HIGH PLAINS METROPOLITAN DISTRICT
Arapahoe County, Colorado

FINANCIAL STATEMENTS
December 31, 2015

TABLE OF CONTENTS

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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, 2015, 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, 2015, 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.
September 13, 2016

BASIC FINANCIAL STATEMENTS

HIGH PLAINS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2015

	Governmental Activities
ASSETS	
Cash and investments	$ 392,266
Cash and investments - Restricted	670,776
Accounts receivable	1,503
Accounts receivable - assessments	17,412
Receivable - County Treasurer	4,287
Prepaid expense	34,096
Property taxes receivable	1,438,914
Capital assets, not being depreciated	9,958,593
Total assets	12,517,847
LIABILITIES	
Accounts payable	314,112
Accrued Bond interest payable	2,693,465
Prepaid assessments	22,842
Retainage payable	31,841
Noncurrent liabilities:	
Due in more than one year	51,063,845
Total liabilities	54,126,105
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	1,438,914
Total deferred inflows of resources	1,438,914
NET POSITION	
Net investment in capital assets	(29,785,508)
Restricted for:	
Emergencies	19,500
Debt service	326,805
Unrestricted	(13,607,969)
Total net position	$ (43,047,172)

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, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government:					
Government activities:					
General government	$ 509,913	$ 320,820	$ -	$ -	$ (189,093)
Interest and related costs on long-term debt	3,315,270	764,533	-	-	(2,550,737)
	$ 3,825,183	$ 1,085,353	$ -	$ -	(2,739,830)
General revenues:					
Property taxes					1,019,445
Regional property taxes					14,563
Specific ownership taxes					76,964
Regional specific ownership taxes					1,050
Net investment income					3,341
Miscellaneous income					14,595
Total general revenues					1,129,958
Change in net position					(1,609,872)
Net position - Beginning (Restated)					(41,437,300)
Net position - Ending					$ (43,047,172)

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, 2015

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments	$ 392,266	$ -	$ -	$ 392,266
Cash and investments - Restricted	19,500	620,938	30,338	670,776
Accounts receivable	-	-	1,503	1,503
Accounts receivable-assessments	17,412	-	-	17,412
Receivable - County Treasurer	1,346	2,941	-	4,287
Prepaid expense	34,096	-	-	34,096
Property taxes receivable	405,328	1,033,586	-	1,438,914
TOTAL ASSETS	$ 869,948	$ 1,657,465	$ 31,841	$ 2,559,254
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 17,038	$ 297,074	$ -	$ 314,112
Prepaid assessments	22,842	-	-	22,842
Retainage payable	-	-	31,841	31,841
Total liabilities	39,880	297,074	31,841	368,795
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	405,328	1,033,586	-	1,438,914
Total deferred inflows of resources	405,328	1,033,586	-	1,438,914
FUND BALANCES				
Nonspendable				
Prepaid expenses	34,096	-	-	34,096
Restricted for:				
Emergency reserves	19,500	-	-	19,500
Debt service	-	326,805	-	326,805
Unassigned	371,144	-	-	371,144
Total fund balances	424,740	326,805	-	751,545
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 869,948	$ 1,657,465	$ 31,841	

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, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.	
Accrued interest on Developer advances	(10,905,133)
Developer advance payable	(16,732,608)
Bonds payable	(23,675,000)
Bond discount (net of amortization)	248,896
Accrued interest on bonds payable	(2,693,465)
Net position of governmental activities	$ (43,047,172)

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 (RESTATED)
GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property taxes	$ 291,270	$ 728,175	$ -	$ 1,019,445
Regional property taxes	-	14,563	-	14,563
Specific ownership taxes	24,488	52,476	-	76,964
Regional specific ownership taxes	-	1,050	-	1,050
Homeowner assessments	255,700	-	-	255,700
Working capital fees	59,500	-	-	59,500
Design review fee	5,620	-	-	5,620
Facility fees	-	8,695,346	-	8,695,346
Facility fees interest	-	231,857	-	231,857
Net investment income	731	2,610	-	3,341
Miscellaneous income	9,607	4,988	-	14,595
Total revenues	646,916	9,731,065	-	10,377,981
EXPENDITURES				
General				
Accounting	36,591	-	-	36,591
Audit	5,500	-	-	5,500
County Treasurer's fees	4,379	10,947	-	15,326
County Treasurer's fees - regional mill levy	-	219	-	219
Directors' fees	3,000	-	-	3,000
Insurance and bonds	29,490	-	-	29,490
Legal	45,312	-	-	45,312
Legal collections	6,421	-	-	6,421
Miscellaneous	559	-	-	559
Operations and maintenance	378,661	-	-	378,661
Debt service				
Bond principal - 2005B Series	-	8,775,000	-	8,775,000
Bond interest - 2005A Series	-	873,931	-	873,931
Bond interest - 2005B Series	-	374,800	-	374,800
Analytical services	-	3,500	-	3,500
Letter of credit fees	-	109,680	-	109,680
Paying agent fees	-	7,301	-	7,301
Total expenditures	509,913	10,155,378	-	10,665,291
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	137,003	(424,313)	-	(287,310)
NET CHANGE IN FUND BALANCES	137,003	(424,313)	-	(287,310)
FUND BALANCES - BEGINNING OF YEAR (RESTATED)	287,737	751,118	-	1,038,855
FUND BALANCES - END OF YEAR	$ 424,740	$ 326,805	$ -	$ 751,545

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, 2015

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

Net change in fund balances - Total governmental funds	$ (287,310)
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 principal payment	8,775,000
Amortization and removal of bond discount	(82,473)
Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as income in governmental funds.	
Change in accrued facility fees receivable	(8,120,060)
Change in accrued facility fees interest - other receivable	(42,610)
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 letter of credit fees	9,344
Change in accrued developer advance interest payable	(1,172,023)
Change in accrued bond interest payable	(689,740)
Changes in net position of governmental activities	$ (1,609,872)

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, 2015

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	$ 291,270	$ 291,270	$ -
Specific ownership taxes	20,389	24,488	4,099
Homeowner assessments	285,117	255,700	(29,417)
Working capital fees	15,000	59,500	44,500
Design review fee	5,000	5,620	620
Net investment income	-	731	731
Miscellaneous income	10,500	9,607	(893)
Total revenues	627,276	646,916	19,640
EXPENDITURES			
General administration			
Accounting	21,500	36,591	(15,091)
Audit	5,500	5,500	-
Contingency	7,584	-	7,584
County Treasurer's fees	4,369	4,379	(10)
Directors' fees	2,400	3,000	(600)
Insurance and bonds	16,000	29,490	(13,490)
Legal	30,000	45,312	(15,312)
Legal collections	5,000	6,421	(1,421)
Legal other	10,000	-	10,000
Miscellaneous	-	559	(559)
Operations and maintenance			-
Community activities	2,500	-	2,500
Design review	5,000	-	5,000
District Administration	12,000	20,211	(8,211)
Electrical/lighting	3,000	-	3,000
Gas & electric	5,000	10,196	(5,196)
Ground maintenance	67,771	185,245	(117,474)
Irrigation system	8,000	8,747	(747)
Landscape contract	144,197	-	144,197
Legal collections	5,000	2,190	2,810
Playground inspection & repair	2,500	-	2,500
Professional fees	29,000	23,288	5,712
Snow removal	12,000	-	12,000
Telephone	1,200	-	1,200
Trash removal	38,000	40,220	(2,220)
Trees/shrubs/beds	121,266	27,117	94,149
Vandalism repairs	2,000	-	2,000
Water	130,000	51,447	78,553
Website	1,200	-	1,200
Write-off	-	10,000	(10,000)
Total expenditures	691,987	509,913	182,074
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(64,711)	137,003	201,714
FUND BALANCES - BEGINNING OF YEAR	229,675	287,737	58,062
FUND BALANCES - END OF YEAR	$ 164,964	$ 424,740	$ 259,776

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

NOTE 1 - DEFINITION OF REPORTING ENTITY

High Plains Metropolitan District (District), a quasi-municipal corporation, 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 any 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.

The District has no employees and all operations and administrative functions are contracted.

NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)

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. Depreciation is computed and recorded as an operating expense.

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 source of revenue susceptible to accrual is 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.

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.

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.

Investments are carried at fair value.

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 Manager of Revenue 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 estimated fair 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 component of the District's net position.

Amortization

Bond Premiums and Discounts

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 and bond issue costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amounts become available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government'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.

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, 2015, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	$ 392,266
Cash and investments - Restricted	670,776
Total cash and investments	$ 1,063,042

Cash and investments as of December 31, 2015, consist of the following:

Deposits with financial institutions	$ 258,168
Investments	804,874
Total cash and investments	$ 1,063,042

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, 2015, the District's cash deposits had a bank balance of $353,966 and a carrying balance of $258,168.

Investments

The District has adopted a formal investment policy to follow the state statutes regarding investments.

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, 2015, the District had the following investments:

Investment	**Maturity**	**Fair Value**
Colorado Liquid Asset Trust (Colotrust)	Weighted average under 60 days	$ 517,120
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	287,748
Federated Treasury Money Market Fund	Weighted average under 60 days	6
		$ 804,874

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statues governing Colotrust. Colotrust operates similarly to a money market fund and each share is equal in value to $1.00. Colotrust offers two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, certain obligations of agencies of the U.S. government and written purchase agreements collateralized by U.S Treasury securities or certain obligations of U.S government agencies. COLOTRUST PLUS+ may also invest in highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as a custodian for Colotrust's portfolios pursuant to a custodian agreement.

The custodian acts as a safekeeping agent for Colotrust'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 Colotrust. Colotrust is rated AAAm by Standard & Poor's.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust is similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAm by Standard & Poor's.

Federated Treasury Money Market Fund

The debt service money that is included in the trust accounts at United Missouri Bank (successor of American National Bank) is invested in the Federated Treasury Obligations Fund. This portfolio is a money market mutual fund which invests in U.S. Treasury obligations, which are fully guaranteed as to principal and interest by the United States, with maturities of 13 months or less and repurchase agreements collateralized by U.S. Treasury obligations. The Federated Treasury Obligation Fund is rated AAAm by Standard & Poor's.

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2015, follows:

	Balance at December 31, 2014	Increases	Decreases	Balance at December 31, 2015
Governmental Activities:				
Capital assets, not being depreciated:				
Parks - Land improvements	$ 9,958,593	$ -	$ -	$ 9,958,593
Total capital assets, not being depreciated	$ 9,958,593	$ -	$ -	$ 9,958,593

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, 2015:

	Balance at December 31, 2014	Additions	Reductions	Balance at December 31, 2015	Due Within One Year
Governmental Activities:					
Series 2005A Limited Tax General Obligation Bonds	$ 23,675,000	$ -	$ -	$ 23,675,000	$ -
Series 2005B Revenue Bonds	8,775,000	-	8,775,000	-	-
Reimbursement Agreement Lennar - capital	15,530,600	-	-	15,530,600	-
Reimbursement Agreement Lennar - capital - interest	9,251,740	1,087,142	-	10,338,882	-
Reimbursement agreement MS Rialto - capital	787,397	-	-	787,397	-
Reimbursement agreement MS Rialto - capital - interest	337,666	55,120	-	392,786	-
Reimbursement agreement MS Rialto - operations	414,611	-	-	414,611	-
Reimbursement agreement MS Rialto - operations - interest	143,704	29,761	-	173,465	-
	58,915,718	1,172,023	8,775,000	51,312,741	-
Unamortized bond discount - Series 2005A	(261,393)	-	(12,497)	(248,896)	-
Unamortized bond discount - Series 2005B	(69,976)	-	(69,976)	-	-
	$ 58,584,349	$1,172,023	$ 8,692,527	$ 51,063,845	$ -

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

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 2005 A 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 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, 2015, the District had collected $2,803,500 related to development fees. This amount is in line with the Prepaid Development Fee Agreement's schedule and therefore no liability for prepaid fees existed at December 31, 2015.

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 accrued and unpaid interest outstanding at December 31, 2015, totaled $2,693,465.

Due to the uncertainty of the timing of the principal and interest payments on the Series 2005A Bonds, a schedule of the timing of these payments is not available.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

On April 26, 2005, the District issued $14,555,000 of Revenue Bonds Series 2005B ("Series 2005B Bonds") for the purpose of financing the 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 of the Series 2005B Bonds. The Series 2005B Bonds bear interest at the rate of 4.375%, payable semiannually on each June 1 and December 1, commencing on June 1, 2005. The Series 2005B Bonds are due December 1, 2015 and are not subject to mandatory sinking fund redemption. The Series 2005B Bonds are not subject to an early redemption at the option of the District. The Series 2005B Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date of redemption as more specifically outlined in the Indenture.

The Series 2005B Bonds are special, limited obligations of the District and payment of the principal and mandatory purchase price and up to 183 days of accrued interest on the Series 2005B Bonds are secured by an irrevocable direct pay letter of credit pursuant to a Letter of Credit Reimbursement Agreement dated April 1, 2005. The Series 2005B Letter of Credit expired on June 10, 2012, subject to earlier termination and extension in accordance with its terms. The District's obligations to the Letter of Credit Bank are secured by the trust estate pledged therefore under a Trust Indenture dated as of April 1, 2005, between the District and the Trustee. The trust estate consists of capitalized interest, revenues of the District from the collection of certain Facilities Fees imposed by the District on the property in the District and a debt service reserve fund. In May of 2012 the expiration date of the Letter of Credit was extended to December 15, 2015. The unused amount of the Series 2005B Letter of Credit was $0 at December 31, 2015.

On April 20, 2005, the Board of Directors of the District established and imposed a Facility Fee for all platted and un-platted property located within the boundaries of the District. The Base Fee is dependent upon lot size. Facility Fees were due and payable to the District on April 26, 2005 however, property owners could elect to pay the Base Fee over time, contingent upon the payment of a Finance Service Fee and Fee Interest. Interest is to accrue at 5.6528%.

As of December 1, 2015, the District had received all Facility Fees and outstanding interest due and the Series 2005B Bonds were paid in full.

Debt Authorization

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 SARSP, the District cannot issue debt in excess of $100,000,000.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

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, 2015, $414,611 in principal and $173,465 in interest was outstanding.

(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, 2015, $787,397 in principal and $392,786 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, 2015, $15,530,600 in principal and $10,338,882 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, 2015, 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 discount (net of accumulated amortization)	248,896
Bonds payable	(23,675,000)
Developer advance	(16,317,997)
Net investment in capital assets	$ (29,785,508)

The deficit balance is a result of previously constructed capital assets being dedicated to other governmental entities.

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, 2015, as follows:

	Governmental Activities
Restricted net position	
Emergencies	$ 19,500
Debt service	326,805
Total restricted net position	$ 346,305

The District's unrestricted net position as of December 31, 2015, totaled $(13,607,969). This deficit amount was a result of the District being responsible for the financing and repayment of bonds issued for the construction of public improvements which were dedicated to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 - RELATED PARTIES

During 2015, one member of the District's Board of Directors was either an officer or employee of or has business or professional relationships with Lennar Colorado, LLC, which is the Colorado manager for MS Rialto Blackstone CO, LLC ("Developer"), or has an interest in undeveloped land within the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

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. 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.

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.

NOTE 9 - RESTATEMENT

The District has restated its beginning fund balance by $114,852 in the Debt Service fund. This restatement also caused a restatement of beginning net position by the same amount. The restatement is the result of reversing payments not being due and payable as of December 31, 2014.

NOTE 10 - 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) as of December 31, 2015. 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.

NOTE 11 - 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.

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.

SUPPLEMENTAL INFORMATION

HIGH PLAINS METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (RESTATED) - BUDGET AND ACTUAL
Year Ended December 31, 2015

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	$ 728,175	$ 728,175	$ -
Regional property taxes	14,563	14,563	-
Specific ownership taxes	43,691	52,476	8,785
Regional specific ownership taxes	874	1,050	176
Facility fees	8,276,369	8,695,346	418,977
Facility fees interest	510,000	231,857	(278,143)
Net investment income	-	2,610	2,610
Miscellaneous income	1,749,111	4,988	(1,744,123)
Total revenues	11,322,783	9,731,065	(1,591,718)
EXPENDITURES			
Current			
County Treasurer's fees	10,923	10,947	(24)
County Treasurer's fees - regional mill levy	218	219	(1)
Debt service			
Bond principal - 2005A Series	1,095,000	-	1,095,000
Bond principal - 2005B Series	8,890,000	8,775,000	115,000
Bond interest - 2005A Series	1,412,963	873,931	539,032
Bond interest - 2005B Series	300,000	374,800	(74,800)
Regional mill levy	15,219	-	15,219
Analytical services	3,500	3,500	-
Letter of credit fees	100,000	109,680	(9,680)
Paying agent fees	7,500	7,301	199
Total expenditures	11,835,323	10,155,378	1,679,945
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(512,540)	(424,313)	88,227
FUND BALANCES - BEGINNING OF YEAR (RESTATED)	512,540	751,118	238,578
FUND BALANCES - END OF YEAR	$ -	$ 326,805	$ 326,805

HIGH PLAINS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2015

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total revenues	$ -	$ -	$ -
EXPENDITURES			
Total expenditures	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-
FUND BALANCES - BEGINNING OF YEAR	-	-	-
FUND BALANCES - END OF YEAR	$ -	$ -	$ -

HIGH PLAINS METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2015

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	
2011	$ 15,166,140	14.000	50.000	1.000	65.000	$ 985,799	$ 939,634	95.32%
2012	$ 13,074,830	15.500	50.000	1.000	66.500	$ 869,476	$ 656,423	75.50%
2013	$ 13,696,900	15.500	50.000	1.000	66.500	$ 910,844	$ 883,884	97.04%
2014	$ 14,374,650	15.500	50.000	1.000	66.500	$ 955,914	$ 941,365	98.48%
2015	$ 14,563,493	20.000	50.000	1.000	71.000	$ 1,034,008	$ 1,019,448	98.59%
Estimated for the year ending December 31, 2016	$ 20,266,417	20.000	50.000	1.000	71.000	$ 1,438,915		

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.