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Accountant's Compilation Report

Board of Directors
Aurora High Point at DIA Metropolitan District
Adams County, Colorado

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, 2018, including the estimate of comparative information for the year ending December 31, 2017 and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 American Institute of Certified Public Accountants. 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.

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 4, 2018

**AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT
SUMMARY
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ (989,826)	\$ (1,038,258)	\$ 33,505
REVENUES			
1 Developer advance	4,149,833	3,281,808	6,505,000
2 Other income	8,000	-	-
3 Maintenance fees	132,845	165,700	180,000
4 Transfer from Colorado International Center No.3	6,926,517	84,200	135,912
Total revenues	<u>11,217,195</u>	<u>3,531,708</u>	<u>6,820,912</u>
TRANSFERS IN			
	<u>-</u>	<u>5,855</u>	<u>-</u>
Total funds available	<u>10,227,369</u>	<u>2,499,305</u>	<u>6,854,417</u>
EXPENDITURES			
General and administration			
5 Accounting	62,645	68,000	65,000
6 Audit	10,800	11,200	11,200
7 Contingency	-	4,084	11,300
8 District management	13,119	25,000	30,000
9 Dues and membership	1,187	1,169	1,500
10 Election	16,593	-	18,000
11 Insurance	10,190	11,492	13,000
12 Legal	52,166	35,000	45,000
13 Miscellaneous	2,313	2,500	2,500
Operations and maintenance			
14 Landscape contract	32,767	25,000	35,000
15 Landscape enhancements	5,181	65,000	65,000
16 Landscape repairs and maintenance	23,001	20,000	40,000
17 Other repairs and maintenance	3,695	5,000	5,000
18 Snow removal	6,518	9,000	15,000
19 Utilities - electricity	2,025	1,700	2,500
20 Utilities - irrigation	77,461	160,000	160,000
Capital projects			
21 Accounting	-	500	1,000
22 Construction management	235,269	98,000	317,000
23 Dry utilities	12,550	75,000	700,000
24 Engineering	187,950	137,000	213,000
25 Erosion Control	43,386	45,000	190,000
26 Grading/Earthwork	209,422	100,000	455,000
27 Legal	15,114	14,000	15,000
28 Parks and landscaping	718,777	231,300	710,000
29 Repayment of developer advances	6,832,441	-	-
30 Sewer	149,996	273,000	-
31 Storm Drainage	436,714	300,000	865,000
32 Streets	1,651,223	712,000	1,628,000
33 Water	453,124	30,000	1,205,000
Total expenditures	<u>11,265,627</u>	<u>2,459,945</u>	<u>6,819,000</u>
TRANSFERS OUT			
	<u>-</u>	<u>5,855</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>11,265,627</u>	<u>2,465,800</u>	<u>6,819,000</u>
ENDING FUND BALANCES	<u>\$ (1,038,258)</u>	<u>\$ 33,505</u>	<u>\$ 35,417</u>
EMERGENCY RESERVE	\$ 7,000	\$ 7,500	\$ 9,500
RESERVE FOR UNDERDRAINS	11,605	24,792	25,800
TOTAL RESERVE	<u>\$ 18,605</u>	<u>\$ 32,292</u>	<u>\$ 35,300</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
For the Years Ended and Ending December 31,**

1/4/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
ASSESSED VALUATION - ADAMS			
Agricultural	\$ 40	\$ 40	\$ 50
Certified Assessed Value	\$ 40	\$ 40	\$ 50
MILL LEVY			
PROPERTY TAXES			
Budgeted 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
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 7,984	\$ 18,605	\$ 33,505
REVENUES			
1 Developer advance	98,361	215,000	206,000
2 Other income	5,000	-	-
3 Maintenance fees	132,845	165,700	180,000
4 Transfer from Colorado International Center No.3	94,076	84,200	135,912
Total revenues	330,282	464,900	521,912
Total funds available	338,266	483,505	555,417
EXPENDITURES			
General and administration			
5 Accounting	62,645	68,000	65,000
6 Audit	10,800	11,200	11,200
7 Contingency	-	4,084	11,300
8 District management	13,119	25,000	30,000
9 Dues and membership	1,187	1,169	1,500
10 Election	16,593	-	18,000
11 Insurance	10,190	11,492	13,000
12 Legal	52,166	35,000	45,000
13 Miscellaneous	2,313	2,500	2,500
Operations and maintenance			
14 Landscape contract	32,767	25,000	35,000
15 Landscape enhancements	5,181	65,000	65,000
16 Landscape repairs and maintenance	23,001	20,000	40,000
17 Other repairs and maintenance	3,695	5,000	5,000
18 Snow removal	6,518	9,000	15,000
19 Utilities - electricity	2,025	1,700	2,500
20 Utilities - irrigation	77,461	160,000	160,000
Total expenditures	319,661	444,145	520,000
TRANSFERS OUT			
CAPITAL PROJECTS FUND			
Total transfers out	-	5,855	-
Total expenditures and transfers out requiring appropriation	319,661	450,000	520,000
ENDING FUND BALANCES	\$ 18,605	\$ 33,505	\$ 35,417
EMERGENCY RESERVE	\$ 7,000	\$ 7,500	\$ 9,500
RESERVE FOR UNDERDRAINS	11,605	24,792	25,800
TOTAL RESERVE	\$ 18,605	\$ 32,292	\$ 35,300

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
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ (997,810)	\$ (1,056,863)	\$ -
REVENUES			
1 Developer advance	4,051,472	3,066,808	6,299,000
2 Other income	3,000	-	-
3 Transfer from Colorado International Center No.3	6,832,441	-	-
Total revenues	<u>10,886,913</u>	<u>3,066,808</u>	<u>6,299,000</u>
TRANSFERS IN			
GENERAL FUND	-	5,855	-
Total transfers in	<u>-</u>	<u>5,855</u>	<u>-</u>
Total funds available	<u>9,889,103</u>	<u>2,015,800</u>	<u>6,299,000</u>
EXPENDITURES			
Capital projects			
4 Accounting	-	500	1,000
5 Construction management	235,269	98,000	317,000
6 Dry utilities	12,550	75,000	700,000
7 Engineering	187,950	137,000	213,000
8 Erosion Control	43,386	45,000	190,000
9 Grading/Earthwork	209,422	100,000	455,000
10 Legal	15,114	14,000	15,000
11 Parks and landscaping	718,777	231,300	710,000
12 Repayment of developer advances	6,832,441	-	-
13 Sewer	149,996	273,000	-
14 Storm Drainage	436,714	300,000	865,000
15 Streets	1,651,223	712,000	1,628,000
16 Water	453,124	30,000	1,205,000
Total expenditures	<u>10,945,966</u>	<u>2,015,800</u>	<u>6,299,000</u>
Total expenditures and transfers out requiring appropriation	<u>10,945,966</u>	<u>2,015,800</u>	<u>6,299,000</u>
ENDING FUND BALANCES	<u>\$ (1,056,863)</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
2018 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, the District’s voter’s authorized total general obligation indebtedness of \$4,820,000,000 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 prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

Revenues

Developer Advances

Since the District is in the development stage, a portion of the operational expenditures and all of the capital expenditures during 2018 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 June 16, 2006, 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.

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 2018 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.

**AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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

Anticipated expenditures for capital projects in 2018 are outlined on page 5 of the budget.

Debt and Leases

Developer Advances

The District's debt is comprised of developer advances, which are not general obligation debt. As of December 31, 2017, the District had \$34,464,016 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.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2018, 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.