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Accountant's Compilation Report

Board of Directors
Aurora High Point at DIA Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Aurora High Point at DIA Metropolitan District for the year ending December 31, 2019, including the estimate of comparative information for the year ended December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Aurora High Point at DIA Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 9, 2019



An independent member of Nexia International

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

1/9/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ (1,038,258)	\$ (102,469)	\$ 37,563
REVENUES			
Maintenance fees	171,001	174,000	175,000
Intergovernmental - Transfer from CIC 3	84,522	3,048,946	148,738
Intergovernmental - Transfer from DHP	-	22,399,717	-
Developer advance	2,271,379	1,877,423	12,688,000
Total revenues	<u>2,526,902</u>	<u>27,500,086</u>	<u>13,011,738</u>
TRANSFERS IN	<u>3,759</u>	-	-
Total funds available	<u>1,492,403</u>	<u>27,397,617</u>	<u>13,049,301</u>
EXPENDITURES			
General Fund	330,998	360,000	470,000
Capital Projects Fund	1,260,115	27,000,000	12,538,000
Total expenditures	<u>1,591,113</u>	<u>27,360,000</u>	<u>13,008,000</u>
TRANSFERS OUT	<u>3,759</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>1,594,872</u>	<u>27,360,000</u>	<u>13,008,000</u>
ENDING FUND BALANCES	<u>\$ (102,469)</u>	<u>\$ 37,617</u>	<u>\$ 41,301</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/9/19

ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
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ASSESSSED VALUATION

Agricultural	40	50	50
State assessed	-	-	20
Personal property	-	-	3,910
Certified Assessed Value	\$ 40	\$ 50	\$ 3,980

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PROPERTY TAXES

BUDGETED PROPERTY TAXES

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/9/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 18,605	\$ 34,871	\$ 37,563
REVENUES			
Developer advance	95,500	55,000	150,000
Maintenance fees	171,001	174,000	175,000
Intergovernmental - Transfer from CIC 3	84,522	133,746	148,738
Total revenues	<u>351,023</u>	<u>362,746</u>	<u>473,738</u>
Total funds available	<u>369,628</u>	<u>397,617</u>	<u>511,301</u>
EXPENDITURES			
General and administrative			
Accounting	70,737	80,000	75,000
Auditing	11,200	11,200	12,000
Directors' fees	1,400	3,300	3,500
Dues and licenses	1,169	1,280	1,500
Insurance and bonds	12,717	12,776	15,000
District management	19,995	53,000	55,000
Legal services	35,646	40,000	45,000
Miscellaneous	2,153	3,000	3,000
Payroll taxes	107	252	268
Election expense	-	476	-
Contingency	-	5,716	22,732
Operations and maintenance			
Electricity	1,614	1,500	2,000
Water	122,181	70,000	120,000
Repairs and maintenance	5,101	10,000	10,000
Snow removal	2,300	5,000	15,000
Landscape contract	28,178	42,500	45,000
Landscape enhancements	-	-	20,000
Landscape repairs and maintenance	16,500	20,000	25,000
Total expenditures	<u>330,998</u>	<u>360,000</u>	<u>470,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>3,759</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>334,757</u>	<u>360,000</u>	<u>470,000</u>
ENDING FUND BALANCE	<u>\$ 34,871</u>	<u>\$ 37,617</u>	<u>\$ 41,301</u>
EMERGENCY RESERVE	\$ 7,700	\$ 9,200	\$ 9,700
RESERVE FOR UNDERDRAINS	21,168	25,800	30,400
TOTAL RESERVE	<u>\$ 28,868</u>	<u>\$ 35,000</u>	<u>\$ 40,100</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/9/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ (1,056,863)	\$ (137,340)	\$ -
REVENUES			
Developer advance	2,175,879	1,822,423	12,538,000
Intergovernmental - Transfer from CIC 3	-	2,915,200	-
Intergovernmental - Transfer from DHP	-	22,399,717	-
Total revenues	<u>2,175,879</u>	<u>27,137,340</u>	<u>12,538,000</u>
TRANSFERS IN			
Transfers from other funds	<u>3,759</u>	-	-
Total funds available	<u>1,122,775</u>	<u>27,000,000</u>	<u>12,538,000</u>
EXPENDITURES			
General and Administrative			
Accounting	422	5,000	3,000
Legal services	11,223	1,000	5,000
Contingency	-	335,247	-
Debt Service			
Repay developer advance - principal	-	18,783,454	-
Repay developer advance - interest	-	6,901,299	-
Capital Projects			
Streets	447,804	300,000	3,810,000
Storm drainage	(13,145)	300,000	2,305,000
Engineering	74,546	25,000	665,000
Sewer	15,444	70,000	790,000
Water	5,310	115,000	1,730,000
Construction management	68,648	44,500	610,000
Grading/Earthwork	67,622	6,000	855,000
Erosion control	6,728	23,500	250,000
Dry utilities	-	40,000	545,000
Parks and recreation	575,513	50,000	970,000
Total expenditures	<u>1,260,115</u>	<u>27,000,000</u>	<u>12,538,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,260,115</u>	<u>27,000,000</u>	<u>12,538,000</u>
ENDING FUND BALANCE	<u>\$ (137,340)</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Aurora High Point at DIA Metropolitan District (the "District"), a quasi-municipal corporation is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. Concurrently with the formation of the District (the "Management District"), the City of Aurora approved the formation of Colorado International Center Metropolitan District Nos. 3, 4, 5, 6, 7, 8, 9, 10, and 11 (the "Taxing Districts") (collectively, the "Aurora High Point Districts"). The District was established to provide public streets, traffic and safety, water, sewer, park and recreation, television relay and translation, and mosquito control facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District.

During elections held on November 2, 2004, and May 3, 2016, the District's voter's authorized total general obligation indebtedness of \$10,820,000,000 for the above listed facilities and powers. The elections also approved annual increases in property taxes of up to \$20,000,000, without limitation to rate, to pay the District's operations and maintenance costs. Per the District's service plan, the District is prohibited from issuing debt in excess of \$400,000,000.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Developer Advances

Since the District is in the development stage, a portion of the operational expenditures and all of the capital expenditures during 2019 are anticipated to be funded by the Developer. Developer advances are to be recorded as revenue for budget purposes and may be repaid to the Developer from unpledged revenue in future years.

Maintenance Fees

Pursuant to a Facilities Funding, Construction and Operations Agreement, the District and Colorado International Center Metropolitan District No. 3 (CIC No. 3) passed a joint resolution on October 28, 2015, to impose a maintenance fee of \$25.50 per month on all residential units within CIC No. 3. On January 10, 2008, the resolution was amended to impose a fee of \$26.50 per month on all residential units with underdrains. CIC No. 3 has agreed to enforce and collect the fee on behalf of the District, which will be used to operate and maintain capital facilities. In 2011, the fees were increased to \$26.50 and \$27.50 respectively.

**AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Transfer from Colorado International Center Metro District No. 3 (CIC No. 3)

On January 21, 2005 and as amended on July 27, 2006, the District entered into an agreement with the Taxing Districts, that as the Management District it will own, operate, maintain, finance and construct facilities that benefit all of the Aurora High Point Districts and that the Taxing Districts will contribute to the costs of construction, operation, and maintenance of such facilities. During 2019 it is anticipated that CIC No. 3 will transfer all available funds from the imposition of a mill levy for operations and maintenance to the District in compliance with this agreement.

Expenditures

Administrative Expenditures

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

Operations and Maintenance

Certain street and open space landscaping will be owned and maintained by the District. The estimated cost of repairs and maintenance of these areas are found on page 4 of the budget.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

Developer Advances

The District's debt is comprised of developer advances, which are not general obligation debt. As of December 31, 2018, the District had \$10,422,998 in outstanding developer advances and interest accrued at 8%. Repayment of advances is subject to annual appropriation if and when eligible funds become available.

The District has no operating or capital leases.

**AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2019, as defined under TABOR.

Reserve for Underdrains

The District collects \$1 monthly from those residents with an underdrain, to be used for future maintenance and repairs of the underdrain system.

This information is an integral part of the accompanying budget.