

HIGH PLAINS METROPOLITAN DISTRICT
Arapahoe County, Colorado

FINANCIAL STATEMENTS
December 31, 2017

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Independent Auditor's Report

Board of Directors
High Plains Metropolitan District

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 as of and for the year ended December 31, 2017, 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, 2017, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in conformity 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 are 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 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.

L. Paul Goedecke P.C.

L. Paul Goedecke, P.C.
June 28, 2018

BASIC FINANCIAL STATEMENTS

**HIGH PLAINS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2017**

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,158,049
Cash and investments - Restricted	2,160,694
Accounts receivable - assessments	30,730
Accounts receivable	1,000
Receivable - County Treasurer	11,093
Prepaid expense	26,211
Property taxes receivable	1,894,760
Capital assets, not being depreciated	9,958,593
Total assets	<u>15,241,130</u>
LIABILITIES	
Accounts payable	76,374
Accrued Bond interest payable	93,610
Development fees payable	563,500
Due to Beacon Point	12,789
Prepaid assessments	61,253
Noncurrent liabilities:	
Due in more than one year	<u>58,507,168</u>
Total liabilities	<u>59,314,694</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	<u>1,894,760</u>
Total deferred inflows of resources	<u>1,894,760</u>
NET POSITION	
Net investment in capital assets	(34,886,035)
Restricted for:	
Emergencies	30,200
Debt service	988,675
Unrestricted	<u>(12,101,164)</u>
Total net position	<u><u>\$ (45,968,324)</u></u>

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

**HIGH PLAINS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Government activities:					
General government	\$ 628,255	\$ 497,822	\$ -	\$ -	\$ (130,433)
Interest and related costs on long-term debt	3,189,771	-	-	-	(3,189,771)
	<u>\$ 3,818,026</u>	<u>\$ 497,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,320,204)</u>
General revenues:					
Property taxes					1,608,133
Regional property taxes					22,973
Specific ownership taxes					138,032
Regional specific ownership taxes					1,972
Net investment income					23,532
Miscellaneous income					1,000
Total general revenues					<u>1,795,642</u>
Change in net position					(1,524,562)
Net position - Beginning					(44,443,762)
Net position - Ending					<u>\$ (45,968,324)</u>

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

**HIGH PLAINS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017**

	General	Debt Service	Capital Projects	Capital Projects - Regional Improvements	Total Governmental Funds
ASSETS					
Cash and investments	\$ 1,158,049	\$ -	\$ -	\$ -	\$ 1,158,049
Cash and investments - Restricted	30,200	1,650,762	308,510	171,222	2,160,694
Accounts receivable-assessments	30,730	-	-	-	30,730
Accounts receivable	1,000	-	-	-	1,000
Receivable - County Treasurer	3,125	7,812	-	156	11,093
Prepaid expense	26,211	-	-	-	26,211
Property taxes receivable	573,258	1,289,830	-	31,672	1,894,760
TOTAL ASSETS	<u>\$ 1,822,573</u>	<u>\$ 2,948,404</u>	<u>\$ 308,510</u>	<u>\$ 203,050</u>	<u>\$ 5,282,537</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 76,374	\$ -	\$ -	\$ -	\$ 76,374
Due to Beacon Point	-	12,789	-	-	12,789
Development fees payable	-	563,500	-	-	563,500
Prepaid assessments	61,253	-	-	-	61,253
Total liabilities	<u>137,627</u>	<u>576,289</u>	<u>-</u>	<u>-</u>	<u>713,916</u>
DEFERRED INFLOWS OF RESOURCES					
Property tax revenue	573,258	1,289,830	-	31,672	1,894,760
Total deferred inflows of resources	<u>573,258</u>	<u>1,289,830</u>	<u>-</u>	<u>31,672</u>	<u>1,894,760</u>
FUND BALANCES					
Nonspendable					
Prepaid expenses	26,211	-	-	-	26,211
Restricted for:					
Emergency reserves	30,200	-	-	-	30,200
Debt service	-	1,082,285	-	-	1,082,285
Committed for:					
Capital projects	-	-	308,510	171,378	479,888
Unassigned	1,055,277	-	-	-	1,055,277
Total fund balances	<u>1,111,688</u>	<u>1,082,285</u>	<u>308,510</u>	<u>171,378</u>	<u>2,673,861</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,822,573</u>	<u>\$ 2,948,404</u>	<u>\$ 308,510</u>	<u>\$ 203,050</u>	

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, not being depreciated 9,958,593

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 (13,247,929)

Developer advance payable (16,732,608)

Bonds payable (27,415,000)

Bond premium (1,111,631)

Accrued interest on bonds payable (93,610)

Net position of governmental activities \$ (45,968,324)

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

HIGH PLAINS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Capital Projects - Regional Improvements</u>	<u>Total Governmental Funds</u>
REVENUES					
Property taxes	\$ 459,467	\$ 1,148,666	\$ -	\$ -	\$ 1,608,133
Regional property taxes	-	-	-	22,973	22,973
Specific ownership taxes	39,438	98,594	-	-	138,032
Regional specific ownership taxes	-	-	-	1,972	1,972
Homeowner assessments	490,042	-	-	-	490,042
Design review fee	7,780	-	-	-	7,780
Net investment income	6,559	13,030	2,584	1,359	23,532
Miscellaneous income	1,000	-	-	-	1,000
Total revenues	<u>1,004,286</u>	<u>1,260,290</u>	<u>2,584</u>	<u>26,304</u>	<u>2,293,464</u>
EXPENDITURES					
General					
Accounting	44,414	-	-	-	44,414
Audit	4,950	-	-	-	4,950
County Treasurer's fees	6,898	17,244	-	-	24,142
County Treasurer's fees - regional mill levy	-	-	-	345	345
Director and meeting expense	2,035	-	-	-	2,035
Directors' fees	2,600	-	-	-	2,600
Election	-	-	-	-	-
Insurance and bonds	25,343	-	-	-	25,343
Legal	42,666	-	-	-	42,666
Miscellaneous	1,055	-	-	-	1,055
Payroll taxes	199	-	-	-	199
Operations and maintenance	497,750	-	-	-	497,750
Debt service					
Bond interest - 2005A Series	-	630,008	-	-	630,008
Bond interest - Series 2017	-	546,061	-	-	546,061
Paying agent fees	-	1,825	-	-	1,825
Capital projects					
Bond issue costs	-	320,575	-	-	320,575
Bond insurance	-	149,496	-	-	149,496
Total expenditures	<u>627,910</u>	<u>1,665,209</u>	<u>-</u>	<u>345</u>	<u>2,293,464</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>376,376</u>	<u>(404,919)</u>	<u>2,584</u>	<u>25,959</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	27,415,000	-	-	27,415,000
Bond redemption	-	(27,073,590)	-	-	(27,073,590)
Original issue premium	-	1,138,354	-	-	1,138,354
Total other financing sources (uses)	<u>-</u>	<u>1,479,764</u>	<u>-</u>	<u>-</u>	<u>1,479,764</u>
NET CHANGE IN FUND BALANCES	376,376	1,074,845	2,584	25,959	1,479,764
FUND BALANCES - BEGINNING OF YEAR	<u>735,312</u>	<u>7,440</u>	<u>305,926</u>	<u>145,419</u>	<u>1,194,097</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,111,688</u>	<u>\$ 1,082,285</u>	<u>\$ 308,510</u>	<u>\$ 171,378</u>	<u>\$ 2,673,861</u>

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

**HIGH PLAINS METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2017**

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

Net change in fund balances - Total governmental funds	\$ 1,479,764
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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 proceeds	(27,415,000)
Bond premium	(1,138,354)
Bond principal refunded and defeased - Series 2005A	23,675,000
Bond discount refunded and defeased - Series 2005A	(236,399)

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	(1,171,283)
Change in accrued bond interest payable	3,254,987
Current year bond issue premium	<u>26,723</u>

Changes in net position of governmental activities	<u><u>\$ (1,524,562)</u></u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

**HIGH PLAINS METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 460,559	\$ 460,559	\$ 459,467	\$ (1,092)
Specific ownership taxes	36,840	36,840	39,438	2,598
Homeowner assessments	412,592	412,592	490,042	77,450
Design review fee	2,500	2,500	7,780	5,280
Net investment income	1,950	1,950	6,559	4,609
Miscellaneous income	-	-	1,000	1,000
Total revenues	<u>914,441</u>	<u>914,441</u>	<u>1,004,286</u>	<u>89,845</u>
EXPENDITURES				
General administration				
Accounting	30,000	35,000	44,414	(9,414)
Audit	4,500	4,500	4,950	(450)
Contingency	6,637	6,637	-	6,637
County Treasurer's fees	6,910	6,910	6,898	12
Director and meeting expense	5,000	5,000	2,035	2,965
Directors' fees	2,400	2,400	2,600	(200)
Insurance and bonds	36,000	36,000	25,343	10,657
Legal	50,000	50,000	42,666	7,334
Miscellaneous	1,510	1,510	1,055	455
Payroll taxes	180	180	199	(19)
Operations and maintenance				
Community activities	5,000	5,000	4,717	283
Design review	5,000	5,000	9,390	(4,390)
District Administration	42,000	42,000	44,298	(2,298)
Engineering	-	2,000	1,520	480
Legal collections	25,000	25,000	4,088	20,912
Lighting	10,000	10,000	4,400	5,600
Gas & electric	12,000	12,000	8,629	3,371
Ground maintenance	30,000	30,000	10,012	19,988
Irrigation system	15,000	15,000	43,872	(28,872)
Landscape contract	135,000	135,000	118,597	16,403
Landscape improvements	65,000	65,000	37,601	27,399
Flowers	30,000	30,000	10,400	19,600
Holiday lights	20,000	20,000	173	19,827
Playground design	-	-	21,185	(21,185)
Playground inspection & repair	10,000	10,000	5,880	4,120
Snow removal	10,000	10,000	-	10,000
Telephone	-	-	856	(856)
Trash removal	55,000	55,000	71,883	(16,883)
Trees/shrubs/beds	100,000	100,000	52,661	47,339
Vandalism repairs	2,000	2,000	-	2,000
Water	75,000	75,000	47,588	27,412
Website	1,500	1,500	-	1,500
Total expenditures	<u>790,637</u>	<u>797,637</u>	<u>627,910</u>	<u>169,727</u>
NET CHANGE IN FUND BALANCE	123,804	116,804	376,376	259,572
FUND BALANCES - BEGINNING OF YEAR	<u>630,872</u>	<u>735,312</u>	<u>735,312</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 754,676</u>	<u>\$ 852,116</u>	<u>\$ 1,111,688</u>	<u>\$ 259,572</u>

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

HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - DEFINITION OF REPORTING ENTITY

High Plains Metropolitan District (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, 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 FINANCIAL STATEMENTS
December 31, 2017

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 FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 and specific ownership taxes. 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 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, 2017.

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.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *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, 2017, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 1,158,049
Cash and investments - Restricted	<u>2,160,694</u>
Total cash and investments	<u><u>\$ 3,318,743</u></u>

Cash and investments as of December 31, 2017, consist of the following:

Deposits with financial institutions	\$ 103,626
Investments	<u>3,215,117</u>
Total cash and investments	<u><u>\$ 3,318,743</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, 2017, the District's cash deposits had a bank balance of \$117,558 and a carrying balance of \$103,626.

Investments

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

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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.

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, 2017, the District had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	<u>\$ 3,215,117</u>

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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 using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2017, follows:

	Balance at December 31, 2016	Increases	Decreases	Balance at December 31, 2017
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Parks - Land improvements	\$ 9,958,593	\$ -	\$ -	\$ 9,958,593
Total capital assets, not being depreciated	<u>\$ 9,958,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,958,593</u>

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

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, 2017:

	<u>Balance at December 31, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2017</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
Series 2005A Limited Tax General Obligation Bonds	\$ 23,675,000	\$ -	\$23,675,000	\$ -	\$ -
Series 2017 Limited Tax General Obligation Bonds	-	27,415,000		27,415,000	-
Reimbursement Agreement Lennar - capital	15,530,600	-	-	15,530,600	-
Reimbursement Agreement Lennar - capital - interest	11,426,024	1,087,142	-	12,513,166	-
Reimbursement agreement MS Rialto - capital	787,397	-	-	787,397	-
Reimbursement agreement MS Rialto - capital - interest	448,055	55,118	-	503,173	-
Reimbursement agreement MS Rialto - operations	414,611	-	-	414,611	-
Reimbursement agreement MS Rialto - operations - interest	202,567	29,023	-	231,590	-
	<u>52,484,254</u>	<u>28,586,283</u>	<u>23,675,000</u>	<u>57,395,537</u>	<u>-</u>
Unamortized bond discount - Series 2005A	(236,399)	-	(236,399)	-	-
Unamortized bond premium - Series 2017	-	1,138,354	26,723	1,111,631	54,972
	<u>\$ 51,063,845</u>	<u>\$29,724,637</u>	<u>\$23,465,324</u>	<u>\$ 58,507,168</u>	<u>\$ 54,972</u>

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

General Obligation Bonds

On April 26, 2005, the District issued \$24,000,000 of Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2005A dated April 1, 2005 ("Series 2005A Bonds"), for the purpose of providing funds to finance costs related to the acquisition, construction and installation of certain improvements and to pay certain costs associated with the formation of the District and the issuance costs of the Series 2005A Bonds. The Series 2005A Bonds bear interest between the rates of 6.125% to 6.25%, payable semiannually on each June 1 and December 1, commencing on June 1, 2005. The Series 2005A Bonds are due December 1, 2035 and are subject to a mandatory sinking fund redemption commencing on December 1, 2009. The Series 2005A Bonds are subject to an early redemption at the option of the District, in whole on any date, or in part on any interest payment date, commencing December 1, 2015 at the redemption price equal to 100% of the principal amount of each Series 2005A Bond or portion thereof redeemed, plus accrued interest thereon to the date of redemption.

The Series 2005A Bonds are secured by Pledged Revenues including ad valorem taxes on all of the taxable property within the District in an amount not in excess of 50 mills until the amount of the Series 2005A Bonds outstanding is less than or equal to 50% of the assessed valuation, at which time the mill levy will no longer be limited to rate, specific ownership taxes and development fees. Development fees are imposed and collected by the District in the amount of \$3,500 per single-family residential lot, and \$3,500 per 5,000 square feet for any commercial lot. Such development fees are payable by the property owners no later than the date of the

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

issuance of a building permit for the residential or commercial structure on the applicable lot. In the event sufficient development fees are not collected in the normal course, development fees are due from the Developer pursuant to the Prepaid Development Fee Agreement dated April 1, 2005. Under the Prepaid Development Fee Agreement, the Developer has agreed to provide for the payment of certain development fees in advance of the anticipated issuance of building permits for development. In the event the District receives development fees in any semi-annual period in excess of that anticipated in the schedule, such excess payments shall be carried forward and be credited against and reduce the number of fees required to be paid in the next succeeding semi-annual period. As of December 31, 2017, the District had collected \$2,803,500 related to development fees.

On June 6, 2017 the District refunded and paid \$23,675,000 of General Obligation Limited Tax Refunding and Improvement bonds dated April 1, 2005 with an average interest rate of 6.2% by the issuance of \$27,415,000 General Obligation Refunding bonds dated June 6, 2017 with an average interest rate of 4%. The District refunded the 2005 Series bonds to reduce its total debt service payments over the next 30 years by almost \$2,143,020 and to obtain an economic gain of \$7,155,963 or 30.2% net present value savings.

On June 5, 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. "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.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 1,123,325	\$ 1,123,325
2019	35,000	1,123,325	1,158,325
2020	175,000	1,121,925	1,296,925
2021	300,000	1,114,925	1,414,925
2022	420,000	1,102,925	1,522,925
2023-2027	2,630,000	5,245,675	7,875,675
2028-2032	3,710,000	4,580,700	8,290,700
2033-2037	4,980,000	3,712,950	8,692,950
2038-2042	6,625,000	2,530,800	9,155,800
2043-2047	8,540,000	1,059,000	9,599,000
	<u>\$ 27,415,000</u>	<u>\$ 22,715,550</u>	<u>\$ 50,130,550</u>

Debt Authorization

As of December 31, 2017, 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.

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, 2017, \$414,611 in principal and \$231,590 in interest was outstanding.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

- (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 CRRAA), 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, 2017, \$787,397 in principal and \$503,173 in interest was outstanding.
- (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, 2017, \$15,530,600 in principal and \$12,513,166 in interest was outstanding.

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, 2017, the District had net investments in capital assets calculated as follows:

	Governmental Activities
Net investment in capital assets	
Capital assets, net	\$ 9,958,593
Bond premium (net of accumulated amortization)	(1,111,631)
Bonds payable	(27,415,000)
Developer advance	(16,317,997)
Net investment in capital assets	\$ (34,886,035)

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 6 - NET POSITION (CONTINUED)

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, 2017, as follows:

	Governmental Activities
Restricted net position	
Emergencies	\$ 30,200
Debt service	988,675
Total restricted net position	\$ 1,018,875

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

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.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 8 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

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. 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. At such a time as the District and the Authority have an approved an ARI Master plan, all proceeds of the District's ARI Mill Levy will be required to be transferred to the Authority within 30 days of receipt by the District.

NOTE 9 - 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.

**HIGH PLAINS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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.

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 will require judicial interpretation.

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

SUPPLEMENTAL INFORMATION

**HIGH PLAINS METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 1,151,396	\$ 1,151,396	\$ 1,148,666	\$ (2,730)
Specific ownership taxes	92,110	92,110	98,594	6,484
Net investment income	3,800	3,800	13,030	9,230
Total revenues	<u>1,247,306</u>	<u>1,247,306</u>	<u>1,260,290</u>	<u>12,984</u>
EXPENDITURES				
Contingency	-	260,500	-	260,500
Debt service				
County Treasurer's fees	17,270	17,270	17,244	26
Bond interest - 2005A Series	1,236,291	630,008	630,008	-
Bond interest - Series 2017	-	546,061	546,061	-
Paying agent fees	2,500	2,500	1,825	675
Capital projects				
Bond issue cost	-	320,575	320,575	-
Bond insurance	-	149,496	149,496	-
Total expenditures	<u>1,256,061</u>	<u>1,926,410</u>	<u>1,665,209</u>	<u>261,201</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,755)	(679,104)	(404,919)	274,185
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	27,415,000	27,415,000	-
Bond redemption	-	(27,073,590)	(27,073,590)	-
Original issue premium	-	1,138,354	1,138,354	-
Total other financing sources (uses)	<u>-</u>	<u>1,479,764</u>	<u>1,479,764</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(8,755)	800,660	1,074,845	274,185
FUND BALANCES - BEGINNING OF YEAR	<u>8,755</u>	<u>7,440</u>	<u>7,440</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 808,100</u>	<u>\$ 1,082,285</u>	<u>\$ 274,185</u>

**HIGH PLAINS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Net investment income	\$ -	\$ 2,584	\$ 2,584
Miscellaneous income	-	-	-
Total revenues	<u>-</u>	<u>2,584</u>	<u>2,584</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	2,584	2,584
FUND BALANCES - BEGINNING OF YEAR	<u>274,989</u>	<u>305,926</u>	<u>30,937</u>
FUND BALANCES - END OF YEAR	<u>\$ 274,989</u>	<u>\$ 308,510</u>	<u>\$ 33,521</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, 2017**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Regional property taxes	\$ 23,028	\$ 22,973	\$ (55)
Regional specific ownership taxes	1,840	1,972	132
Net investment income	205	1,359	1,154
Total revenues	<u>25,073</u>	<u>26,304</u>	<u>1,231</u>
EXPENDITURES			
Debt service			
County Treasurer's fees - regional mill levy	<u>350</u>	<u>345</u>	<u>5</u>
Total expenditures	<u>350</u>	<u>345</u>	<u>5</u>
NET CHANGE IN FUND BALANCE	24,723	25,959	1,236
FUND BALANCES - BEGINNING OF YEAR	<u>145,311</u>	<u>145,419</u>	<u>108</u>
FUND BALANCES - END OF YEAR	<u>\$ 170,034</u>	<u>\$ 171,378</u>	<u>\$ 1,344</u>

**HIGH PLAINS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2017**

**\$27,415,000 General Obligation Refunding Bonds
Series 2017, Dated June 6, 2017
Interest Rate Varying from 3.25% to 5.00%
Interest Payable June 1 and December 1,
Principal Due December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 1,123,325	\$ 1,123,325
2019	35,000	1,123,325	1,158,325
2020	175,000	1,121,925	1,296,925
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>\$ 27,415,000</u>	<u>\$ 22,715,550</u>	<u>\$ 50,130,550</u>

**HIGH PLAINS METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND
PROPERTY TAXES COLLECTED
December 31, 2017**

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	
2013	\$ 13,696,900	15.500	50.000	1.000	66.500	\$ 910,844	\$ 656,423	72.07%
2014	\$ 14,374,650	15.500	50.000	1.000	66.500	\$ 955,914	\$ 883,884	92.46%
2015	\$ 14,563,493	20.000	50.000	1.000	71.000	\$ 1,034,008	\$ 941,365	91.04%
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%
Estimated for the year ending December 31, 2018	\$ 28,662,891	20.000	45.000	1.105	66.105	\$ 1,894,760		

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.