

**DENVER HIGH POINT AT DIA
METROPOLITAN DISTRICT
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS
December 31, 2016**



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Independent Auditor's Report

Board of Directors
Denver High Point at DIA Metropolitan District
City and County of Denver, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Denver High Point at DIA Metropolitan District (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 opinions 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Denver High Point at DIA 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that governmental 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 is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
July 10, 2017

BASIC FINANCIAL STATEMENTS

DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 758
Cash and investments - Restricted	32,542
Receivable - County Treasurer	116
Regional mill levy receivable	19,175
Capital assets:	
Capital assets, not being depreciated	194,657
Capital assets, net of accumulated depreciation	<u>200,138</u>
Total assets	<u>447,386</u>
LIABILITIES	
Accounts payable	68,445
Due to Colorado International Center MD No. 14	5,079
Noncurrent liabilities:	
Due in more than one year	<u>6,220,611</u>
Total liabilities	<u>6,294,135</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred regional mill levy revenue	<u>19,175</u>
Total deferred inflows of resources	<u>19,175</u>
NET POSITION	
Net investment in capital assets	119,666
Restricted for:	
Emergency	3,500
Capital projects	29,158
Unrestricted	<u>(6,018,248)</u>
Total net position	<u>\$ (5,865,924)</u>

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

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Government activities:					
General government	\$ 166,312	\$ -	\$ 115,164	\$ 189,656	\$ 138,508
Interest and related costs on long-term debt	353,479	-	-	-	(353,479)
	<u>\$ 519,791</u>	<u>\$ -</u>	<u>\$ 115,164</u>	<u>\$ 189,656</u>	<u>(214,971)</u>
General revenues:					
Regional mill levy					17,481
Specific ownership taxes					1,451
Total general revenues					<u>18,932</u>
Change in net position					(196,039)
Net position - Beginning					(5,669,885)
Net position - Ending					<u>\$ (5,865,924)</u>

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

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Projects - Regional</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 758	\$ -	\$ -	\$ 758
Cash and investments - Restricted	3,500	-	29,042	32,542
Due from other funds	2,000	-	-	2,000
Receivable - County Treasurer	-	-	116	116
Regional mill levy receivable	-	-	19,175	19,175
TOTAL ASSETS	<u>\$ 6,258</u>	<u>\$ -</u>	<u>\$ 48,333</u>	<u>\$ 54,591</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 10,148	\$ 58,297	\$ -	\$ 68,445
Due to Colorado International Center MD No. 14	5,079	-	-	5,079
Due to other funds	-	2,000	-	2,000
Total liabilities	<u>15,227</u>	<u>60,297</u>	<u>-</u>	<u>75,524</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred regional mill levy revenue	-	-	19,175	19,175
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>19,175</u>	<u>19,175</u>
FUND BALANCES (DEFICITS)				
Restricted for:				
Emergencies (TABOR)	3,500	-	-	3,500
Capital projects	-	-	29,158	29,158
Unassigned:	<u>(12,469)</u>	<u>(60,297)</u>	<u>-</u>	<u>(72,766)</u>
Total fund balances (deficits)	<u>(8,969)</u>	<u>(60,297)</u>	<u>29,158</u>	<u>(40,108)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 6,258</u>	<u>\$ -</u>	<u>\$ 48,333</u>	

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

Capital assets used in governmental activities are financial resources and, therefore, are not reported in the funds.	394,795
Long-term liabilities, including Developer advances, are not due and payable in the current period and, therefore, are not reported in the funds.	
Developer advances	(4,534,199)
Accrued interest - Developer advances	(1,686,412)
Net position of governmental activities	<u>\$ (5,865,924)</u>

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

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
Year Ended December 31, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Projects - Regional</u>	<u>Total Governmental Funds</u>
REVENUES				
Regional mill levy	\$ -	\$ -	\$ 17,481	\$ 17,481
Specific ownership tax	-	-	1,451	1,451
System development fees	-	20,357	-	20,357
Regional development fees	-	-	169,299	169,299
Intergovernmental revenue from Colorado				
International Center MD No. 14	115,164	-	-	115,164
Total revenues	<u>115,164</u>	<u>20,357</u>	<u>188,231</u>	<u>323,752</u>
EXPENDITURES				
Current				
Accounting	35,807	-	-	35,807
Audit	7,600	-	-	7,600
City administration fee	5,328	-	-	5,328
County Treasurer's fee - Regional mill levy	-	-	175	175
Dues and subscriptions	1,142	-	-	1,142
Elections	9,492	-	-	9,492
Insurance and bonds	5,480	-	-	5,480
Landscape maintenance - contract	14,160	-	-	14,160
Landscape repairs and maintenance	27,177	-	-	27,177
Landscape maintenance - Gateway	5,069	-	-	5,069
Legal	25,021	1,299	-	26,320
Snow removal	2,725	-	-	2,725
Utilities	20,674	-	-	20,674
Miscellaneous	300	-	-	300
Debt service				
Repayment of Developer advances - interest	-	-	169,299	169,299
Capital outlay				
Construction management fees	-	76,022	-	76,022
Grading/earthwork	-	4,863	-	4,863
Engineering	-	48,391	-	48,391
Park and recreation	-	98,123	-	98,123
Water	-	4,000	-	4,000
Total expenditures	<u>159,975</u>	<u>232,698</u>	<u>169,474</u>	<u>562,147</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(44,811)</u>	<u>(212,341)</u>	<u>18,757</u>	<u>(238,395)</u>
OTHER FINANCING SOURCES (USES)				
Developer advance	26,717	153,196	-	179,913
Total other financing sources (uses)	<u>26,717</u>	<u>153,196</u>	<u>-</u>	<u>179,913</u>
NET CHANGE IN FUND BALANCES	<u>(18,094)</u>	<u>(59,145)</u>	<u>18,757</u>	<u>(58,482)</u>
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR				
	9,125	(1,152)	10,401	18,374
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (8,969)</u>	<u>\$ (60,297)</u>	<u>\$ 29,158</u>	<u>\$ (40,108)</u>

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

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) 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	\$	(58,482)
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Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. During the current period, there were no depreciable assets. Therefore, this is the amount of capital outlay in the current period.

Capital outlay		231,399
Depreciation expense		(4,863)

The issuance of long-term debt (e.g., bonds, Developer advances) 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Current year debt - Developer advances		(179,913)
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Some expenses 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 Developer advances - Change in liability		(184,180)
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Changes in net position of governmental activities	\$	<u>(196,039)</u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICITS) - 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			
Intergovernmental revenue from Colorado			
International Center MD No. 14	\$ 121,282	\$ 115,164	\$ (6,118)
Total revenues	<u>121,282</u>	<u>115,164</u>	<u>(6,118)</u>
EXPENDITURES			
Accounting	40,000	35,807	4,193
Audit	7,800	7,600	200
City administration fee	5,000	5,328	(328)
Dues and subscriptions	1,000	1,142	(142)
Elections	2,000	9,492	(7,492)
Insurance and bonds	6,000	5,480	520
Landscape enhancements	120,000	-	120,000
Landscape maintenance - contract	15,000	14,160	840
Landscape repairs and maintenance	50,000	27,177	22,823
Landscape maintenance - Gateway	5,000	5,069	(69)
Legal	25,000	25,021	(21)
Snow removal	12,000	2,725	9,275
Utilities	31,000	20,674	10,326
Miscellaneous	1,000	300	700
Contingency	4,200	-	4,200
Total expenditures	<u>325,000</u>	<u>159,975</u>	<u>165,025</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(203,718)</u>	<u>(44,811)</u>	<u>158,907</u>
OTHER FINANCING SOURCES (USES)			
Developer advance	205,000	26,717	(178,283)
Total other financing sources (uses)	<u>205,000</u>	<u>26,717</u>	<u>(178,283)</u>
NET CHANGE IN FUND BALANCES	1,282	(18,094)	(19,376)
FUND BALANCES - BEGINNING OF YEAR	2,875	9,125	6,250
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 4,157</u>	<u>\$ (8,969)</u>	<u>\$ (13,126)</u>

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

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 1 - DEFINITION OF REPORTING ENTITY

Denver High Point at DIA Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver recorded on June 26, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City and County of Denver (City) on March 13, 2006. Concurrently with the formation of the District, the City approved the formation of Colorado International Center Metropolitan District No. 13 (CIC 13), which will contain the residential property within the project, and Colorado International Center No. 14 (CIC 14), which will contain the commercial property within the project (Taxing Districts). The District is the Management District, and together with the Taxing Districts, are collectively the Denver High Point Districts (Districts).

The District, pursuant to an intergovernmental agreement among the Districts, is responsible for managing, implementing, and coordinating the financing, acquisition, construction, completion, operation, and maintenance of all public infrastructure and services within the Districts, including street, safety protection, water, sewer and storm drainage, transportation, mosquito control, limited fire protection, and park and recreation improvements for the use of the inhabitants and taxpayers of the Districts. The operation and maintenance of most District services and facilities are anticipated to be provided by the City and not by the Districts.

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 is not financially accountable for any other organization nor is the District a component unit of any other primary governmental entity, including the City and the Taxing Districts.

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

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. The effect of interfund activity has been removed from these statements. These financial statements include all of the activities of the District. Governmental activities are normally supported by property taxes and intergovernmental revenues.

DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources 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.

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.

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 District 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 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 Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

The Capital Projects Fund - Regional is used to account for resources to be used for the acquisition and construction of regional capital equipment and facilities.

DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The District amended its annual budget for the year ended December 31, 2016.

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.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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 property and infrastructure improvements, are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements, with the exception of landscaping improvements (trees, sod, and similar items) are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Any construction in process that will be dedicated to another entity is not depreciated.

Depreciation expense has been computed using the straight-line method over the following economic useful lives:

Monuments	50 years
Landscape improvements	20 years

Maintenance Fee

On October 28, 2015, the District and CIC 14 (the Districts) adopted a Joint Resolution Concerning the Imposition of a Maintenance Fee. This Joint Resolution supersedes all other resolutions imposing Maintenance Fees.

A monthly recurring maintenance fee is charged to each residential and commercial unit in CIC 14 for services provided in connection with the construction, operation, and maintenance of public facilities by the District, including but not limited to the operation and maintenance of park and recreational facilities, landscaping, and common areas. The maintenance fee may be adjusted from time to time. In 2016, the fees were \$26.50 for residential units without underdrains and \$27.50 for residential units with underdrains. The maintenance fees are to be billed, collected, and retained by the District. During 2016, there were no occupied residential units within CIC 14. Therefore, no maintenance fee revenue has been reported.

The Districts are also authorized to charge a one-time maintenance fee payable upon the transfer of a residential or commercial unit by an End User at a rate established by the Districts from time to time. As of December 31, 2016, no rate for the one-time maintenance fees had been established.

Facilities Fee

On October 28, 2015, the District and CIC 14 adopted a Joint Resolution Concerning the Imposition of a Facilities Fee. This Joint Resolution supersedes all other resolutions imposing Facilities Fees.

A facility fee of \$2,500 for each residential unit and \$0.25 per square foot for each commercial unit is charged against properties within CIC 14. The facility fee is due at the time of issuance of a building permit. The District records the facilities fee as revenue when received.

DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Regional Development fee

On October 28, 2015, the District and CIC 14 adopted a Joint Resolution Concerning the Imposition of a Regional Development Fee. This Joint Resolution supersedes all other resolutions imposing Regional Development Fees.

The Districts impose a Regional Development Fee on property within the Districts ranging from a base amount of \$0.38 to \$0.94 per square foot of a Zone Lot, as adjusted by the Construction Cost Adjustment multiplier provided by the City. The fee is imposed to provide for the funding of certain Regional Improvements, per an agreement with the City.

Any unpaid fees constitute a statutory and perpetual lien against the property served.

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. 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 is 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.

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *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.
- *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.

Deficits

The General Fund reported a deficit of \$(8,969) and the Capital Projects Fund reported a deficit of \$(60,297) in the fund financial statements as of December 31, 2016. It is anticipated that these deficits will be eliminated with the receipt of funds advanced by the Developer in 2017.

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 - Unrestricted	\$ 758
Cash and investments - Restricted	<u>32,542</u>
Total cash and investments	<u><u>\$ 33,300</u></u>

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

Deposits with financial institutions	\$ 33,300
Total cash and investments	<u><u>\$ 33,300</u></u>

DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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, 2016, the District's cash deposits had a bank balance of \$37,661 and a carrying balance of \$33,300.

Investments

The District has adopted a formal investment policy following state statutes regarding investments, but had no investments as of December 31, 2016.

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

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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.

At December 31, 2016, the District had no investments.

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2016, follows:

	<u>Balance at December 31, 2015</u>	<u>Additions</u>	<u>Retirements/ Reclassification</u>	<u>Balance at December 31, 2016</u>
Capital assets, not being depreciated				
Construction in progress	\$ 36,450	\$ 231,399	\$ (267,849)	\$ -
Landscape improvements	60,733	133,924	-	194,657
Total capital assets, not being depreciated	<u>97,183</u>	<u>365,323</u>	<u>-</u>	<u>194,657</u>
Capital assets, being depreciated				
Landscaping	-	133,925	-	133,925
Monument	75,747	-	-	75,747
Total capital assets, being depreciated	<u>75,747</u>	<u>133,925</u>	<u>-</u>	<u>209,672</u>
Less accumulated depreciation for:				
Landscaping	-	(3,348)		(3,348)
Monument	(4,671)	(1,515)	-	(6,186)
Total accumulated depreciation	<u>(4,671)</u>	<u>(4,863)</u>	<u>-</u>	<u>(9,534)</u>
Total capital assets, being depreciated, net	<u>71,076</u>	<u>129,062</u>	<u>-</u>	<u>200,138</u>
Governmental activities - Capital assets, net	<u>\$ 168,259</u>	<u>\$ 494,385</u>	<u>\$ -</u>	<u>\$ 394,795</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:

 General government \$ 4,863

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 5 - LONG-TERM OBLIGATIONS

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

	<u>Balance at December 31, 2015</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance at December 31, 2016</u>	<u>Due Within One Year</u>
Governmental activities					
Developer advances - Operations	\$ 461,464	\$ 26,717	\$ -	\$ 488,181	\$ -
Developer advances - Capital	2,718,371	153,196	-	2,871,567	-
Developer advances - Regional	1,174,451	-	-	1,174,451	-
Accrued interest on Developer advances	1,502,232	353,479	169,299	1,686,412	-
	<u>\$ 5,856,518</u>	<u>\$ 533,392</u>	<u>\$ 169,299</u>	<u>\$ 6,220,611</u>	<u>\$ -</u>

Operations Funding and Reimbursement Agreement

On October 14, 2016, the District (along with Colorado International Center Metropolitan District No. 13, and Colorado International Center Metropolitan District No. 14) (the Districts) entered into an Operations Funding and Reimbursement Agreement (New Operations Agreement) with LNR CPI High Point, LLC (Developer). The Districts had entered into previous Operations and Funding Agreements dated March 22, 2007, and made effective December 1, 2006 (Prior Operations Agreements). The New Operations Agreement was entered into for the purpose of terminating the Prior Operations Agreements, acknowledging all prior costs to the Districts for the payment of operations costs, and clarifying and consolidating all understandings and commitments between the Districts and the Developer. The Districts have acknowledged that the Developer has made advances to the District since 2006 through the date of the New Agreement, and that the Developer will continue to advance funds to the Districts for operations costs on a periodic basis as needed. Simple interest on such advances shall accrue at the rate of 8% per annum. Repayment of advances will be from ad valorem taxes, fees, or other legally available revenues. Any mill levy certified by the District for the purpose of repaying advances shall not exceed 50 mills, less amounts needed for current administrative, operations and maintenance costs, and to service existing debt. The New Operations Agreement is in effect until the earlier of repayment of advances or December 1, 2046. At December 31, 2016, the outstanding amount due to the Developer by the District was \$721,596, which includes \$233,415 of accrued interest.

Capital Funding and Reimbursement Agreement

On June 28, 2007, the Districts entered into a Funding and Reimbursement Agreement (Prior Capital Agreement) with the Developer which established the funding and reimbursement of capital costs. On October 14, 2016, the Districts and the Developer entered into a Capital Funding and Reimbursement Agreement (New Capital Agreement) for the purpose of superseding the Prior Capital Agreement, acknowledging all prior advances and clarifying and consolidating all understandings and commitments related to capital costs between the Districts and the Developer. Under the New Capital Agreement the Developer agrees that it will make advances up to \$100,000,000 through fiscal year 2026. The District will repay any amounts

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

advanced under the New Capital Agreement with simple interest of 8%. Any payments made by the District shall first be applied to accrued and unpaid interest and then to the principal amount due. The Agreement will expire on the earlier of the repayment of the obligation or December 1, 2046. The District's obligation to pay the Developer is a multiple fiscal year obligation of the District payable from the proceeds of any District bonds or proceeds received from the Taxing Districts. At December 31, 2016, the outstanding amount due to the Developer by the District was \$4,200,223, which includes \$1,328,656 of accrued interest.

City Intergovernmental Agreement

On September 2, 2008, the District entered into an agreement with the City and County of Denver whereby the District is required to levy a Regional Mill Levy in the amount of 15.000 mills and to impose a one-time Regional Development Fee based upon the square footage of an applicable lot of all property within the project area, (collectively, the regional funds). The District will also require CIC13 and CIC14 (Denver Districts) to comply with this agreement. The regional funds will be used to pay the costs of defined Regional Improvements.

The District has the authority to construct the Regional Improvements as detailed in its service plan and in the service plans of the Denver Districts. Per the agreement, the District is also responsible for 17% of Gateway Regional Metropolitan District's (Gateway) service plan project costs and certain Town Center Metropolitan District obligations.

The District's share of the Regional Improvements will be funded from the regional funds. The flow of funds for payment is as follows: 1) debt service on any bonds issued for the funding of Regional Improvements, 2) reimbursement of the Developer in the event it advances funds to the City for payment of District obligations under the agreement, 3) payment of the Town Center obligations, 4) payment under the City IGA for past project costs (Note 2), 5) payment under the City IGA for Tower - 56th District Lanes costs (Note 1), and 6) the District's share of Regional Improvement costs as they become due, including Gateway service plan project costs. The agreement was amended on March 17, 2014, to include additional projects.

The District shall utilize all available moneys from regional bonds or regional funds to meet the District obligations. Pursuant to the "Funding Agreement - City IGA Obligations" between the District, the Developer, and the City dated September 2, 2008, if regional funds are inadequate to pay the entire amount due on the applicable payment date, the Developer agrees that it will pay the shortfall amount as an advance to the District. The District agrees to reimburse the Developer for the advances, plus simple interest at a rate of 8% per annum. No payment shall be required of the District unless the District issues regional bonds or collects regional funds. Notwithstanding the foregoing, the District may reimburse the Developer from otherwise legally available funds.

On September 2, 2008, the District entered into a Funding Agreement – City IGA Obligations with the City and the Developer. The Developer agrees that it will pay any shortfall amount to the City on behalf of the District for amounts owed under the City Intergovernmental Agreement above. The District agrees to reimburse the Developer for advances, plus simple interest, at an annual rate of 8% per annum.

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

During 2009, 2010, 2012, and 2014, the Developer advanced funds to pay the District's obligations related to the City Intergovernmental Agreement. As of December 31, 2016, the District owed the Developer \$1,298,792 under the Agreement, of which \$1,174,451 is principal and \$124,341 is accrued interest.

Authorized Debt

On May 2, 2006, a majority of the qualified electors of the District authorized the issuance of general obligation indebtedness of \$1,530,400,000 at an interest rate not to exceed 14% per annum. At December 31, 2016, the District had authorized, but unissued general obligation indebtedness in the following amounts for the following purposes:

	Authorized May 2, 2006 Election	Authorization Used	Remaining at December 31, 2016
Streets	\$ 157,800,000	\$ -	\$ 157,800,000
Traffic and safety controls	157,800,000	-	157,800,000
Water	157,800,000	-	157,800,000
Sanitary sewer	157,800,000	-	157,800,000
Parks and recreation	157,800,000	-	157,800,000
Public transportation	157,800,000	-	157,800,000
Mosquito control	10,000,000	-	10,000,000
Fire protection	10,000,000	-	10,000,000
Operations and maintenance	157,800,000	-	157,800,000
Intergovernmental agreements	157,800,000	-	157,800,000
Regional improvements	90,200,000	-	90,200,000
Refunding	157,800,000	-	157,800,000
	<u>\$ 1,530,400,000</u>	<u>\$ -</u>	<u>\$ 1,530,400,000</u>

Per the District's Service Plan, the District is prohibited from issuing debt in excess of \$157,800,000 for District Improvements and \$90,200,000 for Regional Improvements.

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.

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 6 - AGREEMENTS

Facilities Funding, Construction, and Operations Agreement (FFCOA)

On June 28, 2007, the District entered into a Facilities Funding, Construction and Operation Agreement (FFCOA) with the Taxing Districts. As the "Management District", the District will own, operate, maintain, finance and construct facilities benefiting all of the Districts and the Taxing Districts will contribute to the costs of construction, operation, and maintenance of such facilities. Since all assessed valuation of property developed will be located in the Taxing Districts, the Taxing Districts will either use proceeds of general obligation bonds or pledge their ad valorem tax revenues to pay their obligations to the Management District. The FFCOA was amended on October 29, 2009, effective September 2, 2008, to revise certain provisions relating to bonds and revenue from regional mill levies and regional development fees.

Operations Financing Intergovernmental Agreement

On June 6, 2007, the District entered into an agreement with the Denver Districts and Gateway. Under the agreement, the District and the Denver Districts agreed to participate in the operations and maintenance of certain public landscaping improvements in the medians along Tower Road between 56th Avenue and 72nd Avenue that had been previously installed by Gateway. The District and the Denver Districts' share of the operations and maintenance expenses is 17% of Gateway's budgeted operation and maintenance expenses, as adjusted for certain provisions. As provided under the FFCOA (see above), the District shall collect revenues from the Denver High Point Districts and remit to Gateway the annual amount due in twelve equal installments. During 2016, \$5,069 was paid to Gateway under this Agreement.

Silverbluff Companies, Inc.

On May 29, 2012, the District and Silverbluff Companies, Inc. (Silverbluff) entered into a construction management agreement. A first amendment to this agreement was entered into on December 23, 2015. On July 21, 2016, the District and Silverbluff entered into a Second Amended and Restated Independent Contractor Agreement – Construction Management (the Agreement) for the purpose of amending and restating the prior agreements in their entirety. A scope of services is detailed in the Agreement and includes all activities necessary to provide construction management services to ensure that District improvements are constructed in such a manner as to be acceptable by the District or another entity having jurisdiction over the District improvements. Compensation is to be 5% of the total contract price paid in equal installments over the term of the contract. Compensation will be adjusted for any change orders that increase or decrease the contract price. Compensation may be further adjusted if the term of the contract is increased fifteen or more days. The Agreement is effective as of the date of the Agreement and shall terminate the earlier of completion of services or December 31, 2016. The Agreement may also be terminated for cause or convenience by Silverbluff or the District upon giving 30 days written notice. If not terminated, the Agreement shall automatically renew for each succeeding year for an additional one year term commencing on January 1.

During 2016, \$76,022 was paid to Silverbluff under this agreement

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 6 - AGREEMENTS (CONTINUED)

All Phase Landscape Construction, Inc.

On October 1, 2015, Aurora High Point at DIA Metropolitan District (AHP) and All Phase Landscape Construction, Inc. (All Phase) entered into an Independent Contractor Agreement (the Agreement) for landscape maintenance and snow removal services. The annual payment for landscape services is \$47,315, to be paid on a monthly basis at a pre-determined monthly rate. Snow removal and other repairs and maintenance outside the scope of the Agreement will be billed on a time and materials basis. The Agreement terminates on September 15, 2016, or sooner upon 30 days prior written notice by either the District or All Phase. The Agreement may be renewed for an additional one year term upon separate written agreement between AHP and All Phase at time of renewal. The agreement was renewed for one year from October 1, 2016, through September 20, 2017, for an annual fee of \$47,282.

The area covered by the Agreement encompasses parks and open space land within the District, CIC 13, and CIC 14 as well as property within the AHP development. The monthly charge on the Agreement is split approximately 70% to the AHP and 30% to the District. Snow removal and other repairs and maintenance are split based upon where the work was performed, as determined by the District's construction manager – Silverbluff. The District and AHP are each responsible for the direct payment of its own share of costs.

During 2016, \$13,701 was paid to All Phase for costs incurred by the District under the Agreement and \$25,838 was paid outside the scope of the Agreement.

NOTE 7 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

The net investment in capital assets component of net position consists of capital assets that are owned by the District, 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 improvements of those assets. As of December 31, 2016, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net investment in capital assets	
Capital assets, net	\$ 394,795
Less: capital related debt	
Noncurrent portion of long-term obligations	(275,129)
Net investment in capital assets	\$ 119,666

DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 - NET POSITION (CONTINUED)

The restricted component of net position consists of amounts that are restricted for use either externally 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 of \$3,500 for Emergency Reserves and \$29,158 for Regional Capital projects as of December 31, 2016.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District has a deficit in unrestricted net position. This deficit amount was a result of the District being responsible for the repayment of Developer advances for operations and capital infrastructure, while the majority of assets constructed with those advances have been transferred to other entities for ownership and maintenance.

NOTE 8 - RELATED PARTIES

The property within the District is owned by and is being developed by LNR, a Colorado limited liability corporation, which acquired the property from Landmark Properties Group, Inc., a Colorado corporation, in May 2006. The managing partner of LNR was LNR Property, LLC. In April 2013, Starwood Capital Group (Starwood) purchased LNR Property, LLC, and is now the managing partner for LNR. During 2016, a majority of the members of the Board of Directors were officers of, employees of, or otherwise associated with Starwood. One board member is the owner of Silverbluff Company, Inc., which provides construction management services to the District.

NOTE 9 - ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by LNR.

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 was 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.

DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 10 - RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation 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.

On May 2, 2006, a majority of the District's electors authorized the District to collect and spend or retain ad valorem taxes of up to \$10,000,000 annually for operations and maintenance expenses of the District without regard to any limitations imposed by TABOR beginning in 2007. Additionally, the District electors authorized the District to collect, retain and spend all revenue without regard to limitation under TABOR in 2006 and all subsequent years. The electors also authorized the District to increase taxes up to \$10,000,000 annually to pay the District's operations and maintenance expenses by the imposition of fees without limitation as to rate or amount. The electors also authorized the District to increase taxes of up to \$10,000,000 annually to pay for regional improvements for which it is obligated per its service plan and other intergovernmental agreements.

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.

Except as mentioned above, 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

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICITS) - 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			
System development fees	\$ -	\$ 20,357	\$ 20,357
Total revenues	<u>-</u>	<u>20,357</u>	<u>20,357</u>
EXPENDITURES			
Current			
Legal	2,000	1,299	701
Capital outlay			
Construction management fees	342,750	76,022	266,728
Dry utilities	763,000	-	763,000
Engineering	715,000	48,391	666,609
Erosion control	160,000	-	160,000
Grading/earthwork	400,000	4,863	395,137
Park and recreation	808,000	98,123	709,877
Streets	1,120,000	-	1,120,000
Storm drainage	2,081,700	-	2,081,700
Sanitary sewer	706,000	-	706,000
Water	686,000	4,000	682,000
Total expenditures	<u>7,784,450</u>	<u>232,698</u>	<u>7,551,752</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,784,450)</u>	<u>(212,341)</u>	<u>7,572,109</u>
OTHER FINANCING SOURCES (USES)			
Developer advance	7,784,450	153,196	(7,631,254)
Total other financing sources (uses)	<u>7,784,450</u>	<u>153,196</u>	<u>(7,631,254)</u>
NET CHANGE IN FUND BALANCES	-	(59,145)	(59,145)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	-	(1,152)	(1,152)
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ -</u>	<u>\$ (60,297)</u>	<u>\$ (60,297)</u>

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND - REGIONAL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Regional mill levy	\$ 17,481	\$ 17,481	\$ 17,481	\$ -
Regional development fees	-	175,724	169,299	(6,425)
Specific ownership tax	1,310	1,400	1,451	51
Total revenues	<u>18,791</u>	<u>194,605</u>	<u>188,231</u>	<u>(6,374)</u>
EXPENDITURES				
County Treasurer's fee - Regional mill levy	170	176	175	1
Repayment of Developer advances - interest	-	175,724	169,299	6,425
Contingency	2,830	1,100	-	1,100
Total expenditures	<u>3,000</u>	<u>177,000</u>	<u>169,474</u>	<u>7,526</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>15,791</u>	<u>17,605</u>	<u>18,757</u>	<u>1,152</u>
NET CHANGE IN FUND BALANCES	15,791	17,605	18,757	1,152
FUND BALANCES - BEGINNING OF YEAR	<u>10,193</u>	<u>10,401</u>	<u>10,401</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 25,984</u>	<u>\$ 28,006</u>	<u>\$ 29,158</u>	<u>\$ 1,152</u>

OTHER INFORMATION

**DENVER HIGH POINT AT DIA METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2016**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>			<u>Total Property Taxes</u>		<u>Percentage Collected to Levied</u>
		<u>General Operations</u>	<u>Regional Mill Levy</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2012	\$ 630,170	0.000	15.000	0.000	\$ 9,453	\$ 9,453	100.00%
2013	\$ 643,300	0.000	15.000	0.000	\$ 9,650	\$ 9,650	100.00%
2014	\$ 632,700	0.000	15.000	0.000	\$ 9,491	\$ 9,490	100.00%
2015	\$ 641,560	0.000	15.000	0.000	\$ 9,623	\$ 9,623	100.00%
2016	\$ 1,165,420	0.000	15.000	0.000	\$ 17,481	\$ 17,481	100.00%
Estimated for year ending December 31, 2017	\$ 1,278,300	0.000	15.000	0.000	\$ 19,175		

Note:
Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.