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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, 2016, including the estimate of comparative information for the year ending December 31, 2015 and the actual comparative information for the year ending December 31, 2014, 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 5, 2016

**HIGH PLAINS METROPOLITAN DISTRICT
SUMMARY
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 725,276	\$ 924,003	\$ 499,510
REVENUES			
1 Property taxes	927,209	1,019,445	1,438,914
2 Specific ownership taxes	67,782	78,473	100,921
3 System development fees	293,935	8,173,576	-
4 Net investment income	441	346	220
5 Other income	18,122	8,499	-
6 Regional property taxes	14,156	14,563	-
7 Regional specific ownership taxes	1,035	874	-
8 Working capital fees	20,000	59,000	-
9 Interest on facility fees	498,303	320,000	-
10 Operations fee (homeowners')	267,913	285,117	244,200
11 Operations fee (vacant lots)	-	-	91,908
12 Transfer fees	-	-	15,000
13 Design review fee	-	5,000	5,000
14 Legal collection fees	-	-	2,500
15 Violations and late fees	-	-	3,000
Total revenues	<u>2,108,896</u>	<u>9,964,893</u>	<u>1,901,663</u>
TRANSFERS IN	-	-	270,189
Total funds available	<u>2,834,172</u>	<u>10,888,896</u>	<u>2,671,362</u>
EXPENDITURES			
16 General and administration			
17 Accounting	22,899	28,800	25,000
18 Audit	5,500	5,500	5,500
19 County Treasurer's fees	13,915	15,323	21,604
20 Director and meeting expense	-	-	5,000
21 Director fees	6,860	1,600	2,400
22 Election	1,969	-	40,000
23 Insurance	15,075	19,640	20,400
24 Legal	41,748	43,500	45,000
25 Miscellaneous	4,943	-	-
26 Website	-	1,200	1,500
27 Operations and maintenance - Management Company			
28 Community activities	-	2,500	2,500
29 Design reviews	-	5,000	5,000
30 Facilities management - costs	-	-	7,500
31 Facilities management contract	28,937	29,000	32,000
32 Flowers	-	-	25,000
33 Gas & electric	-	10,200	10,000
34 General admin	14,076	12,000	-
35 Grounds maintenance	43,768	100,000	45,000
36 Holiday lights	-	-	15,000
37 Irrigation repairs & improvements	-	2,300	15,000
38 Landscape improvements	-	-	60,000
39 Landscape maintenance contract	107,883	144,197	118,597
40 Legal - collections	-	6,500	5,000
41 Legal - other	-	-	6,000
42 Lighting	-	3,000	10,000
43 Playground inspection and repairs	-	2,500	10,000
44 Snow removal	-	12,000	12,000
45 Telephone/wi-fi/cable	-	1,200	1,200
46 Trash removal	31,401	38,000	40,000
47 Tree & shrub replacement	30,000	121,266	85,000
48 Vandalism	-	2,000	2,000
49 Water - irrigation	94,132	130,000	125,000
50 Debt service			
51 Analytical services	1,750	3,500	-
52 Bond interest Series 2005A	755,000	792,330	1,066,750
53 Bond interest Series 2005B	390,631	374,500	-
54 Bond principal Series 2005B	165,000	8,345,000	-
55 County Treasurer's fees - Regional mill lev.	212	274	-
56 Letter of credit fees	112,185	112,700	-
57 Paying agent fees	7,300	5,000	2,500
58 Regional mill levy	14,985	18,856	21,583
Total expenditures	<u>1,910,169</u>	<u>10,389,386</u>	<u>1,889,034</u>
TRANSFERS OUT	-	-	270,189
Total expenditures and transfers out requiring appropriation	<u>1,910,169</u>	<u>10,389,386</u>	<u>2,159,223</u>
ENDING FUND BALANCES	\$ 924,003	\$ 499,510	\$ 512,139
EMERGENCY RESERVE	\$ 16,300	\$ 20,100	\$ 23,900
TOTAL RESERVE	<u>\$ 16,300</u>	<u>\$ 20,100</u>	<u>\$ 23,900</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,**

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
ASSESSED VALUATION - ARAPAHOE			
Residential	\$ 14,374,650	\$ 10,019,829	\$ 14,560,320
Commercial	-	1,598,032	1,247,198
Vacant Land	-	2,731,649	3,812,709
Personal Property	-	-	645,290
State Assessed	-	213,983	900
Certified Assessed Value	\$ 14,374,650	\$ 14,563,493	\$ 20,266,417
MILL LEVY			
GENERAL FUND	15.500	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	66.500	71.000	71.000
PROPERTY TAXES			
GENERAL FUND	\$ 222,807	\$ 291,270	\$ 405,328
DEBT SERVICE FUND - GO BONDS	718,732	728,175	1,013,320
Regional Mill Levy	14,375	14,563	20,266
Levied property taxes	955,914	1,034,008	1,438,914
Adjustments to actual/rounding	(14,549)	-	-
Budgeted Property Taxes	\$ 941,365	\$ 1,034,008	\$ 1,438,914
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 219,415	\$ 291,270	\$ 405,328
DEBT SERVICE FUND - GO BONDS	707,794	728,175	1,013,320
Regional Mill Levy	14,156	14,563	20,266
	\$ 941,365	\$ 1,034,008	\$ 1,438,914

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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 198,731	\$ 287,737	\$ 230,320
REVENUES			
1 Property taxes	219,415	291,270	405,328
2 Specific ownership taxes	16,040	24,970	28,370
3 Net investment income	-	16	20
4 Other income	18,122	3,513	-
5 Working capital fees	20,000	59,000	-
6 Operations fee (homeowners)	267,913	285,117	-
7 Design review fee	-	5,000	-
Total revenues	<u>541,490</u>	<u>668,886</u>	<u>433,718</u>
Total funds available	<u>740,221</u>	<u>956,623</u>	<u>664,038</u>
EXPENDITURES			
General and administration			
8 Accounting	22,899	28,800	25,000
9 Audit	5,500	5,500	5,500
10 County Treasurer's fees	3,293	4,400	6,100
11 Director and meeting expense	-	-	5,000
12 Director fees	6,860	1,600	2,400
13 Election	1,969	-	40,000
14 Insurance	15,075	19,640	20,400
15 Legal	41,748	43,500	45,000
16 Miscellaneous	4,943	-	-
17 Website	-	1,200	1,500
Operations and maintenance - Management Company			
18 Community activities	-	2,500	-
19 Design reviews	-	5,000	-
20 Facilities management contract	28,937	29,000	-
21 Gas & electric	-	10,200	-
22 General admin	14,076	12,000	-
23 Grounds maintenance	43,768	100,000	-
24 Irrigation repairs & improvements	-	2,300	-
25 Landscape maintenance contract	107,883	144,197	-
26 Legal - collections	-	6,500	-
27 Lighting	-	3,000	-
28 Playground inspection and repairs	-	2,500	-
29 Snow removal	-	12,000	-
30 Telephone/wi-fi/cable	-	1,200	-
31 Trash removal	31,401	38,000	-
32 Tree & shrub replacement	30,000	121,266	-
33 Vandalism	-	2,000	-
34 Water - irrigation	94,132	130,000	-
Total expenditures	<u>452,484</u>	<u>726,303</u>	<u>150,900</u>
TRANSFERS OUT			
OPERATIONS FEE FUND	-	-	270,189
Total transfers out	<u>-</u>	<u>-</u>	<u>270,189</u>
Total expenditures and transfers out requiring appropriation	<u>452,484</u>	<u>726,303</u>	<u>421,089</u>
ENDING FUND BALANCES	<u>\$ 287,737</u>	<u>\$ 230,320</u>	<u>\$ 242,949</u>
EMERGENCY RESERVE	<u>\$ 16,300</u>	<u>\$ 20,100</u>	<u>\$ 23,900</u>
TOTAL RESERVE	<u>\$ 16,300</u>	<u>\$ 20,100</u>	<u>\$ 23,900</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
OPERATIONS FEE FUND
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Operations fee (homeowners)	-	-	244,200
2 Operations fee (vacant lots)	-	-	91,908
3 Transfer fees	-	-	15,000
4 Design review fee	-	-	5,000
5 Legal collection fees	-	-	2,500
6 Violations and late fees	-	-	3,000
Total revenues	<u>-</u>	<u>-</u>	<u>361,608</u>
TRANSFERS IN			
GENERAL FUND	-	-	270,189
Total transfers in	<u>-</u>	<u>-</u>	<u>270,189</u>
Total funds available	<u>-</u>	<u>-</u>	<u>631,797</u>
EXPENDITURES			
Operations and maintenance			
7 Community activities	-	-	2,500
8 Design reviews	-	-	5,000
9 Facilities management - costs	-	-	7,500
10 Facilities management contract	-	-	32,000
11 Flowers	-	-	25,000
12 Gas & electric	-	-	10,000
13 Grounds maintenance	-	-	45,000
14 Holiday lights	-	-	15,000
15 Irrigation repairs & improvements	-	-	15,000
16 Landscape improvements	-	-	60,000
17 Landscape maintenance contract	-	-	118,597
18 Legal - collections	-	-	5,000
19 Legal - other	-	-	6,000
20 Lighting	-	-	10,000
21 Playground inspection and repairs	-	-	10,000
22 Snow removal	-	-	12,000
23 Telephone/wi-fi/cable	-	-	1,200
24 Trash removal	-	-	40,000
25 Tree & shrub replacement	-	-	85,000
26 Vandalism	-	-	2,000
27 Water - irrigation	-	-	125,000
Total expenditures	<u>-</u>	<u>-</u>	<u>631,797</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>631,797</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 36,914	\$ 27,557	\$ -
REVENUES			
1 Property taxes	707,794	728,175	1,013,320
2 Specific ownership taxes	51,742	53,503	70,930
3 Net investment income	385	200	200
4 Other income	-	11	-
5 Regional property taxes	14,156	14,563	-
6 Regional specific ownership taxes	1,035	874	-
Total revenues	775,112	797,326	1,084,450
Total funds available	812,026	824,883	1,084,450
EXPENDITURES			
General and administration			
7 County Treasurer's fees	10,622	10,923	15,200
Debt service			
8 Bond interest Series 2005A	755,000	792,330	1,066,750
9 County Treasurer's fees - Regional mill levy	212	274	-
10 Paying agent fees	3,650	2,500	2,500
11 Regional mill levy	14,985	18,856	-
Total expenditures	784,469	824,883	1,084,450
Total expenditures and transfers out requiring appropriation	784,469	824,883	1,084,450
ENDING FUND BALANCES	\$ 27,557	\$ -	\$ -

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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 489,631	\$ 608,709	\$ 269,190
REVENUES			
1 Facility fees	293,935	8,173,576	-
2 Net investment income	56	130	-
3 Other income	-	4,975	-
4 Interest on facility fees	498,303	320,000	-
Total revenues	792,294	8,498,681	-
Total funds available	1,281,925	9,107,390	269,190
EXPENDITURES			
Debt Service			
5 Analytical services	1,750	3,500	-
6 Bond interest Series 2005B	390,631	374,500	-
7 Bond principal Series 2005B	165,000	8,345,000	-
8 Letter of credit fees	112,185	112,700	-
9 Paying agent fees	3,650	2,500	-
Total expenditures	673,216	8,838,200	-
Total expenditures and transfers out requiring appropriation	673,216	8,838,200	-
ENDING FUND BALANCES	\$ 608,709	\$ 269,190	\$ 269,190

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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	-	-	20,266
2 Specific ownership taxes	-	-	1,621
Total revenues	<u>-</u>	<u>-</u>	<u>21,887</u>
Total funds available	<u>-</u>	<u>-</u>	<u>21,887</u>
EXPENDITURES			
General and administration			
3 County Treasurer's fees	-	-	304
Debt Service			
4 Regional mill levy	-	-	21,583
Total expenditures	<u>-</u>	<u>-</u>	<u>21,887</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>21,887</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
2016 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 2016. 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.

Specific Ownership Taxes

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

Operations Fee

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

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.15%.

**HIGH PLAINS METROPOLITAN DISTRICT
2016 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General and Administrative 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.

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 2016.

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 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 2016.

The District has no operating or capital leases.

**HIGH PLAINS METROPOLITAN DISTRICT
2016 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

The District has provided an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2016, as defined under TABOR.

This information is an integral part of the accompanying budget.