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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, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, 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 29, 2019

**HIGH PLAINS METROPOLITAN DISTRICT
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 1,194,097	\$ 2,673,861	\$ 3,328,423
REVENUES			
Property taxes	1,631,106	1,894,760	2,308,260
Specific ownership taxes	140,004	170,520	138,494
Interest income	23,532	56,590	42,289
Operations fee (homeowners)	410,097	377,190	400,000
Operations fee (vacant lots)	61,545	123,690	125,000
Transfer fees	-	15,000	15,000
Design review fees	7,780	5,440	5,000
Legal collection fees	7,553	5,000	5,000
Violations and late fees	10,847	1,500	5,000
Other revenue	1,000	-	-
Bond proceeds	27,415,000	-	-
Original issue premium	1,138,354	-	-
Total revenues	<u>30,846,818</u>	<u>2,649,690</u>	<u>3,044,043</u>
TRANSFERS IN	<u>-</u>	<u>815,000</u>	<u>1,195,419</u>
Total funds available	<u>32,040,915</u>	<u>6,138,551</u>	<u>7,567,885</u>
EXPENDITURES			
General and administrative	131,680	157,053	167,232
Operations and maintenance	496,230	475,104	1,011,400
Debt service	28,738,799	1,150,000	1,184,768
Capital projects	345	212,971	1,593,458
Total expenditures	<u>29,367,054</u>	<u>1,995,128</u>	<u>3,956,858</u>
TRANSFERS OUT	<u>-</u>	<u>815,000</u>	<u>1,195,419</u>
Total expenditures and transfers out requiring appropriation	<u>29,367,054</u>	<u>2,810,128</u>	<u>5,152,277</u>
ENDING FUND BALANCES	<u>\$ 2,673,861</u>	<u>\$ 3,328,423</u>	<u>\$ 2,415,608</u>
EMERGENCY RESERVE	\$ 30,200	\$ 35,000	\$ 50,800
AVAILABLE FOR OPERATIONS	856,113	520,394	409,417
SERIES 2017 SURPLUS FUND	1,000,000	1,000,000	1,042,125
CAPITAL PROJECTS RESERVE	-	-	250,000
TOTAL RESERVE	<u>\$ 1,886,313</u>	<u>\$ 1,555,394</u>	<u>\$ 1,752,342</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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
Residential	\$ 17,902,894	\$ 23,240,759	\$ 27,725,282
Commercial	1,789,655	1,821,374	1,852,338
State assessed	204,690	217,320	374,650
Vacant land	3,130,703	3,383,438	4,965,820
Certified Assessed Value	<u>\$ 23,027,942</u>	<u>\$ 28,662,891</u>	<u>\$ 34,918,090</u>
MILL LEVY			
General	20.000	20.000	30.000
Debt Service	50.000	45.000	35.000
Capital Projects - Regional Improvement	1.000	1.105	1.105
Total mill levy	<u>71.000</u>	<u>66.105</u>	<u>66.105</u>
PROPERTY TAXES			
General	\$ 460,559	\$ 573,258	\$ 1,047,543
Debt Service	1,151,397	1,289,830	1,222,133
Capital Projects - Regional Improvement	23,028	31,672	38,584
Levied property taxes	<u>1,634,984</u>	<u>1,894,760</u>	<u>2,308,260</u>
Adjustments to actual/rounding	(3,878)	-	-
Budgeted property taxes	<u>\$ 1,631,106</u>	<u>\$ 1,894,760</u>	<u>\$ 2,308,260</u>
BUDGETED PROPERTY TAXES			
General	\$ 459,467	\$ 573,258	\$ 1,047,543
Debt Service	1,148,666	1,289,830	1,222,133
Capital Projects - Regional Improvement	22,973	31,672	38,584
Budgeted property taxes	<u>\$ 1,631,106</u>	<u>\$ 1,894,760</u>	<u>\$ 2,308,260</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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 496,722	\$ 871,313	\$ 539,594
REVENUES			
Property taxes	459,467	573,258	1,047,543
Specific ownership taxes	39,438	51,590	62,853
Interest income	6,366	15,486	10,659
Other revenue	1,000	-	-
Total revenues	<u>506,271</u>	<u>640,334</u>	<u>1,121,055</u>
Total funds available	<u>1,002,993</u>	<u>1,511,647</u>	<u>1,660,649</u>
EXPENDITURES			
General and administrative			
Accounting	44,414	45,000	50,000
Audit	4,950	5,000	5,500
County Treasurer's fee	6,898	8,600	15,713
Directors' fees	2,600	2,400	3,000
Director and meeting expense	2,035	5,000	2,500
Insurance	25,343	26,211	27,000
Legal	42,666	60,000	60,000
Miscellaneous	1,055	1,710	1,785
Payroll taxes	199	180	234
Election expense	-	1,452	-
Engineering	1,520	-	-
Website	-	1,500	1,500
Total expenditures	<u>131,680</u>	<u>157,053</u>	<u>167,232</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>815,000</u>	<u>1,050,000</u>
Total expenditures and transfers out requiring appropriation	<u>131,680</u>	<u>972,053</u>	<u>1,217,232</u>
ENDING FUND BALANCE	<u>\$ 871,313</u>	<u>\$ 539,594</u>	<u>\$ 443,417</u>
EMERGENCY RESERVE	\$ 15,200	\$ 19,200	\$ 34,000
AVAILABLE FOR OPERATIONS	856,113	520,394	409,417
TOTAL RESERVE	<u>\$ 871,313</u>	<u>\$ 539,594</u>	<u>\$ 443,417</u>

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**HIGH PLAINS METROPOLITAN DISTRICT
OPERATIONS FEE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 238,590	\$ 240,375	\$ 311,959
REVENUES			
Interest income	193	3,868	4,793
Operations fee (homeowners)	410,097	377,190	400,000
Operations fee (vacant lots)	61,545	123,690	125,000
Transfer fees	-	15,000	15,000
Design review fees	7,780	5,440	5,000
Legal collection fees	7,553	5,000	5,000
Violations and late fees	10,847	1,500	5,000
Total revenues	498,015	531,688	559,793
TRANSFERS IN			
Transfers from other funds	-	15,000	350,000
Total funds available	736,605	787,063	1,221,752
EXPENDITURES			
Operations and maintenance			
Community activities	4,717	2,274	10,000
Contingency	-	7,000	7,200
Design review	9,390	4,380	5,000
Facilities management - contract	29,687	32,000	36,000
Facilities management - costs	14,611	7,644	8,000
Legal - collections	4,088	5,686	6,000
Telephone/Wi-Fi/Cable	856	874	1,200
Landscape maintenance			
Flowers	10,400	17,126	30,000
Irrigation repairs and improvements	43,872	6,886	25,000
Landscape improvements	37,601	9,920	300,000
Landscape maintenance - contract	118,597	135,000	162,000
Tree and shrub replacement	52,661	75,970	100,000
Grounds & park maintenance			
Grounds and facilities maintenance	10,012	30,000	30,000
Holiday lighting	173	10,000	20,000
Lighting	4,400	10,000	20,000
Playground design	21,185	-	-
Playground inspection and repairs	5,880	12,000	12,000
Snow removal	-	10,000	10,000
Vandalism	-	2,000	2,000
Utilities			
Gas and electric	8,629	6,494	6,000
Trash removal	71,883	67,294	96,000
Water - irrigation	47,588	22,556	125,000
Total expenditures	496,230	475,104	1,011,400
Total expenditures and transfers out requiring appropriation	496,230	475,104	1,011,400
ENDING FUND BALANCE	\$ 240,375	\$ 311,959	\$ 210,352
EMERGENCY RESERVE	\$ 15,000	\$ 15,800	\$ 16,800
TOTAL RESERVE	\$ 15,000	\$ 15,800	\$ 16,800

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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 7,440	\$ 1,082,285	\$ 1,368,199
REVENUES			
Property taxes	1,148,666	1,289,830	1,222,133
Specific ownership taxes	98,594	116,080	73,328
Interest income	13,030	30,004	24,076
Original issue premium	1,138,354	-	-
Bond proceeds	27,415,000	-	-
Total revenues	<u>29,813,644</u>	<u>1,435,914</u>	<u>1,319,537</u>
Total funds available	<u>29,821,084</u>	<u>2,518,199</u>	<u>2,687,736</u>
EXPENDITURES			
Debt Service			
Bond interest - Series 2005A	630,008	-	-
Bond interest - Series 2017	546,061	1,123,325	1,123,325
Bond principal - Series 2017	-	-	35,000
Bond insurance	149,496	-	-
Bond issue costs	320,575	-	-
Bond redemption	27,073,590	-	-
County Treasurer's fee	17,244	19,350	18,332
Paying agent fees	1,825	3,500	4,000
Contingency	-	3,825	4,111
Total expenditures	<u>28,738,799</u>	<u>1,150,000</u>	<u>1,184,768</u>
Total expenditures and transfers out requiring appropriation	<u>28,738,799</u>	<u>1,150,000</u>	<u>1,184,768</u>
ENDING FUND BALANCE	<u>\$ 1,082,285</u>	<u>\$ 1,368,199</u>	<u>\$ 1,502,968</u>
SERIES 2017 SURPLUS FUND	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,042,125</u>
TOTAL RESERVE	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 305,926	\$ 308,510	\$ 963,252
REVENUES			
Interest income	2,584	4,742	200
Total revenues	<u>2,584</u>	<u>4,742</u>	<u>200</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>800,000</u>	<u>845,419</u>
Total funds available	<u>308,510</u>	<u>1,113,252</u>	<u>1,808,871</u>
EXPENDITURES			
Capital Projects			
Monumentation	-	100,000	150,000
Park Improvements	-	50,000	1,400,000
Total expenditures	<u>-</u>	<u>150,000</u>	<u>1,550,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>150,000</u>	<u>1,550,000</u>
ENDING FUND BALANCE	<u>\$ 308,510</u>	<u>\$ 963,252</u>	<u>\$ 258,871</u>
CAPITAL PROJECTS RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 145,419	\$ 171,378	\$ 145,419
REVENUES			
Property taxes - Regional mill levy	22,973	31,672	38,584
Specific ownership taxes - Regional mill levy	1,972	2,850	2,313
Interest income	1,359	2,490	2,561
Total revenues	<u>26,304</u>	<u>37,012</u>	<u>43,458</u>
Total funds available	<u>171,723</u>	<u>208,390</u>	<u>188,877</u>
EXPENDITURES			
Capital Projects			
County Treasurer fees - Regional mill levy	345	480	578
Regional mill levy - payment to SARIA	-	62,491	42,880
Total expenditures	<u>345</u>	<u>62,971</u>	<u>43,458</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>145,419</u>
Total expenditures and transfers out requiring appropriation	<u>345</u>	<u>62,971</u>	<u>188,877</u>
ENDING FUND BALANCE	<u>\$ 171,378</u>	<u>\$ 145,419</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
2019 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 2019. 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 7.20% from 7.96% for property tax years 2017-2018 on April 17, 2017 with a report submitted to the State Board of Equalization. Accordingly, the ARI mill levy increased to 1.105 from 1.000 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
2019 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
2019 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 2019, 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, 2019**

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
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
	\$ 27,415,000	\$ 21,592,225	\$ 49,007,225

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