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Accountants' Compilation Report

Board of Directors
High Plains Metropolitan District
Arapahoe County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of High Plains Metropolitan District for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to High Plains Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 16, 2017

**HIGH PLAINS METROPOLITAN DISTRICT
SUMMARY
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 1,038,856	\$ 751,544	\$ 1,059,927
REVENUES			
1 Property taxes	1,019,445	1,404,348	1,611,955
2 Specific ownership taxes	76,964	108,536	128,950
3 System development fees	8,695,346	-	-
4 Net investment income	3,341	3,444	5,955
5 Other income	14,593	-	-
6 Regional property taxes	14,563	20,062	23,028
7 Regional specific ownership taxes	1,050	1,772	1,840
8 Assessments and fees	255,700	-	-
9 Working capital fees	59,500	54,100	-
10 Interest on facility fees	231,857	-	-
11 Operations fee (homeowners)	-	255,474	308,880
12 Operations fee (vacant lots)	-	75,000	82,212
13 Transfer fees	-	41,692	15,000
14 Design review fee	5,620	3,280	2,500
15 Legal collection fees	-	15,950	5,000
16 Violations and late fees	-	1,676	1,500
Total revenues	<u>10,377,979</u>	<u>1,985,334</u>	<u>2,186,820</u>
TRANSFERS IN			
	257,970	668,818	-
Total funds available	<u>11,674,805</u>	<u>3,405,696</u>	<u>3,246,747</u>
EXPENDITURES			
17 General and administration			
18 Accounting	36,591	25,000	30,000
19 Audit	5,500	4,500	4,500
20 County Treasurer's fees	4,379	6,020	6,910
21 Director and meeting expense	-	-	5,000
22 Director fees	3,000	2,400	2,400
23 Election	-	1,098	-
24 Insurance	29,490	34,300	36,000
25 Legal	45,312	44,700	50,000
26 Legal - collections	6,421	38,000	-
27 Miscellaneous	559	818	1,510
28 Payroll taxes	-	180	180
29 Website	-	-	1,500
30 Operations and maintenance - Management Company			
31 Community activities	-	2,500	5,000
32 Contingency	-	-	6,637
33 Design review	-	3,060	5,000
34 Facilities management - contract	20,211	23,530	32,000
35 Facilities management - costs	-	5,666	10,000
36 Legal - collections	2,190	1,860	25,000
37 Professional fees	23,288	-	-
38 Telephone/wi-fi/cable	-	1,054	-
39 Write-off	10,000	-	-
40 Debt service			
41 Analytical services	3,500	-	-
42 Bond interest Series 2005A	873,931	985,022	1,236,291
43 Bond interest Series 2005B	374,800	-	-
44 Bond principal Series 2005B	8,775,000	-	-
45 County Treasurer's fees	10,947	15,050	17,270
46 County Treasurer's fees - Regional mill levy	219	301	350
47 Letter of credit fees	109,680	-	-
48 Paying agent fees	7,301	1,825	2,500
49 Landscape maintenance			
50 Flowers	-	27,117	30,000
51 Irrigation repairs & improvements	8,747	9,468	15,000
52 Landscape maintenance - contract	-	126,968	135,000
53 Landscape improvements	-	60,000	65,000
54 Tree & shrub replacement	27,117	65,000	100,000
55 Grounds & park maintenance			
56 Grounds maintenance	185,245	22,574	30,000
57 Holiday lighting	-	16,000	20,000
58 Lighting	-	11,412	10,000
59 Playground inspection & repairs	-	5,000	10,000
60 Snow removal	-	10,000	10,000
61 Vandalism	-	-	2,000
62 Utilities			
63 Gas & electric	10,196	12,228	12,000
64 Trash removal	40,220	49,300	55,000
65 Water - irrigation	51,447	65,000	75,000
Total expenditures	<u>10,665,291</u>	<u>1,676,951</u>	<u>2,047,048</u>
TRANSFERS OUT			
	257,970	668,818	-
Total expenditures and transfers out requiring appropriation	<u>10,923,261</u>	<u>2,345,769</u>	<u>2,047,048</u>
ENDING FUND BALANCES	<u>\$ 751,544</u>	<u>\$ 1,059,927</u>	<u>\$ 1,199,699</u>
EMERGENCY RESERVE	\$ 9,500	\$ 13,100	\$ 15,000
FUTURE CAPITAL PROJECTS	-	-	-
TOTAL RESERVE	<u>\$ 9,500</u>	<u>\$ 13,100</u>	<u>\$ 15,000</u>

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

**HIGH PLAINS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

1/16/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
ASSESSED VALUATION - ARAPAHOE			
Residential	\$ 10,019,829	\$ 14,560,320	\$ 17,902,894
Commercial	1,598,032	1,247,198	1,456,138
Vacant Land	2,731,649	3,812,709	3,130,703
Personal Property	-	645,290	333,517
State Assessed	213,983	900	204,690
Certified Assessed Value	\$ 14,563,493	\$ 20,266,417	\$ 23,027,942
MILL LEVY			
GENERAL FUND	20.000	20.000	20.000
DEBT SERVICE FUND - GO BONDS	50.000	50.000	50.000
REGIONAL MILL LEVY	1.000	1.000	1.000
Total Mill Levy	71.000	71.000	71.000
PROPERTY TAXES			
GENERAL FUND	\$ 291,269	\$ 405,328	\$ 460,558
DEBT SERVICE FUND - GO BONDS	728,174	1,013,321	1,151,397
REGIONAL MILL LEVY	14,563	20,266	23,028
Levied property taxes	1,034,006	1,438,915	1,634,983
Adjustments to actual/rounding	2	-	-
Refund and abatements	-	(14,505)	-
Budgeted Property Taxes	\$ 1,034,008	\$ 1,424,410	\$ 1,634,983
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 291,270	\$ 401,242	\$ 460,559
DEBT SERVICE FUND - GO BONDS	728,175	1,003,106	1,151,396
REGIONAL MILL LEVY	14,563	20,062	23,028
	\$ 1,034,008	\$ 1,424,410	\$ 1,634,983

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

**HIGH PLAINS METROPOLITAN DISTRICT
GENERAL FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 287,737	\$ 215,004	\$ 221,294
REVENUES			
1 Property taxes	291,270	401,242	460,559
2 Specific ownership taxes	24,488	31,009	36,840
3 Net investment income	731	1,244	1,950
Total revenues	316,489	433,495	499,349
Total funds available	604,226	648,499	720,643
EXPENDITURES			
General and administration			
4 Accounting	36,591	25,000	30,000
5 Audit	5,500	4,500	4,500
6 County Treasurer's fees	4,379	6,020	6,910
7 Director and meeting expense	-	-	5,000
8 Director fees	3,000	2,400	2,400
9 Election	-	1,098	-
10 Insurance	29,490	34,300	36,000
11 Legal	45,312	44,700	50,000
12 Legal - collections	6,421	38,000	-
13 Miscellaneous	559	818	1,510
14 Payroll taxes	-	180	180
15 Website	-	-	1,500
Total expenditures	131,252	157,016	138,000
TRANSFERS OUT			
OPERATIONS FEE FUND	257,970	270,189	-
Total transfers out	257,970	270,189	-
Total expenditures and transfers out requiring appropriation	389,222	427,205	138,000
ENDING FUND BALANCES	\$ 215,004	\$ 221,294	\$ 582,643
EMERGENCY RESERVE	\$ 9,500	\$ 13,100	\$ 15,000
TOTAL RESERVE	\$ 9,500	\$ 13,100	\$ 15,000

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

**HIGH PLAINS METROPOLITAN DISTRICT
OPERATIONS FEE FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ 209,736	\$ 409,578
REVENUES			
1 Net investment income	-	218	-
2 Other income	9,607	-	-
3 Assessments and fees	255,700	-	-
4 Working capital fees	59,500	54,100	-
5 Operations fee (homeowners)	-	255,474	308,880
6 Operations fee (vacant lots)	-	75,000	82,212
7 Transfer fees	-	41,692	15,000
8 Design review fee	5,620	3,280	2,500
9 Legal collection fees	-	15,950	5,000
10 Violations and late fees	-	1,676	1,500
Total revenues	<u>330,427</u>	<u>447,390</u>	<u>415,092</u>
TRANSFERS IN			
GENERAL FUND	257,970	270,189	-
Total transfers in	<u>257,970</u>	<u>270,189</u>	<u>-</u>
Total funds available	<u>588,397</u>	<u>927,315</u>	<u>824,670</u>
EXPENDITURES			
Operations and maintenance			
11 Community activities	-	2,500	5,000
12 Contingency	-	-	6,637
13 Design review	-	3,060	5,000
14 Facilities management - contract	20,211	23,530	32,000
15 Facilities management - costs	-	5,666	10,000
16 Legal - collections	2,190	1,860	25,000
17 Professional fees	23,288	-	-
18 Telephone/wi-fi/cable	-	1,054	-
19 Write-off	10,000	-	-
Landscape maintenance			
20 Flowers	-	27,117	30,000
21 Irrigation repairs & improvements	8,747	9,468	15,000
22 Landscape maintenance - contract	-	126,968	135,000
23 Landscape improvements	-	60,000	65,000
24 Tree & shrub replacement	27,117	65,000	100,000
Grounds & park maintenance			
25 Grounds maintenance	185,245	22,574	30,000
26 Holiday lighting	-	16,000	20,000
27 Lighting	-	11,412	10,000
28 Playground inspection & repairs	-	5,000	10,000
29 Snow removal	-	10,000	10,000
30 Vandalism	-	-	2,000
Utilities			
31 Gas & electric	10,196	12,228	12,000
32 Trash removal	40,220	49,300	55,000
33 Water - irrigation	51,447	65,000	75,000
Total expenditures	<u>378,661</u>	<u>517,737</u>	<u>652,637</u>
Total expenditures and transfers out requiring appropriation	<u>378,661</u>	<u>517,737</u>	<u>652,637</u>
ENDING FUND BALANCES	<u>\$ 209,736</u>	<u>\$ 409,578</u>	<u>\$ 172,033</u>
EMERGENCY RESERVE	<u>\$ 10,000</u>	<u>\$ 13,500</u>	<u>\$ 12,500</u>
TOTAL RESERVE	<u>\$ 10,000</u>	<u>\$ 13,500</u>	<u>\$ 12,500</u>

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

**HIGH PLAINS METROPOLITAN DISTRICT
DEBT SERVICE FUND - GO BONDS
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 142,409	\$ 51,815	\$ 8,755
REVENUES			
1 Property taxes	728,175	1,003,106	1,151,396
2 Specific ownership taxes	52,476	77,527	92,110
3 Net investment income	1,878	1,844	3,800
4 Other income	11	-	-
5 Regional property taxes	14,563	-	-
6 Regional specific ownership taxes	1,050	-	-
Total revenues	798,153	1,082,477	1,247,306
Total funds available	940,562	1,134,292	1,256,061
EXPENDITURES			
Debt service			
7 Bond interest Series 2005A	873,931	985,022	1,236,291
8 County Treasurer's fees	10,947	15,050	17,270
9 County Treasurer's fees - Regional mill levy	219	-	-
10 Paying agent fees	3,650	1,825	2,500
Total expenditures	888,747	1,001,897	1,256,061
TRANSFERS OUT			
REGIONAL MILL LEVY	-	123,640	-
Total transfers out	-	123,640	-
Total expenditures and transfers out requiring appropriation	888,747	1,125,537	1,256,061
ENDING FUND BALANCES	\$ 51,815	\$ 8,755	\$ -

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

**HIGH PLAINS METROPOLITAN DISTRICT
DEBT SERVICE FUND - REVENUE BONDS
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 608,710	\$ 274,989	\$ -
REVENUES			
1 Facility fees	8,695,346	-	-
2 Net investment income	732	-	-
3 Other income	4,975	-	-
4 Interest on facility fees	231,857	-	-
Total revenues	8,932,910	-	-
Total funds available	9,541,620	274,989	-
EXPENDITURES			
Debt Service			
5 Analytical services	3,500	-	-
6 Bond interest Series 2005B	374,800	-	-
7 Bond principal Series 2005B	8,775,000	-	-
8 Letter of credit fees	109,680	-	-
9 Paying agent fees	3,651	-	-
Total expenditures	9,266,631	-	-
TRANSFERS OUT			
CAPITAL PROJECTS FUND	-	274,989	-
Total transfers out	-	274,989	-
Total expenditures and transfers out requiring appropriation	9,266,631	274,989	-
ENDING FUND BALANCES	\$ 274,989	\$ -	\$ -

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

**HIGH PLAINS METROPOLITAN DISTRICT
REGIONAL MILL LEVY
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 145,311
REVENUES			
1 Net investment income	-	138	205
2 Regional property taxes	-	20,062	23,028
3 Regional specific ownership taxes	-	1,772	1,840
Total revenues	<u>-</u>	<u>21,972</u>	<u>25,073</u>
TRANSFERS IN			
DEBT SERVICE FUND - GO BONDS	-	123,640	-
Total transfers in	<u>-</u>	<u>123,640</u>	<u>-</u>
Total funds available	<u>-</u>	<u>145,612</u>	<u>170,384</u>
EXPENDITURES			
Debt Service			
4 County Treasurer's fees - Regional mill levy	-	301	350
Total expenditures	<u>-</u>	<u>301</u>	<u>350</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>301</u>	<u>350</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 145,311</u>	<u>\$ 170,034</u>

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

**HIGH PLAINS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 274,989
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
DEBT SERVICE FUND - REVENUE BONDS	-	274,989	-
Total transfers in	-	274,989	-
Total funds available	-	274,989	274,989
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ 274,989	\$ 274,989

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

**HIGH PLAINS METROPOLITAN DISTRICT
2017 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 an Amended and Restated Consolidated Service Plan approved on March 10, 2006.

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 2017. 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.

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 calculation of the taxes levied is displayed on page 3 at the adopted total mill levy of 71.000 mills; 20.000 for operations, 50.000 for debt service, and 1.000 for the Aurora Regional Improvement (ARI) mill levy.

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 Aurora Regional Improvement Authority No 1. Revenues collected and held under the ARI mill levy will be held in a segregated account for the benefit of the Authority.

**HIGH PLAINS METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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 8.0% 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 an average interest rate of approximately 0.5%.

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

Interest payments for the Series 2005A General Obligations bonds are based on available cash flow generated from the required mill levy. The District is not anticipating paying the principal and full interest due on the Series 2005A Bonds in 2017.

See related notes below under Debt and Leases.

Debt and Leases

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

**HIGH PLAINS METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

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. 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 semiannual periods. As of December 31, 2014, the District had collected \$2,803,500 related to development fees. Beginning on December 1, 2012, the District has not been able to fully pay the principal and interest payments as specified in the Trust

Indenture dated April 1, 2005, between UMB Bank as successor to American National Bank and the District (“Indenture”) and an event of default resulted. However, the District remains in compliance with its covenants under the Indenture with respect to its obligations to impose the Maximum Mill Levy, along with the other Pledged Revenue, for the purposes of repayment of the Bonds. The District does not anticipate making its full interest and principal payments in 2017.

The District has no operating or capital leases.

Reserves

Emergency Reserves

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

This information is an integral part of the accompanying budget.