominating committee. Such notice shall also state that the electors' suggestions must be received at the District office no later than 15 days from the date of such notice in order to be considered by the nominating committee.
7. Resignation. Any director may resign by submitting a written resignation to the Board. The Board will notify the City Council and the Mayor, and such resignation will take effect on the date specified therein.

8. Removal. The Board of Directors may, by an affirmative vote of three-quarters of the directors then in office, propose to the Mayor and City Council that a member of the Board be removed for cause, which for these purposes shall be defined as failure by the director, in the opinion of a majority of the Board, to abide by these Bylaws or the governing policies of the Board then in effect. Directors may also be removed in accordance with Colo. Rev. Stat. § 31-25-1209(1)(e) and (f), as such sections may be amended.
9. Compensation. The directors shall receive no compensation for services rendered in their capacity as directors, but may, under policies established by resolution of the Board, be reimbursed for their reasonable expenses incurred in the performance of their official duties as directors. Nothing herein shall be construed to preclude any director from providing services within the District area in some other capacity and receiving compensation therefore.
10. Regular Meetings. The Board shall hold regular meetings on the second Wednesday of every month, at a time and location to be determined by the Board. The regular meeting of the Board during the month of January shall be deemed the annual meeting of the Board of Directors. At each annual meeting the Board shall designate the public place at which public notice of meetings of the Board or its committees will be posted; and may transact such other business as may properly come before the meeting.
11. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chair or the written demand of any three (3) directors. Such special meeting shall be held at such date, place and time as may be determined by the person or persons authorized to call the special meeting. Notice of such special meeting shall state the purpose of the meeting.
12. Notice. Notice of any meeting of the Board, whether regular or special, shall be given to each director at least five (5) days prior to the meeting. Such notice may be given by personal telephone or e-mail communication to a director; by personal delivery of written notice to a director; by transmittal of a cable or telegram to a director; or by deposit of a written notice to a director in the United States mail, postage prepaid. When notice to a director is given by mail,

such notice shall be deemed to be given three (3) days after it is placed in the United States mail, postage prepaid.

13. Quorum. A majority of those actually serving on the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at such meeting, a majority of the directors present may adjourn the meeting to a later date, provided that notice of the meeting shall be given in the manner provided in section 12 of this Article II to each director not present at the adjourned meeting.
14. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or these bylaws.
15. Proxies. Voting by proxies is prohibited.
16. Attendance/Absences. The Board may establish an attendance requirement, which will be articulated in governing policies. A director absent from more regularly scheduled meetings of the Board than is allowed for in the attendance requirement set forth in the Governing Policies will be deemed to have resigned from the Board. Such resignation shall be effective as of the date of the last regularly scheduled Board meeting missed by the Director.

ARTICLE III

Elected Officers

1. Officers. The officers of the District shall be a Chair, a Vice-Chair, Treasurer and a Secretary. The offices of Chair, Vice-Chair, Treasurer and Secretary shall be elected from among the members of the Board of Directors; and, resignation or removal from the Board of the Chair, Vice-Chair, Treasurer or Secretary shall constitute resignation or removal from such office as well. The office of both Secretary and Treasurer may be filled by one person.
2. Election and Term of Office. The elected officers of the District shall be elected by the Board of Directors at the annual meeting of the Board and shall serve terms of one year, until the next annual meeting of the Board, or until such

- officer's successors has been elected. No individual may serve more than two consecutive one-year terms in a particular officer position.
3. Vacancies. A vacancy in any office due to death, resignation, removal, disqualification or other cause may be filled by the Board of Directors for the unexpired portion of the term.
 4. Resignation. Any officer may resign at any time by giving written notice thereof to the Board of Directors. Such resignation shall take effect on the date specified therein and no acceptance of such resignation shall be necessary to render the same effective.
 5. Removal. Any officer elected or appointed by the Board of Directors may be removed, by an affirmative vote of a majority of the remaining voting members of the Board, whenever in the Board's judgment the best interests of the District would be served thereby.
 6. Chair. The Chair of the Board of Directors shall be the chief governing officer of the District. The Chair shall preside at all meetings of the Board of Directors and shall have other authority and responsibilities as may be designated by the Board of Directors in its governing policies.
 7. Vice-Chair. In the absence, disability or refusal to act by the Chair, the Vice-Chair shall perform all the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair.
 8. Secretary. The Secretary shall keep, or cause to be kept, a record of all proceedings, minutes of meetings, current governing policies, certificates, contracts, and corporate acts of the Board, which shall be open to inspection by the electors of the District and other interested parties. The Secretary shall see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; be custodian of the District records and of the seal of the District and see that the seal of the District is affixed to all documents as may be required or appropriate from time to time; and in general, shall perform all other duties as may be assigned to the Secretary by the President or by the Board of Directors from time to time.
 9. Treasurer. In accordance with C.R.S. § 31-25-1209(2), as may be amended, the Treasurer shall keep permanent records containing accurate accounts of all

money received by and distributed for and on behalf of the District and shall make such annual or other reports to the City and County of Denver as it may require. The Treasurer may work with District staff and consultants in fulfilling this obligation. The Treasurer shall make financial information available to the directors as necessary. The Treasurer shall perform all acts incident to the position of Treasurer subject to the control of the Board of Directors. The Treasurer shall report on the progress of his/her duties as necessary at each Board meeting.

ARTICLE IV

Chief Executive Officer

1. Employment. The Board of Directors shall employ a professional manager who will be known as the President and Chief Executive Officer (President/CEO), with such duties, for such a length of time, and at such compensation as may be determined by the Board of Directors.
2. Duties. The President/CEO shall manage the day to day affairs of the District in accordance with these Bylaws, the Board's governing policies, and, as the Board may deem appropriate, an employment contract. The President/CEO shall be a non-voting, ex officio member of the Board of Directors. The President/CEO shall be responsible for the employment of any additional staff in a manner consistent with the Board's governing policies and budget. The President/CEO may establish operating committees comprised of Board members, his/her staff and/or other interested parties for purposes he/she may deem necessary or beneficial in the performance of his/her duties.

ARTICLE V

Board Committees

1. Establishment. The Board may establish committees from time to time in order to assist it in the fulfillment of its governance role. Committees established by the Board of Directors may be established by majority vote, with specific purposes, authority and time lines to be included in the resolution establishing such

committees, to be recorded in the governing policies then in effect. When these bylaws or the resolution of the board does not specify the composition of a given committee, the Chair is empowered to appoint individuals to the committee. The designation of any Committee and the delegation of authority thereto shall not relieve the Board, or any member thereof, of any responsibility imposed by law. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors of the District and until a successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee.

2. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors of the District and until a successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee.
3. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.
4. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.
5. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE VI

Open Meetings

Any meeting of the Board of Directors, or of any committee having and exercising any authority of the Board of Directors, shall be subject to the open meetings provisions of the Colorado Open Meetings Law, Colo. Rev. Stat. § 24-6-401 *et seq.*, as it may be amended from time to time.

ARTICLE VII

Indemnification

The District shall indemnify its directors, officers, and employees to the fullest extent permitted by the laws of Colorado against all reasonable expenses incurred in connection with the defense of any litigation to which the individual may have been made a party because he or she is or was a director, officer or employee of the District.

ARTICLE VIII

Conflicts of Interest

Each member of the Board of Directors shall comply with the provisions of Colo. Rev. Stat. §§ 31-25-1209(3), 18-8-308, 24-18-108.5, 24-18-109(2), 24-18-109(3)(a), 24-18-201, and 24-18-202, as each may be amended. Without limiting the foregoing, each member of the Board of Directors shall disclose any potential conflicting interest in any transaction of the District pursuant to C.R.S. § 18-8-308. A member of the Board with a potential conflicting interest in a District transaction shall not participate in the consideration of or vote on the transaction, shall not attempt to influence any of the contracting parties, and shall not act directly or indirectly for the Board in the inspection, operation, administration, or performance of any contract related to the transaction. Ownership, in and of itself, by a Board member of property within the District shall not be considered a potential conflicting interest. In addition, the Board must comply with the District's Governance Policy 4.5 regarding Board Members' Code of Conduct, as the same may be amended from time to time.

ARTICLE IX

Contracts, Checks and Deposits

1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the District, to enter into any contract which the Board itself is authorized to make pursuant to Part 12 of Article 25 of Title 21 of the Colorado Revised Statutes; to execute and deliver any instrument in the name of and on

behalf of the District, and such authority may be general or confined to specific instances.

2. Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the District, shall be signed in the manner provided by the statute or, in the absence of any applicable statute, shall be executed in accordance with internal controls as established in the Board's then-effective governing policies.
3. Deposits. All funds of the District shall be deposited from time to time to the credit of the District in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE X

Books and Records

The District shall keep correct and complete books and records of account as well as minutes of the proceedings of its Boards of Directors at the principal office of the District, all in accordance with State law. Records of all proceedings, minutes of meetings, certificates, contracts, and corporate acts of the Board shall be open to inspection by the electors of the Districts and other interested parties, in accordance with the Colorado Open Records Act.

ARTICLE XI

Waiver of Notice

Whenever any notice is required to be given to the member of the Board of Directors under the law or under the provisions of these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

Corporate Seal

The corporate seal shall be in such form as has been or shall be approved by resolution of the Board of Directors. Such seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced. The impression of the seal may be made and attested by the Secretary for authentication of document, contracts or other papers requiring the seal.

ARTICLE XIII

Fiscal Year

The fiscal year of the District shall begin on the first day of January and shall end of the last day of December in each year.

ARTICLE XIV

Amendments to the Bylaws

To the extent permitted by applicable law, the Board of Directors shall have the power to alter, amend, or repeal the bylaws or to adopt new bylaws. Such action may be taken by the affirmative vote of all voting directors, if notice of the proposed alteration or amendment is included in the notice of the meeting. All bylaws of the District shall be automatically amended to conform to any changes in the statutes on which the bylaws are based.

**ATTESTATION: These bylaws amended by vote of the Board of Directors on
February 12, 2014:**



Secretary



BOARD ACTIONS (MOTIONS)

Minutes and Resolutions



CALL TO ORDER | OPEN FORUM | PRESENTATIONS

Call to Order: Roy Kline, Board Chair, called the meeting to order at 8:03 a.m.

Members present: Lynda Campbell, Bob Flynn, Charlie Kercheval, Roy Kline, Jan Lucas, Marshall Miranda, Brett Pearson

Members absent: John Conway, Chris Dunn, Chris Manley, Calley Rigg

Staff present: Julie Underdahl, Kevin Wrede, Jenny Starkey, Marian Tuijn

Guests present: None

Public Comment: (limited to 2 minutes per speaker): None

Presentations: None

MONTHLY BUSINESS

Approval of Meeting Minutes: Motion by *Bob Flynn* to approve the meeting minutes of December 9, 2015. Second by *Jan Lucas*. Vote: Unanimous in favor (7-0, John Conway, Chris Dunn, Chris Manley and Calley Rigg not present for vote), motion carries.

Chair's Report: Roy Kline opened the meeting thanking Bob Flynn for his service as Chair to the Board from 2013-2015. He welcomed new Board members. He summarized the goals for the BID for 2016.

President & CEO Report: Julie Underdahl reviewed with the Board the 2016 Operating and Strategic Plan. She highlighted the special projects that the BID plans to execute during 2016 including:

- Visitor intercept survey
- Website redevelopment
- Security cameras in partnership with DPD
- GIS streetscape asset mapping
- Retail mix study.

Parking Task Force: Roy Kline updated the Board on the task force's goals for 2016, including the parking directional signage project.

Audit & Finance Committee: Lynda Campbell was introduced as the new chair of the Audit Committee for 2016. She updated the Board on the closing of the bond refinance in December 2015.



Board of Directors
Meeting Minutes for January 13, 2016
Approved by the Board on February 10, 2016

Strategic Marketing Committee: Jan Lucas introduced 2016 co-chair Brooke Allison to the Board. She reviewed the 2015 "Spread Joy" holiday campaigns in the BID which included the holiday décor; the elves who "Spread Joy" throughout the BID in December by handing out parking tokens, stickers, and sunglasses to shoppers in the District; and the print, radio and TV ad campaigns.

Design Advisory Board: Julie Underdahl updated the Board on behalf of Chris Dunn. The DAB recently reviewed the new hotel located at 240 Josephine and the storefront at David Zucker's new project at 100 Steele Street.

Old Business: None

New Business: None

Adjourn: The meeting was adjourned at 9:01 a.m.



CALL TO ORDER | OPEN FORUM | PRESENTATIONS

Call to Order: Roy Kline, Board Chair, called the meeting to order at 8:02 a.m.

Members present: Lynda Campbell, John Conway, Chris Dunn, Bob Flynn, Charlie Kercheval, Roy Kline, Chris Manley, Marshall Miranda, Brett Pearson, Calley Rigg

Members absent: Jan Lucas

Staff present: Julie Underdahl, Kevin Wrede, Jenny Starkey, Marian Tuin

Guests present: Brad Segal, Progressive Urban Management Associates; Jason Carroll, Clifton Larson Allen; Raylene Decatur, Decator & Company

Public Comment: (limited to 2 minutes per speaker): None

Presentations: Julie Underdahl introduced Brad Segal to the Board. Brad presented the overall scope of the retail mix project PUMA will be conducting on behalf of the District to include research of existing businesses in the BID, as well as new development, additional residential units, and concluding with recommendations for ongoing retail strategies.

MONTHLY BUSINESS

Approval of Meeting Minutes: Motion by *Bob Flynn* to approve the meeting minutes of January 13, 2016. Second by *Charlie Kercheval*. Vote: Unanimous in favor (10-0, Jan Lucas not present for vote), motion carries.

President & CEO Report: Julie Underdahl reported to the Board on the ULI RETL Winter Symposium that took place in Cherry Creek North in January. She reviewed the report created by the symposium.

Julie also highlighted two press releases regarding the BID's partnership with the American Heart Association for iHeart Friday and the redevelopment in the District.

She mentioned the updates to the E. Third Avenue median modifications requested by the Cherry Creek Country Club neighborhood as part of their private development agreement with AmCap (Clayton Lane).

Parking Task Force: Roy Kline updated the Board on the task force and the strategies being discussed to enhance parking in the District.

Audit & Finance Committee: Jason Carroll presented to the Board the 2015 Debt Service Fund Budget Amendment due to the refinance of the bonds.



Board of Directors
Meeting Minutes for February 10, 2016
Approved by the Board on March 09, 2016

Charlie Kercheval moved to open the public hearing for the 2015 Debt Service Fund Budget Amendment. Second by *Lynda Campbell*. Vote: Unanimous in favor (10-0, Jan Lucas not present for vote), motion carries.

Roy Kline opened the meeting to public comment for the 2015 Debt Service Fund Budget Amendment. There was no public comment.

The public hearing was closed.

Lynda Campbell moved to approve the 2015 Debt Service Fund Budget Amendment. Second by *John Conway*. Vote: Unanimous in favor (10-0, Jan Lucas not present for vote), motion carries.

Strategic Marketing Committee: *Brooke Allison* updated the Board on the strategic marketing committee's first meeting in 2016. She highlighted new committee members and reviewed the presentations discussed during the meeting.

Jenny Starkey, Director of Marketing and Communications, discussed the press release and activation strategy in February including iHeart Friday's in the District.

Design Advisory Board: *Chris Dunn* updated the Board on the new projects presented to the Design Advisory Board, specifically ANB Bank's plan to re-clad the brick on their building and potentially add first floor retail space. He reviewed the status of the Moxy Hotel project, (BMC Investment project on Josephine).

Old Business: None

New Business: None

Adjourn: The meeting was adjourned at 9:19 a.m.



CALL TO ORDER | OPEN FORUM | PRESENTATIONS

Call to Order: Roy Kline, Board Chair, called the meeting to order at 8:00 a.m.

Members present: Lynda Campbell, Chris Dunn, Charlie Kercheval, Roy Kline, Chris Manley, Marshall Miranda, Brett Pearson

Members absent: John Conway, Bob Flynn, Jan Lucas, Calley Rigg

Staff present: Julie Underdahl, Kevin Wrede, Jenny Starkey, Marian Tuin, Caitlyn Dehn, Kate Lynch

Guests present: Jason Carroll, Clifton Larson Allen; Raylene Decatur, Decatur & Company; Bob Mattuccii, Realty Management Group

Public Comment: (limited to 2 minutes per speaker): None

MONTHLY BUSINESS

Approval of Meeting Minutes: Motion by *Brett Pearson* to approve the meeting minutes of February 10, 2016. Second by *Chris Manley*. Vote: Unanimous in favor (7-0, John Conway, Bob Flynn, Jan Lucas and Calley Rigg not present for vote), motion carries.

President & CEO Report: Julie Underdahl reported to the Board on the constituent outreach taking place in 2016, including personal visits to merchants throughout 2016. Julie also reviewed the store openings and closing and how they have impacted the BID.

Parking Task Force: Roy Kline presented the Parking Task Force updates, highlighting sign inventory project in progress. The goal being to simplify the signage and redirect incoming shoppers to parking more efficiently.

Audit & Finance Committee: Lynda Campbell and Jason Carroll presented to the Board the Draft 2015 Audit updates. The Audit will be reviewed further by the Audit Committee on March 15, 2016 and recommended for approval by the Board at the May 2016 Board Meeting.

Jason highlighted one of the Auditor's findings was that the 2015 Employee Deferred Compensation Program was not ratified at the end of 2015 and requested Board action for the 2015 deferred compensation contribution.

Lynda Campbell moved to ratify the approval to fully fund the employer contribution of 5% of the District's eligible employees' salaries for the year ended December 31, 2015. Pursuant to A Resolution Approving a New Employee Deferred Compensation Program (#2014-04), executed on September 10, 2014, the Board of Directors may elect at the end of the year to



Board of Directors

Meeting Minutes for March 09, 2016
Approved by the Board on May 11, 2016

partially or fully fund the employer's contribution of 5% of each eligible employee's salary. Second by *Marshall Miranda*. Vote: Unanimous in favor (7-0, John Conway, Bob Flynn, Jan Lucas and Calley Rigg not present for vote), motion carries.

Strategic Marketing Committee: Chris Dunn updated the Board on the Marketing Committee meetings. He invited Board members to attend the May committee meeting in which Henry Beer and Richard Foy of Commarts will be presenting.

Design Advisory Board: Chris Dunn discussed the projects that the DAB are currently reviewing in the District to include the redevelopment on Fillmore and the Civica project, as well as the ANB Bank cosmetic updates, and others.

CCABA: Bob Mattucci presented to the Board proposed renovations to the external structure of the ANB Bank Building located at 1st and Milwaukee.

He then updated the Board on the Transportation Task Force objectives and what they are working to improve within the District. He reviewed with the Board the City's preliminary re-design of the intersection at 1st and Steele Ave.

Old Business: None

New Business: None

Adjourn: The meeting was adjourned at 9:00 a.m.



CALL TO ORDER | OPEN FORUM | PRESENTATIONS

Call to Order: Roy Kline, Board Chair, called the meeting to order at 8:01 a.m.

Members present: Lynda Campbell, Chris Dunn, Bob Flynn, Charlie Kercheval, Roy Kline, Jan Lucas, Chris Manley, Brett Pearson, Calley Rigg

Members absent: John Conway and Marshall Miranda

Staff present: Julie Underdahl, Jenny Starkey, Marian Tuin, Caitlyn Dehn, Kate Lynch

Guests present: Jason Carroll, Clifton Larson Allen; Raylene Decatur, Decatur & Company

Public Comment: (limited to 2 minutes per speaker): None

MONTHLY BUSINESS

Approval of Meeting Minutes: Motion by *Bob Flynn* to approve the meeting minutes of March 09, 2016. Second by *Jan Lucas* Vote: Unanimous in favor (9-0, John Conway and Marshall Miranda not present for vote), motion carries.

Chair Report: Roy Kline updated the Board on the retail mix study that PUMA is conducting on behalf of the District. The kick off of the study will begin in June with Mike Berne. The results of the study will be presented to the Board at the September Board retreat.

President & CEO Report: Julie Underdahl presented to the Board the first Annual report prepared for the District. Jenny Starkey highlighted the metrics gathered for the 2015 report and reviewed the BID's publication scheduled for 2016.

Julie updated the Board on the progress of the negotiations for the East Third Avenue median, and the design agreement that was reached.

She also reported on the security and safety efforts being initiated in the Cherry Creek North area.

Julie updated the Board on the staffing updates, announcing that Susan Fry will be joining the BID staff as the Environment Manager.

Parking Task Force: Roy Kline presented the Parking Task Force updates explaining the three tiered approach being considered to improve parking in the District which will include:

- Signage study and updates
- Utilizing a click and park strategy
- Consideration for a District wide valet parking service Thursday through Sunday



Board of Directors

Meeting Minutes for May 11, 2016
Approved by the Board on June 08, 2016

Audit & Finance Committee: Lynda Campbell and Jason Carroll presented to the Board the 2015 Audit report. Motion by *Charlie Kercheval* to ratify the 2015 Audit. Second by *Jan Lucas*. Vote: Unanimous in favor (9-0, John Conway and Marshall Miranda not present for vote), motion carries.

Jason reviewed the March 2016 financial statements for the District. Motion by *Chris Dunn* to approve the meeting minutes of March 2016. Second by *Bob Flynn*. Vote: Unanimous in favor (9-0, John Conway and Marshall Miranda not present for vote), motion carries.

Strategic Marketing Committee: Chris Dunn announced the upcoming Marketing Committee meeting, inviting the Board to attend. The meeting is scheduled for Tuesday, May 17 at 8:00 am and Henry Beer and Richard Foy will be featured presenters.

Design Advisory Board: Chris Dunn discussed with the Board the projects that the DAB is reviewing, which includes BMC West's improvements to St. Paul and Third Ave. He also updated the Board on the progress of the Civica project and the ANB Bank building updates.

CCABA: Bob Flynn discussed CCABA's fundraising efforts for the Greenway Foundation. Julie updated the board on CCABA's transportation committee efforts to improve transportation to and from the Cherry Creek area.

Old Business: None

New Business: None

Adjourn: The meeting was adjourned at 9:08 a.m.



RESOLUTION 2016 / 01

**OF THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
A RESOLUTION TO AMEND THE 2015 DEBT SERVICE FUND BUDGET AMENDMENT**

WHEREAS, the Board of Directors of the Cherry Creek North Business Improvement District No.1 held a public hearing meeting on February 10, 2016 at 8 a.m., at 299 Milwaukee Street, Denver, Colorado, 80206, to amend the budget for the fiscal year 2015.

WHEREAS, Julie Underdahl, President & CEO, has submitted a 2015 Debt Service Fund Budget Amendment to this governing body on February 10, 2016 for its consideration, and;

WHEREAS, no changes were made in expenditures or revenues, and;

WHEREAS, the Board of Directors of the Cherry Creek North Business Improvement District No.1 appropriated funds for the fiscal year 2015 as follows.

**General Fund: \$2,488,182
Debt Service Fund: \$19,425,000**

WHEREAS, the necessity has arisen to modify the initial appropriations within the District's General Fund for the fiscal year of 2015.

WHEREAS, funds are available for such expenditures.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cherry Creek North Business Improvement District No. 1, shall, and hereby does, amend the budget for the fiscal year 2015 as follows:

Debt Service Fund: \$19,525,000

THEREFORE, the Amended 2015 Budget is approved and adopted by the Cherry Creek North Board of Directors, as the Amended 2015 Budget of the Cherry Creek North Business Improvement District No.1 for the year 2015, and will be finalized and formally adopted as the 2015 Budget of the Cherry Creek North Business Improvement District No.1 and made part of the public records of the District on February 10, 2016.

ADOPTED, this 10th day of February, 2016

Roy Kline, Chairman
Board of Directors

Julie Underdahl, President & CEO
Cherry Creek North BID

The Denver Post, LLC

PUBLISHER'S AFFIDAVIT

City and County of Denver)
State of Colorado)
)

The undersigned Jean Birch
being first duly sworn under oath, states
and affirms as follows:

1. He/she is the legal Advertising Reviewer of The Denver Post, LLC, publisher of *The Denver Post* and *Your Hub*.
2. *The Denver Post* and *Your Hub* are newspapers of general circulation that have been published continuously and without interruption for at least fifty-two weeks in Denver County and meet the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in *The Denver Post* on the following date(s):

February 4, 2016

Jean Birch

Signature

Subscribed and sworn to before me this 4
day of February, 2016.

Cecilia K. Newton

Notary Public

CECILIA K. NEWTON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054023785
MY COMMISSION EXPIRES JUNE 15, 2017

(SEAL)

NOTICE AS TO PROPOSED 2015
Debt Service Fund Budget Amendment

Proposed 2015 Debt Service Fund Budget Amendment for the Cherry Creek North Business Improvement District #1 will be submitted to the City and County of Denver. That a copy of such proposed Debt Service Fund Budget Amendment will be filed in the office of Cherry Creek North Business Improvement District, 299 Milwaukee Street, Suite 201, Denver, CO 80206, where same will be open for public inspection. That such proposed 2015 Debt Service Fund Budget Amendment will be considered at the regular, monthly meeting of the Board of Directors to be held in the conference room in the Cherry Creek North Business Improvement District Office, on February 10, 2016 at 8 a.m. Any interested elector within such Cherry Creek North Business Improvement District may inspect the proposed Debt Service Fund Budget Amendment and file or register any objection thereto at any time before the final adoption of the budget.

Dated: February 3, 2016.
CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT,
By: Roy Kline, Chair of the Board of Directors.



BOARD MEMBERS

Roster

Term Appointments

Attendance Records



**BOARD OF DIRECTORS
ROSTER
2016**

<p>Roy Kline Chair</p> <p><i>Western Development Group</i> 200 Fillmore St, #400 Denver, CO 80206</p> <p>P: 303.321.5700 RKline@westdevgrp.com</p>	<p>Jan Lucas Vice Chair</p> <p><i>Sage Hospitality</i> 1575 Wellton St Denver, CO 80206</p> <p>P: 303.595.7200 x 7294 jan.lucas@sagehospitality.com</p>	<p>Charlie Kercheval Secretary/Treasurer</p> <p><i>Alpine Bank Cherry Creek</i> 215 St. Paul St. Denver, CO 80206</p> <p>P: 303.929.8203 CharlieKercheval@AlpineBank.com</p>
<p>Bob Flynn</p> <p><i>Crestone Partners, LLC</i> 1401 Wynkoop St, #120 Denver, CO 80202</p> <p>P: 303.312.3913 bfflynn@crestonepartners.net</p>	<p>Brett Pearson</p> <p><i>Janus Capital Group</i> 151 Detroit St Denver, CO 80206</p> <p>P: 720.201.4866 brett.pearson@janus.com</p>	<p>Chris Dunn</p> <p><i>Dunn + Kiley</i> Temporary address: Fentress Architects 421 Broadway, Denver, CO 80203</p> <p>P: 303.355.1970 chris.dunn@dunnandkiley.com</p>
<p>John Conway</p> <p><i>Standard Parking Plus</i> 1801 California St Denver, CO 80202</p> <p>P: 303.292.0923 jconway@spplus.com</p>	<p>Marshall Miranda</p> <p><i>Bombay Clay Oven</i> 165 Steele St Denver, CO 80206</p> <p>P: 303.377.4454 marshall@bombayclayoven.com</p>	<p>Lynda Campbell</p> <p><i>So Perfect Eats</i> 278 Fillmore St Denver, CO 80206</p> <p>P: 303.862.9074 soperfecteats@aol.com</p>
<p>Chris Manley</p> <p><i>Stonebridge Companies</i> 9100 E Panorama Dr Englewood, CO 80112</p> <p>P: 303.785.3100 cmanley@sbcos.com</p>	<p>Calley Rigg</p> <p><i>Breckenridge-Wynkoop</i> 155 S Madison St, #226 Denver, CO 80209</p> <p>P: 303.595.3500 x 27 crigg@breckenridge-wynkoop.com</p>	



BOARD OF DIRECTORS
BOARD TERMS
 2016

	MEMBER	TERM	YEAR
1.	Kline, Roy	1 st Term	2013 – 2015
		2 nd Term	2016 - 2018
2.	Lucas, Jan	1 st Term	2013 – 2015
		2 nd Term	2016 - 2018
3.	Kercheval, Charles	1 st Term	2011 – 2013
		2 nd Term	2014 - 2016
4.	Flynn, Bob	1 st Term	2011 – 2013
		2 nd Term	2014 - 2016
5.	Dunn, Chris	1 st Term	2011 – 2013
		2 nd Term	2014 – 2016
6.	Pearson, Brett	1 st Term	2015 - 2017
7.	Conway, John	1 st Term	2016 - 2018
8.	Miranda, Marshall	1 st Term	2016 - 2018
9.	Campbell, Lynda	1 st Term	2016 - 2018
10.	Manley, Chris	1 st Term	2016 - 2018
11.	Rigg, Calley	1 st Term	2016 - 2018

Note: Eleven is maximum number of BID Board members per by-laws.



**BOARD OF DIRECTORS
ATTENDANCE
2016**

Board Members:

Roy Kline - Chair
Jan Lucas - Vice Chair
Charlie Kercheval - Secretary/Treasurer
Bob Flynn
Brett Pearson
Chris Dunn
John Conway
Marshall Miranda
Lynda Campbell
Chris Manley
Calley Rigg

Board Meeting Date

Members Absent

January 13, 2016	John Conway, Chris Dunn, Chris Manley, Calley Rigg
February 10, 2016	Jan Lucas
March 9, 2016	John Conway, Bob Flynn, Jan Lucas, Calley Rigg
May 11, 2016	John Conway, Marshall Miranda
June 8, 2016	Brett Pearson, Marshall Miranda
September 14, 2016	Bob Flynn, Marshall Miranda, Calley Rigg
October 12, 2016	
December 14, 2016	



BOARD AGENDAS



BOARD OF DIRECTORS
AGENDA
 January 13, 2016
 8:00 a.m. – 9:30 a.m.

LOCATION: CCN BID Office, 299 Milwaukee Str., #201, Denver, CO 80206

Board Members: Lynda Campbell, John Conway, Bob Flynn, Charlie Kercheval, Roy Kline, Jan Lucas, Chris Manley, Marshall Miranda, Brett Pearson, Calley Rigg,
BID Staff: Julie Underdahl, Kevin Wrede, Jenny Starkey, Marian Tuin
Members Absent: Chris Dunn (January 13, 2016), Chris Manley (January 13, 2016)

CALL TO ORDER OPEN FORUM	
Call to Order	Roy Kline
Open Forum	Roy Kline
MONTHLY BUSINESS	
Chair Report <ul style="list-style-type: none"> Board minutes – December 9, 2015 (Board action requested) Motion: "I move to approve the December 09, 2015 Board minutes." Recognition of 2015 Chair, Bob Flynn Welcome and Introductions of new Board members Goals for 2016 	Roy Kline
President & CEO Report <ul style="list-style-type: none"> 2016 Operating Plan Retail tenant mix project 	Julie Underdahl
COMMITTEES TASK FORCE REPORTS	
Parking Task Force	Roy Kline
Audit & Finance Committee	Lynda Campbell
Strategic Marketing Committee	Chris Dunn/Brooke Allison
Design Advisory Board	Chris Dunn
Adjourn	Roy Kline
Executive Session	Roy Kline



BOARD OF DIRECTORS
AGENDA
February 10, 2016
8:00 a.m. – 9:30 a.m.

LOCATION: 299 Milwaukee Street, #201, Denver, CO 80206

Board Members: Lynda Campbell, John Conway, Chris Dunn, Bob Flynn, Charlie Kercheval, Roy Kline, Jan Lucas, Chris Manley, Marshall Miranda, Brett Pearson, Calley Rigg
BID Staff: Julie Underdahl, Kevin Wrede, Jenny Starkey, Marian Tuin
Members Absent: John Conway (1 - Jan.), Chris Dunn (1 - Jan.), Chris Manley (1 - Jan.), Calley Rigg (1 - Jan.)

CALL TO ORDER | OPEN FORUM

Call to Order - Roy Kline
Open Forum - Roy Kline

PRESENTATION

- Retail Assessment & Strategies - Brad Segel, P.U.M.A.

MONTHLY BUSINESS

Chair Report - Roy Kline

- Board minutes – January 13, 2016 (Board action requested)
Motion: "I move to approve the January 13, 2016 Board minutes."

President & CEO Report - Julie Underdahl

- ULI RETL Report on CCN
- Press Releases/Publications

COMMITTEES | TASK FORCE REPORTS

Parking Task Force - Roy Kline

Audit & Finance Committee - Lynda Campbell

- 2015 Debt Service Budget Amendment - Jason Carroll
(Board action requested)
Motion: "I move to approve the 2015 debt service budget amendment."

Strategic Marketing Committee - Chris Dunn/Brooke Allison

Design Advisory Board - Chris Dunn

ADJOURN | EXECUTIVE SESSION - Roy Kline



LOCATION: 299 Milwaukee Street, #201, Denver, CO 80206

Board Members: Lynda Campbell, John Conway, Chris Dunn, Bob Flynn, Charlie Kercheval, Roy Kline, Jan Lucas, Chris Manley, Marshall Miranda, Brett Pearson, Calley Rigg
BID Staff: Julie Underdahl, Kevin Wrede, Jenny Starkey, Marian Tuin
Members Absent: John Conway (1 - Jan.), Chris Dunn (1 - Jan.), Jan Lucas (1 - Feb., 1 - March), Chris Manley (1 - Jan.), Calley Rigg (1 - Jan.)

CALL TO ORDER | OPEN FORUM

Call to Order - Roy Kline
Open Forum - Roy Kline

MONTHLY BUSINESS

Approve Minutes – Roy Kline

- Board minutes – February 10, 2016 (Board action requested)
Motion: "I move to approve the February 10, 2016 Board minutes."

Chair Report - Roy Kline

- June Board Meeting – Mike Byrne & Brad Segal

President & CEO Report - Julie Underdahl

- Constituent Outreach

COMMITTEES | TASK FORCE REPORTS

Parking Task Force - Roy Kline

Audit & Finance Committee - Lynda Campbell

- 2015 Audit Update
- Ratify Employee Deferred Compensation Program for 2014
Motion: "I move to ratify the approval to fully fund the employer contribution of 5% of the District's eligible employees' salaries for the year ended December 31, 2015. Pursuant to A Resolution Approving a New Employee Deferred Compensation Program (#2014-4), executed on September 10, 2014, the Board of Directors may elect at the end of the year to partially or fully fund the employer's contribution of 5% of each eligible employee's salary."

Strategic Marketing Committee - Chris Dunn/Brooke Allison

Design Advisory Board - Chris Dunn

CCABA – Bob Mattucci (Transportation Task Force), Bob Flynn (CC Greenway Task Force)



BOARD OF DIRECTORS
AGENDA
March 9, 2016 | 8:00 a.m. – 9:30 a.m.

ADJOURN | EXECUTIVE SESSION - Roy Kline

UPCOMING EVENT DATES:

- May 11, 2016 – BID Board of Directors Meeting, 8:00-9:30
- June 8, 2016 – BID Board of Directors Meeting, 8:00-9:30
- July 2-4, 2016 – Cherry Creek Arts Festival
- July 14-17, 2016 – Sidewalk Sale
- August 13, 2016 – 8th Annual Food & Wine



BOARD OF DIRECTORS
AGENDA
May 11, 2016 | 8:00 a.m. – 9:30 a.m.

LOCATION: 299 Milwaukee Street, #201, Denver, CO 80206

Board Members: Lynda Campbell, John Conway, Chris Dunn, Bob Flynn, Charlie Kercheval, Roy Kline, Jan Lucas, Chris Manley, Marshall Miranda, Brett Pearson, Calley Rigg
BID Staff: Julie Underdahl, Jenny Starkey, Marian Tuin
Members Absent: John Conway (1 - Jan., 1 - March), Chris Dunn (1 - Jan.), Bob Flynn (1 - March), Jan Lucas (1 - Feb., 1 - March), Chris Manley (1 - Jan.), Calley Rigg (1 - Jan., 1 - March)

CALL TO ORDER | OPEN FORUM

Call to Order - Roy Kline
Open Forum - Roy Kline

MONTHLY BUSINESS

Approve Minutes – Roy Kline

- Board minutes – March 09, 2016 (Board action requested)
Motion: "I move to approve the March 09, 2016 Board minutes."

Chair Report - Roy Kline

- Retail mix study – June meeting

President & CEO Report - Julie Underdahl

- 2015 BID Annual Report
- Staffing announcements
- East 3rd Avenue median report
- Constituent outreach
- DPD/CCN BID Safety and Crime Report

COMMITTEES | TASK FORCE REPORTS

Parking Task Force - Roy Kline

Audit & Finance Committee - Lynda Campbell/Jason Carroll

- 2015 Audit (Board action requested)
Motion: "I move to approve the 2015 Audit."
- March 2016 Financial Statements (Board action requested)
Motion: "I move to approve the March 2016 Financial Statements."

Strategic Marketing Committee - Chris Dunn/Brooke Allison

Design Advisory Board - Chris Dunn

CCABA – Bob Flynn



BOARD OF DIRECTORS
AGENDA
May 11, 2016 | 8:00 a.m. – 9:30 a.m.

ADJOURN | EXECUTIVE SESSION - Roy Kline

UPCOMING BID DATES:

- June 8, 2016 – BID Board of Directors Meeting, 8:00-9:30am
- July 2-4, 2016 – Cherry Creek Arts Festival
- July 14-17, 2016 – Sidewalk Sale
- August 13, 2016 – 8th Annual Food & Wine 5:00-9:00pm
- September 14, 2016 – Annual BID Board Planning Session, 7:30-12:00pm
- 2nd Annual CCN Art Feast, Saturday, September 17, 3-6pm



LOCATION: 299 Milwaukee Street, #201, Denver, CO 80206

Board Members: Lynda Campbell, John Conway, Chris Dunn, Bob Flynn, Charlie Kercheval, Roy Kline, Jan Lucas, Chris Manley, Marshall Miranda, Brett Pearson, Calley Rigg
BID Staff: Julie Underdahl, Jenny Starkey, Susan Fry, Marian Tuin
Members Absent: John Conway (1 - Jan., 1 - March, 1 - May), Chris Dunn (1 - Jan.), Bob Flynn (1 - March), Jan Lucas (1 - Feb., 1 - March), Chris Manley (1 - Jan.), Marshall Miranda (1 - May), Calley Rigg (1 - Jan., 1 - March)

CALL TO ORDER | OPEN FORUM

Call to Order - Roy Kline
Open Forum - Roy Kline

PRESENTATION

- Retail Assessment Study - Brad Segel, P.U.M.A., Mike Berne, MJB Consulting

MONTHLY BUSINESS

Approve Minutes – Roy Kline

- Board minutes – May 11, 2016 (Board action requested)
Motion: "I move to approve the May 11, 2016 Board minutes."

Chair Report - Roy Kline

President & CEO Report - Julie Underdahl

- Susan Fry Introduction to the Board
- Constituent outreach

COMMITTEES | TASK FORCE REPORTS

Parking Task Force - Roy Kline

Audit & Finance Committee - Lynda Campbell/Jason Carroll

- April 2016 Financial Statements (Board action requested)
Motion: "I move to approve the April 2016 Financial Statements."

Strategic Marketing Committee - Chris Dunn/Brooke Allison

Design Advisory Board - Chris Dunn

CCABA – Bob Flynn

- Capital Improvement Projects



BOARD OF DIRECTORS

AGENDA

June 08, 2016 | 8:00 a.m. – 9:30 a.m.

ADJOURN | EXECUTIVE SESSION - Roy Kline

UPCOMING BID DATES:

- July 2-4, 2016 – Cherry Creek Arts Festival
- July 14-17, 2016 – Sidewalk Sale
- August 13, 2016 – 8th Annual Food & Wine 5:00-9:00pm
- September 14, 2016 – Annual BID Board Planning Session, 7:30-12:00pm
- 2nd Annual CCN Art Feast, Saturday, September 17, 3-6pm

Cherry Creek North BID Board Strategy Session

AGENDA

September 14, 2016
Halcyon Hotel 245 Columbine, Cherry Creek North
7:30 am – 12:00 pm

Time	Topic	Responsible
7:30	Breakfast, Welcome and Introductions	Roy Kline
7:45	Session Goals	Roy Kline / Raylene Decatur
8:00	Retail Study Presentation	Mike Berne – MJ Consulting Brad Segal – PUMA
11:15	Summary, tasks and next stops	Raylene Decatur
11:45	2017 Preliminary budget Motion: <i>"I move to continue the 2017 budget approval to October 12, 2016."</i>	Roy Kline
Noon	Adjournment	Roy Kline



**PLANNED AND PERFORMED
ACTIVITIES
2016 and 2017**



EVENT CALENDAR 2016

February

All Fridays
02/26 – 03/06/16

I Heart Fridays in Cherry Creek North (American Heart Association)
Denver Restaurant Week

April

04/24/2016

Cherry Creek Sneak

May

05/08/2016
05/01 – 05/14/16
05/25/16

Mother's Day
Colorado Shops for Kids (Children's Campaign)
Memorial Day

June

06/11/16
06/19/16

Grapes and Galleries (Homebuilders Foundation)
Father's Day

July

07/02 – 07/04/16
07/04/16
07/14 – 07/17/16

Cherry Creek Arts Festival
Independence Day
Cherry Creek North Sidewalk Sale

August

08/13/16

Cherry Creek North Food & Wine

September

09/05/16
09/17/16

Labor Day
Art Feast

October

10/28 – 11/06/16

Zane Beadles Parade Foundation Partners Card

November

11/01/16
11/01 – Jan 2017
11/10/16
11/04 – 11/12/16
11/24/16
11/26/16

Cherry Creek North Holiday Décor begins
Mile High Holidays
State of Cherry Creek Area Breakfast (CCABA)
Denver Arts Week
Thanksgiving
Small Business Saturday

December

12/10/16
12/06/16
12/24 – 01/01/17
12/25/16

Winter Fest
Colorado Gives Day
Hanukkah
Christmas



EVENT CALENDAR 2017

February

All Fridays
02/24 – 03/05/17

I Heart Fridays in Cherry Creek North (American Heart Association)
Denver Restaurant Week

April

04/30/2017

Cherry Creek Sneak

May

05/14/17
05/01 – 05/14/17
05/29/17

Mother's Day
Colorado Shops for Kids (Children's Campaign)
Memorial Day

June

06/18/17
TBD

Father's Day
Grapes & Galleries (Homebuilders Foundation)

July

07/04/17
TBD
TBD

Independence Day
Cherry Creek Arts Festival
Cherry Creek North Sidewalk Sale

August

TBD
TBD

Cherry Creek North Food & Wine
Art Feast

September

09/04/17

Labor Day

October

TBD

Zane Beadles Parade Foundation Partners Card

November

11/01/17
11/01 – Jan 2017
TBD
TBD
11/23/17
11/25/17

Cherry Creek North Holiday Décor begins
Mile High Holidays
State of Cherry Creek Area Breakfast (CCABA)
Denver Arts Week
Thanksgiving
Small Business Saturday

December

TBD
TBD
12/12 – 12/20/17
12/25/17

Winter Fest
Colorado Gives Day
Hanukkah
Christmas



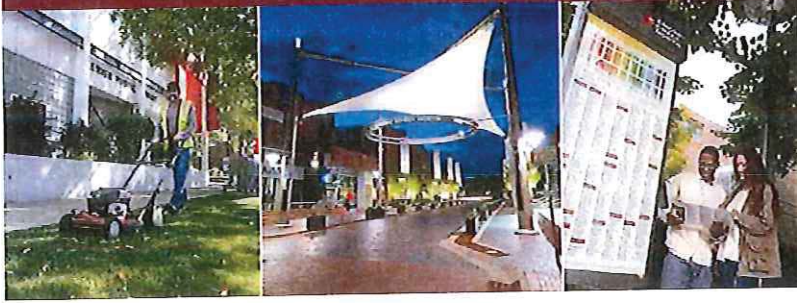
CCN BID
EVENT CALENDAR
2017



IMPACTS AND PERFORMANCE MEASURES

- Occupancy rates
- Business or citizen surveys
- Crime rates
- Lease rates
- Taxable retail sales
- Number of jobs created
- Pedestrian / visitor counts
- Business license revenues

2015 ANNUAL REPORT



DEAR CHERRY CREEK NORTH CONSTITUENTS

Since 1989, the Cherry Creek North Business Improvement District (BID) has been working to plan, manage and promote Cherry Creek North (CCN) as a premier retail, restaurant, office, hotel and residential destination. In order to support our businesses and property owners, the BID provides enhanced services to make CCN a more attractive and vibrant place.

The landscape of CCN is quickly evolving. 2015 was a pivotal year with the completion of key developments that brought an infusion of retail, residential and office space.

To leverage this momentum in 2015, the BID accomplished its goals by:

- Investing in an integrated marketing plan to promote CCN to residents and visitors;
- Engaging constituents through events and one-on-one meetings;
- Maintaining District standards for streetscape services and maintenance;
- Continuing work to improve the perception of public parking; and
- Implementing the Cherry Creek Area Plan with key community partners.

As CCN evolves, it is critical to address how residents, visitors and employees experience the area. In 2016, the BID will:

- Enhance consumer marketing efforts through local, regional and national advertising campaigns that reinforce the brand of CCN;
- Actively engage CCN businesses in BID initiatives, events and programs and continue robust targeted outreach;
- Create a vibrant, attractive and well-maintained streetscape in the District;
- Incorporate the BID's streetscape into new building projects;
- Enhance perceptions of public parking accessibility and supply by convening major parking owners and managers in the BID to implement improvements;
- Undertake special projects such as the creation of a new website, adding HALO street cameras in partnership with Denver Police Department, and conducting a retail tenant mix study; and
- Work with the Cherry Creek Area Business Alliance and other organizations on advocacy, outreach and research that enhances multimodal connections in and around Cherry Creek.

It's an exciting time to be in Cherry Creek North. On behalf of the Board and the BID team, thank you for your continued support and investment in the BID.

Sincerely,

Bob Flynn, 2015 Chairman

Julie Underdahl, President & CEO

Roy Kline, 2016 Chairman

BID BOARD OF DIRECTORS

Bob Flynn - Chair, Crestone Partners, LLC

Lee Driscoll, Wynkoop Holdings Inc.

Chris Dunn, Dunn + Kiley

Christy Fitzpatrick, Antoine du Chez

David Hadsell, Centennial Realty Advisors

Janelle Kenny, Store of Lingerie (SOL)

Charlie Kercheval - Secretary/Treasurer, Alpine Bank

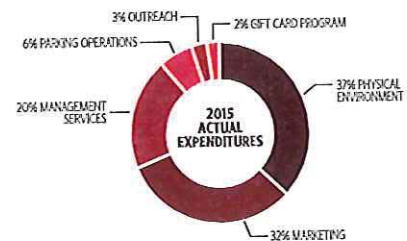
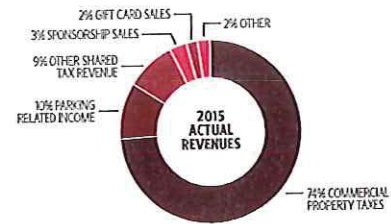
Roy Kline, Western Development Group

Jan Lucas, Sage Hospitality

Brett Pearson, Janus Capital Group

Norm Smith, FastFrame

2015 FINANCIALS GENERAL FUND ONLY



REFINANCING OF DISTRICT'S BONDS:

Between 2008 and 2009, the BID issued its own General Obligation bonds (the first BID in Colorado to do so and one of the first in the country) to pay for \$18.5 million in streetscape improvements ("The New North" project). In 2015, the District refunded these bonds to reduce its total debt service payment by \$4.8 million, bond amortization by two years, and interest rate almost in half.

ABOUT THE BID

The Cherry Creek North Business Improvement District (BID) is a public organization primarily funded by private commercial tax payers. The BID's mission is to actively plan, manage and promote Cherry Creek North as a premier destination for shopping, dining, living, working and visiting.

The BID was established in 1989 as the first business improvement district in the state of Colorado. The BID's boundaries extend 16-blocks from 1st Avenue to 3rd Avenue, and from University Boulevard to Steele Street.

The BID ensures that Cherry Creek North is a premier destination through day-to-day maintenance and operations, annual local and tourism marketing and advertising, constituent outreach, signature events including holidays, and other initiatives.



2015 ACCOMPLISHMENTS



CONSUMER MARKETING PROGRAM



17 MILLION people reached through advertising	2,300 social media followers gained
FIVE CCN signature events produced, including holiday	43 members of media attended CCN Media Tour
GIFT \$55,000 in CCN gift cards sold	12,000 e-newsletters delivered EACH MONTH
65,000 CCN shopping/dining directories distributed	447,000 web page VIEWS TRACKED



OUTREACH PROGRAM

Hosted 2 receptions with representatives of the 1,000 new multi-family units in the area	250 merchants participated in BID signature events
 660 CCN businesses and property owners received weekly BID e-newsletters	 Welcomed TWENTY new retailers to CCN
	 600 personal contacts with BID constituents regarding construction & utility projects



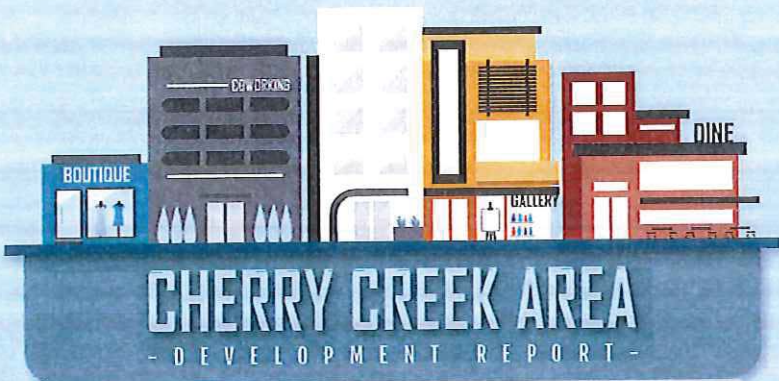
PHYSICAL ENVIRONMENT PROGRAM

97 INCHES of snow cleared from sidewalks	8,500 in flowers and plants planted in 162 pots and flower beds
13,870 bags of trash and recycling removed	Maintained hundreds of streetscape elements over 16 BLOCKS
641 trees maintained	21 MILES of LED holiday lights strung
5 active construction projects requiring BID streetscape services	



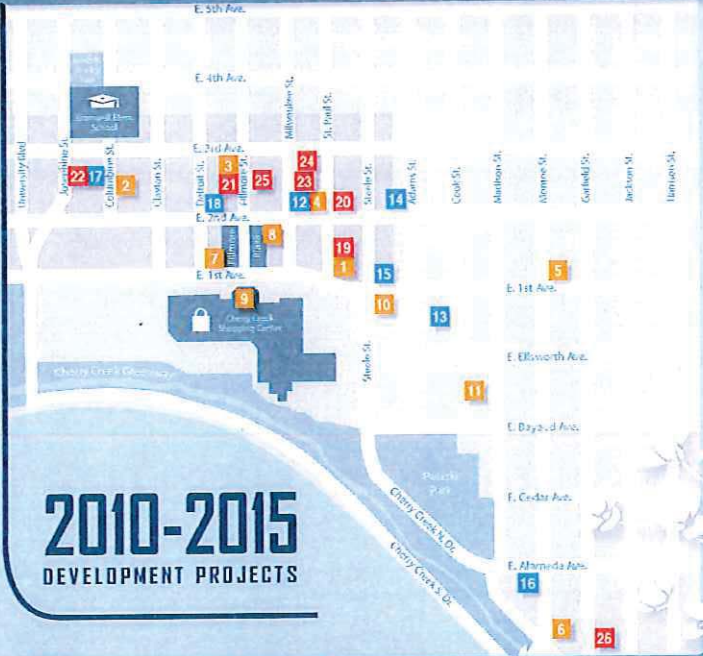
PARKING & MOBILITY PROGRAM

350 District employees utilized reduced-rate parking	TWENTY ONE P parking informational signs displayed on BID kiosks
 Pedestrian and bicycle counts on NINE BID street corners	 4,400 free parking tokens distributed to CCN merchants and customers



CHERRY CREEK AREA

- DEVELOPMENT REPORT -



2010-2015 DEVELOPMENT PROJECTS

COMPLETED

PROJECT NAME	USE	DESCRIPTION: UNITS & SQUARE FEET
1 100 Saint Paul	Office/Retail	132,000 SF Office / 14,000 SF Retail
2 250 Columbine	Office/Residential/Retail	30,000 SF Office / 71 Residences / 30,000 SF Retail
3 257 Fillmore	Office/Retail	4,000 SF Office and Retail
4 Adolph Coors Foundation HQ	Office/Retail	15,000 SF Office / 12,000 SF Retail
5 First Citizens Bank	Retail	4,200 SF Retail
6 Cobles Cherry Creek I	Residential	283 Residences
7 NorthCreek	Residential/Retail	50 Residences / 40,000 SF Retail
8 Residences at Fillmore Plaza	Residential	27 Residences / 4,700 SF Retail
9 RH Gallery	Retail Expansion	53,000 SF Retail
10 Steele Creek	Residential/Retail	218 Residences / 17,000 SF Retail
11 The Seasons of Dairy Dusk	Residential Expansion	148 New Residences = 587 Residences Total

UNDER CONST.

PROJECT NAME	USE	DESCRIPTION: UNITS & SQUARE FEET
12 222 Milwaukee	Hotel	208 Rooms / 4,300 SF Retail
13 Alayan Cherry Creek	Residential	164 Residences
14 Ana & John A. Sie Foundation	Office/Retail	TBD
15 Dada Cherry Creek	Residential/Retail	182 Residences / 4,800 SF Retail
16 Cobles Cherry Creek II	Residential	122 Residences
17 Holayan, Alayan in Cherry Creek	Hotel/Retail	155 Rooms / 2 Ground Floor Restaurants
18 Room and Board	Retail	9,000 SF Retail

ANNOUNCED

PROJECT NAME	USE	DESCRIPTION: UNITS & SQUARE FEET
19 155 Steele	Residential/Retail	71 Residences / 3,787 SF Retail
20 219 St. Paul	Residential/Retail	71 Residences / 12,000 SF Retail
21 235 Fillmore	Office/Retail	40,000 SF Office
22 248 Josephine	Hotel	170 Rooms
23 242 and 246 Milwaukee	Office/Retail	40,000 SF Office / 5,000 SF Retail
24 3000 E. 3rd Ave.	Residential/Retail	72 Residences / 45,000 SF Retail
25 Divisa Cherry Creek	Office/Retail	38,000 SF Office / 12,000 SF Retail
26 Cobles Cherry Creek III	Residential	244 Residences

PRESENTED BY:



SPONSORED BY:



CHERRY CREEK AREA

- DEVELOPMENT REPORT -



RESIDENTIAL UNITS

270%

INCREASE IN RESIDENCES
FROM 2010

- TOTAL UNITS -

2010:	587
2015:	1,192
PROJECTED TOTAL:	2,170



HOTEL ROOMS

300+
%

INCREASE IN ROOMS
SINCE 2010

- TOTAL ROOMS -

2010:	230
2015:	230
PROJECTED TOTAL:	928



TOTAL OFFICE SPACE

33%

INCREASE IN SQUARE FEET (SF)
OF SPACE FROM 2010

- TOTAL SPACE -

2010:	1,300,000 SF
2015:	1,536,210 SF
PROJECTED TOTAL:	1,734,210 SF



TOTAL RETAIL SPACE

25%

INCREASE IN SQUARE FEET (SF)
OF RETAIL FROM 2010

- TOTAL SPACE -

2010:	1,100,000 SF
2015:	1,285,700 SF
PROJECTED TOTAL:	1,370,800 SF

The Cherry Creek Area Business Alliance represents the collective voice of its member businesses and ensures that the entire Cherry Creek Area continues to thrive as an economic generator and community asset. Cherry Creek North Business Improvement District actively plans, manages and promotes the 16 block district of Cherry Creek North as a premier retail/restaurant, office, hotel and residential destination.

The Cherry Creek Area Development Report is intended to provide an overview of development projects that are complete, under construction, or announced at the time of publication. Data is based on the best information available at the time, variations in data may occur. This is a publication of CCN BID and CCABA, all rights reserved, not intended for reproduction without written consent. For additional info contact info@CherryCreekNorth.com or info@cherrycreekaba.com