

BLACKSTONE METROPOLITAN DISTRICT
2020 ANNUAL REPORT

**BLACKSTONE METROPOLITAN DISTRICT
2020 ANNUAL REPORT
TO
THE CITY OF AURORA**

Pursuant to Section VIII of the Second Amended and Restated Service Plan for High Plains Metropolitan District (the “**Service Plan**”), Blackstone Metropolitan District*, formerly known as High Plains Metropolitan District (the “**District**”) is required to provide an annual report to the City of Aurora (the “**City**”) with regard to the following matters:

*Note: On May 3, 2021, the Arapahoe County District Court granted an Order changing the name of High Plains Metropolitan District to Blackstone Metropolitan District.

For the year ending December 31, 2020, the District makes the following report:

1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.

There were no boundary changes made or proposed to the District’s boundary in 2020.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.

There were no new Intergovernmental Agreements entered into or proposed in 2020.

3. Copies of the District’s rules and regulations, if any as of December 31 of the prior year.

The District’s Rules and Regulations are posted on the District’s website: www.highplainsmetro.org

4. A summary of any litigation which involves the District’s Public Improvements as of December 31 of the prior year.

To our actual knowledge, based on review of the court records in Arapahoe County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts’ Public Improvements as of December 31, 2020.

5. Status of the District’s construction of the Public Improvements as of December 31 of the prior year.

The District finished construction of a monument sign on the southeast corner of East Smoky Hill Parkway and South Powhaton Road during 2020

The District finished renovation of the community park located near the intersection of East Clifton Drive and South Country Club Parkway during 2020.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

The District did not dedicate any Public Improvements to the City during 2020.

7. The assessed valuation of the District for the current year.

The District received a certification from the Arapahoe County Assessor that reports assessed valuation of the District of \$42,947,798 for 2020.

8. Current year budget including a description of the Public Improvements to be constructed.

A copy of the District's 2021 Budget is attached hereto as **Exhibit A**. The District intends to construct additional park signage, provide enhanced park lighting, and install median landscaping improvements in 2021.

9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

The District's 2020 Audit is not yet completed and will be provided as a supplement to this report upon completion.

10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

There were no uncured events of default by the District, which continued beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the District to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

None.

EXHIBIT A

2021 Budget

HIGH PLAINS METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

**HIGH PLAINS METROPOLITAN DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 3,472,183	\$ 4,183,003	\$ 3,442,564
REVENUES			
Property taxes	2,267,263	2,702,547	2,839,408
Specific ownership taxes	180,963	175,843	198,758
Interest income	103,977	25,800	16,500
Operations fee (homeowners)	478,111	575,000	600,000
Operations fee (vacant lots)	60,264	48,000	30,000
Working capital	58,500	60,000	60,000
Design review fees	3,535	4,800	5,000
Legal collection fees	6,793	9,500	6,000
Violations and late fees	-	2,500	5,000
Other revenue	8,485	-	2,000
Total revenues	<u>3,167,891</u>	<u>3,603,990</u>	<u>3,762,666</u>
TRANSFERS IN	<u>852,042</u>	<u>875,000</u>	<u>1,340,000</u>
Total funds available	<u>7,492,116</u>	<u>8,661,993</u>	<u>8,545,230</u>
EXPENDITURES			
General Fund	153,884	249,251	210,000
Debt Service Fund	1,176,767	1,318,836	1,440,000
Capital Projects Fund	474,580	1,980,850	1,116,500
Operations Fee Fund	613,940	749,995	1,115,000
Capital Projects Fund - Regional Improvement Fund	37,900	45,497	47,801
Total expenditures	<u>2,457,071</u>	<u>4,344,429</u>	<u>3,929,301</u>
TRANSFERS OUT	<u>852,042</u>	<u>875,000</u>	<u>1,340,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,309,113</u>	<u>5,219,429</u>	<u>5,269,301</u>
ENDING FUND BALANCES	<u>\$ 4,183,003</u>	<u>\$ 3,442,564</u>	<u>\$ 3,275,929</u>
EMERGENCY RESERVE	\$ 52,600	\$ 60,800	\$ 63,000
AVAILABLE FOR OPERATIONS	815,948	1,007,828	844,598
SERIES 2017 SURPLUS FUND	1,042,125	1,042,125	1,042,125
CAPITAL PROJECTS RESERVE	250,000	350,000	450,000
TOTAL RESERVE	<u>\$ 2,160,673</u>	<u>\$ 2,460,753</u>	<u>\$ 2,399,723</u>

No assurance provided. See summary of significant assumptions.

**HIGH PLAINS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION			
Residential	\$ 27,725,282	\$ 34,657,743	\$ 37,701,453
Commercial	1,852,338	1,828,612	1,836,704
State assessed	374,650	194,010	570,100
Vacant land	4,965,820	4,197,326	2,839,541
Certified Assessed Value	<u>\$ 34,918,090</u>	<u>\$ 40,877,691</u>	<u>\$ 42,947,798</u>
MILL LEVY			
General	30.000	30.000	30.000
Debt Service	35.000	35.000	35.000
Capital Projects - Regional Improvement	1.105	1.113	1.113
Total mill levy	<u>66.105</u>	<u>66.113</u>	<u>66.113</u>
PROPERTY TAXES			
General	\$ 1,047,543	\$ 1,226,331	\$ 1,288,434
Debt Service	1,222,133	1,430,719	1,503,173
Capital Projects - Regional Improvement	38,584	45,497	47,801
Levied property taxes	2,308,260	2,702,547	2,839,408
Adjustments to actual/rounding	(8,507)	-	-
Refunds and abatements	(32,490)	-	-
Budgeted property taxes	<u>\$ 2,267,263</u>	<u>\$ 2,702,547</u>	<u>\$ 2,839,408</u>
BUDGETED PROPERTY TAXES			
General	\$ 1,029,176	\$ 1,226,331	\$ 1,288,434
Debt Service	1,200,187	1,430,719	1,503,173
Capital Projects - Regional Improvement	37,900	45,497	47,801
Budgeted property taxes	<u>\$ 2,267,263</u>	<u>\$ 2,702,547</u>	<u>\$ 2,839,408</u>

**HIGH PLAINS METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 557,267	\$ 850,148	\$ 1,047,528
REVENUES			
Property taxes	1,029,176	1,226,331	1,288,434
Specific ownership taxes	85,150	90,000	93,536
Interest income	23,844	5,300	4,800
Other revenue	1,972	-	2,000
Total revenues	<u>1,140,142</u>	<u>1,321,631</u>	<u>1,388,770</u>
TRANSFERS IN			
Transfers from other funds	<u>6,623</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,704,032</u>	<u>2,171,779</u>	<u>2,436,298</u>
EXPENDITURES			
General and administrative			
Accounting	38,058	50,000	52,000
Audit	4,950	4,950	4,950
County Treasurer's fee	15,429	18,395	19,327
Directors' fees	3,700	4,400	2,800
Director and meeting expense	1,994	2,000	2,500
Election expense	-	39,224	-
Insurance	24,577	27,892	35,000
Legal	60,200	100,000	65,000
Engineering	953	-	-
Miscellaneous	2,040	1,500	2,000
Payroll taxes	245	390	214
Website	1,738	500	1,500
Contingency	-	-	24,709
Total expenditures	<u>153,884</u>	<u>249,251</u>	<u>210,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>700,000</u>	<u>875,000</u>	<u>1,340,000</u>
Total expenditures and transfers out requiring appropriation	<u>853,884</u>	<u>1,124,251</u>	<u>1,550,000</u>
ENDING FUND BALANCE	<u>\$ 850,148</u>	<u>\$ 1,047,528</u>	<u>\$ 886,298</u>
EMERGENCY RESERVE	\$ 34,200	\$ 39,700	\$ 41,700
AVAILABLE FOR OPERATIONS	815,948	1,007,828	844,598
TOTAL RESERVE	<u>\$ 850,148</u>	<u>\$ 1,047,528</u>	<u>\$ 886,298</u>

No assurance provided. See summary of significant assumptions.

**HIGH PLAINS METROPOLITAN DISTRICT
OPERATIONS FEE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 353,600	\$ 352,308	\$ 304,113
REVENUES			
Interest income	5,445	2,000	1,200
Operations fee (homeowners)	478,111	575,000	600,000
Operations fee (vacant lots)	60,264	48,000	30,000
Working capital	58,500	60,000	60,000
Design review fees	3,535	4,800	5,000
Legal collection fees	6,793	9,500	6,000
Violations and late fees	-	2,500	5,000
Total revenues	<u>612,648</u>	<u>701,800</u>	<u>707,200</u>
TRANSFERS IN			
Transfers from other funds	-	-	125,000
Total funds available	<u>966,248</u>	<u>1,054,108</u>	<u>1,136,313</u>
EXPENDITURES			
Operations and maintenance			
Community activities	-	5,000	15,000
Contingency	-	-	37,000
Design review	5,630	7,000	5,000
Facilities management - contract	41,596	38,000	50,000
Facilities management - costs	11,528	10,000	13,000
Legal - collections	-	20,000	6,000
Safety and security	-	-	120,000
Miscellaneous	-	1,400	2,000
Landscape maintenance			
Flowers	45,145	20,000	45,000
Irrigation repairs and improvements	46,944	45,000	50,000
Landscape improvements	55,974	120,000	75,000
Landscape maintenance - contract	127,810	129,085	195,000
Tree and shrub replacement	19,276	95,510	125,000
Grounds & park maintenance			
Grounds maintenance	24,173	25,000	30,000
Holiday lighting	11,124	20,000	20,000
Lighting	13,048	11,000	10,000
Playground inspection and repairs	-	5,000	10,000
Snow removal	6,020	10,000	20,000
Vandalism	-	1,000	2,000
Utilities			
Gas and electric	8,703	7,000	10,000
Trash removal	107,640	120,000	150,000
Water - irrigation	89,329	60,000	125,000
Total expenditures	<u>613,940</u>	<u>749,995</u>	<u>1,115,000</u>
Total expenditures and transfers out requiring appropriation	<u>613,940</u>	<u>749,995</u>	<u>1,115,000</u>
ENDING FUND BALANCE	<u>\$ 352,308</u>	<u>\$ 304,113</u>	<u>\$ 21,313</u>
EMERGENCY RESERVE	<u>\$ 18,400</u>	<u>\$ 21,100</u>	<u>\$ 21,300</u>
TOTAL RESERVE	<u>\$ 18,400</u>	<u>\$ 21,100</u>	<u>\$ 21,300</u>

No assurance provided. See summary of significant assumptions.

**HIGH PLAINS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 1,360,847	\$ 1,531,197	\$ 1,740,923
REVENUES			
Property taxes	1,200,187	1,430,719	1,503,173
Specific ownership taxes	95,813	85,843	105,222
Interest income	51,117	12,000	9,000
Total revenues	<u>1,347,117</u>	<u>1,528,562</u>	<u>1,617,395</u>
Total funds available	<u>2,707,964</u>	<u>3,059,759</u>	<u>3,358,318</u>
EXPENDITURES			
Debt Service			
Bond interest - Series 2017	1,123,325	1,121,925	1,114,925
Bond principal - Series 2017	35,000	175,000	300,000
County Treasurer's fee	17,992	21,461	22,548
Paying agent fees	450	450	450
Contingency	-	-	2,077
Total expenditures	<u>1,176,767</u>	<u>1,318,836</u>	<u>1,440,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,176,767</u>	<u>1,318,836</u>	<u>1,440,000</u>
ENDING FUND BALANCE	<u>\$ 1,531,197</u>	<u>\$ 1,740,923</u>	<u>\$ 1,918,318</u>
SERIES 2017 SURPLUS FUND	<u>\$ 1,042,125</u>	<u>\$ 1,042,125</u>	<u>\$ 1,042,125</u>
TOTAL RESERVE	<u>\$ 1,042,125</u>	<u>\$ 1,042,125</u>	<u>\$ 1,042,125</u>

**HIGH PLAINS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 1,048,428	\$ 1,449,350	\$ 350,000
REVENUES			
Interest income	23,570	6,500	1,500
Other revenue	6,513	-	-
Total revenues	<u>30,083</u>	<u>6,500</u>	<u>1,500</u>
TRANSFERS IN			
Transfers from other funds	<u>845,419</u>	<u>875,000</u>	<u>1,215,000</u>
Total funds available	<u>1,923,930</u>	<u>2,330,850</u>	<u>1,566,500</u>
EXPENDITURES			
Capital Projects			
Repay developer advance	-	331,500	-
Legal	6,506	-	-
Entryways	31,131	225,000	-
Medians	-	24,350	-
Monumentation	65,132	300,000	-
Park Improvements	371,811	1,100,000	-
Capital outlay	-	-	1,116,500
Total expenditures	<u>474,580</u>	<u>1,980,850</u>	<u>1,116,500</u>
Total expenditures and transfers out requiring appropriation	<u>474,580</u>	<u>1,980,850</u>	<u>1,116,500</u>
ENDING FUND BALANCE	<u>\$ 1,449,350</u>	<u>\$ 350,000</u>	<u>\$ 450,000</u>
CAPITAL PROJECTS RESERVE	<u>\$ 250,000</u>	<u>\$ 350,000</u>	<u>\$ 450,000</u>
TOTAL RESERVE	<u>\$ 250,000</u>	<u>\$ 350,000</u>	<u>\$ 450,000</u>

No assurance provided. See summary of significant assumptions.

**HIGH PLAINS METROPOLITAN DISTRICT
CAPITAL PROJECTS - REGIONAL IMPROVEMENT FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 152,041	\$ -	\$ -
REVENUES			
Property taxes - Regional mill levy	37,900	45,497	47,801
Interest income	1	-	-
Total revenues	<u>37,901</u>	<u>45,497</u>	<u>47,801</u>
Total funds available	<u>189,942</u>	<u>45,497</u>	<u>47,801</u>
EXPENDITURES			
Capital Projects			
County Treasurer fees - Regional mill levy	568	682	717
Regional mill levy - Payment to SARIA	37,332	44,815	47,084
Total expenditures	<u>37,900</u>	<u>45,497</u>	<u>47,801</u>
TRANSFERS OUT			
Transfers to other fund	<u>152,042</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>189,942</u>	<u>45,497</u>	<u>47,801</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HIGH PLAINS METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Arapahoe County on November 27, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Second Amended and Restated Service Plan approved on July 26, 2010.

The District was established to provide sanitation, water, streets, traffic and safety controls, parks and recreation, and other related improvements for the benefit of the taxpayers and service users within the Districts' boundaries.

As of December 31, 2015, the District had remaining voted debt authorization of approximately \$1,981,510,000. The District has not budgeted to issue any new debt during 2021. Per the District's Service Plan, the District cannot issue debt in excess of \$100,000,000.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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 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 method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020 on June 10, 2019 with a report submitted to the State Board of Equalization. Accordingly, the ARI mill levy increased to 1.113 from 1.105 mills and will remain at this amount for 2021.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**HIGH PLAINS METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Aurora Regional Improvements Mill Levy

Pursuant to the Service Plan, which is dated August 6, 2004, the District is required to impose a 1.000 mill levy for payment of the planning, designing, permitting, construction, acquisition and financing of the regional improvements described in the ARI Master Plan. The ARI Master Plan is one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of the districts which constitute such ARI Authority, which master plan will change from time to time. The District is a participant in the South Aurora Regional Improvement Authority. Revenues collected and held under the ARI mill levy will be held in a segregated account for the benefit of the Authority.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7.0% of the property taxes collected.

Operations Fee

The District imposes a monthly operations fee on homeowners and vacant lot owners. The fee varies between the two types of owners based on applicable costs to operate the landscape and maintenance of the District property. The fees and associated expenditures are tracked in the Operations Fee fund.

Interest Income

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

Expenditures

General, Administrative, and Operations Expenditures

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, audit, managerial, insurance, banking, meeting expense and other administrative expenses. Additionally, the operations expenditures to maintain District property are detailed in the Operations Fee fund.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2017 General Obligation Refunding Bonds. The District's current debt service schedule is attached.

See related notes below under Debt and Leases.

**HIGH PLAINS METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On June 6, 2017 the District issued General Obligation Refunding Bonds Series 2017 in the amount of \$27,415,000. The proceeds from the sale of the 2017 Bonds were used to (i) refund the District's outstanding Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2005A, (ii) fund an initial deposit of \$1,000,000 to the Surplus Account, and (iii) pay certain costs of issuance of the Bonds.

The Series 2017 Bonds bear interest at rates ranging from 2.375% to 5.000%, payable semi-annually on June 1 and December 1, beginning on December 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2019. The Series 2017 Bonds mature on December 1, 2047. The Series 2017 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity.

The Series 2017 Bonds are a general obligation of the District. The full faith and credit of the District are pledged for the payment of the principal of, premium, if any and interest on the Bonds. Without limiting the foregoing, the Pledged Revenue is pledged to the payment of the Bonds, on a parity with Parity Bonds, if any. "Pledged Revenue" is defined in the Bond Resolution to mean: (i) all amounts derived by the District from imposition of the Required Mill Levy and, to the extent not applied to the payment or refunding of the Series 2005A Bonds, the debt service mill levy imposed by the District in 2016 (less costs of collection and any tax refunds or abatements authorized by or on behalf of the County); and (ii) Specific Ownership Taxes. The Series 2017 Bonds are secured by amounts held by the District in the Surplus Account, if any. All of the Series 2017 Bonds shall be additionally secured by a Bond Insurance Policy issued by National Public Finance Guarantee Corp, rated A by Standard & Poor's.

The District has no operating or capital leases.

**HIGH PLAINS METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The following is an analysis of anticipated changes in the District’s long-term obligations, subordinate to the Senior Bonds, for the years ending December 31, 2020 and 2021.

	Balance - December 31, 2019	Additions	Retirement of Long-Term Obligations	Balance - December 31, 2020
Reimbursement Agreements				
Lennar - Capital	\$ 15,530,600	\$ -	\$ (15,530,600)	\$ -
Lennar - Capital - Interest	14,687,450	1,087,142	(15,774,592)	-
MS Rialto - Capital	787,397	-	-	787,397
MS Rialto - Capital - Interest	613,408	55,268	-	668,676
MS Rialto - Operations	414,611	-	-	414,611
MS Rialto - Operations - Interest	289,636	29,102	-	318,738
Total	<u>\$ 32,323,102</u>	<u>\$ 1,171,512</u>	<u>\$ (31,305,192)</u>	<u>\$ 2,189,422</u>

	Balance - December 31, 2020	Additions	Retirement of Long-Term Obligations	Balance - December 31, 2021
Reimbursement Agreements				
MS Rialto - Capital	\$ 787,397	\$ -	\$ -	\$ 787,397
MS Rialto - Capital - Interest	668,676	55,118	-	723,794
MS Rialto - Operations	414,611	-	-	414,611
MS Rialto - Operations - Interest	318,738	29,023	-	347,761
Total	<u>\$ 2,189,422</u>	<u>\$ 84,141</u>	<u>\$ -</u>	<u>\$ 2,273,563</u>

Reserves

Emergency Reserves

The District has provided an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR.

This information is an integral part of the accompanying budget.

HIGH PLAINS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2021

<u>Bonds and Interest Maturing in the Year Ending December 31,</u>	\$27,415,000 General Obligation Refunding Bonds Series 2017 Dated June 6, 2017 Rates ranging from 2.375% to 5.000% Interest Payable June 1 and December 1 Principal Due December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 300,000	\$ 1,114,925	\$ 1,414,925
2022	420,000	1,102,925	1,522,925
2023	450,000	1,086,125	1,536,125
2024	500,000	1,068,125	1,568,125
2025	520,000	1,048,125	1,568,125
2026	565,000	1,035,775	1,600,775
2027	595,000	1,007,525	1,602,525
2028	655,000	977,775	1,632,775
2029	685,000	945,025	1,630,025
2030	755,000	910,775	1,665,775
2031	780,000	886,237	1,666,237
2032	835,000	860,888	1,695,888
2033	865,000	833,750	1,698,750
2034	940,000	790,500	1,730,500
2035	990,000	743,500	1,733,500
2036	1,070,000	694,000	1,764,000
2037	1,115,000	651,200	1,766,200
2038	1,195,000	606,600	1,801,600
2039	1,245,000	558,800	1,803,800
2040	1,330,000	509,000	1,839,000
2041	1,380,000	455,800	1,835,800
2042	1,475,000	400,600	1,875,600
2043	1,535,000	341,600	1,876,600
2044	1,630,000	280,200	1,910,200
2045	1,695,000	215,000	1,910,000
2046	1,805,000	147,200	1,952,200
2047	1,875,000	75,000	1,950,000
	<u>\$ 27,205,000</u>	<u>\$ 19,346,975</u>	<u>\$ 46,551,975</u>

No assurance provided. See summary of significant assumptions.

BLACKSTONE METROPOLITAN DISTRICT

2020 SUPPLEMENTAL ANNUAL REPORT

EXHIBIT A
2020 Audit

**HIGH PLAINS METROPOLITAN DISTRICT
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**HIGH PLAINS METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2020**

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Independent Auditor's Report

Board of Directors
High Plains Metropolitan District
Arapahoe County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of High Plains Metropolitan District (the "District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 High Plains Metropolitan District as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the 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 an opinion 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 the 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.

The continuing disclosure annual information, as listed in the table of contents, has not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sincerely,



Wipfli LLP
Lakewood, Colorado

September 27, 2021

BASIC FINANCIAL STATEMENTS

**HIGH PLAINS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 2,203,907
Cash and Investments - Restricted	1,992,451
Accounts Receivable	1,000
Accounts Receivable - Assessments	48,037
Receivable - County Treasurer	10,805
Property Taxes Receivable	2,839,408
Capital Assets, Not Being Depreciated	11,418,872
Capital Assets, Being Depreciated	564,451
Total Assets	<u>19,078,931</u>
LIABILITIES	
Accounts Payable	49,599
Accrued Bond Interest Payable	92,910
Development Fees Payable	168,500
Due to SARIA	467
Due to Beacon Point	12,789
Prepaid Assessments	77,596
Due to County	38
Noncurrent Liabilities:	
Due Within One Year	354,561
Due In More Than One Year	61,291,837
Total Liabilities	<u>62,048,297</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	2,839,408
Total Deferred Inflows of Resources	<u>2,839,408</u>
NET POSITION	
Net Investment in Capital Assets	2,135,829
Restricted for:	
Emergency Reserves	59,200
Debt Service	662,816
Unrestricted	<u>(48,666,619)</u>
Total Net Position	<u><u>\$ (45,808,774)</u></u>

See accompanying Notes to Basic Financial Statements.

**HIGH PLAINS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 990,901	\$ 648,196	\$ -	\$ -	\$ (342,705)
Interest and Related Costs on Long-Term Debt	2,259,870	-	-	-	(2,259,870)
Total Governmental Activities	\$ 3,250,771	\$ 648,196	\$ -	\$ -	(2,602,575)
 GENERAL REVENUES					
Property Taxes					2,656,516
Regional Property Taxes					45,488
Specific Ownership Taxes					191,516
Net Investment Income					23,589
Total General Revenues					2,917,109
 CHANGE IN NET POSITION					
					314,534
Net Position - Beginning of Year					(46,123,308)
 NET POSITION - END OF YEAR					
					\$ (45,808,774)

See accompanying Notes to Basic Financial Statements.

**HIGH PLAINS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Capital Projects - Regional Improvements	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 2,203,907	\$ -	\$ -	\$ -	\$ 2,203,907
Cash and Investments - Restricted	59,200	1,931,315	1,431	505	1,992,451
Accounts Receivable	1,000	-	-	-	1,000
Accounts Receivable - Assessments	48,037	-	-	-	48,037
Receivable - County Treasurer	5,105	5,700	-	-	10,805
Property Taxes Receivable	1,288,434	1,503,173	-	47,801	2,839,408
Total Assets	\$ 3,605,683	\$ 3,440,188	\$ 1,431	\$ 48,306	\$ 7,095,608
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 48,168	\$ -	\$ 1,431	\$ -	\$ 49,599
Due to SARIA	-	-	-	467	467
Due to County	-	-	-	38	38
Due to Beacon Point	-	12,789	-	-	12,789
Development Fees Payable	-	168,500	-	-	168,500
Prepaid Assessments	77,596	-	-	-	77,596
Total Liabilities	125,764	181,289	1,431	505	308,989
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	1,288,434	1,503,173	-	47,801	2,839,408
Total Deferred Inflows of Resources	1,288,434	1,503,173	-	47,801	2,839,408
FUND BALANCES					
Restricted for:					
Emergency Reserves	59,200	-	-	-	59,200
Debt Service	-	1,755,726	-	-	1,755,726
Assigned	161,230	-	-	-	161,230
Unassigned	1,971,055	-	-	-	1,971,055
Total Fund Balances	2,191,485	1,755,726	-	-	3,947,211
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,605,683	\$ 3,440,188	\$ 1,431	\$ 48,306	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds.

Capital Assets, Net 11,983,323

Long-term liabilities, including bonds payable and developer advances, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Accrued Interest on Developer Advances (16,762,007)
Developer Advance Payable (16,732,608)
Bonds Payable (27,205,000)
Bond Premium (946,783)
Accrued Interest on Bonds Payable (92,910)

Net Position of Governmental Activities \$ (45,808,774)

See accompanying Notes to Basic Financial Statements.

**HIGH PLAINS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Capital Projects - Regional Improvements	Total Governmental Funds
REVENUES					
Property Taxes	\$ 1,226,083	\$ 1,430,433	\$ -	\$ -	\$ 2,656,516
Regional Property Taxes	-	-	-	45,488	45,488
Specific Ownership Taxes	89,845	101,671	-	-	191,516
Operations Fee (Homeowners)	530,519	-	-	-	530,519
Operations Fee (Vacant Lots)	34,557	-	-	-	34,557
Working Capital Fees	69,500	-	-	-	69,500
Design Review Fee	4,155	-	-	-	4,155
Legal Collection Fees	9,465	-	-	-	9,465
Net Investment Income	6,879	11,270	5,440	-	23,589
Total Revenues	<u>1,971,003</u>	<u>1,543,374</u>	<u>5,440</u>	<u>45,488</u>	<u>3,565,305</u>
EXPENDITURES					
General:					
Accounting	43,720	-	-	-	43,720
Audit	4,950	-	-	-	4,950
County Treasurer's Fees	18,403	21,470	-	683	40,556
Director and Meeting Expense	1,151	-	-	-	1,151
Directors' Fees	4,700	-	-	-	4,700
Election	39,224	-	-	-	39,224
Insurance and Bonds	27,892	-	-	-	27,892
Legal	92,660	-	-	-	92,660
Miscellaneous	1,268	-	-	-	1,268
Payroll Taxes	383	-	-	-	383
Website	350	-	-	-	350
Regional Mill Levy - Payment to SARIA	-	-	-	44,805	44,805
Operations and Maintenance	701,145	-	-	-	701,145
Debt Service:					
Bond Interest - Series 2017	-	1,121,925	-	-	1,121,925
Bond Principal - Series 2017	-	175,000	-	-	175,000
Paying Agent Fees	-	450	-	-	450
Capital Projects:					
Monumentation	-	-	284,537	-	284,537
Park Improvements	-	-	1,023,163	-	1,023,163
Entryways	-	-	193,218	-	193,218
Total Expenditures	<u>935,846</u>	<u>1,318,845</u>	<u>1,500,918</u>	<u>45,488</u>	<u>3,801,097</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,035,157</u>	<u>224,529</u>	<u>(1,495,478)</u>	<u>-</u>	<u>(235,792)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	-	-	46,128	-	46,128
Transfers to Other Funds	<u>(46,128)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,128)</u>
Total Other Financing Sources (Uses)	<u>(46,128)</u>	<u>-</u>	<u>46,128</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	989,029	224,529	(1,449,350)	-	(235,792)
Fund Balances - Beginning of Year	<u>1,202,456</u>	<u>1,531,197</u>	<u>1,449,350</u>	<u>-</u>	<u>4,183,003</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,191,485</u>	<u>\$ 1,755,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,947,211</u>

See accompanying Notes to Basic Financial Statements.

**HIGH PLAINS METROPOLITAN DISTRICT
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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (235,792)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Park Improvements	1,023,163
Monumentation	284,537
Entryways	193,218
Depreciation	(9,567)

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

Bond Principal Payment	175,000
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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.

Change in Accrued Developer Advance Interest Payable	(1,171,513)
Change in Accrued Bond Interest Payable	584
Current Year Bond Issue Premium	54,904
	54,904

Change in Net Position of Governmental Activities	\$ 314,534
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**HIGH PLAINS METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,226,331	\$ 1,226,083	\$ (248)
Specific Ownership Taxes	76,310	89,845	13,535
Operations Fee (Homeowners)	551,100	530,519	(20,581)
Operations Fee (Vacant Lots)	28,272	34,557	6,285
Working Capital Fees	80,000	69,500	(10,500)
Design Review Fee	5,000	4,155	(845)
Legal Collection Fees	6,000	9,465	3,465
Violations and Late Fees	5,000	-	(5,000)
Net Investment Income	17,000	6,879	(10,121)
Other Revenue	2,000	-	(2,000)
Total Revenues	<u>1,997,013</u>	<u>1,971,003</u>	<u>(26,010)</u>
EXPENDITURES			
General Administration:			
Accounting	51,000	43,720	7,280
Audit	4,950	4,950	-
Contingency	25,196	-	25,196
County Treasurer's Fees	18,395	18,403	(8)
Director and Meeting Expense	2,500	1,151	1,349
Directors' Fees	6,000	4,700	1,300
Election	25,000	39,224	(14,224)
Insurance and Bonds	40,000	27,892	12,108
Legal	60,000	92,660	(32,660)
Miscellaneous	2,000	1,268	732
Payroll Taxes	459	383	76
Website	1,500	350	1,150
Operations and Maintenance:			
Community Activities	10,000	375	9,625
Design Review	5,000	7,990	(2,990)
Facilities Management - Contract	38,000	44,954	(6,954)
Facilities Management - Costs	10,000	10,966	(966)
Legal Collections	6,000	17,200	(11,200)
Contingency	8,915	-	8,915
Lighting	10,000	10,383	(383)
Gas and Electric	10,000	7,114	2,886
Ground Maintenance	25,000	22,687	2,313
Irrigation Repairs and Improvements	40,000	45,182	(5,182)
Landscape Contract	129,085	132,050	(2,965)
Landscape Improvements	100,000	61,451	38,549
Flowers	45,000	16,807	28,193
Holiday Lights	20,000	24,229	(4,229)
Playground Inspection and Repair	10,000	-	10,000
Snow Removal	12,000	170	11,830
Telephone	-	-	-
Trash Removal	103,000	128,609	(25,609)
Trees/Shrubs/Beds	100,000	102,408	(2,408)
Vandalism Repairs	2,000	-	2,000
Vandalism Repairs	-	1,280	(1,280)
Water - Irrigation	125,000	67,290	57,710
Total Expenditures	<u>1,046,000</u>	<u>935,846</u>	<u>110,154</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	951,013	1,035,157	84,144
OTHER FINANCING SOURCES (USES)			
Transfers to Other Fund	(950,000)	(46,128)	903,872
Total Other Financing Sources (Uses)	<u>(950,000)</u>	<u>(46,128)</u>	<u>903,872</u>
NET CHANGE IN FUND BALANCE	1,013	989,029	988,016
Fund Balance - Beginning of Year	<u>1,146,994</u>	<u>1,202,456</u>	<u>55,462</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,148,007</u>	<u>\$ 2,191,485</u>	<u>\$ 1,043,478</u>

See accompanying Notes to Basic Financial Statements.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

High Plains Metropolitan District (the District), a quasi-municipal corporation, and political subdivision of the State of Colorado was organized on November 27, 2002 concurrently with Beacon Point Metropolitan District (Beacon Point) and East Plains Metropolitan District (East Plains), and is governed pursuant to provisions of the Colorado Special District Act. The District is located entirely within the City of Aurora (City), County of Arapahoe, Colorado. On March 10, 2006, an Amended and Restated Consolidated Service Plan for the District, East Plains, and Beacon Point was approved. The District was established to provide for the design, construction, installation, financing, and acquisition of certain street, traffic, and safety controls, water, sanitation, park and recreation improvements and mosquito control.

On April 5, 2010, the District, along with Beacon Point and East Plains, adopted Resolution No. 2010-04-01, Joint Resolution of East Plains, High Plains and Beacon Point Acknowledging and Authorizing the Dissolution of East Plains (Resolution). Pursuant to the Resolution, East Plains, High Plains and Beacon Point acknowledged that the purposes for which East Plains was organized have been satisfied and in order to simplify and increase efficiency in provision of improvements and services to High Plains and Beacon Point, it is in the best interests of East Plains, High Plains and Beacon Point, and their respective constituents, for East Plains to seek dissolution and transfer its rights and obligations with respect to the provision of improvements and services to High Plains and Beacon Point, as appropriate. The Resolution authorized East Plains to take the necessary actions to implement the dissolution.

In anticipation of the dissolution, on April 14, 2010, the District entered into two agreements with MS Rialto Blackstone CO, LLC ("MS Rialto") and one agreement with Lennar Colorado, LLC (the "Developer") whereby the District accepted the reimbursement obligations previously held by East Plains with respect to advances made by MS Rialto and/or the Developer for the benefit of the District.

On July 26, 2010, in anticipation of the dissolution of East Plains, a Second Amended and Restated Service Plan (SARSP) for the District was approved by the City, segregating the rights and responsibilities of the Districts. On November 23, 2010 East Plains Metropolitan District was dissolved and all assets or liabilities of East Plains relating to the District were transferred to the District. As a result of the dissolution, the District is responsible for providing the day-to-day operations and administrative management and for constructing, owning, transferring, operating, and maintaining certain public facilities and services for the benefit of the District and for providing funding for the same.

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.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

The District has no employees, and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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 position 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 taxes and intergovernmental revenues.

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

The statement of activities demonstrates the degree to which the direct and indirect 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.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, and operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

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

The Capital Projects – Regional Improvements Fund is used to account for financial resources to be used for a regional improvement or to be remitted to the South Aurora Regional Improvement Authority or to the City.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its budget during the year ended December 31, 2020.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 or investment 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.

Interfund Balances

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds (current portion of interfund loans) or advances to/from other funds (long-term portion of interfund loans). The interfund balances have been eliminated in the government-wide statements except for the residual balances between the governmental activities and business-type activities, which are reported as internal balances.

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 Commissioner 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, at the taxpayer's election, in equal installments 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 inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the governmental 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 \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (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 capital assets, as applicable.

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

Entryways/Monuments	30 years
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Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Inflows of Resources

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

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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 practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 2,203,907
Cash and Investments - Restricted	1,992,451
Total Cash and Investments	<u><u>\$ 4,196,358</u></u>

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 183,303
Investments	<u>4,013,055</u>
Total Cash and Investments	<u><u>\$ 4,196,358</u></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.

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, 2020, the District's cash deposits had a bank balance and a carrying balance of \$183,303.

Investments

The District has not adopted a formal investment policy; however, the District follows the state statutes regarding investments.

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

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

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	<u>\$ 4,013,055</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (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 any security allowed under CRS 24-75-601. 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. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value method as determined by the fair value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020, follows:

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
Capital Assets, Not Being Depreciated:				
Parks - Land Improvements	\$ 10,023,898	\$ 1,394,974	\$ -	\$ 11,418,872
Construction In Progress	468,074	-	468,074	-
Total Capital Assets, Not Being Depreciated	<u>\$ 10,491,972</u>	<u>\$ 1,394,974</u>	<u>\$ 468,074</u>	<u>\$ 11,418,872</u>
Capital Assets, Being Depreciated:				
Entryways	-	224,349	-	224,349
Monumentation	-	349,669	-	349,669
Total Capital Assets, Being Depreciated	<u>-</u>	<u>574,018</u>	<u>-</u>	<u>574,018</u>
Less Accumulated Depreciation For:				
Entryways	-	3,739	-	3,739
Monumentation	-	5,828	-	5,828
Total Accumulated Depreciation	<u>-</u>	<u>9,567</u>	<u>-</u>	<u>9,567</u>
Total Capital Assets, Being Depreciated	<u>-</u>	<u>564,451</u>	<u>-</u>	<u>564,451</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,491,972</u>	<u>\$ 1,959,425</u>	<u>\$ 468,074</u>	<u>\$ 11,983,323</u>

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's outstanding long-term obligations for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Bonds Payable					
Series 2017 Limited Tax General Obligation Bonds	\$ 27,380,000	\$ -	\$ 175,000	\$ 27,205,000	\$ 300,000
Unamortized Bond Premium - Series 2017	1,001,687	-	54,904	946,783	54,561
Subtotal of Bonds Payable	<u>28,381,687</u>	<u>-</u>	<u>229,904</u>	<u>28,151,783</u>	<u>354,561</u>
Notes/Agreements from Direct Borrowings:					
Reimbursement Agreement Lennar - Capital	15,530,600	-	-	15,530,600	-
Reimbursement Agreement Lennar - Capital - Interest	14,687,450	1,087,142	-	15,774,592	-
Reimbursement Agreement MS Rialto - Capital	787,397	-	-	787,397	-
Reimbursement Agreement MS Rialto - Capital - Interest	613,408	55,269	-	668,677	-
Reimbursement Agreement MS Rialto - Operations	414,611	-	-	414,611	-
Reimbursement Agreement MS Rialto - Operations - Interest	289,636	29,102	-	318,738	-
Subtotal of Notes/Agreements from Direct Borrowings	<u>32,323,102</u>	<u>1,171,513</u>	<u>-</u>	<u>33,494,615</u>	<u>-</u>
Total Long Term Obligations	<u>\$ 60,704,789</u>	<u>\$ 1,171,513</u>	<u>\$ 229,904</u>	<u>\$ 61,646,398</u>	<u>\$ 354,561</u>

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

General Obligation Bonds

\$27,415,000 General Obligation Refunding Bonds, Series 2017, dated June 6, 2017 with interest at rates ranging from 2.375% to 5.000%, payable semi-annually on June 1 and December 1, beginning on December 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2019. The Series 2017 Bonds mature on December 1, 2047. The Series 2017 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity.

The proceeds from the sale of the 2017 Bonds were used to (i) refund the District's outstanding Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2005A, (ii) fund an initial deposit of \$1,000,000 to the Surplus Account, and (iii) pay certain costs of issuance of the Bonds.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue. The Bonds are also secured by amounts held by the Trustee in the Reserve Fund(s). Required Mill Levy means, so long as the Surplus Account is less than the Maximum Surplus Amount, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable and to make up any deficiencies in the Reserve Fund. The maximum Required Mill Levy is 40.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2020, the District had funded the Surplus Account to the Maximum Surplus Amount, removing the requirement for a minimum mill levy. For collection year 2020, the District levied 35.000 mills. The Series 2017 Bonds are additionally secured by a Bond Insurance Policy issued by National Public Finance Guarantee Corp, rated A by Standard & Poor's.

On May 15, 2017, the First Amendment to the Second Amended and Restated Service Plan was approved by the City, authorizing the District to issue one or more series of unlimited mill levy Bonds, or other Debt or obligations which are not subject to the Maximum Debt Mill Levy.

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Bonded Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 300,000	\$ 1,114,925	\$ 1,414,925
2022	420,000	1,102,925	1,522,925
2023	450,000	1,086,125	1,536,125
2024	500,000	1,068,125	1,568,125
2025	520,000	1,048,125	1,568,125
2026-2030	3,255,000	4,876,875	8,131,875
2031-2035	4,410,000	4,114,875	8,524,875
2036-2040	5,955,000	3,019,600	8,974,600
2041-2045	7,715,000	1,693,200	9,408,200
2046-2047	3,680,000	222,200	3,902,200
Total	<u>\$ 27,205,000</u>	<u>\$ 19,346,975</u>	<u>\$ 46,551,975</u>

Debt Authorization

As of December 31, 2020, the District had remaining voted debt authorization of approximately \$1,981,510,000. Per the District's SARSP, the District cannot issue debt in excess of \$100,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Funding and Reimbursement Agreements

In anticipation of the dissolution of East Plains, on April 14, 2010, the District entered into two agreements with MS Rialto and one agreement with the Developer whereby the District accepted the reimbursement obligations previously held by East Plains with respect to advances made by MS Rialto and/or the Developer for the benefit of the District. The agreements included:

- (1) An Operation Funding and Reimbursement Agreement (OFRA) with MS Rialto, whereby the District agreed to reimburse MS Rialto for operations and maintenance advances previously made to East Plains for the benefit of the District, in the amount of \$243,324 (including interest accrual to date of OFRA), along with additional interest to accrue at 7% per annum, expiring on December 31, 2044. Pursuant to the OFRA, MS Rialto also agreed to provide funding for operations and maintenance expenses of the District as needed for 2010 up to \$25,000. Reimbursement under the OFRA is from legally available revenues of the District after payments of debt service and operations and maintenance expenses and is subject to annual appropriation. On November 29, 2010, the District entered into a First Amendment to the OFRA increasing the Anticipated Shortfall Amount to \$82,481 and extending the terms of the OFRA to include advances necessary for 2011. As of December 31, 2020, \$414,611 in principal and \$318,738 in interest was outstanding.
- (2) A Capital Funding, Reimbursement and Acquisition Agreement (CFRAA) with MS Rialto, whereby the District agreed to reimburse MS Rialto for capital advances previously made to East Plains for the benefit of the District, in the amount of \$829,639 (inclusive of principal and interest amounts to the date of the CFRAA), along with additional interest to accrue at 7% per annum expiring on December 31, 2044. Pursuant to the CFRAA, MS Rialto also agreed to provide funding for certain construction related expenses of the District as needed in 2010 in the amount of \$65,000 and the District agreed to acquire District improvements from MS Rialto in the event funding becomes available. Reimbursement under the CFRAA is subject to annual appropriation and will only be available to the extent and if the District issues bonds in an amount sufficient to pay for all or part of the reimbursement or acquisition amounts. As of December 31, 2020, \$787,397 in principal and \$668,677 in interest was outstanding.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Funding and Reimbursement Agreements (Continued)

(3) A Capital Reimbursement Agreement (CRA) with the Developer, whereby the District agreed to reimburse the Developer for capital advances previously made to East Plains for the benefit of the District, in the amount of \$19,452,810 (inclusive of principal and interest to the date of the CRA and net of any prior reimbursements) along with additional interest to accrue at 7% per annum expiring on December 31, 2044. Reimbursement under the CRA is subject to annual appropriation and will only be available to the extent and if the District issues bonds in an amount sufficient to pay for all or part of the reimbursement or acquisition amounts. Additionally, reimbursement under the CRA has priority over reimbursement under the CFRAA. As of December 31, 2020, \$15,530,600 in principal and \$15,774,592 in interest was outstanding. On August 31, 2020, the District entered into an agreement to terminate the CRA. The developer agreed to terminate the agreement and forgive all remaining amounts due, and the District agreed to pay the developer \$1,000,000.

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, 2020, the District had net investments in capital assets calculated as follows:

Net Investment in Capital Assets	
Capital Assets, Net	\$ 11,983,323
Bond Premium (Net of Accumulated Amortization)	(331,185)
Bonds Payable	(9,516,309)
Net Investment in Capital Assets	<u>\$ 2,135,829</u>

Restricted assets include net position 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, 2020, as follows:

Restricted Net Position	
Emergencies	\$ 59,200
Debt Service	662,816
Total Restricted Net Position	<u>\$ 722,016</u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 RELATED PARTIES

Lennar Colorado, LLC is the Colorado manager for MS Rialto Blackstone CO, LLC (Developer), and has an interest in undeveloped land within the District.

NOTE 8 INTERGOVERNMENTAL AGREEMENTS

On November 3, 2004, the District, along with East Plains and Beacon Point entered into an Amended and Restated Intergovernmental Agreement with the City of Aurora as amended September 26, 2008 by First Amendment (Service Plan IGA), as required by the Amended and Restated Consolidated Service Plan. On July 26, 2010, the District entered into a Second Amended and Restated Intergovernmental Agreement (SARIGA) concurrent with the approval of the SARSP. On May 15, 2017 the District entered into a First Amendment to the Second Amended and Restated Intergovernmental Agreement (FASARIGA). Under the SARIGA, the District must obtain the approval of the Aurora City Council prior to any inclusion of property outside of the service area into the boundaries of the District, or any consolidation with any other special District. Prior to the issuance of any privately placed debt, the District shall obtain a certificate from an External Financial Advisor certifying to the reasonableness of the interest rate and the structure. Pursuant to the SARIGA and the SARSP, the District is required to levy a regional mill levy and to remit it to an Aurora Regional Improvement (ARI) Authority or to the City under certain circumstances. Under the FASARIGA, the District is authorized to issue one or more series of unlimited mill levy Bond or other Debt or obligations which are not subject to the Maximum Debt Mill Levy for the purpose of refunding or refinancing the Debt outstanding at the date of the agreement.

The SARSP requires the District to dedicate certain public improvements to the City of Aurora or other appropriate jurisdiction or owners association for ownership and maintenance. The District is not authorized to operate or maintain any part of the improvements, other than park and recreation improvements, drainage improvements including detention and retention ponds, trickle channels and all necessary or proper equipment or appurtenances thereto, unless the provision of such operation and maintenance is pursuant to an intergovernmental agreement with the City.

On July 10, 2017, the District entered into the South Aurora Regional Improvement Authority Establishment Agreement (SARIA), concurrently with Beacon Point, Forest Trace Metropolitan District No. 1, Forest Trace Metropolitan District No. 2, Forest Trace

Metropolitan District No. 3, Sorrell Ranch Metropolitan District, Southlands Metropolitan District No. 2, Wheatlands Metropolitan District, Kings Point South Metropolitan District No. 1, Kings Point South Metropolitan District No. 2, Kings Point Metropolitan District No. 1, Whispering Pines Metropolitan District No. 1, Inspiration Metropolitan District, and Pronghorn Valley Metropolitan District (together, the "SARIA Districts".) Upon execution of the agreement, the South Aurora Regional Improvement Authority (the Authority) was established for the purpose of planning, constructing, installing and financing the Regional Improvements designated in ARI Master Plans. On October 2, 2018, the District, along with the SARIA Districts entered into the First Amendment to the South Aurora Regional Improvement Authority Establishment Agreement (the "FASARIAEA"). Under the terms of the FASARIAEA, the District and SARIA District covenant to impose an ARI Mill Levy as set

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

forth in such District's service plan, and to remit all proceeds of such District's ARI Mill Levy (net of County treasurer collection costs and excluding any specific ownership taxes received by the District as a result of its imposition of the ARI Mill Levy) to the Authority within 30 days of receipt by such District.

On December 8, 2017 the Parties to the SARIA IGA approved the South Aurora approved the SARIA ARI Master Plan No. 1 (ARI Master Plan No. 1). On June 15, 2018, the Parties to the SARIA IGA approved the SARIA ARI Master Plan No. 2 (ARI Master Plan No. 2) which supersedes ARI Master Plan No. 1. ARI Master Plan No. 2 prioritizes regional improvement projects within the Authority.

NOTE 9 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to the Capital Projects Fund was to fund capital projects.

NOTE 10 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). 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 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.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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.

On November 5, 2002, the District voters passed an election question to increase property taxes \$1,000,000 annually to pay the District's operations, maintenance, and other expenses. On November 4, 2004, the District voters passed an election question to increase property taxes \$625,000 annually to pay the District's operations, maintenance, and other expenses. Additionally, the District voters authorized the District to collect, retain, and spend all revenue without regard to any limitations under TABOR.

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 will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**HIGH PLAINS METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,430,719	\$ 1,430,433	\$ (286)
Specific Ownership Taxes	85,843	101,671	15,828
Net Investment Income	24,000	11,270	(12,730)
Total Revenues	<u>1,540,562</u>	<u>1,543,374</u>	<u>2,812</u>
EXPENDITURES			
Contingency	3,164	-	3,164
Debt Service:			
County Treasurer's Fees	21,461	21,470	(9)
Bond Interest - Series 2017	1,121,925	1,121,925	-
Bond Principal - Series 2017	175,000	175,000	-
Paying Agent Fees	450	450	-
Total Expenditures	<u>1,322,000</u>	<u>1,318,845</u>	<u>3,155</u>
NET CHANGE IN FUND BALANCE	218,562	224,529	5,967
Fund Balance - Beginning of Year	<u>1,527,818</u>	<u>1,531,197</u>	<u>3,379</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,746,380</u></u>	<u><u>\$ 1,755,726</u></u>	<u><u>\$ 9,346</u></u>

**HIGH PLAINS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 4,500	\$ 5,440	\$ 940
Total Revenues	<u>4,500</u>	<u>5,440</u>	<u>940</u>
EXPENDITURES			
Monumentation	320,000	284,537	35,463
Park Improvements	1,315,000	1,023,163	291,837
Entryways	400,000	193,218	206,782
Legal	250,000	-	250,000
Total Expenditures	<u>2,285,000</u>	<u>1,500,918</u>	<u>784,082</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,280,500)	(1,495,478)	785,022
OTHER FINANCING SOURCES (USES)			
Transfer From Other Fund	950,000	46,128	(903,872)
Total Other Financing Sources (Uses)	<u>950,000</u>	<u>46,128</u>	<u>(903,872)</u>
NET CHANGE IN FUND BALANCE	(1,330,500)	(1,449,350)	(118,850)
Fund Balance - Beginning of Year	<u>1,699,854</u>	<u>1,449,350</u>	<u>(250,504)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 369,354</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (369,354)</u></u>

**HIGH PLAINS METROPOLITAN DISTRICT
CAPITAL PROJECTS – REGIONAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Regional Property Taxes	\$ 45,497	\$ 46,000	\$ 45,488	\$ (512)
Total Revenues	<u>45,497</u>	<u>46,000</u>	<u>45,488</u>	<u>(512)</u>
EXPENDITURES				
County Treasurer's Fees - Regional Mill Levy	682	683	683	-
Regional Mill Levy - Payment to SARIA	44,560	45,317	44,805	512
Total Expenditures	<u>45,242</u>	<u>46,000</u>	<u>45,488</u>	<u>512</u>
NET CHANGE IN FUND BALANCE	255	-	-	-
Fund Balance - Beginning of Year	<u>(255)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**HIGH PLAINS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

\$27,415,000 General Obligation Refunding Bonds
Series 2017, Dated June 6, 2017
Interest Rate Varying from 2.375% to 5.00%
Interest Payable June 1 and December 1,
Principal Due December 1

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 300,000	\$ 1,114,925	\$ 1,414,925
2022	420,000	1,102,925	1,522,925
2023	450,000	1,086,125	1,536,125
2024	500,000	1,068,125	1,568,125
2025	520,000	1,048,125	1,568,125
2026	565,000	1,035,775	1,600,775
2027	595,000	1,007,525	1,602,525
2028	655,000	977,775	1,632,775
2029	685,000	945,025	1,630,025
2030	755,000	910,775	1,665,775
2031	780,000	886,237	1,666,237
2032	835,000	860,888	1,695,888
2033	865,000	833,750	1,698,750
2034	940,000	790,500	1,730,500
2035	990,000	743,500	1,733,500
2036	1,070,000	694,000	1,764,000
2037	1,115,000	651,200	1,766,200
2038	1,195,000	606,600	1,801,600
2039	1,245,000	558,800	1,803,800
2040	1,330,000	509,000	1,839,000
2041	1,380,000	455,800	1,835,800
2042	1,475,000	400,600	1,875,600
2043	1,535,000	341,600	1,876,600
2044	1,630,000	280,200	1,910,200
2045	1,695,000	215,000	1,910,000
2046	1,805,000	147,200	1,952,200
2047	1,875,000	75,000	1,950,000
Total	<u>\$ 27,205,000</u>	<u>\$ 19,346,975</u>	<u>\$ 46,551,975</u>

**HIGH PLAINS METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied				Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	ARI	Total	Levied	Collected	
2016	\$ 20,266,417	20.000	50.000	1.000	71.000	\$ 1,438,915	\$ 1,424,410	98.99 %
2017	23,027,942	20.000	50.000	1.000	71.000	1,634,984	1,631,106	99.76
2018	28,662,891	20.000	45.000	1.105	66.105	1,894,760	1,892,446	99.88
2019	34,918,090	30.000	35.000	1.105	66.105	2,308,260	2,267,263	98.22
2020	40,877,691	30.000	35.000	1.113	66.113	2,702,547	2,702,004	99.98
Estimated for the Year Ending <u>December 31,</u> 2021	\$ 42,947,798	30.000	35.000	1.113	66.113	\$ 2,839,408		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes and/or abatements of valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

**CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE GENERAL
OBLIGATION REFUNDING BONDS, SERIES 2017**

**HIGH PLAINS METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE GENERAL
OBLIGATION REFUNDING BONDS, SERIES 2017 (UNAUDITED)
DECEMBER 31, 2020**

History of Valuation and Mill Levies for the District

Levy/Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Fund Mill Levy	Regional Mill Levy ¹	Total Mill Levy
2011/2012	\$ 13,074,830	0.00%	15.500	50.000	1.000	66.500
2012/2013	13,696,900	4.76%	15.500	50.000	1.000	66.500
2013/2014	14,374,650	4.95%	15.500	50.000	1.000	66.500
2014/2015	14,563,493	1.31%	20.000	50.000	1.000	71.000
2015/2016	20,266,417	39.16%	20.000	50.000	1.000	71.000
2016/2017	23,027,942	13.63%	20.000	50.000	1.000	71.000
2017/2018	28,662,891	24.47%	20.000	45.000	1.105	66.105
2018/2019	34,918,090	21.82%	30.000	35.000	1.105	66.105
2019/2020	40,877,691	17.07%	30.000	35.000	1.113	66.113
2020/2021	42,947,798	5.06%	30.000	35.000	1.113	66.113

¹Regional Mill Levy is the Aurora Regional Improvement "ARI" Mill Levy
Source - Arapahoe County Assessor's Office

History of Property Tax Collections

Levy/Collection Year	Taxes Levied	Taxes Collected	Tax Collections as Percent of Tax Levied
2011/2012	\$ 869,476	\$ 656,423	75.50%
2012/2013	910,844	883,884	97.04%
2013/2014	955,914	941,365	98.48%
2014/2015	1,034,008	1,034,008	100.00%
2015/2016	1,438,915	1,424,410	98.99%
2016/2017	1,634,984	1,631,106	99.76%
2017/2018	1,894,760	1,892,446	99.88%
2018/2019	2,308,260	2,267,263	98.22%
2019/2020	2,702,547	2,702,004	99.98%
2020/2021	2,839,408	1,604,975 (b)	56.52%

(a) According to District officials, the low property tax collections in 2012 collection year were the result of property tax abatements in the amount of \$203,934

(b) Property taxes collected through April 30, 2021

Source - Arapahoe County Assessor's Office

2020 Assessed and "Actual" Valuation of Classes of Property of the District

Property Class	Assessed Valuation	Percentage of Assessed Valuation	Actual Valuation	Percentage of Actual Valuation
Residential	\$ 37,701,453	87.78%	\$ 527,291,857	96.68%
Commercial	1,836,704	4.28%	6,333,388	1.16%
State Assessed	570,100	1.33%	1,965,863	0.36%
Vacant Land	2,839,541	6.61%	9,791,476	1.80%
Total	\$ 42,947,798	100.00%	545,382,584	100%

Source - Arapahoe County Assessor's Office