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Subject: Cherry Creek North BID - 2014 Operating Plan and Budget

From: "Sheehan, Richard M. - Cash Risk & Capital Funding" <Richard.Sheehan@denvergov.org>
Date: August 26, 2013, 3:00:12 PM MDT
To: 'Julie Bender' <julie@cherrycreeknorth.com>
Cc: "Carroll, Jason" <Jason.Carroll@cliftonlarsonallen.com>
Subject: Cherry Creek North BID - 2014 Operating Plan and Budget

Dear Julie,

This letter is to remind you to submit your District's **2014 Operating Plan and Budget (OP&B)** for review and approval as required by State Statute (C.R.S. 31-25-1211) **by September 30, 2013**. Please file the original OP&B with the City Clerk noting the City Clerk file number (i.e. **Filing No. 89-909AA**), so that the Clerk can then fill in the blank with the current extension letter, and send or deliver a copy to George Delaney, Manager of Public Works, Dept 509 with the same address, and a copy to myself to the address listed above.

The City then has 30 days after receipt of the OP&B, but no later than December 5th, to review and, if appropriate, approve such items. If an OP&B is not submitted by the required date, no funds will be available for 2014. Also be aware that you should certify your mill levies and furnish a copy to Public Works and the Denver County Clerk and Recorder before December 15th, so this information can be submitted for final ordinance approval.

In order for the Denver City Council to approve your OP&B for 2014 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 additional items be provided on an annual basis:

1. 2013 budget and "budget to actual" financial reports.
2. Any material departures from the 2013 Operating Plan, and an explanation.
3. The status of any planned or outstanding indebtedness.
4. The results of any audits conducted during the year.
5. A copy of the By-laws, if any, in effect in 2013/2014.
6. A list of official board actions (motions) in the past year.
7. Current list of all Board members including name, address, phone, fax and email as well as term appointment and expiration date.
8. Board members attendance records for the past year.

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

Sincerely,

Rick

Richard Sheehan, MBA, CPA, CPFO
Sr. Financial Management Analyst
Special Districts & Conduit Debt
Finance | Cash Risk & Capital Funding
City and County of Denver
201 W. Colfax Dept. 1610, Denver CO 80202
720.913.5550 Phone | 720.913.9460 Fax



LETTER OF SUBMITTAL



September 23, 2013

City Clerk
City & County of Denver
Department of Finance
201 West Colfax Avenue, Dept. 1010
Denver, CO 80202

Dear City Clerk:

Enclosed please find the original 2014 Operating Plan and Budget for Cherry Creek North Business Improvement District #1. If you have any questions or need additional information, please feel free to contact me.

Respectfully,

A handwritten signature in black ink that reads "Julie Underdahl". The signature is written in a cursive style with a large initial "J".

Julie Underdahl
President & CEO

Enclosures

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



1. 2014 BUDGET & 2013 BUDGET TO ACTUAL FINANCIAL REPORTS



CliftonLarsonAllen

Accountant's Compilation Report

Board of Directors
Cherry Creek North Business Improvement District
Denver County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Cherry Creek North Business Improvement District for the General Fund, Debt Service Fund and Capital Projects Fund for the year ending December 31, 2014, including the forecasted estimate of comparative information for the year ending December 31, 2013, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2012 is presented for comparative purposes only. Such information is taken from the 2012 audit report of the District for the year ended December 31, 2012, as prepared by Wagner Barnes, PC, dated March 29, 2013, in which an unqualified opinion was expressed.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Cherry Creek North Business Improvement District.

Greenwood Village, Colorado
_____, 2013

PRELIMINARY DRAFT – SUBJECT TO REVISION

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY**

**FORECASTED 2014 BUDGET AS PROPOSED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,**

9/9/2013

	ACTUAL 2012	BUDGET 2013	ACTUAL 6/30/2013	ESTIMATED 2013	PROPOSED 2014
BEGINNING FUND BALANCES	\$ 4,190,695	\$ 3,595,578	\$ 3,764,726	\$ 3,764,726	\$ 3,444,342
REVENUES					
1 Property taxes	2,719,684	2,728,325	2,652,491	2,728,325	2,873,137
2 Specific ownership taxes	183,508	175,000	80,733	175,000	201,000
3 Net investment income	7,047	9,500	2,838	6,000	7,500
4 FNO income	17,554	-	-	10,000	15,000
5 Sponsorship income	17,600	18,000	8,100	18,000	13,000
6 Gift card sales	59,959	45,000	24,148	65,000	65,000
7 Parking garage income	92,814	100,000	60,107	105,000	105,000
8 Management fees - Parking	40,000	40,000	40,000	40,000	40,000
Total revenues	3,138,166	3,115,825	2,868,417	3,147,325	3,319,637
TRANSFERS IN	162,991	-	-	-	-
Total funds available	7,491,852	6,711,403	6,633,143	6,912,051	6,763,979
EXPENDITURES					
9 General					
10 Admin - Internal Office	225,254	220,727	106,990	216,579	227,459
11 Admin - Professional Services	119,036	109,400	62,807	113,921	117,400
12 Admin - Benefits/Salaries/Taxes	132,927	134,000	63,775	124,800	139,900
13 Outreach	50,187	49,000	6,819	31,500	44,500
14 Marketing	538,643	498,000	149,510	545,908	525,500
15 Marketing - Benefits/Salaries/Taxes	291,443	304,400	112,877	254,600	285,100
16 Physical Environment	395,453	419,100	173,247	413,548	427,700
17 Physical Env - Benefits/Salaries/Taxes	362,457	377,300	188,606	368,200	378,300
18 Parking Operations	116,386	108,600	65,978	126,653	126,600
19 Gift Card Program	61,233	45,000	30,963	66,000	66,000
20 Debt Service					
21 Bond interest 2008 Series	403,216	389,816	194,908	389,816	374,941
22 Bond interest 2009 Series	448,610	448,610	224,305	448,610	448,610
23 Bond principal 2008 Series	335,000	350,000	-	350,000	365,000
24 County Treasurer's fees	10,324	10,362	10,073	10,362	10,911
25 Paying agent fees	450	5,000	-	2,000	2,000
26 Undesignated contingencies	-	2,272	-	5,212	4,538
27 Capital Projects					
28 Capital improvements/expenses	72,866	-	-	-	-
29 Fillmore Plaza Alternate Design soft costs	650	-	-	-	-
Total expenditures	3,564,135	3,471,587	1,390,858	3,467,709	3,544,459
TRANSFERS OUT	162,991	-	-	-	-
Total expenditures and transfers out requiring appropriation	3,727,126	3,471,587	1,390,858	3,467,709	3,544,459
ENDING FUND BALANCES	\$ 3,764,726	\$ 3,239,816	\$ 5,242,285	\$ 3,444,342	\$ 3,219,520

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
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

9/9/2013

	ACTUAL 2012	BUDGET 2013	ACTUAL 6/30/2013	ESTIMATED 2013	PROPOSED 2014
ASSESSED VALUATION - DENVER					
Commercial	\$ 140,102,890	\$ 140,564,800	\$ 140,564,800	\$ 140,564,800	\$ 162,857,780
Vacant Land	447,670	447,670	447,670	447,670	-
Personal Property	14,203,680	13,224,270	13,224,270	13,224,270	-
State Assessed	412,700	412,700	412,700	412,700	-
Certified Assessed Value	<u>\$ 155,166,940</u>	<u>\$ 154,649,440</u>	<u>\$ 154,649,440</u>	<u>\$ 154,649,440</u>	<u>\$ 162,857,780</u>
MILL LEVY					
GENERAL FUND	10.942	10.942	10.942	10.942	10.942
DEBT SERVICE FUND	6.700	6.700	6.700	6.700	6.700
Total Mill Levy	<u>17.642</u>	<u>17.642</u>	<u>17.642</u>	<u>17.642</u>	<u>17.642</u>
PROPERTY TAXES					
GENERAL FUND	\$ 1,697,837	\$ 1,692,174	\$ 1,692,174	\$ 1,692,174	\$ 1,781,990
DEBT SERVICE FUND	1,039,618	1,036,151	1,036,151	1,036,151	1,091,147
Levied property taxes	<u>2,737,455</u>	<u>2,728,325</u>	<u>2,728,325</u>	<u>2,728,325</u>	<u>2,873,137</u>
Adjustments to actual/rounding	(17,771)	-	(75,834)	-	-
Budgeted Property Taxes	<u>\$ 2,719,684</u>	<u>\$ 2,728,325</u>	<u>\$ 2,652,491</u>	<u>\$ 2,728,325</u>	<u>\$ 2,873,137</u>
BUDGETED PROPERTY TAXES					
GENERAL FUND	\$ 1,686,815	\$ 1,692,174	\$ 1,645,140	\$ 1,692,174	\$ 1,781,990
DEBT SERVICE FUND	1,032,869	1,036,151	1,007,351	1,036,151	1,091,147
	<u>\$ 2,719,684</u>	<u>\$ 2,728,325</u>	<u>\$ 2,652,491</u>	<u>\$ 2,728,325</u>	<u>\$ 2,873,137</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
GENERAL FUND
FORECASTED 2014 BUDGET AS PROPOSED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

9/9/2013

	ACTUAL 2012	BUDGET 2013	ACTUAL 6/30/2013	ESTIMATED 2013	PROPOSED 2014
BEGINNING FUND BALANCES	\$ 1,680,154	\$ 1,336,501	\$ 1,487,256	\$ 1,487,256	\$ 1,332,721
REVENUES					
1 Property taxes	1,686,815	1,692,174	1,645,140	1,692,174	1,781,990
2 Specific ownership taxes	183,508	175,000	80,733	175,000	201,000
3 Net investment income	1,871	3,000	817	2,000	2,500
4 FNO income	17,554	-	-	10,000	15,000
5 Sponsorship income	17,600	18,000	8,100	18,000	13,000
6 Gift card sales	59,959	45,000	24,148	65,000	65,000
7 Parking garage income	92,814	100,000	60,107	105,000	105,000
8 Management fees - Parking	40,000	40,000	40,000	40,000	40,000
Total revenues	<u>2,100,121</u>	<u>2,073,174</u>	<u>1,859,045</u>	<u>2,107,174</u>	<u>2,223,490</u>
Total funds available	<u>3,780,275</u>	<u>3,409,675</u>	<u>3,346,301</u>	<u>3,594,430</u>	<u>3,556,211</u>
EXPENDITURES					
General					
9 Admin - Internal Office	225,254	220,727	106,990	216,579	227,459
10 Admin - Professional Services	119,036	109,400	62,807	113,921	117,400
11 Admin - Benefits/Salaries/Taxes	132,927	134,000	63,775	124,800	139,900
12 Outreach	50,187	49,000	6,819	31,500	44,500
13 Marketing	538,643	498,000	149,510	545,908	525,500
14 Marketing - Benefits/Salaries/Taxes	291,443	304,400	112,877	254,600	285,100
15 Physical Environment	395,453	419,100	173,247	413,548	427,700
16 Physical Env - Benefits/Salaries/Taxes	362,457	377,300	188,606	368,200	378,300
17 Parking Operations	116,386	108,600	65,978	126,653	126,600
18 Gift Card Program	61,233	45,000	30,963	66,000	66,000
Total expenditures	<u>2,293,019</u>	<u>2,265,527</u>	<u>961,572</u>	<u>2,261,709</u>	<u>2,338,459</u>
Total expenditures and transfers out requiring appropriation	<u>2,293,019</u>	<u>2,265,527</u>	<u>961,572</u>	<u>2,261,709</u>	<u>2,338,459</u>
ENDING FUND BALANCES	<u>\$ 1,487,256</u>	<u>\$ 1,144,148</u>	<u>\$ 2,384,729</u>	<u>\$ 1,332,721</u>	<u>\$ 1,217,752</u>
EMERGENCY RESERVE	\$ 63,100	\$ 62,100	\$ 55,800	\$ 63,300	\$ 66,800
BOARD RESERVE	508,617	504,358	504,358	502,127	517,815
UNDESIGNATED	915,539	577,690	1,824,571	767,294	633,137
TOTAL RESERVE	<u>\$ 1,487,256</u>	<u>\$ 1,144,148</u>	<u>\$ 2,384,729</u>	<u>\$ 1,332,721</u>	<u>\$ 1,217,752</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
DEBT SERVICE FUND
FORECASTED 2014 BUDGET AS PROPOSED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

9/9/2013

	ACTUAL 2012	BUDGET 2013	ACTUAL 6/30/2013	ESTIMATED 2013	PROPOSED 2014
BEGINNING FUND BALANCES	\$ 2,274,034	\$ 2,259,077	\$ 2,277,470	\$ 2,277,470	\$ 2,111,621
REVENUES					
1 Property taxes	1,032,869	1,036,151	1,007,351	1,036,151	1,091,147
2 Net investment income	5,176	6,500	2,021	4,000	5,000
Total revenues	<u>1,038,045</u>	<u>1,042,651</u>	<u>1,009,372</u>	<u>1,040,151</u>	<u>1,096,147</u>
TRANSFERS IN					
CAPITAL PROJECTS FUND	162,991	-	-	-	-
Total transfers in	<u>162,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>3,475,070</u>	<u>3,301,728</u>	<u>3,286,842</u>	<u>3,317,621</u>	<u>3,207,768</u>
EXPENDITURES					
Debt Service					
3 Bond interest 2008 Series	403,216	389,816	194,908	389,816	374,941
4 Bond interest 2009 Series	448,610	448,610	224,305	448,610	448,610
5 Bond principal 2008 Series	335,000	350,000	-	350,000	365,000
6 County Treasurer's fees	10,324	10,362	10,073	10,362	10,911
7 Paying agent fees	450	5,000	-	2,000	2,000
8 Undesignated contingencies	-	2,272	-	5,212	4,538
Total expenditures	<u>1,197,600</u>	<u>1,206,060</u>	<u>429,286</u>	<u>1,206,000</u>	<u>1,206,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,197,600</u>	<u>1,206,060</u>	<u>429,286</u>	<u>1,206,000</u>	<u>1,206,000</u>
ENDING FUND BALANCES	<u>\$ 2,277,470</u>	<u>\$ 2,095,668</u>	<u>\$ 2,857,556</u>	<u>\$ 2,111,621</u>	<u>\$ 2,001,768</u>
DEBT SERVICE RESERVE	<u>\$ 818,581</u>	<u>\$ 818,581</u>	<u>\$ 818,581</u>	<u>\$ 818,581</u>	<u>\$ 818,581</u>
TOTAL RESERVE	<u>\$ 818,581</u>	<u>\$ 818,581</u>	<u>\$ 818,581</u>	<u>\$ 818,581</u>	<u>\$ 818,581</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
 CAPITAL PROJECTS FUND
 FORECASTED 2014 BUDGET AS PROPOSED
 WITH 2012 ACTUAL AND 2013 ESTIMATED
 For the Years Ended and Ending December 31,**

9/9/2013

	ACTUAL 2012	BUDGET 2013	ACTUAL 6/30/2013	ESTIMATED 2013	PROPOSED 2014
BEGINNING FUND BALANCES	\$ 236,507	\$ -	\$ -	\$ -	\$ -
REVENUES					
Total revenues	-	-	-	-	-
Total funds available	236,507	-	-	-	-
EXPENDITURES					
Capital projects					
1 Capital improvements/expenses	72,866	-	-	-	-
2 Fillmore Plaza Alternate Design soft costs	650	-	-	-	-
Total expenditures	73,516	-	-	-	-
TRANSFERS OUT					
DEBT SERVICE FUND	162,991	-	-	-	-
Total transfers out	162,991	-	-	-	-
Total expenditures and transfers out requiring appropriation	236,507	-	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -

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
2014 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.

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 17.642, 10.942 mills for operations and 6.700 mills for debt service.

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 forecast assumes that the District's share will be equal to approximately 7% of the property taxes collected.

PRELIMINARY DRAFT – SUBJECT TO REVISION

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT
2014 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.25%.

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.

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. Sales are predicted to be \$65,000 in 2014. As received, cash is used to purchase gift cards, appearing also as part of gift card program expense for the period.

Sponsorship 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.

PRELIMINARY DRAFT – SUBJECT TO REVISION

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
2014 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

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.

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 2014.

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.

PRELIMINARY DRAFT – SUBJECT TO REVISION

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT
2014 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

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.

The District's current debt service schedule is attached. The Series 2008 Bonds have a reserve requirement of \$369,971. The Series 2009 Bonds have a reserve requirement of \$448,610.

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 2014, as defined under TABOR.

This information is an integral part of the accompanying forecasted budget.

PRELIMINARY DRAFT – SUBJECT TO REVISION

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$9,250,000 General Obligation Bonds Series 2008 Dated October 30, 2008 Interest Rate of 4.000-5.125% Interest and Principal Payable June 1 and December 1	\$9,250,000 General Obligation Bonds Series 2009 Dated September 17, 2009 Interest Rate of 4.000-5.000% Interest and Principal Payable June 1 and December 1
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<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2014	\$ 365,000	\$ 374,941	\$ -	\$ 448,610	\$ 1,188,551
2015	380,000	359,429	-	448,610	1,188,039
2016	395,000	342,329	-	448,610	1,185,939
2017	415,000	324,554	-	448,610	1,188,164
2018	435,000	304,841	25,000	448,610	1,213,451
2019	455,000	284,179	45,000	447,610	1,231,789
2020	475,000	261,429	85,000	445,810	1,267,239
2021	500,000	237,679	125,000	442,410	1,305,089
2022	525,000	212,679	170,000	437,410	1,345,089
2023	550,000	187,741	215,000	430,398	1,383,139
2024	575,000	161,341	270,000	421,260	1,427,601
2025	605,000	132,591	320,000	409,650	1,467,241
2026	635,000	102,341	380,000	395,650	1,512,991
2027	665,000	69,956	440,000	378,550	1,553,506
2028	700,000	35,875	875,000	358,750	1,969,625
2029	-	-	1,325,000	315,000	1,640,000
2030	-	-	1,435,000	248,750	1,683,750
2031	-	-	1,505,000	177,000	1,682,000
2032	-	-	2,035,000	101,750	2,136,750
	<u>\$ 7,675,000</u>	<u>\$ 3,391,905</u>	<u>\$ 9,250,000</u>	<u>\$ 7,253,048</u>	<u>\$ 27,569,953</u>

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
BALANCE SHEET - GOVERNMENTAL FUNDS
July 31, 2013

	General Fund	Debt Service	Capital Projects	All Funds
ASSETS				
Cash	\$ 114,514.70	\$ 0.00	\$ 0.00	\$ 114,514.70
Investments - Colotrust	725,759.31	533,099.64	0.00	1,258,858.95
Investments - 1st Bank	1,472,334.87	2,324,944.27	0.00	3,797,279.14
Accounts Receivable	8,000.00	0.00	0.00	8,000.00
Receivable from County Treasurer	37,788.79	13,064.94	0.00	50,853.73
TOTAL ASSETS	\$ 2,358,397.67	\$ 2,871,108.85	\$ 0.00	\$ 5,229,506.52
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 48,100.77	\$ 0.00	\$ 0.00	\$ 48,100.77
Deferred Comp-Employee Contr	6,206.99	0.00	0.00	6,206.99
Deferred Comp-Employer Contr	2,533.37	0.00	0.00	2,533.37
Accrued Flex Time	61,390.97	0.00	0.00	61,390.97
Total liabilities	118,232.10	0.00	0.00	118,232.10
FUND BALANCES				
Fund Balance	1,731,548.57	2,871,108.85	0.00	4,602,657.42
Board-designated ending fund balance	508,617.00	0.00	0.00	508,617.00
Total fund balance	2,240,165.57	2,871,108.85	0.00	5,111,274.42
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,358,397.67	\$ 2,871,108.85	\$ 0.00	\$ 5,229,506.52

These financial statements should be read only in connection with the accompanying accountant's compilation report.

Cherry Creek North Business Improvement District
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE MONTH ENDED July 31, 2013

General Fund

	Current Month			Year to Date		Year to Date		Year To Date	
	Actual	Budget	Variance	Actual	Annual Budget	Variance	Variance	%	Annual Budget
REVENUE									
Property Taxes	\$ 20,849.72	\$ 12,500.00	\$ 8,349.72	\$ 1,665,989.96	\$ 1,634,000.00	\$ 31,989.96		1.96 %	\$ 1,692,174.00
Specific Ownership Taxes	16,452.01	14,583.33	1,868.68	97,185.47	102,083.31	(4,897.84)		(4.80) %	175,000.00
Interest Income	899.67	250.00	649.67	1,716.99	1,750.00	(33.01)		(1.89) %	3,000.00
Sponsorship Sales	0.00	0.00	0.00	8,100.00	9,000.00	(900.00)		(10.00) %	18,000.00
Gift Card Sales	2,473.91	3,750.00	(1,276.09)	26,621.67	26,250.00	371.67		1.42 %	45,000.00
Parking Garage Income	8,380.00	8,333.33	46.67	68,486.60	58,333.31	10,153.29		17.41 %	100,000.00
Management Fees - Parking	0.00	0.00	0.00	40,000.00	40,000.00	0.00		0.00 %	40,000.00
Total revenue	<u>49,055.31</u>	<u>39,416.66</u>	<u>9,638.65</u>	<u>1,908,100.69</u>	<u>1,871,416.62</u>	<u>36,684.07</u>		<u>1.96 %</u>	<u>2,073,174.00</u>
EXPENDITURES									
Administration	33,981.89	41,167.08	(7,185.19)	267,823.98	283,869.56	(16,045.58)		(5.65) %	464,127.00
Marketing, Communications, Tourism & Events	87,458.93	70,325.00	17,133.93	387,627.51	407,219.08	(19,591.57)		(4.81) %	896,400.00
Physical Environment	62,604.74	65,511.33	(2,906.59)	424,458.03	439,604.31	(15,146.28)		(3.45) %	796,400.00
Parking Operations	9,303.50	8,500.00	803.50	75,281.55	59,500.00	15,781.55		26.52 %	108,600.00
Total expenditures	<u>193,349.06</u>	<u>185,503.41</u>	<u>7,845.65</u>	<u>1,155,191.07</u>	<u>1,190,192.95</u>	<u>(35,001.88)</u>		<u>(2.94) %</u>	<u>2,265,527.00</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(144,293.75)	(146,086.75)	1,793.00	752,909.62	681,223.67	71,685.95		10.52 %	(192,353.00)
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 AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>(144,293.75)</u>	<u>(146,086.75)</u>	<u>1,793.00</u>	<u>752,909.62</u>	<u>681,223.67</u>	<u>71,685.95</u>		<u>10.52 %</u>	<u>(192,353.00)</u>
FUND BALANCE - BEGINNING	<u>2,384,459.32</u>	<u>1,336,501.00</u>	<u>1,047,958.32</u>	<u>1,487,255.95</u>	<u>1,336,501.00</u>	<u>150,754.95</u>		<u>11.28 %</u>	<u>1,336,501.00</u>
FUND BALANCE - ENDING	<u>\$ 2,240,165.57</u>	<u>\$ 1,190,414.25</u>	<u>\$ 1,049,751.32</u>	<u>\$ 2,240,165.57</u>	<u>\$ 2,017,724.67</u>	<u>\$ 222,440.90</u>		<u>11.02 %</u>	<u>\$ 1,144,148.00</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report.

Cherry Creek North Business Improvement District
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE MONTH ENDED July 31, 2013

General Fund

EXPENDITURE DETAILS

	Current Month		Year to Date		Year to Date Variance	Variance %	Annual Budget
	Actual	Budget	Actual	Budget			
ADMINISTRATION							
Admin - Internal Office							
Bank Charges	93.57	83.33	606.21	583.31	(22.90)	(3.93) %	1,000.00
Copier Expense	1,059.81	1,250.00	7,095.95	8,750.00	1,654.05	18.90 %	15,000.00
Computer Expense	91.00	200.00	14,372.93	8,000.00	(6,372.93)	(79.66) %	9,000.00
Postage and Meter Rental	112.52	500.00	1,026.55	3,500.00	2,473.45	70.67 %	6,000.00
Telephone/Fax/Communications	883.63	666.67	6,907.41	4,666.69	(2,240.72)	(48.02) %	8,000.00
Office Furniture and Equipment	0.00	3,000.00	235.12	3,000.00	2,764.88	92.16 %	3,000.00
Delivery Service	0.00	166.67	(94.58)	1,166.69	1,261.27	108.11 %	2,000.00
Office Supplies	425.38	750.00	2,395.51	5,250.00	2,854.49	54.37 %	9,000.00
Other admin/director's expense	174.95	833.33	2,270.72	5,833.31	3,562.59	61.07 %	10,000.00
Memberships	0.00	0.00	4,621.00	3,000.00	(1,621.00)	(54.03) %	3,000.00
Board and committee meeting expenses	126.21	500.00	2,603.94	3,500.00	896.06	25.60 %	6,000.00
Education/travel expenses/seminars	517.80	750.00	1,869.54	5,250.00	3,380.46	64.39 %	9,000.00
County Treasurer's Fee	215.53	1,550.00	1,334.47	15,950.00	(7,15.81)	(4.49) %	16,922.00
Office rent and cleaning services	5,414.55	10,233.75	55,798.57	71,636.25	15,837.68	22.11 %	122,805.00
Total Admin - Internal Office	9,114.95	20,483.75	116,374.68	140,086.25	23,711.57	16.93 %	220,727.00
Admin - Professional Services							
Accounting	6,033.33	6,033.33	42,233.31	42,233.31	0.00	0.00 %	72,400.00
Audit	0.00	0.00	6,521.47	7,000.00	478.53	6.84 %	7,000.00
Legal Services	4,657.72	1,250.00	12,840.64	8,750.00	(4,090.64)	(46.75) %	15,000.00
HR & Strategic planning	3,000.00	3,000.00	14,902.50	13,000.00	(1,902.50)	(14.63) %	15,000.00
Contingency	0.00	0.00	0.00	0.00	0.00	0.00 %	9,200.00
Total Admin - Professional Services	13,691.05	10,283.33	76,497.92	70,983.31	(5,514.61)	(7.77) %	118,600.00
Admin - Benefits/Salaries/Taxes							
Admin - Employee salaries	9,090.00	8,583.33	59,461.54	60,083.31	621.77	1.03 %	103,000.00
Admin - Employee taxes	159.05	150.00	1,008.79	1,050.00	41.21	3.92 %	1,800.00
Admin - Employee benefits	1,926.84	1,666.67	14,481.05	11,666.69	(2,814.36)	(24.12) %	20,000.00
Total Admin - Benefits/Salaries/Taxes	11,175.89	10,400.00	74,951.38	72,800.00	(2,151.38)	(2.96) %	124,800.00
Total expenditures	33,981.89	41,167.08	267,823.98	283,869.56	16,045.58	5.65 %	464,127.00

These financial statements should be read only in connection with the accompanying accountant's compilation report.

Cherry Creek North Business Improvement District
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE MONTH ENDED July 31, 2013

General Fund

EXPENDITURE DETAILS

MARKETING, COMMUNICATIONS, TOURISM & EVENTS

	Current Month		Year to Date		Year to Date Variance	Variance %	Annual Budget
	Actual	Budget	Actual	Budget			
Outreach							
Community relations	\$ 0.00	\$ 1,500.00	\$ 4,871.90	\$ 10,500.00	\$ 5,628.10	53.60 %	\$ 18,000.00
Government relations	0.00	0.00	0.00	0.00	0.00	0.00 %	20,000.00
Media Relations	600.00	416.67	832.00	2,916.69	2,084.69	71.47 %	5,000.00
Retail outreach	0.00	500.00	1,715.00	3,500.00	1,785.00	51.00 %	6,000.00
Total Outreach	600.00	2,416.67	7,418.90	16,916.69	9,497.79	56.14 %	49,000.00
Marketing							
Advertising - local	50,391.44	26,041.66	58,209.10	45,241.70	(12,967.40)	(28.66) %	192,000.00
Creative	0.00	6,983.00	34,309.98	35,081.00	771.02	2.20 %	66,000.00
Websites	9,298.55	1,941.00	20,387.65	19,346.00	(1,041.65)	(5.38) %	29,000.00
Events	2,538.49	5,470.00	15,206.72	24,470.00	9,263.28	37.86 %	104,000.00
Advertising - tourism	0.00	0.00	63,624.71	57,000.00	(6,624.71)	(11.62) %	74,000.00
Marketing - printing	822.10	1,256.00	16,964.29	24,739.00	7,774.71	31.43 %	50,000.00
Marketing/Communication Consultants	0.00	0.00	907.50	908.00	0.50	0.06 %	908.00
Contingency - marketing	0.00	0.00	0.00	0.00	0.00	0.00 %	16,892.00
Gift Card Program	2,298.71	3,750.00	33,261.77	26,250.00	(7,011.77)	(26.71) %	45,000.00
Gift Card Promotion/Donation	122.50	1,250.00	3,072.50	8,750.00	5,677.50	64.89 %	15,000.00
Total Marketing	65,471.79	46,691.66	245,944.22	241,785.70	(4,158.52)	(1.72) %	592,800.00
Marketing - Benefits/Salaries/Taxes							
Marketing - Employee salaries	18,037.52	17,166.67	110,227.14	120,166.69	9,939.55	8.27 %	206,000.00
Marketing - Employee taxes	315.65	300.00	1,985.16	2,100.00	114.84	5.47 %	3,600.00
Marketing - Employee benefits	3,033.97	3,750.00	22,052.09	26,250.00	4,197.91	15.99 %	45,000.00
Total Marketing - Benefits/Salaries/Taxes	21,387.14	21,216.67	134,264.39	148,516.69	14,252.30	9.60 %	254,600.00
Total expenditures	\$ 87,458.93	\$ 70,325.00	\$ 387,627.51	\$ 407,219.08	\$ 19,591.57	4.81 %	\$ 896,400.00

These financial statements should be read only in connection with the accompanying accountant's compilation report.

Cherry Creek North Business Improvement District
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE MONTH ENDED July 31, 2013

General Fund

EXPENDITURE DETAILS

	Current Month			Year to Date			Year to Date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Variance %	Budget		
PHYSICAL ENVIRONMENT										
Physical Environment										
General Maintenance	\$ 11,729.46	\$ 12,000.00	\$ 270.54	\$ 35,976.30	\$ 47,000.00	\$ 11,023.70	23.45 %	\$ 95,000.00		
Maint. Vehicles & Equipment	0.00	1,133.00	1,133.00	6,779.09	7,931.00	1,151.91	14.52 %	13,600.00		
Fillmore plaza maintenance	1,958.00	3,000.00	1,042.00	9,284.58	6,500.00	(2,784.58)	(42.84) %	15,500.00		
Maintenance - First Ave Median	0.00	1,500.00	1,500.00	1,752.50	8,000.00	6,247.50	78.09 %	15,500.00		
Seasonal Plantings/Landscaping	13,833.06	8,695.00	(5,138.06)	74,088.14	65,390.00	(8,698.14)	(13.30) %	115,000.00		
Transportation	0.00	2,500.00	2,500.00	2,500.00	2,500.00	0.00	0.00 %	5,000.00		
Contingency	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %	8,600.00		
Utilities	6,923.99	6,000.00	(923.99)	20,862.31	26,500.00	5,637.69	21.27 %	55,000.00		
District Insurance	0.00	0.00	0.00	37,448.41	40,000.00	2,551.59	6.38 %	40,000.00		
Holiday lights	0.00	0.00	0.00	19,000.00	21,000.00	2,000.00	9.52 %	65,000.00		
Total Physical Environment	34,444.51	34,828.00	383.49	207,691.33	224,821.00	17,129.67	7.62 %	428,200.00		
PE - Benefits/Salaries/Taxes										
PE - Employee salaries	23,004.63	24,416.67	1,412.04	173,558.48	170,916.69	(2,641.79)	(1.55) %	293,000.00		
PE - Employee taxes	402.53	433.33	30.80	2,918.89	3,033.31	114.42	3.77 %	5,200.00		
PE - Employee benefits	4,753.07	5,833.33	1,080.26	40,289.33	40,833.31	543.98	1.33 %	70,000.00		
Total PE - Benefits/Salaries/Taxes	28,160.23	30,683.33	2,523.10	216,766.70	214,783.31	(1,983.39)	(0.92) %	368,200.00		
Total expenditures	\$ 62,604.74	\$ 65,511.33	\$ 2,906.59	\$ 424,458.03	\$ 439,604.31	\$ 15,146.28	3.45 %	\$ 796,400.00		
PARKING OPERATIONS										
Parking Operations										
Parking Operations	\$ 9,303.50	\$ 8,500.00	\$ (803.50)	\$ 75,228.65	\$ 59,500.00	\$ (15,728.65)	(26.43) %	\$ 102,000.00		
Parking - Employee salaries	0.00	0.00	0.00	47.25	0.00	(47.25)	0.00 %	0.00		
Parking - Employee taxes	0.00	0.00	0.00	0.83	0.00	(0.83)	0.00 %	0.00		
Parking - Employee benefits	0.00	0.00	0.00	4.82	0.00	(4.82)	0.00 %	0.00		
Contingency	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %	6,600.00		
Total expenditures	\$ 9,303.50	\$ 8,500.00	\$ (803.50)	\$ 75,281.55	\$ 59,500.00	\$ (15,781.55)	(26.52) %	\$ 108,600.00		

These financial statements should be read only in connection with the accompanying accountant's compilation report.

Cherry Creek North Business Improvement District
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE MONTH ENDED July 31, 2013

Debt Service

	Current Month			Year to Date		Year to Date		Variance		Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	%	%		
REVENUE										
Property Taxes	\$ 12,766.70	\$ 5,000.00	\$ 7,766.70	\$ 1,020,118.02	\$ 1,009,000.00	\$ 11,118.02	1.10 %	\$ 1,036,151.00		
Interest Income	917.78	541.67	376.11	2,938.76	3,791.69	(852.93)	(22.49) %	6,500.00		
Total revenue	<u>13,684.48</u>	<u>5,541.67</u>	<u>8,142.81</u>	<u>1,023,056.78</u>	<u>1,012,791.69</u>	<u>10,265.09</u>	<u>1.01 %</u>	<u>1,042,651.00</u>		
EXPENDITURES										
County Treasurer's fees	131.97	100.00	31.97	10,204.79	9,978.00	226.79	2.27 %	10,362.00		
Bond Principal - 2008 Series	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %	350,000.00		
Bond Interest - 2008 Series	0.00	0.00	0.00	194,908.13	194,908.00	0.13	0.00 %	389,816.00		
Bond Interest - 2009 Series	0.00	0.00	0.00	224,305.00	224,305.00	0.00	0.00 %	448,610.00		
Paying Agent Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %	5,000.00		
Undesignated Contingencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %	2,272.00		
Total expenditures	<u>131.97</u>	<u>100.00</u>	<u>31.97</u>	<u>429,417.92</u>	<u>429,191.00</u>	<u>226.92</u>	<u>0.05 %</u>	<u>1,206,060.00</u>		
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	13,552.51	5,441.67	8,110.84	593,638.86	583,600.69	10,038.17	1.72 %	(163,409.00)		
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 AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>13,552.51</u>	<u>5,441.67</u>	<u>8,110.84</u>	<u>593,638.86</u>	<u>583,600.69</u>	<u>10,038.17</u>	<u>1.72 %</u>	<u>(163,409.00)</u>		
FUND BALANCE - BEGINNING	<u>2,857,556.34</u>	<u>2,259,077.00</u>	<u>598,479.34</u>	<u>2,277,469.99</u>	<u>2,259,077.00</u>	<u>18,392.99</u>	<u>0.81 %</u>	<u>2,259,077.00</u>		
FUND BALANCE - ENDING	<u>\$ 2,871,108.85</u>	<u>\$ 2,264,518.67</u>	<u>\$ 606,590.18</u>	<u>\$ 2,871,108.85</u>	<u>\$ 2,842,677.69</u>	<u>\$ 28,431.16</u>	<u>1.00 %</u>	<u>\$ 2,095,668.00</u>		

These financial statements should be read only in connection with the accompanying accountant's compilation report.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT
 Property Taxes Reconciliation
 2013

	Current Year							Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Property Taxes Received				
								Monthly	Y-T-D	Monthly	Y-T-D	
January	\$ 82,586.87	\$ 163.01	\$ 14,948.64	\$ -	\$ (827.50)	\$ (1,442.65)	\$ 95,428.37	3.03%	3.03%	\$ 155,759.46	5.92%	5.92%
February	648,850.11	-	13,388.74	(134.06)	(6,488.50)	-	655,750.35	23.78%	26.81%	744,445.32	26.98%	32.90%
March	165,460.83	12,370.05	13,166.53	(1,776.96)	(1,776.96)	-	189,086.39	6.52%	33.33%	63,438.89	1.80%	34.70%
April	845,130.61	206.57	14,506.59	(8,453.38)	(8,453.38)	-	851,390.39	30.98%	64.32%	443,314.95	15.89%	50.59%
May	227,567.93	-	13,675.98	1.42	(2,275.69)	-	238,969.64	8.34%	72.66%	789,046.65	28.41%	79.00%
June	672,135.69	(2,254.52)	11,046.98	226.20	(6,701.07)	-	674,453.28	24.55%	97.21%	523,079.01	18.85%	97.85%
July	33,416.93	473.90	16,452.01	858.39	(347.50)	-	50,853.73	1.24%	98.45%	32,847.48	0.56%	98.41%
August	-	-	-	-	-	-	-	0.00%	98.45%	25,797.40	0.29%	98.70%
September	-	-	-	-	-	-	-	0.00%	98.45%	16,607.68	-0.23%	98.47%
October	-	-	-	-	-	-	-	0.00%	98.45%	14,655.75	0.14%	98.61%
November	-	-	-	-	-	-	-	0.00%	98.45%	34,946.85	0.79%	99.40%
December	-	-	-	-	-	-	-	0.00%	98.45%	13,119.70	-0.05%	99.35%
	\$ 2,675,148.97	\$ 10,959.01	\$ 97,185.47	\$ 951.95	\$ (26,870.60)	\$ -	\$ 2,755,932.15	98.45%	98.45%	\$ 2,857,059.14	99.35%	99.35%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Property Tax

General Fund	10,942	\$ 1,692,174.00	62.02%	\$ 1,665,989.97	98.45%
Debt Service Fund	6,700	1,036,151.00	37.98%	1,020,118.01	98.45%
	17,642	\$ 2,728,325.00	100.00%	\$ 2,686,107.98	98.45%

Specific Ownership Tax

General Fund	\$ 175,000.00	100.00%	\$ 97,185.47	55.53%
Debt Service Fund	\$ -	0.00%	-	-
	\$ 175,000.00	100.00%	\$ 97,185.47	55.53%

Treasurer's Fees

General Fund	\$ 16,922.00	62.02%	\$ 16,665.80	98.49%
Debt Service Fund	\$ 10,362.00	37.98%	\$ 10,204.80	98.48%
	\$ 27,284.00	100.00%	\$ 26,870.60	98.48%

This information should be read only in connection with the accompanying accountant's report.



2. ANY MATERIAL DEPARTURES FROM THE 2013 OPERATING PLAN AND EXPLANATION

- **EVENT ACTIVITIES & STREET CLOSURE DAYS**
- **2014 EVENT & PROMOTIONAL CALENDAR**



Event Activities and Street Closure Days

(September 23, 2013)

Summary for 2013

The CCNBID completed its self-funded \$18.5M streetscape project in June 2011. The final element was the conversion of Fillmore Plaza into a new hybrid space that can accommodate special events and limited vehicular traffic.

The following is a list of the event activities and street closures on Fillmore Plaza from January 1, 2013 through September 23, 2013.

Closed to vehicular traffic	Wednesday, January 1
Closed to vehicular traffic	Wednesday, January 9 – Thursday, January 10
Closed to vehicular traffic	Thursday, February 14 – Friday, February 15
Closed to vehicular traffic	Monday, April 22 – Wednesday, April 24
Closed to vehicular traffic	Sunday, May 26 – Monday, May 27
Cherry Creek Arts Festival	Monday, June 30 – Sunday, July 7
Moonlight Classic	Saturday, July 13 – Monday, July 15
Closed to vehicular traffic	Sunday, July 21 – Monday, July 22
SummerTunes on the Plaza	Sunday, July 28 – Monday, July 29
CCN Food & Wine/Ice Cream Social	Friday, August 9 – Monday, August 12
Celebrate Fashion	Tuesday, September 10 – Friday, September 13
Closed to vehicular traffic	Sunday, October 6 – Monday, October 7 (tentative)
Closed to vehicular traffic	Thursday, November 28 – Friday, November 29 (tentative)
Closed to vehicular traffic	Wednesday, December 25 – Thursday, December 26 (tentative)

Tentative Schedule for 2014

The attached document shows a tentative list of the event activities and closures on Fillmore Plaza from January 1, 2014 through December 31, 2014.



Event and Promotional Calendar 2014

Colorado RV Adventure Travel Show (20k attendance)*	January 8 – January 11
The Denver International Sportsmen's Expo (35k attendance)*	January 16 – January 19
SIA Snow Show (19k attendance)*	January 30 – February 2
Denver Restaurant Week	February
American Academy of Dermatology Expo (17k attendance)*	March 2 – March 25
Cherry Creek Sneak	April
Mother's Day	May 11
Colorado Shops For Kids	May 1 – May 14
Memorial Day	May 26
Father's Day	June 15
Bike to Work Day	June
National Education Association Expo (15k attendance)*	July 1 – July 6
Cherry Creek Arts Festival	July 4 - 6
44 th Annual Cherry Creek North Sidewalk Sale	July 17 – July 20
Buy Local Week	July
Cherry Creek North Food & Wine	August 9
Councilwoman Jeanne Robb's Ice Cream Social	August 10
Denver Restaurant Week	August
Labor Day	September 1
2014 BMW Championship	September 1 – September 7
Custom Electronic Design Expo (16k attendance)*	September 10 – September 13
Celebrate Fashion	September 12
Denver Beer Fest	October
Spa Week	October
Denver Arts Week	November
Starz Denver Film Festival	November
Mile High Holidays	November 15 - January 26
Thanksgiving	November 27
Small Business Saturday	November 29
Colorado Gives Day	December
Hanukkah	December 17 – December 24
Christmas	December 25

Dates in RED indicate periods when Fillmore Plaza might be closed to vehicular traffic.
The summer closure schedule for 2014 is TBD.

*Citywide conventions taking place at the downtown Colorado Convention Center; may affect traffic in Cherry Creek North



3. THE STATUS OF ANY PLANNED OR OUTSTANDING INDEBTEDNESS

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$9,250,000 General Obligation Bonds Series 2008 Dated October 30, 2008 Interest Rate of 4.000-5.125% Interest and Principal Payable June 1 and December 1	\$9,250,000 General Obligation Bonds Series 2009 Dated September 17, 2009 Interest Rate of 4.000-5.000% Interest and Principal Payable June 1 and December 1
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Year Ended December 31,	Principal	Interest	Principal	Interest	Annual Debt Service
2014	\$ 365,000	\$ 374,941	\$ -	\$ 448,610	\$ 1,188,551
2015	380,000	359,429	-	448,610	1,188,039
2016	395,000	342,329	-	448,610	1,185,939
2017	415,000	324,554	-	448,610	1,188,164
2018	435,000	304,841	25,000	448,610	1,213,451
2019	455,000	284,179	45,000	447,610	1,231,789
2020	475,000	261,429	85,000	445,810	1,267,239
2021	500,000	237,679	125,000	442,410	1,305,089
2022	525,000	212,679	170,000	437,410	1,345,089
2023	550,000	187,741	215,000	430,398	1,383,139
2024	575,000	161,341	270,000	421,260	1,427,601
2025	605,000	132,591	320,000	409,650	1,467,241
2026	635,000	102,341	380,000	395,650	1,512,991
2027	665,000	69,956	440,000	378,550	1,553,506
2028	700,000	35,875	875,000	358,750	1,969,625
2029	-	-	1,325,000	315,000	1,640,000
2030	-	-	1,435,000	248,750	1,683,750
2031	-	-	1,505,000	177,000	1,682,000
2032	-	-	2,035,000	101,750	2,136,750
	<u>\$ 7,675,000</u>	<u>\$ 3,391,905</u>	<u>\$ 9,250,000</u>	<u>\$ 7,253,048</u>	<u>\$ 27,569,953</u>

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



4. THE RESULTS OF ANY AUDITS, CONDUCTED DURING THE YEAR

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

**FINANCIAL STATEMENTS
December 31, 2012**

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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 No. 1
Denver, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Cherry Creek North Business Improvement District No. 1 (the District) as of and for the year ended December 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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 of 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 Cherry Creek North Business Improvement District No. 1, as of December 31, 2012, 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.

I

Wagner Barnes & Griggs, PC

Other Matters

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Wagner, Sauer & Higgins, PC

Lakewood, Colorado
March 29, 2013

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, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,495,055
Cash and investments - Restricted	2,341,568
Accounts receivable	7,654
Receivable - County Treasurer	13,120
Prepaid expenses	16,884
Property taxes receivable	2,728,325
Deferred charges and other assets	195,602
Capital assets:	
Depreciable, net	16,183,055
Total assets	<u>22,981,263</u>
LIABILITIES	
Accounts payable	38,643
Payable - County Treasurer	1,443
Accrued liabilities	69,469
Accrued interest payable	69,869
Noncurrent liabilities	
Due within one year	353,914
Due in more than one year	16,965,367
Total liabilities	<u>17,498,705</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	2,728,325
Total deferred inflows of resources	<u>2,728,325</u>
NET POSITION	
Net investment in capital assets	1,137,065
Restricted for:	
Emergency reserves	63,100
Debt service	1,458,889
Unrestricted	95,179
Total net position	<u>\$ 2,754,233</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, 2012

<u>Functions/Programs</u>	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:				
Government activities:				
General government	\$ 2,276,825	\$ -	\$ -	\$ (2,181,712)
Physical environment	757,910	-	-	(757,910)
Parking operations	116,386	132,814	-	16,428
Interest on long-term debt and related costs	875,773	-	-	(875,773)
	\$ 4,026,894	\$ 227,927	\$ -	\$ (3,798,967)
General revenues:				
Property taxes				2,719,684
Specific ownership taxes				183,508
Net investment income				7,047
Total general revenues				2,910,239
Change in net position				(888,728)
Net position - Beginning				3,642,961
Net position - Ending				\$ 2,754,233

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, 2012

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Governmental Funds</u>
ASSETS				
Cash and investments	\$ 1,495,055	\$ -	\$ -	\$ 1,495,055
Cash and investments - Restricted	63,100	2,278,468	-	2,341,568
Accounts receivable	7,654	-	-	7,654
Receivable - County Treasurer	13,120	-	-	13,120
Prepaid expenses	16,884	-	-	16,884
Property taxes receivable	1,692,174	1,036,151	-	2,728,325
TOTAL ASSETS	<u>\$ 3,287,987</u>	<u>\$ 3,314,619</u>	<u>\$ -</u>	<u>\$ 6,602,606</u>
LIABILITIES				
Accounts payable	\$ 38,193	\$ 450	\$ -	\$ 38,643
Payable - County Treasurer	895	548	-	1,443
Accrued liabilities	69,469	-	-	69,469
Total liabilities	<u>108,557</u>	<u>998</u>	<u>-</u>	<u>109,555</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	1,692,174	1,036,151	-	2,728,325
Total deferred inflows of resources	<u>1,692,174</u>	<u>1,036,151</u>	<u>-</u>	<u>2,728,325</u>
FUND BALANCES				
Nonspendable:				
Prepaid amounts	16,884	-	-	16,884
Restricted for:				
Emergency reserves	63,100	-	-	63,100
Debt service	-	2,277,470	-	2,277,470
Unassigned:				
General government	1,407,272	-	-	1,407,272
Total fund balances	<u>1,487,256</u>	<u>2,277,470</u>	<u>-</u>	<u>3,764,726</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,287,987</u>	<u>\$ 3,314,619</u>	<u>\$ -</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.	
Capital assets, net	16,183,055
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Bond issue costs, net	195,602
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(17,319,281)
Bond interest payable	(69,869)
Net position of governmental activities	<u>\$ 2,754,233</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, 2012

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 1,686,815	\$ 1,032,869	\$ -	\$ 2,719,684
Specific ownership taxes	183,508	-	-	183,508
Interest income	1,871	5,176	-	7,047
FNO income	17,554	-	-	17,554
Sponsorship sales	17,600	-	-	17,600
Gift card sales	59,959	-	-	59,959
Parking garage income	92,814	-	-	92,814
Management fees - Parking	40,000	-	-	40,000
Total revenues	<u>2,100,121</u>	<u>1,038,045</u>	<u>-</u>	<u>3,138,166</u>
EXPENDITURES				
Current				
Administration	473,285	-	-	473,285
Marketing, communications, tourism and events	941,506	-	-	941,506
Physical environment	757,910	-	-	757,910
Parking operations	116,386	-	-	116,386
Debt service				
County Treasurer's fee	-	10,324	-	10,324
Bond principal - 2008 Series	-	335,000	-	335,000
Bond interest - 2008 Series	-	403,216	-	403,216
Bond interest - 2009 Series	-	448,610	-	448,610
Paying agent fees	-	450	-	450
Capital expenditures				
Capital improvements/expenses	3,932	-	72,866	76,798
Fillmore Plaza Alternate Design expenses	-	-	650	650
Total expenditures	<u>2,293,019</u>	<u>1,197,600</u>	<u>73,516</u>	<u>3,564,135</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(192,898)</u>	<u>(159,555)</u>	<u>(73,516)</u>	<u>(425,969)</u>
OTHER FINANCING SOURCES (USES)				
Transfer to other fund	-	-	(162,991)	(162,991)
Transfer from other fund	-	162,991	-	162,991
Total other financing sources (uses)	<u>-</u>	<u>162,991</u>	<u>(162,991)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(192,898)	3,436	(236,507)	(425,969)
FUND BALANCES - BEGINNING OF YEAR	<u>1,680,154</u>	<u>2,274,034</u>	<u>236,507</u>	<u>4,190,695</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,487,256</u>	<u>\$ 2,277,470</u>	<u>\$ -</u>	<u>\$ 3,764,726</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, 2012

Net change in fund balances - Governmental funds \$ (425,969)

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	73,516
Current year depreciation	(858,102)

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 premium amortization	4,019
Bond issue costs amortization	(18,309)
Principal payment	335,000

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	1,117
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Change in net position of governmental activities	\$ (888,728)
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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, 2012

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property taxes	\$ 1,697,837	\$ 1,686,815	\$ (11,022)
Specific ownership taxes	164,000	183,508	19,508
Interest income	5,500	1,871	(3,629)
FNO income	-	17,554	17,554
Sponsorship sales	15,000	17,600	2,600
Gift card sales	45,000	59,959	14,959
Parking garage income	102,000	92,814	(9,186)
Management fees - Parking	40,000	40,000	-
Total revenues	<u>2,069,337</u>	<u>2,100,121</u>	<u>30,784</u>
EXPENDITURES			
Administration	499,000	477,217	21,783
Marketing, communications, tourism and events	920,000	941,506	(21,506)
Physical environment	810,000	757,910	52,090
Parking operations	112,000	116,386	(4,386)
Total expenditures	<u>2,341,000</u>	<u>2,293,019</u>	<u>47,981</u>
NET CHANGE IN FUND BALANCES	(271,663)	(192,898)	78,765
FUND BALANCES - BEGINNING OF YEAR	<u>1,696,974</u>	<u>1,680,154</u>	<u>(16,820)</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,425,311</u>	<u>\$ 1,487,256</u>	<u>\$ 61,945</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, 2012

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.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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.

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 shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property 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 fund:

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 general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

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.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns 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 invested in capital assets, net of related debt component of the District's net assets.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Bond Issue Costs and Original Issue Premium

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

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.
- *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 policy to use the most restrictive classification first.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

Effective January 1, 2012, the District implemented the provisions of GASB No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" (GASB No. 63).

GASB No. 63 provides guidance for reporting deferred outflows and deferred inflows of resources as introduced and defined in GASB Concepts Statement No. 4 defines a deferred outflow of resources as a consumption of net assets that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net assets applicable to a future reporting period.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2012 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 1,495,055
Cash and investments - Restricted	<u>2,341,568</u>
	<u>\$ 3,836,623</u>

Cash and investments as of December 31, 2012 consists of the following:

Deposits with financial institutions	\$ 2,228,238
Investments	<u>1,608,385</u>
	<u>\$ 3,836,623</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, 2012

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, 2012, the District's cash deposits had a bank balance and a carrying balance of \$2,228,238.

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 disclosure requirements or subject to investment custodial credit risk 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 Revised Statutes limit investment maturities to three years or less for revenue bonds of local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds.

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

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

- . 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, 2012, the District had the following investments:

Investment	Maturity	Fair Value
Colorado Liquid Asset Trust (Colotrust)	Weighted average under 60 days	<u>\$ 1,608,385</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (the Trust), 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 the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust'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 the Trust. 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, 2012

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	<u>January 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 2012</u>
Nondepreciable assets				
Construction in progress	\$ 16,925,836	\$ 73,516	\$ (16,999,352)	\$ -
Totals at historical cost	<u>16,925,836</u>	<u>73,516</u>	<u>(16,999,352)</u>	<u>-</u>
Depreciable assets				
Vehicles	31,021	-	-	31,021
Office furniture and equipment	151,347	-	-	151,347
Maintenance equipment	61,375	-	-	61,375
Leasehold improvements	14,730	-	-	14,730
Street	-	16,999,352	-	16,999,352
Totals at historical cost	<u>258,473</u>	<u>16,999,352</u>	<u>-</u>	<u>17,257,825</u>
Less accumulated depreciation for:				
Vehicles	(31,021)	-	-	(31,021)
Office furniture and equipment	(118,973)	(6,035)	-	(125,008)
Maintenance equipment	(51,944)	(2,099)	-	(54,043)
Leasehold improvements	(14,730)	-	-	(14,730)
Streets	-	(849,968)	-	(849,968)
Total accumulated depreciation	<u>(216,668)</u>	<u>(858,102)</u>	<u>-</u>	<u>(1,074,770)</u>
Capital assets, net	<u>\$ 16,967,641</u>	<u>\$ 16,214,766</u>	<u>\$ (16,999,352)</u>	<u>\$ 16,183,055</u>

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

Governmental activities:
General Government

\$ 858,102

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012:

	Balance January 1, 2012	Additions	Reductions	Balance December 31, 2012	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds,					
Series 2008	\$ 8,360,000	\$ -	\$ 335,000	\$ 8,025,000	\$ 350,000
Series 2009	9,250,000	-	-	9,250,000	-
Premium, Series 2008	32,945	-	3,174	29,771	3,069
Premium, Series 2009	15,355	-	845	14,510	845
	<u>\$ 17,658,300</u>	<u>\$ -</u>	<u>\$ 339,019</u>	<u>\$ 17,319,281</u>	<u>\$ 353,914</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.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 5 - LONG-TERM DEBT (CONTINUED)

\$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. 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 Debt Service Reserve Fund requirement is \$818,581 and at December 31, 2012, the reserve requirement is fully funded.

The District's Series 2008 and 2009 Bonds principal and interest will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 350,000	\$ 838,426	\$ 1,188,426
2014	365,000	823,551	1,188,551
2015	380,000	808,039	1,188,039
2016	395,000	790,939	1,185,939
2017	415,000	773,164	1,188,164
2018-2022	2,840,000	3,522,657	6,362,657
2023-2027	4,655,000	2,689,478	7,344,478
2028-2032	7,875,000	1,237,125	9,112,125
	<u>\$ 17,275,000</u>	<u>\$ 11,483,379</u>	<u>\$ 28,758,379</u>

At December 31, 2012, 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, 2012

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, 2012 the District had invested in capital assets, net of related debt calculated as follows:

	Governmental Activities
Net investment in capital assets	
Capital assets, net	\$ 16,183,055
Current portion of outstanding long-term obligations	(350,000)
Noncurrent portion of outstanding long-term obligations	(16,925,000)
Bond issuance premium (net of accumulated amortization)	(44,281)
Unspent bond proceeds	2,273,291
Net investment in capital assets	\$ 1,137,065

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, 2012 as follows:

	Governmental Activities
Restricted net position:	
Emergency reserves	\$ 63,100
Debt service	1,458,889
Total restricted net position	\$ 1,521,989

The District's unrestricted net position as of December 31, 2012 totaled \$95,179.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012. 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.

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.

Employer contributions to the plans in 2011 and 2012 were \$57,860 and \$62,201, respectively. The funds are not available until termination, retirement, death, or unforeseen emergencies.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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 Standard Parking.

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

NOTE 10 - INTERFUND TRANSFERS

The transfer of \$162,991 from the Capital Projects Fund to the Debt Service Fund was to increase the availability of funds to satisfy future debt obligations.

NOTE 11 - 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.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 11 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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.

NOTE 12 - 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, 2012 was \$54,741. The future minimum annual rental commitments under this lease are follows:

	Minimum Lease Payments
Year ending December 31,	
2013	\$ 56,479
2014	58,217
2015	59,955
2016	61,693
2017	64,431
2018 and thereafter	5,298
	<u>\$ 306,073</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, 2012

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property taxes	\$ 1,039,618	\$ 1,032,869	\$ (6,749)
Interest income	4,000	5,176	1,176
Total revenues	<u>1,043,618</u>	<u>1,038,045</u>	<u>(5,573)</u>
EXPENDITURES			
County Treasurer's fee	10,778	10,324	454
Bond principal - 2008 Series	335,000	335,000	-
Bond interest - 2008 Series	403,216	403,216	-
Bond interest - 2009 Series	448,610	448,610	-
Paying agent fees	5,000	450	4,550
Total expenditures	<u>1,202,604</u>	<u>1,197,600</u>	<u>5,004</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(158,986)	(159,555)	(569)
OTHER FINANCING SOURCES AND (USES)			
Transfer from other fund	-	162,991	162,991
NET CHANGE IN FUND BALANCES	(158,986)	3,436	162,422
FUND BALANCES - BEGINNING OF YEAR	<u>2,283,270</u>	<u>2,274,034</u>	<u>(9,236)</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,124,284</u>	<u>\$ 2,277,470</u>	<u>\$ 153,186</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(a component unit of the City and County of Denver)
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital improvements/expenses	-	73,000	72,866	134
Fillmore Plaza Alternate Design expenses	-	1,000	650	350
Total expenditures	-	74,000	73,516	484
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(74,000)	(73,516)	484
OTHER FINANCING SOURCES AND (USES)				
Transfer to other fund	-	(162,507)	(162,991)	(484)
Total other financing sources (uses)	-	(162,507)	(162,991)	(484)
NET CHANGE IN FUND BALANCES	-	(236,507)	(236,507)	-
FUND BALANCES - BEGINNING OF YEAR	-	236,507	236,507	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2012

Bonds and Interest Maturing in the Year Ending December 31,	\$9,250,000		\$9,250,000		Annual Debt Service
	General Obligation Bonds		General Obligation Bonds		
	Series 2008		Series 2009		
	Dated October 30, 2008		Dated September 17, 2009		
	Interest Rate of 4.000-5.125%		Interest Rate of 4.000-5.00%		
	Interest Payable		Interest Payable		
	June 1 and December 1		June 1 and December 1		
	Principal Payable December 1		Principal Payable December 1		
	Principal	Interest	Principal	Interest	
2013	\$ 350,000	\$ 389,816	\$ -	\$ 448,610	\$ 1,188,426
2014	365,000	374,941	-	448,610	1,188,551
2015	380,000	359,429	-	448,610	1,188,039
2016	395,000	342,329	-	448,610	1,185,939
2017	415,000	324,554	-	448,610	1,188,164
2018	435,000	304,841	25,000	448,610	1,213,451
2019	455,000	284,179	45,000	447,610	1,231,789
2020	475,000	261,429	85,000	445,810	1,267,239
2021	500,000	237,679	125,000	442,410	1,305,089
2022	525,000	212,679	170,000	437,410	1,345,089
2023	550,000	187,741	215,000	430,398	1,383,139
2024	575,000	161,341	270,000	421,260	1,427,601
2025	605,000	132,591	320,000	409,650	1,467,241
2026	635,000	102,341	380,000	395,650	1,512,991
2027	665,000	69,956	440,000	378,550	1,553,506
2028	700,000	35,875	875,000	358,750	1,969,625
2029	-	-	1,325,000	315,000	1,640,000
2030	-	-	1,435,000	248,750	1,683,750
2031	-	-	1,505,000	177,000	1,682,000
2032	-	-	2,035,000	101,750	2,136,750
	<u>\$ 8,025,000</u>	<u>\$ 3,781,721</u>	<u>\$ 9,250,000</u>	<u>\$ 7,701,658</u>	<u>\$ 28,758,379</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, 2012

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2008	\$ 164,619,200	17.642	\$ 2,904,212	\$ 2,683,557 (1)	92.40%
2009	\$ 162,170,390	17.642	\$ 2,861,010	\$ 2,847,091	99.51%
2010	\$ 191,112,700	17.642	\$ 3,371,591	\$ 3,325,136	98.62%
2011	\$ 188,980,290	17.642	\$ 3,333,990	\$ 3,211,557 (2)	96.33%
2012	\$ 155,166,940	17.642	\$ 2,737,455	\$ 2,719,684	99.35%
Estimated for the year ending December 31, 2013	\$ 154,649,440	17.642	\$ 2,728,325		

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 \$197,726, in collection year ended 2008 per County.

(2) Taxes were abated and refunded, amounting to \$57,662, in collection year ended 2011 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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
REVENUES					
Property taxes	\$ 2,683,557	\$ 2,029,533	\$ 2,062,331	\$ 1,991,886	\$ 1,686,815
Specific ownership taxes	212,409	184,308	198,772	192,421	183,508
Interest income	16,018	9,006	13,949	4,912	1,871
Event revenue (parking and rink)	94,213	100,411	101,710	99,815	92,814
Sponsorship sales	6,292	3,100	16,100	16,600	17,600
Management fees - Parking	-	40,000	40,000	40,000	40,000
Other income	53	-	1,696	-	17,554
Gift card sales	35,956	47,211	35,164	44,304	59,959
Total revenues	<u>3,048,498</u>	<u>2,413,569</u>	<u>2,469,722</u>	<u>2,389,938</u>	<u>2,100,121</u>
EXPENDITURES					
Current operating					
Administration	591,883	603,096	570,159	520,700	462,975
Operations	1,773,561	1,631,302	1,529,529	1,630,209	1,815,802
Capital outlay	-	-	-	14,242	14,242
Total expenditures	<u>2,365,444</u>	<u>2,234,398</u>	<u>2,099,688</u>	<u>2,165,151</u>	<u>2,293,019</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>683,054</u>	<u>179,171</u>	<u>370,034</u>	<u>224,787</u>	<u>(192,898)</u>
OTHER FINANCING SOURCES AND (USES)					
Transfer to other fund	-	(19,478)	-	-	-
Total other financing sources	<u>-</u>	<u>(19,478)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	683,054	159,693	370,034	224,787	(192,898)
FUND BALANCES - BEGINNING OF YEAR	242,586	925,640	1,085,333	1,455,367	1,680,154
FUND BALANCES - END OF YEAR	<u>\$ 925,640</u>	<u>\$ 1,085,333</u>	<u>\$ 1,455,367</u>	<u>\$ 1,680,154</u>	<u>\$ 1,487,256</u>



**5. A COPY OF THE BY-LAWS, IF ANY, IN EFFECT FOR
2013/2014**

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 of the Council of the City and County of Denver.)

AS AMENDED BY THE BOARD OF DIRECTORS ON OCTOBER 15, 2008

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. The Corporation shall have and continuously maintain in the State of Colorado, a registered office, and a registered agent whose office is identical with such registered office as required by the Colorado Revised Nonprofit Corporation Act (the "Act".) The registered office may be, but need not be identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Board of Directors.

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. The Board shall consist of no fewer than nine (9) or more than fifteen (15) members. The number of directors shall be increased or decreased from time to time by the Council of the City and County of Denver, hereinafter known as the "City Council," provided that there shall be no fewer than nine (9) members of the Board.

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. The directors shall be appointed by the Mayor and approved by City Council or, if designated by the City Council, by the Mayor of the City and County of Denver and shall serve at the pleasure of the Mayor. 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 the Mayor and City Council 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. Such nominations shall be made from the list offered by the Board Development Committee by a vote of a majority of the directors present when a quorum is present. In selecting a nominee, the Board shall give such consideration as it may deem appropriate to the need for representation of the variety of 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. Within twelve (12) days of the November meeting, the Board shall propose its nominees to the Mayor and City Council, confirming the term of the continuing members of the Board, and recommending each nominee to fill a vacancy created by an expiring term. Each director so appointed shall serve for a term of three (3) years and until a successor shall be appointed by a subsequent ordinance of the City Council. Prospective directors recommended by the Board to the Mayor and City Council shall assume their role on January 1st of the year following their appointment, and shall have voting rights and be recognized as a formal Board member unless/until notification is received that they have not been ratified 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 by the Mayor and/or City Council, the Board of Directors leave the position vacant until the next scheduled Board Development Committee list is presented to the Board unless the vacancy brings the total board membership below the (9) nine member minimum. Should the board need to fill the minimum, the board shall nominate to the Mayor and City Council a succeeding director by a vote of a majority of the remaining directors, although such a majority is less than a quorum, at any regular or special meeting of the board. In selecting a nominee, the Board may give such consideration as it may deem appropriate to the need for representation of the variety of property owners and businesses, within the District. If the vacancy is in an unexpired term with less than one year remaining, the Board shall not consult the Board Development Committee in selecting the nominee; in all other cases the Board shall nominate a succeeding director from a list offered by the Board Development Committee. The Board shall inform the Mayor and City Council of such vacancy no later than 90 days after such vacancy occurs and, at such time, shall propose such nominee as it has selected to the Mayor and City Council. The Board shall recommend to the Mayor and City Council that such nominee serve for the unexpired term of his or her predecessor in office except that, in affecting the size and/or staggered terms of the Board, the Board may recommend that such nominee serve for that term of office as the Board in its discretion may select.
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/Treasurer shall cause notice to be given to the electors (as defined below) of all openings on the Board, which will occur that year as a result of the expiration of directors' terms. In the event that a vacancy on the Board shall occur for any reason other than the expiration of a director's term, the Secretary/Treasurer shall cause notice to be given to the electors no later than 15 days after the occurrence of such vacancy. 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 City Council a nominee or 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 Board Development 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 Board Development 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 Board Development 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 of the City and County of Denver, such resignation to take effect on the date specified therein.
8. Recommendation of Removal. The Board of Directors may, by an affirmative vote of three-quarters of the directors then in office, propose to the Mayor 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.
9. Compensation. The directors shall receive no compensation for services rendered in their capacity as directors, but, under policies established by resolution of the Board, may 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 service to the District in some other capacity and receiving compensation therefore.
10. Regular Meetings. The Board shall hold regular meetings every month, at a time and location to be determined by the Board. The regular meeting of the Board during the month of September 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. A copy of the list recommended by the Board Development 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 City Council will take place.
13. Quorum. A majority of 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 the current governing policies. A director absent

from more regularly scheduled meetings of the Board than is allowed for in the attendance requirement will be deemed to have resigned from the Board.

17. Elector. As used in this article, the term “elector” shall mean a natural person who is a citizen of the United States and a resident of the State of Colorado, who is eighteen years of age or older, and who:

- i. Owns a taxable real or personal property within the boundaries of the District; or
- ii. is the holder of a leasehold interest in taxable real or personal property within the boundaries of the District; or
- iii. is the natural person designated by an owner or lessee of the taxable real or personal property in the District, which is not a natural person to vote for such owner or lessee.

ARTICLE III

Elected Officers

1. Officers. The officers of the District shall be a Chair, a Vice-Chair, and a Secretary/Treasurer. The offices of Chair, Vice-Chair, and Secretary/Treasurer shall be elected from among the members of the Board of Directors; and, resignation or removal from the Board of the Chair, Vice-Chair, or Secretary/Treasurer shall constitute resignation or removal from such office as well.
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, beginning January 1 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 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 Board. The Chair shall preside at all meetings of the Board of Directors and shall have such 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/Treasurer. The Secretary/Treasurer 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/Treasurer 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/Treasurer by the President or by the Board of Directors from time to time.

ARTICLE IV

President/Chief Executive Officer

1. Employment. The Board of Directors shall employ a professional manager who will be known as the President/Chief Executive Officer (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. 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 IV

Board Committees

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.

1. Term of Office. Each member of a committee shall continue as such until a successor is appointed, unless the committee shall be sooner terminated, or unless such member is removed from such committee.
2. Chair. One member of each committee shall be appointed as chair by the person or persons authorized to appoint the members thereof.
3. 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.
4. 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 Sunshine Act of 1972, Colo. Rev. Stat. § 24-6-401 et seq (1990 & Supp. 1991), 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 disclose any potential conflicting interest in any transaction of the District pursuant to Colo. Rev. Stat. § 18-8-8031 (1990), as it may be amended from time to time. 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 or a business within the District shall not be considered a potential conflicting interest.

ARTICLE IX

Contracts, Checks and Deposits 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.

1. 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 current governing policies.
2. 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. 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.

ARTICLE XI

Waiver of Notice

Whenever any notice is required to be given to a member of the Board of Directors under the Colorado Business Improvement District Act 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/Treasurer 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 October 15, 2008

Secretary /Treasurer

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS

BOARD POLICY MANUAL
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Category I: Ends

The Board of Directors meets annually to determine a long-term and global ends statement for the President/CEO and staff. The President/CEO and staff then determines the Annual Management Plan

Category II: Management Limitation

- Policy 2.0 General Management Constraint
 - 2.1 Treatment of Constituents
 - 2.2 Treatment of Staff
 - 2.3 Financial Condition & Activities
 - 2.4 Asset Protection
 - 2.5 Financial Planning & Budgeting
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- Policy 3.0 Governance-Management Connection
 - 3.1 Unity of Control
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 - 4.7 Board Committee Principles
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 - 4.9 Nominations Process
 - 4.10 Process to Address Policy Violations by Board Members
 - 4.11 Governance Investment

POLICY TITLE: *GENERAL MANAGEMENT CONSTRAINT*

The CEO shall not cause or allow any practice, activity, decision or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.

POLICY TITLE: *TREATMENT OF DISTRICT CONSTITUENTS*

With respect to interactions with constituents (*inclusive of merchants, property owners, tenants, neighbors, visitors and city officials*), the CEO shall not cause or allow conditions or procedures which are unfair, unsafe, untimely, unnecessarily intrusive, or undignified.

Accordingly, he/she shall not:

1. Use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access to the material elicited.
2. Allow constituents to be unaware of what may be expected and what may not be expected from the BID's programs and services.
3. Leave constituents uninformed of this policy, or without a timely way to be heard for persons who believe they have not been accorded a reasonable interpretation of their protections under this policy.
4. Allow conditions or circumstances in which a) constituents have little or no personal contact with the CEO, or b) constituents concerns may be personally expressed to the CEO.

POLICY TITLE: *TREATMENT OF STAFF*

With respect to the treatment of volunteers and employees, the CEO shall not cause or allow conditions that are unfair, unsafe or undignified.

Accordingly, pertaining to employees, he/she shall not:

1. Operate without a written personnel manual, with material provisions approved by legal counsel, which clarifies personnel rules for employees and provides for effective handling of grievances.
2. Retaliate against an employee for non-disruptive, internal expression of dissent.
3. Prevent staff from grieving to the Board when (1) internal grievance procedures have been exhausted *and* (2) the employee alleges that Board policy has been violated.
4. Allow staff to be unacquainted with these governing policies, with particular emphasis on this policy, and the CEO's interpretations of their protections under it.
5. Allow staff to be unprepared to deal with emergency situations.

POLICY TITLE: *FINANCIAL CONDITION & ACTIVITIES*

With respect to financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy, or a material deviation of actual expenditures from the Board's Ends priorities.

Accordingly, the CEO shall not:

1. Expend more funds than have been received in the fiscal year to date, unless the liquidity, indebtedness and long-term reserve requirements below are met:
 - A. The CEO may not borrow funds, except:
 - i. Credit cards may be used for normal business purposes, and paid in full monthly, and
 - ii. The Board-approved Line of Credit at a federally insured bank (preferably within the district) with limit of \$ 350,000 may not be accessed in an amount greater than can be replenished by certain, otherwise unencumbered revenues within 90 days.
2. Use Board-designated long-term reserves.
3. Allow payroll obligations and payables to be settled in a late or untimely manner.
4. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
5. Execute a check or purchase commitment of greater than \$20,000, unless such purchase was explicitly itemized in budget monitoring data previously disclosed to the Board. Splitting orders to avoid this limit is not acceptable.
6. Acquire, encumber, lease or dispose of real property.
7. Accept revenues from sources that are not, in fact and appearance, legal and consistent with the mission and branding of the District.
8. Fail to aggressively pursue material receivables after a reasonable grace period.
9. Allow inadequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.

POLICY TITLE: *ASSET PROTECTION*

The CEO shall not allow District assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, he or she shall not:

1. Fail to ensure:
 - A. Against theft and casualty losses to at least 100% of replacement value;
 - B. Against liability losses to Board members, staff and the BID itself in an amount equal to or greater than the average for comparable organizations.
 - C. Against employee theft and dishonesty.
2. Subject BID controlled facilities and equipment to improper wear and tear or insufficient maintenance.
3. Fail to provide adequate maintenance for landscaping.
4. Fail to employ risk management practices to minimize exposure of the District, its Board or staff to claims of liability.
5. Allow any purchase wherein normally prudent protection has not been given against conflict of interest
6. Allow an individual purchase of \$7,500 or more without having obtained comparative prices and quality. Splitting orders to avoid this requirement is not allowed.
7. Fail to maintain records in a manner consistent with a Records Retention Schedule established in accordance with recommendations from legal counsel.
8. Fail to protect intellectual property, information and files from loss, improper access or significant damage.
9. Receive, process, or disburse funds under controls insufficient to meet the Board-appointed auditor's standards (as set forth in Management Letter and/or other correspondence).
10. Compromise the independence of the Board's audit or other external monitoring or advice, such as by engaging parties already chosen by the Board as consultants or advisors.
11. Invest or hold operating capital in insecure instruments or in non interest-bearing accounts except where necessary to facilitate ease in operational transactions.
12. Endanger the District's public image, its credibility, or its ability to accomplish Ends.
13. Change or substantially alter the District's public identity.

POLICY TITLE: *FINANCIAL PLANNING & BUDGETING*

Financial planning for any fiscal year or the remaining part of any fiscal year may not deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multi-year plan.

Accordingly, the CEO shall not allow budgeting that:

1. Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow projections, and disclosure of planning assumptions.
2. Risks incurring those situations or conditions described as unacceptable in the "Financial Conditions and Activities" Board policy.
3. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received.
4. Fails to allocate up to 25% of annual operating expenses each year, into a reserve, which includes the 3% TABOR requirement.
5. Provides less for Board activities during the year than is set forth in the Governance Investment policy (*see policy in Governance Process*).
6. Budget allocates insufficient resources for repair and replacement of existing assets, with priority to those that:
 - A. Present a safety/security situation
 - B. Increase revenues or decrease expenses

POLICY TITLE: *COMPENSATION & BENEFITS*

The CEO will not cause or allow jeopardy to the District's fiscal integrity or public image when dealing with employment, compensation and benefits for employees, consultants or contractors.

Accordingly, he or she shall not:

1. Change his or her own compensation.
2. Change his or her own benefits, except as are consistent with a package for all other employees.
3. Promise or imply to employees anything other than "at-will" employment.
4. Establish current compensation and benefits that deviate materially from the geographic and/or professional market value for the skills employed.
5. Pertaining to consultants and contract vendors, create obligations over a longer term than revenues can be safely projected.
6. Establish or change retirement benefits so as to cause unpredictable situations for the District, or inequitable situations for employees.

POLICY TITLE: *EMERGENCY EXECUTIVE SUCCESSION*

In order to protect the Board from sudden loss of CEO services, the CEO shall not fail to ensure that at least one other member of the staff is sufficiently familiar with Board and CEO issues and processes to take over with reasonable proficiency as an interim successor.

POLICY TITLE: *BOARD AWARENESS & SUPPORT*

The CEO shall not cause or allow the Board to be uninformed or unsupported in its work.

Accordingly, the CEO shall not:

1. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.
2. Neglect to submit monitoring data required by the Board (*see policy #3.4 "Monitoring CEO Performance"*) in a timely, accurate and understandable fashion, directly addressing provisions of Board policies being monitored.
3. Let the Board be unaware of significant incidental information, such as anticipated adverse media coverage, material external and internal changes, or threatened or pending lawsuits. Notification of planned internal changes is to be provided in advance, when feasible.
4. Fail to advise the Board if, in his/her opinion, the Board is not complying with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board or Board member behavior that is detrimental to the work relationship between the Board and the CEO.
5. Neglect to submit objective decision information required periodically by the Board, or let the Board be unaware of relevant information.
6. Present information in unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types:
 - a. monitoring
 - b. decision preparation (or "action item"); and
 - c. incidental/ "FYI."
7. Fail to provide administrative support for official Board, officer or committee communications and functions.
8. Fail, when addressing official Board business, to deal with the Board as a whole, except when:
 - a. fulfilling individual requests for information, or
 - b. responding to officers, committees or individuals duly charged by the Board.
9. Fail to supply for a "consent agenda" at Board meeting, along with applicable monitoring information, all decisions delegated to the CEO yet required by law, regulation or contract to be Board-approved.

Allow the Board to be uninformed of the resources required to achieve any specific capital project:

POLICY TITLE: *BOARD AWARENESS & SUPPORT (CONTINUED)*

- A. Existing Assets: Capital Asset Management Program – Routine/Preventive Maintenance and Capital Replacement.
 - B. New Assets: Capital Additions, Land Acquisition, and additional Equipment. (Capital Additions shall be defined as the expansion of existing facilities or the construction of new facilities.)
11. Request Board approval on new or modified existing assets, without providing the Board with:
- A. The initial costs of any New and/or modified Existing Assets project and detail on how it will be financed.
 - B. A forecast of the on-going operating and maintenance expenses including administrative costs.
 - C. A site plan and a building design that is appropriate and conforms aesthetically with the site and the exterior appearance of any existing buildings or structures.
 - D. Summary of total approved expenses and liabilities for CIP to date.

POLICY TITLE: *EVENT PLANNING & LOGISTICS*

With respect to the events produced and/or hosted by the District, the CEO shall not allow such events to impair or compromise the District's assets and image.

With respect to any such event, he or she may not:

1. Fail to make every effort to ensure conditions that are safe for all attendees regardless of age or physical or mental ability.
2. Fail to make every effort to ensure cooperation with governmental agencies and affected property owners and residents to minimize inconveniences or other negative impacts caused by events.
3. Fail to make every effort to ensure an Emergency Preparedness Plan, for large scale events, approved by appropriate governmental agencies, is in place and communicated to key vendors and production personnel.

POLICY TITLE: *GOVERNANCE-MANAGEMENT CONNECTION*

The Board's sole official connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer (CEO).

Only officially passed motions of the Board are binding on the CEO.

Accordingly:

1. Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO except when the Board has specifically delegated this authority.
2. If Board members or committees request information or assistance without Board authorization, the CEO may refuse such requests that require, in his/her opinion, an inappropriate amount of staff time or funds or are disruptive.

POLICY TITLE: *ACCOUNTABILITY OF THE CEO*

The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the CEO.

Accordingly:

1. The Board will not give instructions to persons who report directly or indirectly to the CEO.
2. The Board will not evaluate, either formally or informally, any staff other than the CEO.
3. The Board will view organizational accomplishment of Ends policies and compliance with Management Limitations policies as successful CEO performance.

POLICY TITLE: *DELEGATION TO THE CEO*

The Board will instruct the CEO through written policies prescribing the organizational Ends to be achieved, and describing organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

1. The Board will develop and maintain *Ends* policies instructing the CEO to achieve certain results, for certain recipients (outside the District's operating organization) at a specified worth or priority. These policies will be developed systematically from the broadest, most general level to more defined levels. All issues that are not Ends, as defined here, are Means issues.
2. The Board will develop and maintain *Management Limitations* policies that limit the CEO's latitude in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels. Therefore, the Board will not prescribe organizational means delegated to the CEO.
3. As long as the CEO uses *any reasonable interpretation* of the Board's Ends and Management Limitations policies, the CEO is authorized to establish all further policies, make decisions, take actions, establish practices and develop activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.
4. The Board may change its Ends and Management Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support decisions made by the CEO that are compliant with board policy.

POLICY TITLE: *MONITORING CEO PERFORMANCE*

The Board will systematically and rigorously monitor CEO job performance to determine the extent to which Ends are being achieved and whether operational activities fall within boundaries established in Management Limitations policies.

Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met. Information not addressing policy compliance will not be considered in the evaluation of CEO performance.
2. The Board will acquire monitoring data by one or more of three methods:
 - A. internal report, in which the CEO discloses, in writing, policy interpretations and compliance information to the Board
 - B. external report, in which an external, independent third party selected by the Board assesses compliance with Board policies
 - C. direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
3. In every case, the Board will judge whether (a) the CEO's interpretation is reasonable, and (b) whether data demonstrate accomplishment of or compliance with the CEO's interpretation.
4. The standard for compliance shall always be *any reasonable CEO interpretation* of the Board policy being monitored. The Board is the final judge, but will always judge with a "reasonable person" test (what a reasonably prudent BID CEO would do in that context). Interpretations favored by individual board members or the Board as a whole do not constitute a "reasonable person" test.
5. Actions determined by the Board to be not compliant with a reasonable interpretation of its policies will be subject to a remedial process agreed to by the Board.
6. All policies instructing the CEO will be monitored at a frequency and by a method chosen by the Board. The Board may monitor any policy at any time by any method, but will ordinarily depend on the following routine schedule.
7. The CEO Review Committee will conduct a mid-year (May-June) and year-end (November-December) review of the CEO based on Ends and Management Limitations monitoring reports from the CEO, external monitoring reports and direct Board inspection of appropriate policy criteria. The results of this review will be presented to the Board in executive session at the June and December board meetings for discussion. The final product will be presented to the CEO by the chair of the committee.

BOARD MANAGEMENT DELEGATION POLICIES**POLICY 3.4****POLICY TITLE: *MONITORING CEO PERFORMANCE* (CONTINUED)**

POLICY	METHOD	FREQUENCY
2.0 General Management Constraint	Internal	Annually
2.1 Treatment of Constituents	Internal	Annually
2.2 Treatment of Staff	Internal	Annually
2.3 Financial Condition & Activities	Internal	Bi-Monthly
	Direct Ins.	Quarterly
	External	Annually
2.4 Asset Protection	Internal	Annually
2.5 Financial Planning/Budgeting	Internal	Annual Budget
	Internal	Budget Update
2.6 Emergency CEO Succession	Internal	Annually
2.7 Compensation and Benefits	Internal	Annually
2.8 Board Awareness & Support	Internal	Annually
2.9 Event Planning & Logistics	Internal	Annually
1. Ends Policies	TBD	

POLICY TITLE: *GOVERNANCE COMMITMENT*

The purpose of the Board, on behalf of Merchants, Commercial Tenants and Commercial Property Owners, is to ensure that the Cherry Creek North Business Improvement District (BID) (1) achieves appropriate results for appropriate recipients at an appropriate cost (as specified in the Board's Ends policies), *and* (2) avoids unacceptable actions and situations.

POLICY TITLE: *GOVERNING STYLE & VALUES*

The Board will govern lawfully, observing Policy Governance principles, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership rather than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) governing proactively rather than reactively.

Accordingly:

1. The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in the BID's governance. The Board will not substitute individual members' expertise for its judgment, although such expertise may be used to enhance the Board's understanding of an issue.
2. The Board will direct, control and inspire the BID organization through the careful establishment of written policies reflecting the Board's values and perspectives. The Board's major focus will be on the intended long-term impacts in the District, not on the administrative or programmatic means of attaining those effects.
3. The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continual development of the Board's governance capability.
4. Although the Board can change its governing policies at any time, it will conscientiously observe those currently in force.
5. All policies of the Board are contained in this document, and they remain in effect, unless amended or deleted by Board action.
6. The Board will ensure orientation of new Board members in the Board's governance process and these policies.
7. The Board will not allow any officer, individual or committee of the Board to prevent the Board from fulfilling its commitments.
8. The Board should monitor and discuss its process and performance regularly. Self-monitoring will include comparison of Board activity and discipline to Governance Process and Board-Management Delegation policies.
9. The BID organization, in its hiring and other activities, will not discriminate on the basis of race, creed, national origin, religion, age, handicap, political affiliation, sex, sexual orientation, or marital, parental or military status.

POLICY TITLE: *BOARD JOB PRODUCTS*

On behalf of the Merchants, Commercial Tenants and Commercial Property Owners it represents, the Board of Directors assumes direct responsibility for the following:

1. The Board will actively serve as the conduit linking the Merchants, Commercial Tenants and Commercial Property Owners, and the operational organization.
 - A. **Needs Assessment:** The Board will assess the current and future needs of the Merchants, Commercial Tenants and Commercial Property Owners as they relate to the BID's activities and scope of influence, and will develop Ends policies identifying the outcomes the organization will produce to address those needs.
 - B. **Advocacy:** The Board will inform the Merchants, Commercial Tenants and Commercial Property Owners of the BID's expected future results, and its present accomplishments.
2. The Board will develop and maintain written governing policies that realistically address the broadest levels of all organizational decisions and situations:
 - A. **ENDS:** Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
 - B. **MANAGEMENT LIMITATIONS:** Constraints on executive authority that establish the prudence and ethics boundaries within which all management activity and decisions must take place.
 - C. **GOVERNANCE PROCESS:** Specification of how the Board conceives, carries out and monitors its own task.
 - D. **BOARD/MANAGEMENT DELEGATION:** How power is delegated and its proper use monitored: the CEO's role, authority and accountability.
3. The Board will assure successful organizational performance on Ends and Management Limitations.
4. The Board will identify and seek to affect legislative and/or public policy change as it deems necessary and/or appropriate on behalf of the Merchants, Commercial Tenants and Commercial Property Owners.
5. The Board will recommend to City Council candidates to fill vacated or expiring positions on the Board, annually upon the vote of the Board.
6. The Board will submit the organization's Budget and operations review to City Council each year as mandated by the City and County of Denver (Operations Review/Preliminary Budget in September, Final in December). Budget approval will be granted as a Consent Agenda Item (if CEO has demonstrated compliance with Budget Policy through monitoring process).
7. The Board recognizes that the board has seats on the Design Advisory Board (DAB) and the Cherry Creek Steering Committee (CCSC). The Chair shall enact a vote of the Board annually to seat Board members or CCNBID staff members to represent the Board as required by each to report back to the Board as necessary.

POLICY TITLE: *AGENDA PLANNING*

The Board will prepare and follow an annual agenda plan that includes (1) a complete a re-exploration of Ends policies annually and (2) continuous improvement in Board performance through Board education, linkage with constituents and deliberation.

Accordingly:

1. The planning/budgeting cycle will start with the Board's development of its agenda plan for the next year.
 - A. The Board will identify its priorities for Ends and other issues to be resolved in the coming year, and will identify information gathering necessary to fulfill its role. This may include consultations with selected groups in the ownership, other methods of gaining ownership input, governance education, and other education related to Ends issues, (e.g. presentations by urban planning experts, advocacy groups, consultants, staff, residential neighborhood organizations, etc.).
 - B. The Chair will, at the commencement of the Board's annual planning cycle, prepare for the Board's consideration a tentative annual work-plan for the Board, from which individual meeting agendas will be derived.
2. The Board's update of its annual ends statement and budget will conclude on the last day of September, so that administrative planning and budgeting can be based on accomplishing a one-year segment of the Board's most recent statement of long-term Ends.
3. The Chair will determine the agenda for any Board meeting, although Board members may request or recommend any appropriate matters for Board consideration.
 - A. A Board member or the CEO may recommend or request a matter for Board discussion by submitting the item to the Chair at least seven (7) calendar days prior to the scheduled Board meeting.
 - B. The meeting agenda and packet are to be received by Board members and posted on the website at least five (5) calendar days prior to the scheduled Board meeting.
 - C. By an affirmative vote of a majority of Board Members present at a meeting, additional matters may be added to the agenda of any Board meeting.
 - D. Each Board meeting will include a "public comment" opportunity for attending guests to address the Board. The interval for such comments, to be sequenced based on a "sign-in sheet" for guests desiring to address the Board, will be set forth in the Agenda by the Chair based on time available. Public meeting notice requirements will be followed.
4. The Board will use a "consent agenda", the definition of which shall be *those items delegated to the CEO yet required by law or contract to be Board-approved*.
 - A. The Board will attend to consent agenda items as expeditiously as possible.
 - B. An item may be removed from the consent agenda by majority vote of the Board.

POLICY TITLE: *AGENDA PLANNING (CONTINUED)*

5. Other than Board review/approval of monitoring reports, monitoring and evaluation of CEO activities and performance will be included on the agenda only if monitoring reports or other data indicate policy violations, if policy criteria are to be debated or if the Board, for any reason, chooses to amend its monitoring schedule.
6. CEO compensation will be decided during the month of December (to be effective January) after a review of monitoring reports and CEO performance received during the last year.

POLICY TITLE: *BOARD OFFICER'S ROLE & AUTHORITY*

The job of the Chair, serving as the Board's chief governance officer (CGO) is to ensure the integrity of the Board's process and, secondarily, representing the Board to outside parties.

Accordingly:

1. The assigned result of the Chair's job is that the Board behaves consistently with its policies and those legitimately imposed upon it from outside the organization.
 - A. Meeting discussion content will include only those issues that clearly (according to Board policy) belong to the Board to decide or to monitor.
 - B. Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
2. The Chair is authorized to make decisions consistent with the Board's Governance Process and Board/Management Delegation policies, with the exception of (a) employment/termination of the CEO, or (b) when the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of these policies.
 - A. The Chair is empowered to preside at Board meetings with all of the commonly accepted power of that position, such as Roberts Rules of Order.
 - B. The Chair has no authority to make decisions about policies created by the Board within Ends and Management Limitations policy areas. Therefore, the Chair has no authority to supervise or direct the CEO.
 - C. The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to her or him. The Chair may delegate this authority but remains accountable for its use.
 - D. The Chair may appoint Board members to serve on Board Committees, unless specified otherwise in Bylaws or Board policies.
 - E. 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.
 - F. The Board chair shall be the party responsible for hearing the complaint(s) of any staff member who has exhausted his/her internal grievance procedures setup by the CEO for any grievance that the employee feels needs to be heard by the Board. It is up to the Board chair to determine how that grievance should be forwarded to the full

Board and it is the responsibility of the Board chair to see to it that there is a Board response to that grievance in a timely manner.

3. The Secretary/Treasurer shall keep, or cause to be kept, a record of all proceeding, and minutes of meetings and shall perform all other duties as may be assigned to the Secretary/Treasurer by the President or by the Board of Directors from time to time.

POLICY TITLE: *BOARD MEMBERS' CODE OF CONDUCT*

The Board commits itself and its members to ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

1. Board members must demonstrate loyalty to the interests of the District's Merchants, Commercial Tenants and Commercial Property Owners as a whole, not conflicted by loyalties to staff, other organizations, or any personal interests as consumers or district constituents.
2. Board members are accountable for discharging their duties honestly and in good faith. Board members shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
3. Board members must avoid conflict of interest with respect to their fiduciary responsibility.
 - A. There must be no self-dealing or any conduct of private business or personal services between any Board member and the organization, except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
 - B. When the Board is to decide upon an issue about which a member has a conflict of interest, that member shall disclose the conflict to the Board and absent herself or himself without comment from not only the vote but also from the deliberation. Ownership, in and of itself, by a board member of property or a business within the District shall not be considered a potential conflicting interest.
 - C. Board members must not use their Board positions to obtain staff employment for themselves, family members or close associates. Should a Board member apply for staff employment, he or she must first resign from the Board.
4. Board members must not attempt to exercise individual authority over the BID organization.
 - A. Board members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized.
 - B. Board members' interaction with public, media or other entities must recognize this limitation and those Board members are not to speak for the CEO, or to speak for the Board except to repeat explicitly stated Board decisions.
 - C. Except for participation in Board deliberation about whether the CEO has complied with Board policies, Board members will not publicly express individual judgments of performance of employees or the CEO.
5. A Board member aware of credible information that suggests that a Board policy has been violated, by either the Board or the CEO, has an affirmative obligation to bring the concern to the Board's agenda for monitoring.
6. Board members must respect the confidentiality appropriate to issues of a sensitive nature.
7. Board members will support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member's personal position on the issue.

POLICY TITLE: *DIRECTORS' INDIVIDUAL RESPONSIBILITIES*

The individual and collective participation of its members is integral to the leadership success of the Board.

Therefore, each Board member is expected to fulfill the following responsibilities:

1. **Commitment to Bylaws/Policy Adherence** – Each Board member is expected to read the Board's Bylaws and Governing Policies in their entirety, and sign a Letter of Commitment attesting to their having reviewed these governing documents, and abiding to them, as updated from time to time.
2. **Attendance** — As effective governance requires collaboration and participation, Board members are expected to attend Board meetings. Absence from more than four (4) of the Board's twelve (12) regularly scheduled meetings in any calendar year will constitute that member's resignation from the Board. Attendance is constituted by that Board member's presence for the scheduled duration of the Board meeting.
3. **Preparation and Participation** — Board members are expected to review materials distributed in advance of Board and committee meetings and to participate productively in discussions.
4. **Members as Individuals** — The CEO is accountable only to the Board as a whole, and not to individual Board members. Therefore, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.
5. **Voluntarism** — As the CEO is responsible for operational activities and results, members of the Board choosing, as individuals, to volunteer on operational task forces or in other capacities are subject to the direct supervision of the CEO or responsible staff person.
6. Each Board member is expected to serve on at least one Board Committee each year.
7. **Participation in Organizational Activities** —
 - A. In addition to Board meetings, Board members are expected to attend the following events/functions:
 - i. Scheduled Board Retreats
 - B. Board members are also encouraged to attend:
 - i. CCN sponsored events
 - ii. District meetings

POLICY TITLE: *BOARD COMMITTEE PRINCIPLES*

Board committees, when established, have one essential role—to strengthen and support the work of the Board as a whole. Board committees are not to interfere with delegation from Board to the CEO, or from the CEO to other staff.

Accordingly:

1. Board committees will be established only to help the Board do its job, not to help, advise or exercise authority over staff.
2. Board committees most commonly assist the Board by undertaking activities not delegated to the CEO, by preparing policy alternatives and implications for Board deliberation, or by performing specific monitoring functions. Therefore, Board Committees will normally not have direct involvement with current staff operations.
3. Board committees may only speak or act for the Board when formally given such authority for specific and/or time-limited purposes. The Board will carefully state expectations and committee authority (in the “Board Committee Structure” policy) in order not to conflict with authority delegated to the CEO.
4. Board committees must not exercise authority over staff. Because the CEO works for the full Board, he or she will not be expected to obtain approval of a Board committee before an executive action.
5. The composition of all Board Committees for the following year shall be presented to the Board for a vote during the December meeting by a group consisting of the current Board chair, the incoming Board chair, and the chair of the Board Development Committee.

THIS POLICY APPLIES TO ANY GROUP FORMED BY BOARD ACTION, WHETHER OR NOT IT IS CALLED A COMMITTEE AND REGARDLESS OF WHETHER THE GROUP INCLUDES BOARD MEMBERS. IT DOES NOT APPLY TO COMMITTEES FORMED UNDER THE AUTHORITY OF THE CEO.

POLICY TITLE: *BOARD COMMITTEE STRUCTURE*

A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only Board committees are those which are set forth in this policy. Unless otherwise stated, a Board Committee will cease to exist when its task is complete. Unless otherwise specified, the CEO, or his/her staff designee, will serve as a non-voting member of each committee. Each Board Committee may add up to two interested and qualified constituent members who can add to the outcome of the Committee process (unless amended by the Board). All members of all Board Committee must comply with current Conflict of Interest Policies adopted by the Board.

1. Board Development Committee

- A. **Product #1:** Per the Bylaws, a properly screened list of potential Board members proposed for the Board's consideration in November of each year.
- Product #2:** Upon election of new Board members, arrangement of orientation/training of Board members in the Board's governing process and strategic/operational issues chosen by the Board.
- Product #3:** Recommendation to the Board for a list of officers, to be presented in November of each year.
- Product #4:** Recommendations brought forth for Board consideration regarding additional Board training opportunities that enhance the Board's governance capabilities.
- Product #5:** Recommends to the Board representatives to the D.A.B. and CC Steering Committee.
- B. **Composition:** Three Board Members from among those not currently up for re-nomination to the Board. Committee membership may not include the current Chair or Vice Chair of the Board. The Committee shall convene its first meeting no later than July 31 each year.

2. Audit & Finance Committee

- A. **Product #1:** Annual specification of scope of audit, prior to outside audit, consistent with Board monitoring policy.
- Product #2:** Assessment and confirmation of auditor's independence, and recommendation to Board for engagement of auditor — by no later than October.
- Product #3:** Direct inspection monitoring of Financial Condition & Activities policy per monitoring schedule determined by Board.
- B. **Authority:** To direct work of outside auditors, to use management time as needed for administrative support,
- C. **Composition:** A Chair and two additional members, elected by the Board.

POLICY TITLE: *BOARD COMMITTEE STRUCTURE (CONTINUED)*

3. **CEO Review Committee**

- A. **Product # 1:** To poll the BID Board members twice annually to subjectively review the performance of the BID (as objectively as possible) as managed by the CEO to help guide the CEO in the performance of his or her job.
- B. **Product # 2:** To meet with the CEO after the mid-year report to help guide the CEO, sharing the consensus of the survey with the CEO while preserving the anonymity of individual comments made to help the CEO run the BID more efficiently towards the ENDS the Board has adopted for the year
- C. **Product #3:** Determining an annual CEO compensation to be presented to the Board in a timely manner to allow final action to be taken by both parties by December each year, based on the survey results and compensation packages for similar positions of similar sized BIDs and districts across the country.
- D. **Composition:** Three board members to be elected by the Board each year.

4. **Marketing Committee**

- A. **Product #1:** To provide guidance in crafting and refining the BID's Marketing Ends and help determine the District's message on behalf of the District's wide ranging business efforts
- B. **Product #2:** To be a sounding board and a conduit in the BID's ongoing efforts to create and run 1st class promotions that will bring visitors into the district and consequently spend money within the district, ultimately benefitting the District's Constituents.
- C. Committee Members are serving to help guide the "Big Picture" message and should refrain from trying to guide tactical individual media decisions.
- D. **Composition.** Committee of between 3 and 5 Board members and up to 2 interested and "marketing wise" district Constituents, nominated each year in December.

5. **Physical Environment Committee**

- A. **Product #1:** The purpose of the committee is to review ends specific to the capital improvements project and the overall maintenance of physical environment of the district.
- B. **Composition:** Five board members to be elected by the Board each year.

6. Outreach Committee

A. Product #1. To provide guidance in refining the Cherry Creek North BID's Outreach Ends.

B. Product #2. To be a sounding board and conduit in the BID's ongoing efforts to communicate with and garner input from constituents and other stakeholders.

C. Composition. Two to Five Board members and unlimited number of interested constituent members to be voted on by the Board each year.

POLICY TITLE: *BOARD SIZE, NOMINATION, ELECTION & TERM LIMITS*

The Board shall consist of no fewer than nine (9) or more than fifteen (15) members as determined from time to time by the Council of the City and County of Denver, hereinafter known as the "City Council". The Board Development Committee will properly screen and propose, for Board consideration, new director candidates to be recommended to the City Council for appointment to the Board, and a list of officers (Board Chair, Vice-Chair, and Secretary/Treasurer, as stipulated in the bylaws) for election by the Board.

Accordingly:

1. Nominations for director candidates for Board members, whose terms are expiring ("regular nominations"), and officers, will be made and voted upon at the November meeting of the Board, only if vacancy requires position to be filled to bring the Board membership to the minimum level.
2. **NOMINATIONS OF BOARD MEMBER CANDIDATES:** At the November Board meeting or, in the event of a vacancy, within the time frame specified in 4.9.1, the Committee will present to the Board suggested candidates to be recommended to the City Council. The Committee's process for regular nominations shall include the following steps:
 - a. In August, the Committee will solicit applications/suggestions for eligible and interested candidates from the current Board and from the District's electors.
 - b. By late October, the Committee will interview candidates who have submitted the required documentation to ascertain their level of interest and commitment to Board service. This shall include verifying that each candidate is committed to adherence to the Board's Bylaws and Governing Policies, including but not limited to meeting attendance requirements stated therein.
 - c. In November, the Committee shall inform the Board of all nominations received, and will present candidates to the Board with a summary of interviews. Based on the committee's review of all candidates, the committee chair will recommend candidates for the Board to propose to the City Council.
 - d. At the November Board meeting, the Board shall vote on the Board Development Committee's recommended nominations with written "yes" or "no" ballots cast.
 - e. Should the candidate(s) not be approved, nominations for the respective positions will be opened to the floor of that Board meeting.
 - f. The Board will propose its regular nominations to the Mayor and City Council within 12 days of its November meeting, and proposed nominations for vacancies on the Board no later than 90 days after such vacancy occurs, as stipulated in the bylaws.

POLICY TITLE: *BOARD SIZE, NOMINATION, ELECTION & TERM LIMITS*
(CONTINUED)

3. ELECTION OF OFFICERS: The Board shall elect its officers (Board Chair, Vice-Chair and Secretary/Treasurer) each year in November. The Board Development Committee will present a proposed list of officers at the November Board meeting. The Committee's officer nomination process shall include the following considerations:
 - a. Officers shall serve no more than two consecutive one-year terms in any single office.
 - b. A member whose Board term would expire during his or her term in office may not be considered for nomination.
 - c. Recommendations for the office of Chair shall be based on the Committee's assessment of a Board member's demonstrated capacity to fulfill the expectations of the Chair, as outlined in the Chair's Role policy.
 - d. At the November Board meeting, the Board shall approve or disapprove the Board Development Committee's nominations for Chair, Vice-Chair and Secretary/Treasurer as a single list with written "yes" or "no" ballots cast.
 - e. Should the list not be approved as presented, nominations for the respective officer positions will be opened to the floor of that Board meeting.
4. Members of the Board shall serve no more than 2 consecutive 3-year terms.
5. Re-nomination/nomination of Board members may be based upon such factors as the Board Development Committee deems appropriate, including a prospective Board member's personal knowledge, skills, demonstrated leadership and commitment to the organization, professional relationships, professional associations and, for existing Board members, fulfillment of individual directors' responsibilities. In addition, as the organization's needs may change over time, it is expected that the Board Development Committee may find it necessary or beneficial to replace at least some members whose current terms are expiring with individuals who may better satisfy such needs. Accordingly, no member should expect to be re-nominated at the end of his or her term.

POLICY TITLE: *PROCESS REGARDING POLICY VIOLATIONS BY BOARD MEMBERS*

The Board and its members are committed to faithful compliance with the provisions of the Board's governing policies. In the event a Board member's actions appear to be a violation of these policies, the Board will address the situation by the following process:

1. First, the concerned board member is encouraged to have a conversation in a private setting with board member whose actions are perceived as non-compliant with Board policies.
2. Second, if the concerned Board member is not comfortable pursuing such a meeting, or if the meeting does not produce sufficient resolution as agreed on by the concerned parties, either party shall apprise the Board Chair, who may choose to address the situation individually with the involved parties, or advance to #3 below. If the concern involves the Board Chair's actions, the Vice-Chair shall be similarly informed.
3. Third, if the first two steps (above) do not produce sufficient resolution, there will be discussion in a board meeting involving the full Board. At this discussion, the Board shall vote as to whether it agrees that the action was not consistent with Board policy.
4. If, in the judgment of the majority of the Board, Board policy has been violated, the Board shall determine what it considers to be the appropriate steps to remedy the situation (ranging from reminding the board member of the requirement to cease such actions/behaviors, to officially censuring the action, to, per the Bylaws, proposing the removal (for cause) of the Board member by the Denver City Council.

POLICY TITLE: *GOVERNANCE INVESTMENT*

The Board will consciously invest in its ability to govern the BID competently and wisely.

Accordingly:

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
 - A. Training will be used appropriately to orient new members and to maintain and increase existing Board member skills and knowledge.
 - B. Outside monitoring assistance, including fiscal audit, will be arranged as needed so that the Board can exercise confident control over organizational performance.
 - C. Outreach mechanisms will be used as needed to ensure the Board understands the viewpoints and values of District landowners, residents and businesses.
2. Costs will be prudently incurred, but sufficient to ensure the development and maintenance of superior governance.
3. The Board will establish its governance budget for the next fiscal year each year during the month of September and finalize the budget during the month of November.



6. LIST OF OFFICIAL BOARD ACTIONS (MOTIONS) IN THE PAST YEAR

- ***(SEE MINUTES & RESOLUTIONS ATTACHED)***

7. CURRENT LIST OF ALL BOARD MEMBERS

- **ROSTER**
- **TERM LIMITS**

8. BOARD MEMBERS' ATTENDANCE RECORDS FOR THE PAST YEAR

- ***(SEE AGENDAS & MINUTES ATTACHED)***



Board of Directors

Meeting Minutes – January 9, 2013

Approved at the February 13, 2013 Board of Directors

Board Members	David Hadsell Janelle Kenny Norm Smith Mike Callas	Christy Fitzpatrick Chris Dunn Lee Driscoll	Bob Flynn Roy Kline Jan Lucas
Absent	Charlie Kercheval		
Consultants	Raylene Decatur, Decatur & Associates	Jason Carroll CliftonLarsenAllen	
Guests	David Zucker	Sean Maley	Brad Buchanan
BID Staff	Julie Underdahl Marian Maske	Kevin Wrede	Mike Pletsch
Call to Order	7:37 a.m.	Adjournment	9: 12 a.m.

CALL TO ORDER | OPEN FORUM | PRESENTATION

Call to Order: Dave Hadsell, Chair, called the meeting to order at 7:37 a.m. and welcomed new Board members Jan Lucas and Roy Kline

Open Forum: None

MONTHLY BUSINESS

Consent Agenda: *Bob Flynn requested a motion to approve the November 14, 2012 minutes. Janelle Kenny seconded the motion. The minutes were unanimously approved by the Board.*

Chair's Report:

Julie announced Bob Mattucci's resignation from the CCN Board of Directors. Dave Hadsell reviewed the policy for filling a BID Board vacancy, specifying that policy allows his seat to remain vacated for the duration of the 2013 calendar year.

Dave presented the 2013 Board Priorities and Calendar, opening the topic up for discussion and questions. Janelle Kenny requested he elaborate on the implementation of the Retail Development Program. Norm Smith suggested an annual Distinguished Merchant Award Program be considered for the future of the District.

President & CEO Report:

Julie reviewed the BID staffing updates, formally announcing Kristi Omdahl's resignation and noting Kristi has accepted a position as The National Marketing Director for Core Power Yoga. She discussed the job search for both the marketing team openings as well as for the receptionist position.

Julie then reviewed the highlights of the 2013 Operating Plan with the Board.



Board of Directors

Meeting Minutes – January 9, 2013

Approved at the February 13, 2013 Board of Directors

COMMITTEES | OTHER REPORTS

Marketing: Janelle Kenny presented the Marketing Committee updates. She reviewed gift card sales for 2012 and informed the Board that sales were up \$8,000 in December of 2012 compared to December of 2011 and that, as a whole, sales in 2012 were \$15,000 over goal.

Audit & Finance Committee: Jason Carroll presented the November 2012 financial statements for the BID. ***Norm moved to approve the November 2012 Financials, Bob Flynn, seconded the motion. The November 2012 financials were unanimously approved by the Board.***

Bob Flynn summarized the state statute definition for BID electors. He noted that by state statute definition residential property owners are excluded from the elector base in the BID. He also explained that the BID bylaws are under legal review and may need to be amended to include the State Statute language and definition.

Cherry Creek Area Business Alliance: Bob Flynn, CCABA Chair, discussed the BID's nominations to the CCABA Board. ***David Hadsell moved to nominate Charlie Kercheval and Bob Flynn as the two BID Board representatives on the CCABA Board for 2013. Michael Callas seconded the motion. The motion was unanimously approved by the Board.***

Design Advisory Board: Chris Dunn presented the rezoning projects that the DAB has been reviewing and their desire to implement a process for project review in the preliminary phases of project design. Roy Kline expressed some concerns with the implementation of an early review process and its requirements. Dave Hadsell suggested this process be requested of developers rather than required.

David Hadsell introduced David Zucker of Zocolo Architecture to present the project at 1st Avenue and Steele Street. Brad Buchanan presented the design details of the project emphasizing the importance of obtaining feedback from the BID Board during the development and approval process.

Old Business: None.

New Business: None

Adjournment: Dave Hadsell adjourned the meeting at 9:12 a.m. The next Board of Directors meeting is scheduled for Wednesday, February 13, 2013 at 7:30 a.m.



**CHERRY CREEK NORTH BOARD OF DIRECTORS
VERIFICATION**

The minutes are unanimously approved.

Signed and verified by:

A handwritten signature in black ink, appearing to be "Charlie Kercheval", written over a horizontal line.

Charlie Kercheval, Secretary/Treasurer
Cherry Creek North Board of Directors
2013

Dated this 13th day of Feb., 2013.



CHERRY CREEK NORTH BOARD OF DIRECTORS
February 13, 2013 AGENDA

Wednesday, February 13, 2013 7:30 a.m. - 9:30 a.m.

Location: JW Marriott – 150 Clayton Lane

- Board Members** Michael Callas; Lee Driscoll, Chris Dunn, Christy Fitzpatrick; Bob Flynn; David Hadsell; Janelle Kenny; Charlie Kercheval; Roy Kline; Jan Lucas; Norm Smith
- BID Staff** Julie Underdahl; Kevin Wrede; Mike Pletsch; Marian Maske
- 2013 Members** Chris Dunn (1 – Feb.), Bob Flynn (1 – Feb.), Charlie Kercheval (1 – Jan.)
- Absent**

CALL TO ORDER OPEN FORUM		
1.	Call to Order	David Hadsell
2.	Open Forum	David Hadsell
PRESENTATIONS		
3.	Presentation <ul style="list-style-type: none"> Visit Denver – Marketing Partnership with CCN 	MC Genova & Jayne Buck
MONTHLY BUSINESS		
4.	Consent Agenda <ul style="list-style-type: none"> January 09, 2013 Board Minutes (<i>Board Action Requested</i>) <i>Motion: "I move to approve the November 14, 2012 Board Minutes"</i> 	David Hadsell
5.	Chair Report	Dave Hadsell
6.	President & CEO Report <ul style="list-style-type: none"> New Marketing Director 	Julie Underdahl
COMMITTEES TASK FORCE REPORTS		
7.	Audit & Finance Committee <ul style="list-style-type: none"> Update Marketing Committee <ul style="list-style-type: none"> Update Design Advisory Board <ul style="list-style-type: none"> Zocolo Project – 1st Avenue & Steele Street <i>Motion: "I move that the Cherry Creek North Board of Directors support City approval of the zone change request for 1st Avenue & Steele Street."</i> Project for Post Office Site – 245 Columbine <i>Motion: "I move that the Cherry Creek North Board of Directors support City approval of the zone change request for 245 Coumbine."</i> 	Charlie Kercheval Janelle Kenny Chris Dunn
7.	New Business	David Hadsell
8.	Adjourn	David Hadsell
Next Board of Directors Meeting: Wednesday, March 13, 2013 7:30-9:30 a.m.		



Board of Directors

Meeting Minutes – February 13, 2013

Approved at the March 13, 2013 Board of Directors

Board Members	David Hadsell Janelle Kenny Norm Smith	Christy Fitzpatrick Roy Kline Lee Driscoll	Charlie Kercheval Jan Lucas Mike Callas
Absent	Chris Dunn	Bob Flynn	
Consultants	Jason Carroll, Clifton Larsen Allen		
Guests	David Zucker - Zocalo Project MC Genova - Visit Denver Brent Farber - Post Office Site	Sean Maley - Zocalo Project Jayne Buck - Visit Denver Brian Klipp - Post Office Site	Brad Buchanan – Zocalo Project Bob Mattucci - DAB
BID Staff	Julie Underdahl Marian Maske	Kevin Wrede	Mike Pletsch
Call to Order	7:38 a.m.	Adjournment	9: 30 a.m.

CALL TO ORDER | OPEN FORUM | PRESENTATION

Call to Order: Dave Hadsell, Chair, called the meeting to order at 7:38 a.m.

Open Forum: None

Visit Denver Presentation: Julie introduced MC Genova and Jayne Buck of Visit Denver to talk about the Visit Denver marketing and advertising campaigns for the Denver Metro area.

MONTHLY BUSINESS

Consent Agenda: *Norm Smith moved to approve the January 9, 2013 minutes. Christy Fitzpatrick seconded the motion. The minutes were unanimously approved by the Board.*

Chair's Report: None

President & CEO Report: Julie presented the staffing updates for the BID, announcing the successful hiring of a new Marketing Director, Leslie Homa. She also updated the Board on the Marketing & Events Manager search.

COMMITTEES | OTHER REPORTS

Audit & Finance Committee: Jason Carroll presented the December 2012 year-end financials for the BID and updated the Board on the progress and process of the BID's annual audit.

Marketing: Janelle Kenny presented the update for the Marketing Committee.

Design Advisory Board: Bob Mattucci presented the update for the BID's task force on this topic. The task force recommended approval of both projects below.

David Zucker and Brad Buchanan presented the First Avenue and Steele project. **Motion:** *David Hadsell moved that the Cherry Creek North Board of Directors support City approval of the zone change request for 1st Avenue & Steele*



Board of Directors

Meeting Minutes – February 13, 2013

Approved at the March 13, 2013 Board of Directors

Street. Lee Driscoll, seconded the motion. The Zocalo Project recommendation was unanimously approved by the Board.

Bob Mattucci introduced Brian Klipp and Brent Farber to present their project for the Post Office site at 245 Columbine. ***Norm moved that the Cherry Creek North Board of Directors support City approval of the zone change request for 245 Columbine. Roy Kline seconded the motion. The recommendation City approval of 245 Columbine zoning change was unanimously approved by the Board.***

Dave Hadsell and Norm Smith discussed mitigating construction impacts with redevelopment projects. Dave suggested the BID draft guidelines to be recommended to the general contractors/developers. Bob Mattucci suggested a logistics plan be requested of each general contractor.

Old Business: None.

New Business: None

Adjournment: Dave Hadsell adjourned the meeting at 9:30 a.m. The next Board of Directors meeting is scheduled for Wednesday, March 13, 2013 at 7:30 a.m.



**CHERRY CREEK NORTH BOARD OF DIRECTORS
VERIFICATION**

The minutes are unanimously approved.

Signed and verified by:

A handwritten signature in black ink, appearing to be "Charlie Kercheval", is written above a horizontal line.

Charlie Kercheval, Secretary/Treasurer
Cherry Creek North Board of Directors
2013

Dated this 13th day of March, 2013.



CHERRY CREEK NORTH BOARD OF DIRECTORS
March 13, 2013 AGENDA

Wednesday, March 13, 2013 7:30 a.m. - 9:30 a.m.
Location: Basement Conference Room – 299 Milwaukee Street

- Board Members** Michael Callas; Lee Driscoll, Chris Dunn, Christy Fitzpatrick; Bob Flynn; David Hadsell; Janelle Kenny; Charlie Kercheval; Roy Kline; Jan Lucas; Norm Smith
- BID Staff** Julie Underdahl; Kevin Wrede; Leslie Horna; Marian Maske
- 2013 Members** Chris Dunn (1 – Feb.), Christy Fitzpatrick (1 – March), Bob Flynn (1 – Feb.), Charlie Kercheval (1 – Jan.)
- Absent** Jan Lucas (1 – March)

CALL TO ORDER OPEN FORUM		
1.	Call to Order	David Hadsell
2.	Open Forum	David Hadsell
PRESENTATIONS		
3.	Presentation <ul style="list-style-type: none"> CPD Manager 	Rocky Piro
MONTHLY BUSINESS		
4.	Consent Agenda <ul style="list-style-type: none"> February 13, 2013 Board Minutes (<i>Board Action Requested</i>) <i>Motion: "I move to approve the November 14, 2012 Board Minutes."</i> 	David Hadsell
5.	Chair Report	Dave Hadsell
6.	President & CEO Report	Julie Underdahl
COMMITTEES TASK FORCE REPORTS		
7.	Audit & Finance Committee <ul style="list-style-type: none"> Audit (<i>Board Action Requested</i>) <i>Motion: "I move to approve the 2012 audit as presented subject to any changes or final recommendations that come from the audit committee at their upcoming meeting on 3/19/13."</i> Marketing Committee <ul style="list-style-type: none"> Update Design Advisory Board <ul style="list-style-type: none"> PUD 617 Amendment at 1st Ave. and Fillmore St. (<i>Board Action Requested</i>) <i>Motion: "I move that the Cherry Creek North Board of Directors support City approval of the zone change request for 1st Avenue and Fillmore Street."</i> 	Charlie Kercheval, Chair Janelle Kenny, Chair Chris Dunn Bob Mattucci
7.	New Business	David Hadsell
8.	Adjourn	David Hadsell
Next Board of Directors Meeting: Wednesday, April 10, 2013 7:30-9:30 a.m.		



Board of Directors

Meeting Minutes – March 13, 2013

Approved at the May 8, 2013 Board of Directors Meeting

CALL TO ORDER | OPEN FORUM | PRESENTATION

1. **Call to Order:** Dave Hadsell, Chair, called the meeting to order at 7:40 a.m.

Members present: Dave Hadsell, Chris Dunn, Charlie Kercheval, Janelle Kenny, Roy Kline, Mike Callas, Norm Smith, Lee Driscoll, Bob Flynn

Members absent: Christy Fitzpatrick, Jan Lucas

Staff present: Julie Underdahl, Kevin Wrede, Leslie Horna, Marian Maske

Guests present: Rocky Piro – Community Planning Board, Bob Mattucci and Blake Mauer For Realty Management Group

2. **Public Comment** (limited to 2 minutes per speaker)
None.

3. **Rocky Piro Presentation:** Rocky Piro presented on behalf of the City of Denver Community Planning Board.

MONTHLY BUSINESS

4. **Approval of Meeting Record**
February 13, 2013

Motion by Norm Smith to approve the meeting record of February 13, 2013. Second by Charlie Kercheval. Vote: Unanimous in favor (9-0), motion carries (Christy Fitzpatrick; Jan Lucas not present for vote).

5. **Chair's Report:** None

6. **President & CEO Report:** Julie presented updates about the new marketing team. She discussed the progress of the Denver retail study as well as Visit Denver's work regarding Amendment 64 at the city and state level. She requested Board feedback on the Fashion's Night Out event, specifically regarding sponsorship opportunities and the selection process for fashion show store participants.

COMMITTEES | OTHER REPORTS

7. **Audit & Finance Committee:** Jason Carroll presented on behalf of the Audit and Finance Committee. He reviewed the 2012 draft audit.

Motion by Janelle Kenny to approve the 2012 audit as presented, subject to any changes or final recommendations that come from the Audit Committee at their upcoming meeting on 3/19/13. Seconded by Dave Hadsell. Vote: Unanimous in favor (9-0), motion carries (Christy Fitzpatrick; Jan Lucas not present for vote).

8. **Marketing:** Janelle Kenny presented the Marketing Committee updates highlighting the planning and progress on the FNO event.

9. **Design Advisory Board:** Bob Mattucci and Blake Mauer representing the Realty Management Group presented the 180 Fillmore Place project.



Board of Directors

Meeting Minutes – March 13, 2013

Approved at the May 8, 2013 Board of Directors Meeting

Motion by Chris Dunn that the Cherry Creek North Board of Directors support City approval of the zone change request for 1st Avenue and Fillmore Street. Seconded by Bob Flynn. Vote: Unanimous in favor (9-0), motion carries (Christy Fitzpatrick; Jan Lucas not present for vote).

Chris Dunn reviewed the project status updates for 245 Columbine and 2nd and Steele, noting that re-development is moving forward in Cherry Creek.

10. Old Business: None.

11. New Business: Bob Flynn presented updates for the CCABA regarding their activity on the issues in the Cherry Creek business area during the first quarter of 2013.

12. Adjournment: The meeting was adjourned at 9:25 a.m.



**CHERRY CREEK NORTH BOARD OF DIRECTORS
VERIFICATION**

The minutes are unanimously approved.

Signed and verified by:

A handwritten signature in black ink, appearing to be "Charlie Kercheval", is written above a horizontal line.

Charlie Kercheval, Secretary/Treasurer
Cherry Creek North Board of Directors
2013

Dated this 8th day of May, 2013.



CHERRY CREEK NORTH BOARD OF DIRECTORS
May 8, 2013 AGENDA

Wednesday, May 8, 2013 7:30 a.m. - 9:30 a.m.

Location: Basement Conference Room – 299 Milwaukee Street

Board Members Michael Callas; Lee Driscoll, Chris Dunn, Christy Fitzpatrick; Bob Flynn; David Hadsell; Janelle Kenny; Charlie Kercheval; Roy Kline; Jan Lucas; Norm Smith

BID Staff Julie Underdahl; Kevin Wrede; Leslie Horna; Marian Maske

2013 Members Absent Chris Dunn (1 – Feb.), Christy Fitzpatrick (1 – March), Bob Flynn (1 – Feb.), Charlie Kercheval (1 – Jan.) Jan Lucas (1 – March)

CALL TO ORDER OPEN FORUM		
1.	Call to Order	David Hadsell
2.	Open Forum	David Hadsell
PRESENTATION		
3.	Retail Study Presentation	Dan Guimond, EPS
MONTHLY BUSINESS		
4.	Consent Agenda <ul style="list-style-type: none"> March 13, 2013 Board Minutes (<i>Board Action Requested</i>) <i>Motion: "I move to approve the March 13, 2013 Board Minutes."</i> 	David Hadsell
5.	Chair Report	Dave Hadsell
6.	President & CEO Report	Julie Underdahl
COMMITTEES TASK FORCE REPORTS		
7.	Audit & Finance Committee <ul style="list-style-type: none"> <i>Motion: "I move to approve the March 2013 Financials."</i> Marketing Committee Design Advisory Board Cherry Creek Area Business Alliance	Charlie Kercheval, Chair Janelle Kenny, Chair Chris Dunn, Member Bob Flynn, Chair
PRESENTATION		
7.	Colorado Open Records Act	David Spector, Kaplan Kirsch & Rockwell
8.	Adjourn	David Hadsell
9.	Executive Session	Dave Hadsell
Next Board of Directors Meeting: Wednesday, June 12, 2013 7:30-9:30 a.m.		



Board of Directors
Meeting Minutes – May 8, 2013
Approved At June 12, 2013 Board of Directors Meeting

CALL TO ORDER | OPEN FORUM | PRESENTATION

1. **Call to Order:** Dave Hadsell, Chair, called the meeting to order at 7:33 a.m.

Members present: Dave Hadsell, Chris Dunn, Charlie Kercheval, Janelle Kenny, Roy Kline, Mike Callas, Norm Smith, Lee Driscoll, Bob Flynn, Jan Lucas, Christy Fitzpatrick

Members absent: None.

Staff present: Julie Underdahl, Kevin Wrede, Leslie Horna, Marian Maske

Guests present: Dan Guimond for EPS; David Spector for Kaplan, Kirsch & Rockwell; Bob Beall

2. **Public Comment** (limited to 2 minutes per speaker): Bob Beall requested that the Board Agenda and Board Minutes be included in BID News prior to the Board Meetings.
3. **Dan Guimond Presentation:** Dan Guimond presented findings from the City's retail study. (See attached)

MONTHLY BUSINESS

4. **Approval of Meeting Record**
March 13, 2013

Motion by Norm Smith to approve the meeting record of March 13, 2013. Second by Lee Driscoll. Vote: Unanimous in favor (11-0), motion carries.

5. **Chair's Report:** None.

6. **President & CEO Report:** Julie presented the CCN area draft City Sales Tax Revenue Report through October of 2012. Julie also updated the Board on CCN communications and outreach.

COMMITTEES | OTHER REPORTS

7. **Audit & Finance Committee:** Jason Carroll presented on behalf of the Audit and Finance Committee. He reviewed the March 2013 draft financials.

Motion by Charlie Kercheval to approve the March 2013 draft financials. Seconded by Roy Kline. Vote: Unanimous in favor (11-0), motion carries.

8. **Marketing:** Janelle Kenny presented the Marketing Committee updates highlighting the summer event series, noting the change of date for the Celebrate Fashion event in September.
9. **Design Advisory Board:** Chris Dunn presented updates for the Design Advisory Board and the re-development projects in progress in the District.
10. **Cherry Creek Area Business Alliance:** Bob Flynn presented updates for the CCABA and their positions in regards to the redevelopment projects and CCN re-zoning.



Board of Directors

Meeting Minutes – May 8, 2013

Approved At June 12, 2013 Board of Directors Meeting

11. Old Business: None

12. New Business: None.

13. Colorado Open Records Act Presentation: David Spector with Kaplan, Kirsch, & Rockwell presented the legal requirements of the Colorado Open Records Act (CORA) and how those requirements apply to the BID. (See attached)

14. Adjournment: The meeting was adjourned at 9:15 a.m.



CHERRY CREEK NORTH BOARD OF DIRECTIORS
VERIFICATION

The minutes are unanimously approved.

Signed and verified by:

A handwritten signature in black ink, appearing to be "C Kercheval", is written over a horizontal line.

Charlie Kercheval, Secretary/Treasurer
Cherry Creek North Board of Directors
2013

Dated this 12th day of June 2013.



Board of Directors
Meeting Minutes – June 12, 2013
Approved at the July 10, 2013 Board of Directors Meeting

CALL TO ORDER | OPEN FORUM | PRESENTATION

1. **Call to Order:** Dave Hadsell, Chair, called the meeting to order at 7:35 a.m.

Members present: Dave Hadsell, Chris Dunn, Janelle Kenny, Roy Kline, Mike Callas, Norm Smith, Lee Driscoll, Bob Flynn, Jan Lucas, Christy Fitzpatrick

Members absent: Charlie Kercheval, Lee Driscoll

Staff present: Julie Underdahl, Kevin Wrede, Leslie Horna, Marian Maske

Guests present: Terry Adams for Cherry Creek Art Festival

2. **Public Comment** (limited to 2 minutes per speaker):

3. **Terry Adams Presentation:** Terry Adams presented updates about the 2013 Arts Festival site plan, dates and preparations.

MONTHLY BUSINESS

4. **Approval of Meeting Record**
May 8, 2013

Motion by Norm Smith to approve the meeting record of May 8, 2013. Second by Bob Flynn. Vote: Unanimous in favor (10-0), motion carries (Charlie Kercheval and Lee Driscoll not present for vote).

5. **Chair's Report:** Dave Hadsell said 2013 marks the 25th anniversary of the Cherry Creek North BID and discussed planning a celebration in October or November.

6. **President & CEO Report:** Julie presented updates on where the Board Agenda & Minutes are posted on the BID website and BID news. She reviewed the legislative proposals by Councilwoman Ortega regarding a fee for shopping bag as well as a "back to school" sales tax holiday. Julie introduced Jason Carroll's presentation regarding outsourcing; Jason discussed the BID's effective outsourcing using the parking garage management and accounting as examples.

COMMITTEES | OTHER REPORTS

7. **Audit & Finance Committee:** Jason Carroll presented on behalf of the Audit and Finance Committee. He reviewed the April 2013 draft financials. In addition, he reviewed the auditor letter from Wagner Barnes & Griggs, PC.

Motion by Christy Fitzpatrick to approve the April 2013 draft financials. Seconded by Roy Kline. Vote: Unanimous in favor (10-0), motion carries (Charlie Kercheval and Lee Driscoll not present for vote).

Jason then presented to the Board a review of BID revenues, expenses and fund balances. He highlighted how these factors affect the budget planning going forward. (Attached)

8. **Marketing:** Janelle Kenny presented updates on the Marketing Committee and the summer event series. She noted the Celebrate Fashion kickoff event scheduled for June 19, 2013 as well as reviewing directory distribution and new merchant outreach.



Board of Directors

Meeting Minutes – June 12, 2013

Approved at the July 10, 2013 Board of Directors Meeting

- 9. Design Advisory Board:** Chris Dunn presented updates about the Design Advisory Board and the redevelopment projects in the CCN District. He reviewed new zoning changes in the District and introduced the new City approved CCN District Zoning Technical Task Force. He requested that an FAQ section be added to the BID website regarding property owners, signage approval processes, etc. for new merchants and developers to reference.
- 10. Cherry Creek Area Business Alliance:** Bob Flynn presented updates for the CCABA highlighting their retail forum that took place a few weeks ago with Mike Kercheval presenting (attached).
- 11. Old Business:** None.
- 12. New Business:** None.
- 13. Adjournment:** The meeting was adjourned at 9:19 a.m.



**CHERRY CREEK NORTH BOARD OF DIRECTIORS
VERIFICATION**

The minutes are unanimously approved.

Signed and verified by:

A handwritten signature in black ink, appearing to be "Charlie Kercheval", is written above a horizontal line.

Charlie Kercheval, Secretary/Treasurer
Cherry Creek North Board of Directors
2013

Dated this 10th day of July, 2013.



CHERRY CREEK NORTH BOARD OF DIRECTORS
July 10, 2013 AGENDA

Wednesday, July 10, 2013 7:30 a.m. - 9:30 a.m.

Location: Basement Conference Room – 299 Milwaukee Street

Board Members Michael Callas; Lee Driscoll, Chris Dunn, Christy Fitzpatrick; Bob Flynn; David Hadsell; Janelle Kenny; Charlie Kercheval; Roy Kline; Jan Lucas; Norm Smith

BID Staff Julie Underdahl; Kevin Wrede; Leslie Horna; Marian Maske

2013 Members David Hadsell (1 – July), Chris Dunn (1 – Feb.), Christy Fitzpatrick (1 – March), Bob Flynn (1 – Feb., 1 - July),

Absent Charlie Kercheval (1 – Jan., 1 - June) Jan Lucas (1 – March), Lee Driscoll (1 – June)

CALL TO ORDER OPEN FORUM		
1.	Call to Order	Michael Callas
2.	Open Forum	Michael Callas
PRESENTATIONS		
3.	210 St. Paul Redevelopment	Bob Gollick & Jonathan Saiber
4.	CCN Economic Indicators	Patty Silverstein
MONTHLY BUSINESS		
5.	Consent Agenda <ul style="list-style-type: none"> June 12, 2013 Board Minutes (<i>Board Action Requested</i>) <i>Motion: "I move to approve the June 12, 2013 Board Minutes."</i> 	Michael Callas
6.	Vice Chair Report	Michael Callas
7.	President & CEO Report <ul style="list-style-type: none"> Draft 2014 Operating Plan Jeanne Robb Events On Fillmore Plaza Constituent Communication 	Julie Underdahl
COMMITTEES TASK FORCE REPORTS		
8.	Audit & Finance Committee <ul style="list-style-type: none"> May 2013 Financials (<i>Board Action Requested</i>) <i>Motion: "I move to approve the May 2013 Financials."</i> Marketing Committee <ul style="list-style-type: none"> Sponsorship Policy (<i>Board Action Requested</i>) <i>Motion: "I move to approve the BID Sponsorship Policy."</i> Design Advisory Board <ul style="list-style-type: none"> CCN New Zoning New FAQ Section on CCN BID Website Cherry Creek Area Business Alliance	Charlie Kercheval, Chair Janelle Kenny, Chair Chris Dunn, Member Bob Flynn, Chair
9.	Adjourn	Michael Callas
10.	Executive Session	Michael Callas
Next Board of Directors Meeting: Wednesday, September 11, 2013 7:30-9:30 a.m.		



Board of Directors
Meeting Minutes – July 10, 2013
Approved at the September 11, 2013 Board of Directors Meeting

CALL TO ORDER | OPEN FORUM | PRESENTATION

1. **Call to Order:** Michael Callas, Vice-Chair, called the meeting to order at 7:39 a.m.

Members present: Chris Dunn, Janelle Kenny, Roy Kline, Mike Callas, Norm Smith, Jan Lucas, Christy Fitzpatrick

Members absent: Dave Hadsell, Bob Flynn, Lee Driscoll, Charlie Kercheval

Staff present: Julie Underdahl, Kevin Wrede, Leslie Horna, Marian Maske

Guests present: Bethany Gravell, The Kenney Group; Patty Silverstein, Development Research Partners; Jonathan Saiber, Saiber & Saiber Architecture; John Craig, Saiber & Saiber Architectue

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

3. **222 St. Paul Redevelopment Presentation:** Jonathan Saiber presented the preliminary plan on the re-development project at 222 St. Paul.

4. **Development Research Partners Presentation:** Patty Silverstein of Development Research Partners presented the new economic indicators report for the Cherry Creek North BID.

MONTHLY BUSINESS

5. **Approval of Meeting Record**

June 12, 2013

Motion by Janelle Kenny to approve the meeting record of June 12, 2013. Second by Christy Fitzpatrick. Vote: Unanimous in favor (7-0), motion carries (Dave Hadsell, Lee Driscoll, Charlie Kercheval and Bob Flynn not present for vote).

6. **Vice Chair's Report:** None.

7. **President & CEO Report:** Julie presented a draft of the 2014 Operating Plan to the Board. She updated the Board on Jeanne Robb's events on Fillmore Plaza this summer including the Swallow Hill concert and ice cream social. Julie also reviewed the constituent communication program.

COMMITTEES | OTHER REPORTS

8. **Audit & Finance Committee:** Due to the absence of all Audit and Finance committee members, no motion was made to approve the May financials. They will be reviewed again at the September 11, 2013 Board of Director's meeting.

9. **Marketing:** Janelle Kenny presented the draft BID Sponsorship Policy and updates to the summer event schedule including an Arts Festival recap and updates on the upcoming Food and Wine event on Fillmore.

Motion by Michael Callas to approve the BID Sponsorship Policy. Second by Norm Smith. Vote: Unanimous in favor (7-0) motion carries (Dave Hadsell, Lee Driscoll, Charlie Kercheval and Bob Flynn not present for vote).



Board of Directors

Meeting Minutes – July 10, 2013

Approved at the September 11, 2013 Board of Directors Meeting

10. Design Advisory Board: Chris Dunn presented updates about the City's work to develop a new CCN Zoning process. He discussed the re-development projects in the District.

11. Cherry Creek Area Business Alliance: Bethany Grevall of The Kenney Group was introduced to the Board as the new contact staff person for the CCABA.

12. Old Business: None.

13. New Business: None.

14. Adjournment: The meeting was adjourned at 9:33 a.m.



**CHERRY CREEK NORTH BOARD OF DIRECTORS
VERIFICATION**

The minutes are unanimously approved.

Signed and verified by:

A handwritten signature in black ink is written over a horizontal line. The signature is cursive and appears to read "Charlie Kercheval".

Charlie Kercheval, Secretary/Treasurer
Cherry Creek North Board of Directors
2013

Dated this 11th day of Sept. 2013.



DOCUMENTS FOR DEPARTMENT OF FINANCE

The attached Cherry Creek North Board of Directors monthly meeting minutes include, as requested:

6. A list of official board actions (motions) in the past year.
7. Current list of all Board members including name, address, phone, fax and email as well as term appointment and expiration date.
8. Board members attendance records for the past year.

Signed and verified by:

A handwritten signature in black ink, appearing to read "Charlie Kercheval", is written over a horizontal line.

Charlie Kercheval, Secretary/Treasurer
Cherry Creek North Board of Directors
2013

Dated this 11th day of Sept., 2013.



RESOLUTION 2013--1
OF THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT

A RESOLUTION SUPPORTING CITY APPROVAL OF THE ZONE CHANGE REQUEST FOR THE ZOCOLO PROJECT LOCATED AT 1ST AND STEELE STREET.

WHEREAS, the Board of Directors of the Cherry Creek North Business Improvement District has reviewed the proposal for the Zocolo project located at 1st and Steele Streets; and

WHEREAS, the Board of Directors of the District finds that the project is in conformance with the Cherry Creek Area Plan and promotes the District goal of reinvestment within the District boundaries; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT OF DENVER COUNTY, COLORADO:

1. **Recommendation of Approval:** "The Cherry Creek North Business Improvement District Board of Directors support City approval of the zone change request for the Zocolo Project located at 1st and Steele Streets."

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1

ADOPTED this 13th day of February, 2013.

Julie Underdahl

A handwritten signature in cursive script that reads "Julie Underdahl".

President & CEO

Cherry Creek North Business Improvement District

ATTEST:

A handwritten signature in cursive script that reads "David Hadsell".

David Hadsell, Chairman, Board of Directors



RESOLUTION 2013--2
OF THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT

A RESOLUTION SUPPORTING CITY APPROVAL OF THE ZONE CHANGE REQUEST FOR THE 245 COLUMBINE PROJECT.

WHEREAS, the Board of Directors of the Cherry Creek North Business Improvement District has reviewed the proposal for the 245 Columbine project; and

WHEREAS, the Board of Directors of the District finds that the project is in conformance with the Cherry Creek Area Plan and promotes the District goal of reinvestment within the District boundaries; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT OF DENVER COUNTY, COLORADO:

1. **Recommendation of Approval:** "The Cherry Creek North Business Improvement District Board of Directors support City approval of the zone change request for the 245 Columbine Project."

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1

ADOPTED, this 13th day of February, 2013.

Julie Underdahl

A handwritten signature in cursive script that reads "Julie Underdahl".

President & CEO
Cherry Creek North Business Improvement District

ATTEST:

A handwritten signature in cursive script that reads "David Hadsell".

David Hadsell, Chairman, Board of Directors



RESOLUTION 2013-03 TO ADOPT 2014 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2014 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT, DENVER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2014, AND ENDING ON THE LAST DAY OF DECEMBER, 2014.

WHEREAS, the Board of Directors of the Cherry Creek North Business Improvement District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper times; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on September 11, 2013, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$1,781,990; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$1,091,147; and

WHEREAS, the 2013 valuation for assessment for the District as preliminary certified by the Denver County Assessor is \$162,857,780; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT OF DENVER COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and the attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Cherry Creek North Business Improvement District for calendar year 2014.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.



Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2014 as follows:

A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2014 budget year, there is hereby levied a tax of 10.942 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2014.

B. Levy for Debt Service Fund. That for the purposes of meeting all debt retirement expense of the District during the 2014 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 6.700 mills upon each dollar of the total valuation for assessment of all taxable property within District for the year 2014.

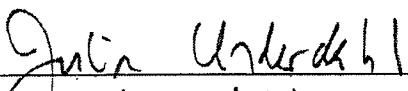
Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the Secretary of the District is hereby authorized and directed to certify by December 15, 2013, to the Board of County Commissioners of Denver County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the County Commissioners of Denver County, Colorado as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2013, in order to comply with any applicable revenue and the budgetary limited or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1

ADOPTED, this 11th day of September, 2013.



Julie Bender Underdahl
President & CEO
Cherry Creek North Business Improvement District

ATTEST:


David Hadsell, Board Chair, Board of Directors



**RESOLUTION TO ADOPT BUDGET
Cherry Creek North Business Improvement District
Resolution 2013-04**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR CALENDAR YEAR 2014 FOR THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1.

WHEREAS, Julie Bender, President & CEO has submitted a budget to this governing body on September 11, 2013, for its consideration, and;

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1, DENVER, COLORADO:

Section 1: That estimated expenditures for each fund are as follows:

2014 Funds	
General Fund	\$2,338,459
Debt Service Fund	\$1,206,000
Capital Projects Fund	\$0
Total Funds	\$3,544,459

Section 2: That estimated revenues for each fund are as follows:

General Fund 2014	
Property Taxes	\$1,781,990
Specific Ownership Taxes	\$201,000
Interest Income	\$2,500



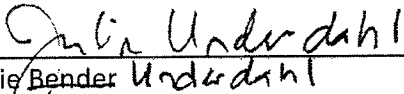
Parking Management Revenues - City	\$40,000
Parking Revenues – Garage	\$105,000
Gift Card Income	\$65,000
Sponsorships	\$13,000
FNO Income	\$15,000
Total General Fund	\$2,223,490
Debt Service Fund	\$1,096,147
Capital Projects Fund	\$0
Total Fund Revenues	\$3,319,637

Section 3: That the Board of Directors is adopting a mill levy of 10.942 mills for Operating and Maintenance and 6.700 mills for Debt Service.

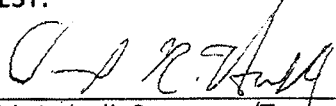
Section 4: That the budget as submitted and hereinabove summarized is approved and adopted as the budget of the Cherry Creek North Business Improvement District for the year stated above and has been formally adopted as the 2014 budget of the Cherry Creek North Business Improvement District on September 11, 2013.

Section 5: That the budget hereby approved shall be signed below by the directors and made part of the public records of the District.

ADOPTED, this 11th day of September 2013.



Julie Bender Underdahl
President & CEO
Cherry Creek North Business Improvement District

ATTEST:


David Hadsell, Secretary/Treasurer, Board of Directors



RESOLUTION TO APPROPRIATE SUMS OF MONEY

CCN Resolution 2013--05

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT #1, DENVER, COLORADO, FOR THE 2014 BUDGET YEAR.

WHEREAS, the Board of Directors has reviewed and finalized the draft 2014 annual budget in accordance with the Local Government Budget Law, on September 11, 2013;

WHEREAS, the Board of Directors has made provisions therein for revenues in an amount equal or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserve balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT #1, DENVER, COLORADO:

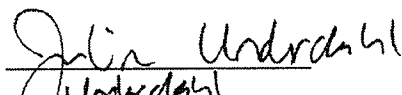
Section 1: That the following sums are to be appropriated from the revenue of each fund, to each fund, for the purposes stated: 10.942 mills for operating and maintenance and 6.700 mills for debt service in 2014.

GENERAL FUND	
Administration – Internal Office	\$227,459
Administration – Professional Services	\$117,400
Administration – Benefits/Salaries/Taxes	\$139,900



Outreach	\$44,500
Marketing	\$525,500
Marketing – Benefits/Salaries/Taxes	\$285,100
Physical Environment	\$427,700
Physical Env – Benefits/Salaries/Taxes	\$378,300
Parking Operations	\$126,600
Gift Card Program	\$66,000
TOTAL GENERAL FUND	\$2,338,459
Debt Service Fund	\$1,206,000
Capital Projects Fund	\$0
Total Funds	\$3,544,459

REVIEWED THIS 11thth day of September 2013.


Julie Bender, President & CEO

ATTEST:



David Hadsell, Secretary/Treasurer, Board of Directors



Cherry Creek North Business Improvement District 2013 Board Roster

David Hadsell –Chair
Centennial Realty Advisors
161 Detroit Street
Denver CO 80206
P: 303.398.3121 F: 303.377.5396
dhadsell@centennialrealtyadvisors.com

Michael Callas – Vice-Chair
Outdoor Divas
2717 E. 3rd Avenue
Denver CO 80206
P: 970.376.2762 F: 303.443.3116
Michael@outdoorDIVAS.com

Charlie Kercheval – Secretary/Treasurer
FirstBank of Cherry Creek
100 St. Paul Street
Denver CO 80206
P: 303.329.5601 F: 303.329.5618
charles.kercheval@efirstbank.com

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Antoine DuChez
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Nórm Smith
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Roy Kline
Western Development Group
200 Fillmore Street #400
Denver CO 80206
P: 303.321.5700 F: 303.321.5701
RKline@westdevgrp.com



2013 Board of Directors Terms

1	Callas, Michael	1 st Term	2012 - 2014
2	Driscoll, Lee	1 st Term	2010 - 2012
		2 nd Term	2013 - 2015
3	Dunn, Chris	1 st Term	2011-2013
4	Flynn, Bob	1 st Term	2011-2012
		2 nd Term	2013 - 2015
5	Fitzpatrick, Christy	1 st Term	2011 - 2013
6	Hadsell, David	1 st Term	2010 - 2012
		2 nd Term	2013 - 2015
7	Kenny, Janelle	1 st Term	2011-2013
8	Kercheval, Charlie	1 st Term	2011 - 2013
9	Kline, Roy	1 st Term	2013 - 2015
10	Lucas, Jan	1 st Term	2013 - 2015
11	Mattucci, Bob	1 st Term	2012 - 2014
12	Smith, Norm	1 st Term	2011 - 2012
		2 nd Term	2013 - 2015

Date: October 12, 2012

ADDITIONAL ITEMS:

- ***PUBLISHER'S AFFIDAVIDTS FOR NOTICE OF PUBLIC HEARING FOR THE SEPTEMBER 11, 2013 BOARD OF DIRECTORS PUBLIC HEARING MEETING***

PUBLISHER'S AFFIDAVIT

STATE OF COLORADO,)

) SS.

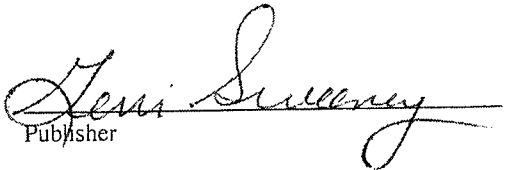
COUNTY OF ARAPAHOE)

I, Gerri Sweeney, do solemnly affirm that I am the Publisher of THE VILLAGER; that the same is a weekly newspaper published in Greenwood Village, County of Arapahoe, State of Colorado, and has a general circulation therein; that said newspaper has been continuously and uninterruptedly published in said County of Arapahoe for a period of at least 52 consecutive weeks prior to the first publication of the annexed notice, that said newspaper is entered in the post office at Englewood, Colorado, as periodical class mail matter and that said newspaper is a newspaper within the meaning of the Act of General Assembly of the State of Colorado, approved March 30, 1923, and entitled "Legal Notices and Advertisements," with other Acts relating to the printing and publishing of legal notices and advertisements. That the annexed notice was published in the regular and entire issue of said newspaper for the period of 1 consecutive insertions; that the first publication of said notice was in the issue of said newspaper dated:

September 5, 2013

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

September 5, 2013


Publisher

Subscribed and affirmed to before me, a Notary Public.

This 5 day of September A.D., 2013


Notary Public

My Commission expires

Pat McLachlan
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134030748
MY COMMISSION EXPIRES JUNE 1, 2017

NOTICE AS TO PROPOSED 2014 BUDGET

Proposed 2014 Budget 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 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. That such proposed budget will be considered at the regular, monthly meeting of the Board of Directors to be held in the basement conference room at the Cherry Creek North Business Improvement District Office, on Wednesday, September 11, 2013 at 7:30 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: September 3, 2013
CHERRY CREEKNORTH BUSINESS IMPROVEMENT DISTRICT By: Dave Hadtsel, Chair of the Board of Directors.

Published in the Villager
First Published September 5, 2013
Legal #: 3540

#3540

The Denver Newspaper Agency

RECEIVED
9-12-13

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 Newspaper Agency, 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):

September 10, 2013

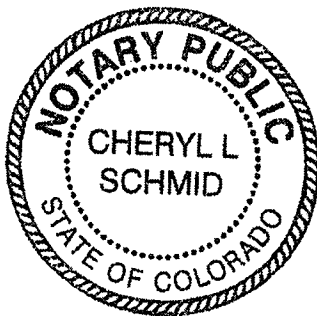
Signature Jean Birch

Subscribed and sworn to before me this 10
day of September, 2013.

Cheryl L. Schmid
Notary Public

My commission expires September 14, 2013.

(SEAL)



NOTICE AS TO PROPOSED 2014 BUDGET
Proposed 2014 Budget 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 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. That such proposed budget will be considered at the regular, monthly meeting of the Board of Directors to be held in the basement conference room at the Cherry Creek North Business Improvement District Office, on Wednesday, September 11, 2013 at 7:30 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: September 3, 2013 CHERRY CREEKNORTH BUSINESS IMPROVEMENT DISTRICT. By: Dave Hadsell, Chair of the Board of Directors.