

**HIGH PLAINS METROPOLITAN DISTRICT**  
**Arapahoe County, Colorado**

**FINANCIAL STATEMENTS**  
**December 31, 2016**



**RECEIVED**

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## **Independent Auditor's Report**

Board of Directors  
**High Plains Metropolitan District**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of High Plains Metropolitan District as of and for the year ended December 31, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of High Plains Metropolitan District as of December 31, 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 opinion on the basic financial statements are not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*L. Paul Goedecke P.C.*

L. Paul Goedecke, P.C.  
September 25, 2017

## **BASIC FINANCIAL STATEMENTS**

**HIGH PLAINS METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
December 31, 2016**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 726,586
Cash and investments - Restricted	930,470
Accounts receivable - assessments	16,375
Receivable - County Treasurer	8
Prepaid expense	25,093
Property taxes receivable	1,634,984
Capital assets, not being depreciated	9,958,593
Total assets	13,292,109
<b>LIABILITIES</b>	
Accounts payable	467,766
Accrued Bond interest payable	3,348,597
Prepaid assessments	35,268
Property tax due to County	1,401
Noncurrent liabilities:	
Due in more than one year	52,247,855
Total liabilities	56,100,887
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property tax revenue	1,634,984
Total deferred inflows of resources	1,634,984
<b>NET POSITION</b>	
Net investment in capital assets	(29,798,005)
Restricted for:	
Emergencies	27,400
Debt service	7,440
Unrestricted	(14,680,597)
Total net position	\$ (44,443,762)

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

**HIGH PLAINS METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 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	\$ 601,964	\$ 477,073	\$ -	\$ -	\$ (124,891)
Interest and related costs on long-term debt	2,842,864	-	-	-	(2,842,864)
	<u>\$ 3,444,828</u>	<u>\$ 477,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,967,755)</u>
General revenues:					
Property taxes					1,404,348
Regional property taxes					20,062
Specific ownership taxes					108,536
Regional specific ownership taxes					1,772
Net investment income					4,821
Miscellaneous income					31,626
Total general revenues					<u>1,571,165</u>
Change in net position					(1,396,590)
Net position - Beginning					(43,047,172)
Net position - Ending					<u>\$ (44,443,762)</u>

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

**HIGH PLAINS METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2016**

	General	Debt Service	Capital Projects	Capital Projects - Regional Improvements	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 726,586	\$ -	\$ -	\$ -	\$ 726,586
Cash and investments - Restricted	27,400	451,733	305,926	145,411	930,470
Accounts receivable-assessments	16,375	-	-	-	16,375
Receivable - County Treasurer	-	-	-	8	8
Prepaid expense	25,093	-	-	-	25,093
Property taxes receivable	460,559	1,151,397	-	23,028	1,634,984
<b>TOTAL ASSETS</b>	<u>\$ 1,256,013</u>	<u>\$ 1,603,130</u>	<u>\$ 305,926</u>	<u>\$ 168,447</u>	<u>\$ 3,333,516</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 24,477	\$ 443,289	\$ -	\$ -	\$ 467,766
Prepaid assessments	35,268	-	-	-	35,268
Property tax due to County	397	1,004	-	-	1,401
Total liabilities	<u>60,142</u>	<u>444,293</u>	<u>-</u>	<u>-</u>	<u>504,435</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property tax revenue	460,559	1,151,397	-	23,028	1,634,984
Total deferred inflows of resources	<u>460,559</u>	<u>1,151,397</u>	<u>-</u>	<u>23,028</u>	<u>1,634,984</u>
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid expenses	25,093	-	-	-	25,093
Restricted for:					
Emergency reserves	27,400	-	-	-	27,400
Debt service	-	7,440	-	-	7,440
Committed for:					
Capital projects	-	-	305,926	145,419	451,345
Unassigned	682,819	-	-	-	682,819
Total fund balances	<u>735,312</u>	<u>7,440</u>	<u>305,926</u>	<u>145,419</u>	<u>1,194,097</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,256,013</u>	<u>\$ 1,603,130</u>	<u>\$ 305,926</u>	<u>\$ 168,447</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds.

Capital assets, not being depreciated

9,958,593

Long-term liabilities, including bonds payable and developer advances, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Accrued interest on Developer advances

(12,076,646)

Developer advance payable

(16,732,608)

Bonds payable

(23,675,000)

Bond discount (net of amortization)

236,399

Accrued interest on bonds payable

(3,348,597)

Net position of governmental activities

\$ (44,443,762)

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

**HIGH PLAINS METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Capital Projects - Regional Improvements</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Property taxes	\$ 401,242	\$ 1,003,106	\$ -	\$ -	\$ 1,404,348
Regional property taxes	-	-	-	20,062	20,062
Specific ownership taxes	31,009	77,527	-	-	108,536
Regional specific ownership taxes	-	-	-	1,772	1,772
Homeowner assessments	474,983	-	-	-	474,983
Design review fee	2,090	-	-	-	2,090
Net investment income	1,623	2,899	53	246	4,821
Miscellaneous income	1,288	-	30,338	-	31,626
Total revenues	<u>912,235</u>	<u>1,083,532</u>	<u>30,391</u>	<u>22,080</u>	<u>2,048,238</u>
<b>EXPENDITURES</b>					
General					
Accounting	27,826	-	-	-	27,826
Audit	4,500	-	-	-	4,500
County Treasurer's fees	6,020	15,050	-	-	21,070
County Treasurer's fees - regional mill levy	-	-	-	301	301
Directors' fees	2,700	-	-	-	2,700
Election	1,246	-	-	-	1,246
Insurance and bonds	34,506	-	-	-	34,506
Legal	56,590	-	-	-	56,590
Miscellaneous	817	-	-	-	817
Payroll taxes	375	-	-	-	375
Operations and maintenance	467,083	-	-	-	467,083
Debt service					
Bond interest - 2005A Series	-	985,022	-	-	985,022
Paying agent fees	-	3,650	-	-	3,650
Total expenditures	<u>601,663</u>	<u>1,003,722</u>	<u>-</u>	<u>301</u>	<u>1,605,686</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>310,572</u>	<u>79,810</u>	<u>30,391</u>	<u>21,779</u>	<u>442,552</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	-	-	275,535	123,640	399,175
Transfers to other funds	-	(399,175)	-	-	(399,175)
Total other financing sources (uses)	<u>-</u>	<u>(399,175)</u>	<u>275,535</u>	<u>123,640</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	310,572	(319,365)	305,926	145,419	442,552
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>424,740</u>	<u>326,805</u>	<u>-</u>	<u>-</u>	<u>751,545</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 735,312</u>	<u>\$ 7,440</u>	<u>\$ 305,926</u>	<u>\$ 145,419</u>	<u>\$ 1,194,097</u>

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

**HIGH PLAINS METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016**

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

Net change in fund balances - Total governmental funds	\$ 442,552
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of bond discount	(12,497)
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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.

Change in accrued developer advance interest payable	(1,171,513)
Change in accrued bond interest payable	<u>(655,132)</u>

Changes in net position of governmental activities	<u>\$ (1,396,590)</u>
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These financial statements should be read only in connection with  
the accompanying notes to financial statements.

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

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 405,328	\$ 401,242	\$ (4,086)
Specific ownership taxes	28,370	31,009	2,639
Homeowner assessments	356,608	474,983	118,375
Design review fee	5,000	2,090	(2,910)
Net investment income	20	1,623	1,603
Miscellaneous income	-	1,288	1,288
Total revenues	<u>795,326</u>	<u>912,235</u>	<u>116,909</u>
<b>EXPENDITURES</b>			
General administration			
Accounting	25,000	27,826	(2,826)
Audit	5,500	4,500	1,000
County Treasurer's fees	6,100	6,020	80
Director and meeting expense	5,000	-	5,000
Directors' fees	2,400	2,700	(300)
Election	40,000	1,246	38,754
Insurance and bonds	20,400	34,506	(14,106)
Legal	45,000	56,590	(11,590)
Miscellaneous	-	817	(817)
Payroll taxes	-	375	(375)
Operations and maintenance			
Community activities	2,500	327	2,173
Design review	5,000	3,375	1,625
District Administration	39,500	31,687	7,813
Legal collections	5,000	20,491	(15,491)
Legal other	6,000	-	6,000
Lighting	10,000	11,926	(1,926)
Gas & electric	10,000	13,217	(3,217)
Ground maintenance	45,000	9,889	35,111
Irrigation system	15,000	12,732	2,268
Landscape contract	118,597	118,597	-
Landscape improvements	60,000	26,600	33,400
Flowers	25,000	27,117	(2,117)
Holiday lights	15,000	16,318	(1,318)
Pet services	-	7,205	(7,205)
Playground inspection & repair	10,000	-	10,000
Snow removal	12,000	2,745	9,255
Telephone	1,200	1,183	17
Trash removal	40,000	57,746	(17,746)
Trees/shrubs/beds	85,000	54,218	30,782
Vandalism repairs	2,000	-	2,000
Water	125,000	51,710	73,290
Website	1,500	-	1,500
Total expenditures	<u>782,697</u>	<u>601,663</u>	<u>181,034</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	12,629	310,572	297,943
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>230,320</u>	<u>424,740</u>	<u>194,420</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 242,949</u>	<u>\$ 735,312</u>	<u>\$ 492,363</u>

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

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

High Plains Metropolitan District (District), a quasi-municipal corporation, was organized on November 27, 2002 concurrently with Beacon Point Metropolitan District (“Beacon Point”) and East Plains Metropolitan District (“East Plains”), and is governed pursuant to provisions of the Colorado Special District Act. The District is located entirely within the City of Aurora, County of Arapahoe, Colorado. On March 10, 2006, an Amended and Restated Consolidated Service Plan for the District, East Plains and Beacon Point was approved. The District was established to provide for the design, construction, installation, financing and acquisition of certain street, traffic and safety controls, water, sanitation, park and recreation improvements and mosquito control.

On April 5, 2010, the District, along with Beacon Point and East Plains, adopted Resolution No. 2010-04-01, Joint Resolution of East Plains, High Plains and Beacon Point Acknowledging and Authorizing the Dissolution of East Plains (“Resolution”). Pursuant to the Resolution, East Plains, High Plains and Beacon Point acknowledged that the purposes for which East Plains was organized have been satisfied and in order to simplify and increase efficiency in provision of improvements and services to High Plains and Beacon Point, it is in the best interests of East Plains, High Plains and Beacon Point, and their respective constituents, for East Plains to seek dissolution and transfer its rights and obligations with respect to the provision of improvements and services to High Plains and Beacon Point, as appropriate. The Resolution authorized East Plains to take the necessary actions to implement the dissolution.

In anticipation of the dissolution, on April 14, 2010, the District entered into two agreements with MS Rialto Blackstone CO, LLC (“MS Rialto”) and one agreement with Lennar Colorado, LLC (the “Developer”) whereby the District accepted the reimbursement obligations previously held by East Plains with respect to advances made by MS Rialto and/or the Developer for the benefit of the District.

On July 26, 2010, in anticipation of the dissolution of East Plains, a second Amended and Restated Service Plan (“SARSP”) for the District was approved by the City, segregating the rights and responsibilities of the Districts. On November 23, 2010 East Plains Metropolitan District was dissolved and all assets or liabilities of East Plains relating to the District were transferred to the District. As a result of the dissolution, the District is responsible for providing the day-to-day operations and administrative management and for constructing, owning, transferring, operating and maintaining any public facilities and services for the benefit of the District and for providing funding for the same.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

**HIGH PLAINS METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)**

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-wide and Fund Financial Statements**

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major 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.

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 - Regional Improvements Fund is used to account for financial resources to be used for a regional improvement or to be remitted to the Aurora Regional Improvement Authority or to the City.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank or investment account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value.

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes**

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets, which include infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

**Amortization**

**Bond Discounts**

In the government-wide financial statements, bond discounts are deferred and amortized over the life of the bonds using the straight line method.

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

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one 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.
- *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.

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2016, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 726,586
Cash and investments - Restricted	<u>930,470</u>
Total cash and investments	<u>\$ 1,657,056</u>

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

Deposits with financial institutions	\$ 291,155
Investments	<u>1,365,901</u>
Total cash and investments	<u>\$ 1,657,056</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.

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 \$309,878 and a carrying balance of \$291,155.

**Investments**

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

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

**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.

The District had invested in COLOTRUST, an external investment pool that records its investments at fair value and measures fair value using Level 2 inputs.

**HIGH PLAINS 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:

<b>Investment</b>	<b>Maturity</b>	<b>Fair Value</b>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	\$ 1,365,835
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>66</u>
		<u>\$ 1,365,901</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's.

**CSAFE**

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

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**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>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2016</u>
<b><u>Governmental Activities:</u></b>				
Capital assets, not being depreciated:				
Parks - Land improvements	\$ 9,958,593	\$ -	\$ -	\$ 9,958,593
Total capital assets, not being depreciated	<u>\$ 9,958,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,958,593</u>

**NOTE 5 - LONG-TERM OBLIGATIONS**

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

	<u>Balance at December 31, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2016</u>	<u>Due Within One Year</u>
<b><u>Governmental Activities:</u></b>					
Series 2005A Limited Tax General Obligation Bonds	\$ 23,675,000	\$ -	\$ -	\$ 23,675,000	\$ -
Reimbursement Agreement Lennar - capital	15,530,600	-	-	15,530,600	-
Reimbursement Agreement Lennar - capital - interest	10,338,882	1,087,142	-	11,426,024	-
Reimbursement agreement MS Rialto - capital	787,397	-	-	787,397	-
Reimbursement agreement MS Rialto - capital - interest	392,786	55,269	-	448,055	-
Reimbursement agreement MS Rialto - operations	414,611	-	-	414,611	-
Reimbursement agreement MS Rialto - operations - interest	173,465	29,102	-	202,567	-
	<u>51,312,741</u>	<u>1,171,513</u>	<u>-</u>	<u>52,484,254</u>	<u>-</u>
Unamortized bond discount - Series 2005A	(248,896)	-	(12,497)	(236,399)	-
	<u>\$ 51,063,845</u>	<u>\$ 1,171,513</u>	<u>\$ (12,497)</u>	<u>\$ 52,247,855</u>	<u>\$ -</u>

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

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

**General Obligation Bonds**

**On April 26, 2005, the District issued \$24,000,000 of Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2005A dated April 1, 2005 ("Series 2005A Bonds"),** for the purpose of providing funds to finance costs related to the acquisition, construction and installation of certain improvements and to pay certain costs associated with the formation of the District and the issuance costs of the Series 2005A Bonds. The Series 2005 A Bonds bear interest between the rates of 6.125% to 6.25%, payable semiannually on each June 1 and December 1, commencing on June 1, 2005. The Series 2005A Bonds are due December 1, 2035 and are subject to a mandatory sinking fund redemption commencing on December 1, 2009. The Series 2005A Bonds are subject to an early redemption at the option of the District, in whole on any date, or in part on any interest payment date, commencing December 1, 2015 at the redemption price equal to 100% of the principal amount of each Series 2005A Bond or portion thereof redeemed, plus accrued interest thereon to the date of redemption.

The Series 2005A Bonds are secured by Pledged Revenues including ad valorem taxes on all of the taxable property within the District in an amount not in excess of 50 mills until the amount of the Series 2005A Bonds outstanding is less than or equal to 50% of the assessed valuation, at which time the mill levy will no longer be limited to rate, specific ownership taxes and development fees. Development fees are imposed and collected by the District in the amount of \$3,500 per single-family residential lot, and \$3,500 per 5,000 square feet for any commercial lot. Such development fees are payable by the property owners no later than the date of the issuance of a building permit for the residential or commercial structure on the applicable lot. In the event sufficient development fees are not collected in the normal course, development fees are due from the Developer pursuant to the Prepaid Development Fee Agreement dated April 1, 2005. Under the Prepaid Development Fee Agreement, the Developer has agreed to provide for the payment of certain development fees in advance of the anticipated issuance of building permits for development. In the event the District receives development fees in any semi-annual period in excess of that anticipated in the schedule, such excess payments shall be carried forward and be credited against and reduce the number of fees required to be paid in the next succeeding semi-annual period. As of December 31, 2016, the District had collected \$2,803,500 related to development fees. This amount is in line with the Prepaid Development Fee Agreement's schedule and therefore no liability for prepaid fees existed at December 31, 2016.

Beginning on December 1, 2012 the District has not been able to fully pay the principal and interest payments as specified in the Trust Indenture dated April 1, 2005, between UMB Bank as successor to American National Bank and the District ("Indenture") and an event of default resulted. However, the District remains in compliance with its covenants under the Indenture with respect to its obligations to impose, the Maximum Mill Levy, along with the other Pledged Revenue for the purposes of repayment of the Bonds. The accrued and unpaid interest outstanding at December 31, 2016, totaled \$3,348,597.

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

Subsequent to year end, the District refunded its Series 2005A Bonds (see Note 11).

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Authorization**

As of December 31, 2016, the District had remaining voted debt authorization of approximately \$1,981,510,000. The District has not budgeted to issue any new debt during 2017. Per the District's SARSF, the District cannot issue debt in excess of \$100,000,000.

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.

**Funding and Reimbursement Agreements**

In anticipation of the dissolution of East Plains, on April 14, 2010, the District entered into two agreements with MS Rialto and one agreement with the Developer whereby the District accepted the reimbursement obligations previously held by East Plains with respect to advances made by MS Rialto and/or the Developer for the benefit of the District. The agreements included:

- (1) An Operation Funding and Reimbursement Agreement ("OFRA") with MS Rialto, whereby the District agreed to reimburse MS Rialto for operations and maintenance advances previously made to East Plains for the benefit of the District, in the amount of \$243,324 (including interest accrual to date of OFRA), along with additional interest to accrue at 7% per annum, expiring on December 31, 2044. Pursuant to the OFRA, MS Rialto also agreed to provide funding for operations and maintenance expenses of the District as needed for 2010 up to \$25,000. Reimbursement under the OFRA is from legally available revenues of the District after payments of debt service and operations and maintenance expenses and is subject to annual appropriation. On November 29, 2010, the District entered into a First Amendment to the OFRA increasing the Anticipated Shortfall Amount to \$82,481 and extending the terms of the OFRA to include advances necessary for 2011. As of December 31, 2016, \$414,611 in principal and \$202,567 in interest was outstanding.
- (2) A Capital Funding, Reimbursement and Acquisition Agreement ("CFRAA") with MS Rialto, whereby the District agreed to reimburse MS Rialto for capital advances previously made to East Plains for the benefit of the District, in the amount of \$829,639 (inclusive of principal and interest amounts to the date of the CFRAA), along with additional interest to accrue at 7% per annum expiring on December 31, 2044. Pursuant to the CFRAA, MS Rialto also agreed to provide funding for certain construction related expenses of the District as needed in 2010 in the amount of \$65,000 and the District agreed to acquire District improvements from MS Rialto in the event funding becomes available. Reimbursement under the CFRAA is subject to annual appropriation and will only be available to the extent and if the District issues bonds in an amount sufficient to pay for all or part of the reimbursement or acquisition amounts. As of December 31, 2016, \$787,397 in principal and \$448,055 in interest was outstanding.

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

(3) A Capital Reimbursement Agreement (“CRA”) with the Developer, whereby the District agreed to reimburse the Developer for capital advances previously made to East Plains for the benefit of the District, in the amount of \$19,452,810 (inclusive of principal and interest to the date of the CRA and net of any prior reimbursements) along with additional interest to accrue at 7% per annum expiring on December 31, 2044. Reimbursement under the CRA is subject to annual appropriation and will only be available to the extent and if the District issues bonds in an amount sufficient to pay for all or part of the reimbursement or acquisition amounts. Additionally, reimbursement under the CRA has priority over reimbursement under the CFRAA. As of December 31, 2016, \$15,530,600 in principal and \$11,426,024 in interest was outstanding.

**NOTE 6 - NET POSITION**

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2016, the District had net investments in capital assets calculated as follows:

	<b>Governmental Activities</b>
Net investment in capital assets	
Capital assets, net	\$ 9,958,593
Bond discount (net of accumulated amortization)	236,399
Bonds payable	(23,675,000)
Developer advance	(16,317,997)
Net investment in capital assets	\$ (29,798,005)

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation, the District had restricted net position as of December 31, 2016, as follows:

	<b>Governmental Activities</b>
Restricted net position	
Emergencies	\$ 27,400
Debt service	7,440
Total restricted net position	\$ 34,840

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 6 - NET POSITION (CONTINUED)**

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

**NOTE 7 - RELATED PARTIES**

Lennar Colorado, LLC is the Colorado manager for MS Rialto Blackstone CO, LLC ("Developer"), and has an interest in undeveloped land within the District.

**NOTE 8 - INTERGOVERNMENTAL AGREEMENTS**

On November 3, 2004, the District, along with East Plains and Beacon Point entered into an Amended and Restated Intergovernmental Agreement with the City of Aurora as amended September 26, 2008 by First Amendment ("Service Plan IGA"), as required by the Amended and Restated Consolidated Service Plan. On July 26, 2010, the District entered into a Second Amended and Restated Intergovernmental Agreement ("SARIGA") concurrent with the approval of the SARSP. Under the SARIGA, the District must obtain the approval of the Aurora City Council prior to any inclusion of property outside of the service area into the boundaries of the District, or any consolidation with any other special District. Prior to the issuance of any privately placed debt, the District shall obtain a certificate from an External Financial Advisor certifying to the reasonableness of the interest rate and the structure. Pursuant to the SARIGA and the SARSP, the District is required to levy a regional mill levy and to remit it to an Aurora Regional Improvement (ARI) Authority or to the City under certain circumstances.

The SARSP requires the District to dedicate certain public improvements to the City of Aurora or other appropriate jurisdiction or owners association for ownership and maintenance. The District is not authorized to operate or maintain any part of the improvements, other than park and recreation improvements, drainage improvements including detention and retention ponds, trickle channels and all necessary or proper equipment or appurtenances thereto, unless the provision of such operation and maintenance is pursuant to an intergovernmental agreement with the City.

**NOTE 9 - 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.

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 9 - RISK MANAGEMENT (CONTINUED)**

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 10 - 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 November 4, 2004, the District voters passed an election question to increase property taxes \$625,000 annually to pay the District's operations, maintenance, and other expenses. Additionally, the District voters authorized the District to collect, retain, and spend all 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.

**NOTE 11 - SUBSEQUENT EVENT**

On June 5, 2017 the District issued General Obligation Refunding Bonds Series 2017 in the amount of \$27,415,000. The proceeds from the sale of the 2017 Bonds were used to (i) refund the District's outstanding Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2005A, (ii) fund an initial deposit of \$1,000,000 to the Surplus Account, and (iii) pay certain costs of issuance of the Bonds.

The Series 2017 Bonds bear interest at rates ranging from 2.375% to 5.000%, payable semi-annually on June 1 and December 1, beginning on December 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2019. The Series 2017 Bonds mature on December 1, 2047. The Series 2017 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity.

**HIGH PLAINS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 11 - SUBSEQUENT EVENT (CONTINUED)**

The Series 2017 Bonds are a general obligation of the District. The full faith and credit of the District are pledged for the payment of the principal of, premium, if any and interest on the Bonds. Without limiting the foregoing, the Pledged Revenue is pledged to the payment of the Bonds, on a parity with Parity Bonds, if any. "Pledged Revenue" is defined in the Bond Resolution to mean: (i) all amounts derived by the District from imposition of the Required Mill Levy and, to the extent not applied to the payment or refunding of the Series 2005A Bonds, the debt service mill levy imposed by the District in 2016 (less costs of collection and any tax refunds or abatements authorized by or on behalf of the County); and (ii) Specific Ownership Taxes. The Series 2017 Bonds are secured by amounts held by the District in the Surplus Account, if any. All of the Series 2017 Bonds shall be additionally secured by a Bond Insurance Policy issued by National Public Finance Guarantee Corp, rated A by Standard & Poor's.

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

**SUPPLEMENTAL INFORMATION**

**HIGH PLAINS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
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>		
<b>REVENUES</b>				
Property taxes	\$ 1,013,320	\$ 1,013,320	\$ 1,003,106	\$ (10,214)
Specific ownership taxes	70,930	70,930	77,527	6,597
Net investment income	200	200	2,899	2,699
Total revenues	<u>1,084,450</u>	<u>1,084,450</u>	<u>1,083,532</u>	<u>(918)</u>
<b>EXPENDITURES</b>				
Debt service				
County Treasurer's fees	15,200	15,200	15,050	150
Bond interest - 2005A Series	1,066,750	993,660	985,022	8,638
Paying agent fees	<u>2,500</u>	<u>2,500</u>	<u>3,650</u>	<u>(1,150)</u>
Total expenditures	<u>1,084,450</u>	<u>1,011,360</u>	<u>1,003,722</u>	<u>7,638</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	73,090	79,810	6,720
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to other funds	-	<u>(401,640)</u>	<u>(399,175)</u>	<u>2,465</u>
Total other financing sources (uses)	<u>-</u>	<u>(401,640)</u>	<u>(399,175)</u>	<u>2,465</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	(328,550)	(319,365)	9,185
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>269,190</u>	<u>329,815</u>	<u>326,805</u>	<u>(3,010)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 269,190</u>	<u>\$ 1,265</u>	<u>\$ 7,440</u>	<u>\$ 6,175</u>

**HIGH PLAINS METROPOLITAN DISTRICT  
CAPITAL PROJECTS 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>
<b>REVENUES</b>			
Net investment income	\$ -	\$ 53	\$ 53
Miscellaneous income	-	30,338	30,338
Total revenues	<u>-</u>	<u>30,391</u>	<u>30,391</u>
<b>EXPENDITURES</b>			
Total expenditures	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	<u>-</u>	<u>30,391</u>	<u>30,391</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from other fund	-	275,535	275,535
Total other financing sources (uses)	<u>-</u>	<u>275,535</u>	<u>275,535</u>
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>			
	-	305,926	305,926
<b>FUND BALANCES - BEGINNING OF YEAR</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>			
	<u>\$ -</u>	<u>\$ 305,926</u>	<u>\$ 305,926</u>

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

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Regional property taxes	\$ 20,266	\$ 20,062	\$ (204)
Regional specific ownership taxes	1,621	1,772	151
Net investment income	-	246	246
Total revenues	<u>21,887</u>	<u>22,080</u>	<u>193</u>
<b>EXPENDITURES</b>			
Debt service			
County Treasurer's fees - regional mill levy	304	301	3
Regional mill levy	21,583	-	21,583
Total expenditures	<u>21,887</u>	<u>301</u>	<u>21,586</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	21,779	21,779
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from other funds	-	123,640	123,640
Total other financing sources (uses)	<u>-</u>	<u>123,640</u>	<u>123,640</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	145,419	145,419
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 145,419</u>	<u>\$ 145,419</u>

**HIGH PLAINS METROPOLITAN DISTRICT  
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND  
PROPERTY TAXES COLLECTED  
December 31, 2016**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied				Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	ARI	Total	Levied	Collected	
2012	\$ 13,074,830	15.500	50.000	1.000	66.500	\$ 869,476	\$ 656,423	75.50%
2013	\$ 13,696,900	15.500	50.000	1.000	66.500	\$ 910,844	\$ 883,884	97.04%
2014	\$ 14,374,650	15.500	50.000	1.000	66.500	\$ 955,914	\$ 941,365	98.48%
2015	\$ 14,563,493	20.000	50.000	1.000	71.000	\$1,034,008	\$1,019,448	98.59%
2016	\$ 20,266,417	20.000	50.000	1.000	71.000	\$1,438,915	\$1,424,410	98.99%
Estimated for the year ending December 31, 2017	\$ 23,027,942	20.000	50.000	1.000	71.000	\$1,634,984		

**NOTE:**

Property taxes collected in any one year include collection of delinquent property taxes and/or abatements of valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.