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Accountants' Compilation Report

Board of Directors
High Plains Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of High Plains Metropolitan District for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. 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.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

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 13, 2020

**HIGH PLAINS METROPOLITAN DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 2,673,861	\$ 3,472,183	\$ 4,374,411
REVENUES			
Property taxes	1,892,446	2,275,770	2,702,547
Specific ownership taxes	137,694	172,000	162,153
Interest income	73,560	105,964	45,500
Operations fee (homeowners)	501,871	445,000	551,100
Operations fee (vacant lots)	130,634	56,916	28,272
Working capital	-	64,000	80,000
Design review fees	4,560	5,000	5,000
Legal collection fees	918	5,000	6,000
Violations and late fees	-	5,000	5,000
Other revenue	44,640	8,485	2,000
Total revenues	<u>2,786,323</u>	<u>3,143,135</u>	<u>3,587,572</u>
TRANSFERS IN	<u>815,000</u>	<u>852,043</u>	<u>950,000</u>
Total funds available	<u>6,275,184</u>	<u>7,467,361</u>	<u>8,911,983</u>
EXPENDITURES			
General Fund	179,626	165,806	237,000
Debt Service Fund	1,143,117	1,180,960	1,322,000
Capital Projects Fund	65,305	226,506	2,285,000
Operations Fee Fund	543,719	629,340	809,000
Capital Projects Fund - Regional Improvement Fund	56,234	38,295	45,242
Total expenditures	<u>1,988,001</u>	<u>2,240,907</u>	<u>4,698,242</u>
TRANSFERS OUT	<u>815,000</u>	<u>852,043</u>	<u>950,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,803,001</u>	<u>3,092,950</u>	<u>5,648,242</u>
ENDING FUND BALANCES	<u>\$ 3,472,183</u>	<u>\$ 4,374,411</u>	<u>\$ 3,263,741</u>
EMERGENCY RESERVE	\$ 39,700	\$ 51,800	\$ 60,000
AVAILABLE FOR OPERATIONS	536,867	802,618	923,059
SERIES 2017 SURPLUS FUND	1,000,000	1,042,125	1,042,125
CAPITAL PROJECTS RESERVE	250,000	250,000	350,000
TOTAL RESERVE	<u>\$ 1,826,567</u>	<u>\$ 2,146,543</u>	<u>\$ 2,375,184</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Residential	\$ 23,240,759	\$ 27,725,282	\$ 34,657,743
Commercial	1,821,374	1,852,338	1,828,612
State assessed	217,320	374,650	194,010
Vacant land	3,383,438	4,965,820	4,197,326
Certified Assessed Value	<u>\$ 28,662,891</u>	<u>\$ 34,918,090</u>	<u>\$ 40,877,691</u>
MILL LEVY			
General	20.000	30.000	30.000
Debt Service	45.000	35.000	35.000
Capital Projects - Regional Improvement	1.105	1.105	1.113
Total mill levy	<u>66.105</u>	<u>66.105</u>	<u>66.113</u>
PROPERTY TAXES			
General	\$ 573,258	\$ 1,047,543	\$ 1,226,331
Debt Service	1,289,830	1,222,133	1,430,719
Capital Projects - Regional Improvement	31,672	38,584	45,497
Levied property taxes	1,894,760	2,308,260	2,702,547
Adjustments to actual/rounding	(2,314)	-	-
Refunds and abatements	-	(32,490)	-
Budgeted property taxes	<u>\$ 1,892,446</u>	<u>\$ 2,275,770</u>	<u>\$ 2,702,547</u>
BUDGETED PROPERTY TAXES			
General	\$ 572,558	\$ 1,032,798	\$ 1,226,331
Debt Service	1,288,255	1,204,931	1,430,719
Capital Projects - Regional Improvement	31,633	38,041	45,497
Budgeted property taxes	<u>\$ 1,892,446</u>	<u>\$ 2,275,770</u>	<u>\$ 2,702,547</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
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 871,313	\$ 557,267	\$ 836,818
REVENUES			
Property taxes	572,558	1,032,798	1,226,331
Specific ownership taxes	41,659	82,000	76,310
Interest income	21,723	21,963	8,000
Other revenue	44,640	1,972	2,000
Total revenues	<u>680,580</u>	<u>1,138,733</u>	<u>1,312,641</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>6,624</u>	<u>-</u>
Total funds available	<u>1,551,893</u>	<u>1,702,624</u>	<u>2,149,459</u>
EXPENDITURES			
General and administrative			
Accounting	42,516	50,000	51,000
Audit	4,950	4,950	4,950
County Treasurer's fee	8,597	15,492	18,395
Directors' fees	3,800	4,200	6,000
Director and meeting expense	2,341	2,000	2,500
Election expense	1,452	-	25,000
Insurance	26,211	24,577	40,000
Legal	83,743	60,000	60,000
Engineering	-	578	-
Miscellaneous	5,725	2,100	2,000
Payroll taxes	291	321	459
Website	-	1,588	1,500
Contingency	-	-	25,196
Total expenditures	<u>179,626</u>	<u>165,806</u>	<u>237,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>815,000</u>	<u>700,000</u>	<u>950,000</u>
Total expenditures and transfers out requiring appropriation	<u>994,626</u>	<u>865,806</u>	<u>1,187,000</u>
ENDING FUND BALANCE	<u>\$ 557,267</u>	<u>\$ 836,818</u>	<u>\$ 962,459</u>
EMERGENCY RESERVE	\$ 20,400	\$ 34,200	\$ 39,400
AVAILABLE FOR OPERATIONS	536,867	802,618	923,059
TOTAL RESERVE	<u>\$ 557,267</u>	<u>\$ 836,818</u>	<u>\$ 962,459</u>

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**HIGH PLAINS METROPOLITAN DISTRICT
OPERATIONS FEE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 240,375	\$ 353,600	\$ 310,176
REVENUES			
Interest income	3,961	5,000	9,000
Operations fee (homeowners)	501,871	445,000	551,100
Operations fee (vacant lots)	130,634	56,916	28,272
Working capital	-	64,000	80,000
Design review fees	4,560	5,000	5,000
Legal collection fees	918	5,000	6,000
Violations and late fees	-	5,000	5,000
Total revenues	641,944	585,916	684,372
TRANSFERS IN			
Transfers from other funds	15,000	-	-
Total funds available	897,319	939,516	994,548
EXPENDITURES			
Operations and maintenance			
Community activities	2,122	10,000	10,000
Contingency	-	-	8,915
Design review	4,600	5,110	5,000
Facilities management - contract	37,163	36,000	38,000
Facilities management - costs	9,183	11,000	10,000
Legal - collections	2,843	6,000	6,000
Telephone/Wi-Fi/Cable	510	-	-
Landscape maintenance			
Flowers	8,563	45,145	45,000
Irrigation repairs and improvements	27,912	48,000	40,000
Landscape improvements	43,759	62,000	100,000
Landscape maintenance - contract	172,985	129,085	129,085
Tree and shrub replacement	58,936	25,000	100,000
Grounds & park maintenance			
Grounds maintenance	7,162	12,000	25,000
Holiday lighting	141	20,000	20,000
Lighting	19,588	7,500	10,000
Playground inspection and repairs	-	12,000	10,000
Snow removal	-	10,000	12,000
Vandalism	-	2,000	2,000
Utilites			
Gas and electric	6,752	7,500	10,000
Trash removal	87,541	96,000	103,000
Water - irrigation	53,959	85,000	125,000
Total expenditures	543,719	629,340	809,000
Total expenditures and transfers out requiring appropriation	543,719	629,340	809,000
ENDING FUND BALANCE	\$ 353,600	\$ 310,176	\$ 185,548
EMERGENCY RESERVE	\$ 19,300	\$ 17,600	\$ 20,600
TOTAL RESERVE	\$ 19,300	\$ 17,600	\$ 20,600

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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 1,082,285	\$ 1,360,847	\$ 1,527,818
REVENUES			
Property taxes	1,288,255	1,204,931	1,430,719
Specific ownership taxes	93,733	90,000	85,843
Interest income	39,691	53,000	24,000
Total revenues	<u>1,421,679</u>	<u>1,347,931</u>	<u>1,540,562</u>
Total funds available	<u>2,503,964</u>	<u>2,708,778</u>	<u>3,068,380</u>
EXPENDITURES			
Debt Service			
Bond interest - Series 2017	1,123,325	1,123,325	1,121,925
Bond principal - Series 2017	-	35,000	175,000
County Treasurer's fee	19,342	18,074	21,461
Paying agent fees	450	450	450
Contingency	-	4,111	3,164
Total expenditures	<u>1,143,117</u>	<u>1,180,960</u>	<u>1,322,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,143,117</u>	<u>1,180,960</u>	<u>1,322,000</u>
ENDING FUND BALANCE	<u>\$ 1,360,847</u>	<u>\$ 1,527,818</u>	<u>\$ 1,746,380</u>
SERIES 2017 SURPLUS FUND	<u>\$ 1,000,000</u>	<u>\$ 1,042,125</u>	<u>\$ 1,042,125</u>
TOTAL RESERVE	<u>\$ 1,000,000</u>	<u>\$ 1,042,125</u>	<u>\$ 1,042,125</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 308,510	\$ 1,048,428	\$ 1,699,854
REVENUES			
Interest income	5,223	26,000	4,500
Other revenue	-	6,513	-
Total revenues	<u>5,223</u>	<u>32,513</u>	<u>4,500</u>
TRANSFERS IN			
Transfers from other funds	<u>800,000</u>	<u>845,419</u>	<u>950,000</u>
Total funds available	<u>1,113,733</u>	<u>1,926,360</u>	<u>2,654,354</u>
EXPENDITURES			
Capital Projects			
Legal	-	6,506	-
Entryways	-	55,000	400,000
Medians	-	-	250,000
Monumentation	-	75,000	320,000
Park Improvements	65,305	90,000	1,315,000
Total expenditures	<u>65,305</u>	<u>226,506</u>	<u>2,285,000</u>
Total expenditures and transfers out requiring appropriation	<u>65,305</u>	<u>226,506</u>	<u>2,285,000</u>
ENDING FUND BALANCE	<u>\$ 1,048,428</u>	<u>\$ 1,699,854</u>	<u>\$ 369,354</u>
CAPITAL PROJECTS RESERVE	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 350,000</u>
TOTAL RESERVE	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 350,000</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
CAPITAL PROJECTS - REGIONAL IMPROVEMENT FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 171,378	\$ 152,041	\$ (255)
REVENUES			
Property taxes - Regional mill levy	31,633	38,041	45,497
Specific ownership taxes - Regional mill levy	2,302	-	-
Interest income	2,962	1	-
Total revenues	36,897	38,042	45,497
Total funds available	208,275	190,083	45,242
EXPENDITURES			
Capital Projects			
County Treasurer fees - Regional mill levy	475	571	682
Regional mill levy - Payment to SARIA	55,759	37,724	44,560
Total expenditures	56,234	38,295	45,242
TRANSFERS OUT			
Transfers to other fund	-	152,043	-
Total expenditures and transfers out requiring appropriation	56,234	190,338	45,242
ENDING FUND BALANCE	\$ 152,041	\$ (255)	\$ -

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
2020 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 2020. 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.

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
2020 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 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.

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 6.0% 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 1.5%.

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

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
2020 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.

Reserves

Emergency Reserves

The District has provided an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, 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, 2020**

Bonds and Interest Maturing in the Year Ending December 31,	\$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		
	Principal	Interest	Total
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
	\$ 27,380,000	\$ 20,468,900	\$ 47,848,900

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