

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS
December 31, 2016**



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Independent Auditor's Report

Board of Directors
Antelope Heights Metropolitan District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Antelope Heights Metropolitan District as of and for the year ended December 31, 2016, 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 audits. We conducted our audits 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 the Antelope Heights Metropolitan District as of December 31, 2016, 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 opinions on the basic financial statements are not affected by this missing information.

Our audit was conducted for the purpose of forming opinions 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. The continuing disclosure as listed in the Table of Contents has not been audited and accordingly we express no opinion on it.

L. Paul Goedecke P.C.

L. Paul Goedecke, P.C.
March 19, 2017

BASIC FINANCIAL STATEMENTS

ANTELOPE HEIGHTS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 14,630
Cash and investments - Restricted	822,723
Prepaid Insurance	2,731
Taxes receivable - County Treasurer	5,258
Property taxes receivable	<u>682,747</u>
Total assets	<u>1,528,089</u>
DEFERRED OUTFLOWS OF RESOURCES	
Cost of bond refunding	<u>1,024,924</u>
Total deferred outflows of resources	<u>1,024,924</u>
LIABILITIES	
Accounts payable	2,552
Accrued interest payable on bonds	37,530
Noncurrent liabilities	
Due within one year	185,000
Due in more than one year	<u>18,517,788</u>
Total liabilities	<u>18,742,870</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	<u>682,747</u>
Total deferred inflows of resources	<u>682,747</u>
NET POSITION	
Restricted for:	
Emergency reserves	1,500
Debt service	28,605
Unrestricted	<u>(16,902,709)</u>
Total net position	<u><u>\$ (16,872,604)</u></u>

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

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2016**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 53,718	\$ -	\$ -	\$ -	\$ (53,718)
Interest and related costs on long-term debt	979,787	-	-	-	(979,787)
	<u>\$ 1,033,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,033,505)</u>
General revenues:					
Property taxes					675,106
Specific ownership taxes					62,176
Net investment income					5,970
Total general revenues					<u>743,252</u>
Change in net position					(290,253)
Net position - Beginning					<u>(16,582,351)</u>
Net position - Ending					<u>\$ (16,872,604)</u>

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

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 14,630	\$ -	\$ 14,630
Cash and investments - Restricted	1,500	821,223	822,723
Prepaid Insurance	2,731	-	2,731
Taxes receivable - County Treasurer	346	4,912	5,258
Property taxes receivable	44,964	637,783	682,747
TOTAL ASSETS	<u>\$ 64,171</u>	<u>\$ 1,463,918</u>	<u>\$ 1,528,089</u>
LIABILITIES			
Accounts payable	\$ 2,552	\$ -	\$ 2,552
Total liabilities	<u>2,552</u>	<u>-</u>	<u>2,552</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	44,964	637,783	682,747
Total deferred inflows of resources	<u>44,964</u>	<u>637,783</u>	<u>682,747</u>
FUND BALANCES			
Nonspendable	2,731	-	2,731
Restricted for:			
Emergency reserves	1,500	-	1,500
Debt service	-	826,135	826,135
Assigned	10,889	-	10,889
Unassigned	1,535	-	1,535
Total fund balances	<u>16,655</u>	<u>826,135</u>	<u>842,790</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 64,171</u>	<u>\$ 1,463,918</u>	

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the funds.	
Bonds payable	(10,695,000)
Accrued interest on 2015 Subordinate Bonds	(119,513)
Bonds discount	130,707
Net cost of bond refunding	1,024,924
Accrued interest payable on bonds	(37,530)
Developer advance payable	(4,347,236)
Accrued interest on Developer advances	(3,671,746)
Net position of governmental activities	<u>\$ (16,872,604)</u>

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

ANTELOPE HEIGHTS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 44,460	\$ 630,646	\$ 675,106
Specific ownership tax	4,095	58,081	62,176
Net investment income	161	5,809	5,970
Total revenues	<u>48,716</u>	<u>694,536</u>	<u>743,252</u>
EXPENDITURES			
Current			
Accounting	19,988	-	19,988
Audit	3,400	-	3,400
County Treasurer's fees	668	9,463	10,131
Dues and membership	306	-	306
Election	872	-	872
Directors' fees	600	-	600
Sidewalk snow removal	725	-	725
Insurance	2,938	-	2,938
Legal	5,597	-	5,597
Management	8,746	-	8,746
Miscellaneous	321	-	321
Payroll taxes	46	-	46
Debt service			
Bond interest	-	459,360	459,360
Bond principal	-	175,000	175,000
Paying agent fees	-	4,000	4,000
Bond issue costs	9,511	-	9,511
Total expenditures	<u>53,718</u>	<u>647,823</u>	<u>701,541</u>
NET CHANGE IN FUND BALANCES	(5,002)	46,713	41,711
FUND BALANCES - BEGINNING OF YEAR	21,657	779,422	801,079
FUND BALANCES - END OF YEAR	<u>\$ 16,655</u>	<u>\$ 826,135</u>	<u>\$ 842,790</u>

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

**ANTELOPE HEIGHTS 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, 2016**

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

Net change in fund balances - Total governmental funds	\$	41,711
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The issuance of long-term debt (e.g. Developer advances, bonds payable) 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 assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal payment		175,000
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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.

Accrued interest on 2015 Subordinate Bonds		(119,513)
Accrued interest on Developer advance		(304,306)
Accrued bond interest - Change in liability		620
Amortization of cost of refunding		(74,291)
Amortization of bond discount		(9,474)
		(9,474)

Changes in net position of governmental activities	\$	(290,253)
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property taxes	\$ 44,506	\$ 44,460	\$ (46)
Specific ownership tax	4,006	4,095	89
Net investment income	100	161	61
Total revenues	<u>48,612</u>	<u>48,716</u>	<u>104</u>
EXPENDITURES			
Current			
Accounting	16,000	19,988	(3,988)
Audit	3,500	3,400	100
Bond issue Costs	-	9,511	(9,511)
County Treasurer's fees	668	668	-
Directors' fees	600	600	-
Dues and membership	500	306	194
Election	2,000	872	1,128
Sidewalk snow removal	1,500	725	775
Insurance	2,800	2,938	(138)
Legal	7,000	5,597	1,403
Management	13,000	8,746	4,254
Miscellaneous	500	321	179
Contingency	2,886	-	2,886
Payroll Taxes	46	46	-
Total expenditures	<u>51,000</u>	<u>53,718</u>	<u>(2,718)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,388)</u>	<u>(5,002)</u>	<u>(2,614)</u>
OTHER FINANCING SOURCES (USES)			
Repay Developer Advance	<u>(5,000)</u>	-	<u>5,000</u>
Total other financing sources (uses)	<u>(5,000)</u>	-	<u>5,000</u>
NET CHANGE IN FUND BALANCES	(7,388)	(5,002)	2,386
FUND BALANCES - BEGINNING OF YEAR	18,320	21,657	3,337
FUND BALANCES - END OF YEAR	<u>\$ 10,932</u>	<u>\$ 16,655</u>	<u>\$ 5,723</u>

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

ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - DEFINITION OF REPORTING ENTITY

Antelope Heights Metropolitan District (District), a quasi-municipal corporation, was organized by Court Order recorded on December 24, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a service plan approved by the Town of Parker (Town) in Douglas County, Colorado. The District's service area is located entirely within the Town. The District was established to provide financing for the acquisition, construction, completion and/or installation of parks and recreation facilities, street improvements, traffic and safety controls, water systems and sanitary sewer and storm drainage systems.

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.

The District is not financially accountable for any other entity, 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 property 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 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.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Separate financial statements are provided for the 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.

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 sources of revenue susceptible to accrual are 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.

Budgets

In accordance with the Local Government Budget Law of Colorado, 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.

ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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 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 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 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.

Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond discounts and premiums 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, as well as, bond issuance costs, during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Cost of Bond Refunding

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred costs is reflected as a reduction of bonds payable.

ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resource, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. Accordingly, the item, cost of bond refunding, is deferred and recognized as an outflow of resources over the life of the refunded bonds.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred in flows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are 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 District'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.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *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.
- *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, 2016, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 14,630
Cash and investments - Restricted	<u>822,723</u>
Total cash and investments	<u><u>\$ 837,353</u></u>

Cash and investments as of December 31, 2016, consist of the following:

Deposits with financial institutions	\$ 3,135
Investments	<u>834,218</u>
Total cash and investments	<u><u>\$ 837,353</u></u>

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.

ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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, 2016, the District's cash deposits had a bank balance of \$5,963 and a carrying balance of \$3,135.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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.

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 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 collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2016, the District had the following investments:

Investments	Maturity	Fair Value
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 834,218</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), 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.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 4 - LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2016:

	<u>Balance December 31, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Compounding of Unpaid Interest</u>	<u>Balance December 31, 2016</u>	<u>Due Within One Year</u>
General Obligation Refunding and Improvement Bonds payable:						
Bonds - Series 2007	\$ 9,210,000	\$ -	\$ 175,000		\$ 9,035,000	\$ 185,000
Bond discount	(140,181)	-	(9,474)		(130,707)	-
Subordinate Bonds - Series 2015:						
Principal	1,660,000	-	-		1,660,000	-
Accrued interest	-	115,554	1,560	5,519	119,513	-
Total bonds payable	<u>10,729,819</u>	<u>115,554</u>	<u>167,086</u>	<u>5,519</u>	<u>10,683,806</u>	<u>185,000</u>
Developer advance payable	4,347,236	-	-		4,347,236	-
Accrued interest on Developer advances	3,367,440	304,306	-		3,671,746	-
Total Developer advance	<u>7,714,676</u>	<u>304,306</u>	<u>-</u>	<u>-</u>	<u>8,018,982</u>	<u>-</u>
	<u>\$ 18,444,495</u>	<u>\$ 419,860</u>	<u>\$ 167,086</u>	<u>\$ 5,519</u>	<u>\$ 18,702,788</u>	<u>\$ 185,000</u>

The details of the District's long-term obligation are as follows:

General Obligation Bonds

\$10,035,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Bonds, dated September 20, 2007, Series 2007 Bonds, with interest rates of 4.125% to 5.000%, consisting of serial bonds issued in the amount of \$1,185,000 due annually through 2017 and term bonds issued in the original amounts of \$1,135,000 due December 1, 2022; \$1,620,000 due December 1, 2027; and \$6,095,000 due December 1, 2037. Such term bonds are subject to mandatory redemption. The Series 2007 Bonds are subject to redemption prior to maturity and in whole or partial maturities at the option of the District, on December 1, 2017, and on any date thereafter, upon payment of par plus accrued interest without redemption premium. The principal and interest of these bonds are insured as to repayment by the District.

ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

The Series 2007 Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and 3) any other legally available monies which the District determines to be treated as Pledged Revenue. The Series 2007 Bonds are also secured by amounts held by the Trustee in the Reserve Fund. The Required Mill Levy is defined as an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Series 2007 Bonds as the same become due and payable and to make up any deficiencies in the Reserve Fund, but not in excess of 32.695 mills reduced by the number of mills necessary to pay unlimited general obligation debt of the District, and adjusted for changes in the ratio of actual value to assessed value of property within the District. At such time as the total assessed value of the District is not less than \$8,000,000 and the District's debt to assessed value ratio is 50% or less, the Required Mill Levy will no longer be limited as to rate. As of December 31, 2016, the adjusted maximum mill levy was 42.553 mills for debt service. For collection year 2017, the District levied 42.553 mills for debt service.

The District issued Subordinate Limited Tax Bonds, Series 2015, in the original principal amount of \$1,660,000 on December 17, 2015. The Subordinate Bonds bear interest at the rate of 7%, payable annually on December 15 commencing on December 15, 2016. Interest not paid when due compounds annually on December 15 in each applicable year. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date of December 15, 2040. The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, on any date, without premium or penalty.

The proceeds of the Subordinate Bonds were used to reimburse JF Companies for capital advances, and interest thereon, owed to JF Companies from the District.

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue consisting of monies derived by the District from the imposition of the Subordinate Required Mill Levy, net of collection costs, to the extent of the Senior Bonds Pledged Revenue available after the Senior Bonds debt requirements and replenishment of the Senior Reserve Fund to the Required Reserve Amount.

The Subordinate Required Mill Levy is defined as an ad valorem mill levy imposed upon all taxable property of the District each year equal to 42.553 mills less the number of mills necessary to generate tax revenue in an amount equal to the Senior Bond Debt Requirements *after* taking into account all other Senior Bond Pledged Revenue other than ad valorem tax revenue legally available for payment of the Senior Bonds; provided however, that in the event the method of calculating assessed valuation is changed after the date of issuance of the Bonds, the mill levy will be increased or decreased so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

The District's general obligation bond principal and interest on the Series 2007 Bonds will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 185,000	\$ 450,364	\$ 635,364
2018	195,000	442,500	637,500
2019	205,000	432,750	637,750
2020	230,000	422,500	652,500
2021	240,000	411,000	651,000
2022-2026	1,520,000	1,853,500	3,373,500
2027-2031	2,115,000	1,417,250	3,532,250
2032-2036	2,900,000	813,750	3,713,750
2037	1,445,000	72,250	1,517,250
	<u>\$ 9,035,000</u>	<u>\$ 6,315,864</u>	<u>\$ 15,350,864</u>

The Subordinate Bonds amortization is excluded from above since the principal and interest payments will be made based on available cash and cannot be determined with certainty.

Authorized Debt

On November 5, 2002, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$24,500,000, at an interest rate not to exceed 12% per annum. At December 31, 2016, the District had authorized but unissued indebtedness from this election in the following amounts allocated for the following purposes:

	<u>Amount Authorized on November 5, 2002</u>	<u>Authorization Used</u>			<u>Authorized But Unissued</u>
		<u>Series 2003 Bonds</u>	<u>Series 2007 Bonds</u>	<u>Series 2015 Bonds</u>	
Streets	\$ 2,895,000	\$ 2,224,530	\$ -	\$ -	\$ 670,470
Water	1,680,000	1,370,250	-	-	309,750
Sewer and drainage	4,365,000	1,370,250	1,507,257	-	1,487,493
Parks and recreation	3,060,000	1,271,340	-	1,660,000	128,660
Operations and maintenance	500,000	63,630	-	-	436,370
Refunding financial obligations	12,000,000	-	3,735,000	-	8,265,000
	<u>\$ 24,500,000</u>	<u>\$ 6,300,000</u>	<u>\$ 5,242,257</u>	<u>\$ 1,660,000</u>	<u>\$ 11,297,743</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$12,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 5 - NET POSITION

The District has net position consisting of two components - restricted and unrestricted.

The restricted component of net position consists of assets 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, 2016, as follows:

	Governmental Activities
Restricted net position:	
Emergencies	\$ 1,500
Debt service	28,605
Total restricted net position	\$ 30,105

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for the public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 6 - RELATED PARTY

The members of the Board of Directors are employees, owners or are otherwise associated with JF Companies and/or MDR and may have conflicts of interest in dealing with the District. JF Companies is the current developer of property within the District. JF Companies and MDR are the current holders of the Capital Reimbursement Agreement and/or the Acquisition Agreement.

Advance and Reimbursement Agreement

The District and JF Companies LLC (JF Companies, f.k.a. Gateway American Properties, LLC) entered into an Advance and Reimbursement Agreement (Reimbursement Agreement) dated January 15, 2003, whereby JF Companies agreed to advance monies to the District for operations and capital costs and the District agreed to reimburse JF Companies for such advances. The Reimbursement Agreement was amended by a First Amendment dated September 11, 2006, and a Second Amendment dated December 10, 2007 (Amendments).

The Amendments:

- (1) Add MDR, LLC (MDR) as a party to the Reimbursement Agreement;
- (2) Assign to MDR \$3,409,569 of the advances made on or before May 31, 2006, and owed by the District to JF Companies under the Reimbursement Agreement (MDR Advance);
- (3) Establish JF Companies' continued obligation to advance monies to the District (JF Companies Advance).

ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 6 - RELATED PARTY (CONTINUED)

The District, JF Companies, and MDR terminated the Reimbursement Agreement and released each other from any and all liabilities, obligations and duties required by the Reimbursement Agreement, effective December 17, 2015.

Capital Reimbursement Agreement

On December 17, 2015 the District entered into a Capital Reimbursement Agreement with JF Companies and MDR, pursuant to which, the Reimbursement Agreement was terminated. The District issued the 2015 Subordinate Bonds to JF Companies to reimburse advances for capital costs owed to JF Companies. JF Companies also waived its right to reimbursement for any advances made for operations and interest thereon. Upon issuance of the 2015 Subordinate Bonds, the District's obligation to reimburse JF Companies for operating advances was forgiven.

The purpose of the Capital Reimbursement Agreement is to re-establish MDR's right to reimbursement for all remaining unpaid advances for capital costs and to acknowledge payment in full of amounts owed by the District to JF Companies.

Pursuant to the Advance and Reimbursement Agreement, terminated on December 17, 2015, the District approved reimbursement of advances in the total principal amount of \$5,533,832. Of this amount, JF Companies was entitled to reimbursement of \$1,101,597 for capital costs and \$75,000 for operating costs. The District issued 2015 Subordinate Bonds in the amount of \$1,660,000 to JF Companies in full satisfaction of outstanding principal and interest associated with advances for capital costs. Concurrently with the issuance of the 2015 Subordinate Bonds and repayment of the capital advances, JF Companies waived its right to reimbursement of any portion of the operating advances.

MDR is entitled to reimbursement of \$4,201,991 in principal amount of capital advances and \$155,244 in principal amount of operating advances. As of December 31, 2016 the outstanding principal amounts of capital advances and operating advances was \$4,191,992 and \$155,244, respectively. Interest on all advances accrues at 7% per annum. As of December 31, 2016, accrued interest on the capital and operating advances was \$3,545,996 and \$125,750, respectively.

The District's obligation to reimburse the advances is subordinate to any bonded indebtedness of the District. No payment is required of the District for advances unless and until the District issues bonds in an amount sufficient to reimburse all or a portion of the advances. The term of the Capital Reimbursement Agreement expires on December 31, 2040, unless terminated earlier by the mutual agreement of the Parties. In the event the District has not reimbursed MDR or JF Companies pursuant to this Agreement on or before December 31, 2040, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 6 - RELATED PARTY (CONTINUED)

Facilities Acquisition Agreement

On December 10, 2007, the District entered into a Facilities Acquisition Agreement (Acquisition Agreement) with JF Companies whereby, subject to availability of funding, the District agreed to acquire from JF Companies up to \$800,000 in improvements to serve the commercial property within the District. The District's obligation to acquire the improvements from JF Companies under this agreement is: 1) subject to the District's issuance of bonds in an amount sufficient to acquire all or a portion of the improvements, 2) subordinate to the repayment of any bonds issued by the District, and 3) subordinate to the District's obligation to reimburse JF Companies pursuant to the Reimbursement Agreement. The District's obligation to acquire the improvements under the Acquisition Agreement is, however, superior to the District's obligation to reimburse MDR under the Reimbursement Agreement.

Interest accrues under the Acquisition Agreement at the rate of prime plus 1% per annum based upon the prime interest rate for Wells Fargo Bank and is in no event greater than 12%, from the date costs of the improvements are incurred by the Developer until paid. As of December 31, 2016, the Developer had not submitted a request for reimbursement for the District's acquisition of any improvements under the Acquisition Agreement.

Construction Management Agreement

The District and JF Companies entered into an Agreement for Construction Management Services, dated January 15, 2003, whereby JF Companies is to provide construction management services during the construction of certain improvements. The management fee is 4% of the amount of the construction work excluding engineering. During the year, no payments were made for management fees.

NOTE 7 - 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). 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, crime, workers' compensation 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.

ANTELOPE HEIGHTS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8 - 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 which 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.

On November 5, 2002, a majority of the District's electors authorized the District to collect and spend or retain in reserve taxes of \$500,000 annually and other revenue without regard to any limitations under TABOR.

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.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property taxes	\$ 631,293	\$ 630,646	\$ (647)
Specific ownership tax	56,816	58,081	1,265
Net investment income	1,300	5,809	4,509
Total revenues	<u>689,409</u>	<u>694,536</u>	<u>5,127</u>
EXPENDITURES			
County Treasurer's fees	9,469	9,463	6
Bond interest	457,800	459,360	(1,560)
Bond principal	175,000	175,000	-
Paying agent fees	2,700	4,000	(1,300)
Contingency	5,031	-	5,031
Total expenditures	<u>650,000</u>	<u>647,823</u>	<u>2,177</u>
NET CHANGE IN FUND BALANCES	39,409	46,713	7,304
FUND BALANCES - BEGINNING OF YEAR	<u>768,279</u>	<u>779,422</u>	<u>11,143</u>
FUND BALANCES - END OF YEAR	<u>\$ 807,688</u>	<u>\$ 826,135</u>	<u>\$ 18,447</u>

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2016**

**\$10,035,000 General Obligation
(Limited Tax Convertible to Unlimited Tax)
Refunding and Improvement Bonds
Bonds, Series 2007
Dated September 20, 2007
Interest Rate of 4.125% - 5.000%
Principal Due on December 1**

	Principal	Interest	Total
2017	\$ 185,000	\$ 450,364	\$ 635,364
2018	195,000	442,500	637,500
2019	205,000	432,750	637,750
2020	230,000	422,500	652,500
2021	240,000	411,000	651,000
2022	265,000	399,000	664,000
2023	280,000	385,750	665,750
2024	305,000	371,750	676,750
2025	320,000	356,500	676,500
2026	350,000	340,500	690,500
2027	365,000	323,000	688,000
2028	400,000	304,750	704,750
2029	420,000	284,750	704,750
2030	455,000	263,750	718,750
2031	475,000	241,000	716,000
2032	515,000	217,250	732,250
2033	540,000	191,500	731,500
2034	580,000	164,500	744,500
2035	610,000	135,500	745,500
2036	655,000	105,000	760,000
2037	1,445,000	72,250	1,517,250
	\$ 9,035,000	\$ 6,315,864	\$ 15,350,864

CONTINUING DISCLOSURE

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2016
(Unaudited)**

Levy/Collection Year Ended December 31,	Assessed Valuation	Percent Change Assessed Valuation	General Fund Mill Levy	Bond Fund Mill Levy	Total Mill Levy	Total Taxes Levied	Total Taxes Collected	Collections as Percent of Taxed Levied
2011/2012	\$ 12,376,950	1.6%	3.500	42.053	45.553	\$563,807	\$ 611,851	108.5%
2012/2013	\$ 12,388,100	0.1%	3.500	42.053	45.553	\$564,315	\$ 563,643	99.9%
2013/2014	\$ 12,574,581	1.5%	3.500	42.053	45.553	\$572,810	\$ 561,085	98.0%
2014/2015	\$ 12,567,670	-0.1%	3.000	42.553	45.553	\$572,495	\$ 572,810	100.1%
2015/2016	\$ 14,835,450	18.0%	3.000	42.553	45.553	\$675,799	\$ 675,106	99.9%
Estimated for year ending December 31, 2016/2017	\$ 14,987,960	1.0%	3.000	42.553	45.553	\$682,747		

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ACTUAL
Years ended December 31,
(Unaudited)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
REVENUES				
Property taxes	\$ 36,951	\$ 37,724	\$ 37,703	\$ 44,460
Specific ownership taxes	3,124	3,384	3,625	4,095
Net investment income	60	60	163	161
Other	-	9,000	21,000	-
Total revenues	<u>40,135</u>	<u>50,168</u>	<u>62,491</u>	<u>48,716</u>
EXPENDITURES				
Accounting	15,427	17,590	16,241	19,988
Audit	3,400	3,400	3,400	3,400
Bond issue costs	-	-	-	9,511
County treasurer's fees	543	566	566	668
Directors' fees	400	200	-	646
Dues, insurance, and bonds	2,591	2,738	2,744	3,244
Sidewalk snow removal	575	260	1,156	725
Legal	8,824	11,324	7,726	5,597
Election	-	343	-	872
Management	11,472	13,302	15,349	8,746
Miscellaneous	222	651	496	321
Total expenditures	<u>43,454</u>	<u>50,374</u>	<u>47,678</u>	<u>53,718</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,319)</u>	<u>(206)</u>	<u>14,813</u>	<u>(5,002)</u>
OTHER FINANCING SOURCES (USES)				
Repay developer advance	(13,000)	-	(20,000)	-
Transfers from other fund	-	-	5,908	-
Total other financing sources (uses)	<u>(13,000)</u>	<u>-</u>	<u>(14,092)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(16,319)	(206)	721	(5,002)
FUND BALANCES - BEGINNING OF YEAR	<u>37,461</u>	<u>21,142</u>	<u>20,936</u>	<u>21,657</u>
FUND BALANCES - END OF YEAR	<u>\$ 21,142</u>	<u>\$ 20,936</u>	<u>\$ 21,657</u>	<u>\$ 16,655</u>

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
GENERAL FUND
SCHEDULE OF BUDGET SUMMARY AND COMPARISON
Years Ended December 31,
(Unaudited)**

	Amended 2015 Budget	2016 Actual	2016 Budget
REVENUES			
Property taxes	\$ 37,703	\$ 44,460	\$ 44,506
Specific ownership tax	3,569	4,095	4,006
Net investment income	112	161	100
System development fees	21,000	-	-
Total revenues	<u>62,384</u>	<u>48,716</u>	<u>48,612</u>
EXPENDITURES			
Current			
Accounting	16,000	19,988	16,000
Audit	3,400	3,400	3,500
Bond issue costs	-	9,511	-
County Treasurer's fees	566	668	668
Directors' fees	400	646	646
Dues and membership	311	306	500
Election	-	872	2,000
Sidewalk snow removal	1,500	725	1,500
Insurance	2,433	2,938	2,800
Legal	7,000	5,597	7,000
Management	15,000	8,746	13,000
Miscellaneous	546	321	500
Repay developer advance	20,000	-	5,000
Contingency	2,844	-	2,886
Total expenditures	<u>70,000</u>	<u>53,718</u>	<u>56,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,616)</u>	<u>(5,002)</u>	<u>(7,388)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(7,616)	(5,002)	(7,388)
FUND BALANCES - BEGINNING OF YEAR	<u>20,936</u>	<u>21,657</u>	<u>18,320</u>
FUND BALANCES - END OF YEAR	<u>\$ 13,320</u>	<u>\$ 16,655</u>	<u>\$ 10,932</u>