



CliftonLarsonAllen

Accountant's Compilation Report

Board of Directors
Antelope Heights Metropolitan District
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Antelope Heights 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 Antelope Heights Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 8, 2017

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

12/8/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 801,079	\$ 842,790	\$ 97,555
REVENUES			
1 Property taxes	675,106	681,214	693,115
2 Specific ownership taxes	62,176	73,585	69,312
3 Net investment income	5,970	10,350	1,100
4 Loan issue proceeds Series 2017A	-	8,255,000	-
5 Loan issue proceeds Series 2017B	-	2,100,000	-
Total revenues	<u>743,252</u>	<u>11,120,149</u>	<u>763,527</u>
Total funds available	<u>1,544,331</u>	<u>11,962,939</u>	<u>861,082</u>
EXPENDITURES			
General and administration			
6 Accounting	19,988	16,000	16,500
7 Audit	3,400	3,740	3,740
8 Bond issue costs	9,511	-	-
9 Contingency	-	-	2,128
10 County Treasurer's fees	668	673	701
11 Director fees	600	400	400
12 District management	8,746	8,000	9,000
13 Dues and membership	306	309	500
14 Election	872	-	2,000
15 Insurance	2,938	2,731	3,000
16 Legal	5,597	7,500	8,000
17 Miscellaneous	321	500	500
18 Payroll taxes	46	31	31
19 Repay developer advance	-	9,000	4,000
Operations and maintenance			
20 Sidewalk snow removal	725	1,500	1,500
Debt service			
21 Accounting	-	200	-
22 Bond interest Series 2007	459,360	225,181	-
23 Bond interest Series 2015 Subordinate	-	211,958	-
24 Bond interest Series 2017A Loan	-	-	260,033
25 Bond interest Series 2017B Loan	-	-	83,507
26 Bond principal Series 2007	175,000	-	-
27 Bond principal Series 2015 Subordinate	-	1,660,000	-
28 Bond principal Series 2017A Loan	-	-	315,000
29 Contingency	-	9,987	6,764
30 County Treasurer's fees	9,463	9,545	9,696
31 Legal	-	250	-
32 Loan issue costs	-	145,654	-
33 Paying agent fees	4,000	3,000	-
34 Payment to refunding escrow	-	9,244,225	-
35 Repay developer advance	-	305,000	-
Total expenditures	<u>701,541</u>	<u>11,865,384</u>	<u>727,000</u>
Total expenditures and transfers out requiring appropriation	<u>701,541</u>	<u>11,865,384</u>	<u>727,000</u>
ENDING FUND BALANCES	<u>\$ 842,790</u>	<u>\$ 97,555</u>	<u>\$ 134,082</u>
EMERGENCY RESERVE	\$ 1,500	\$ 1,600	\$ 1,600
DEBT SERVICE RESERVE	760,000	-	-
TOTAL RESERVE	<u>\$ 761,500</u>	<u>\$ 1,600</u>	<u>\$ 1,600</u>

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

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

12/8/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
ASSESSED VALUATION - DOUGLAS			
Residential	\$ 14,219,890	\$ 14,668,820	\$ 15,223,710
Vacant Land	524,960	229,640	253,400
State Assessed	90,600	89,500	98,500
Certified Assessed Value	<u>\$ 14,835,450</u>	<u>\$ 14,987,960</u>	<u>\$ 15,575,610</u>
MILL LEVY			
GENERAL FUND	3.000	3.000	3.000
2007 Senior Bonds	42.553	36.821	-
2015 Subordinate Bonds	-	5.732	-
2017 Loan	-	-	41.500
Total Mill Levy	<u>45.553</u>	<u>45.553</u>	<u>44.500</u>
PROPERTY TAXES			
GENERAL FUND	\$ 44,506	\$ 44,964	\$ 46,727
2007 Senior Bonds	631,293	551,872	-
2015 Subordinate Bonds	-	85,911	-
2017 Loan	-	-	646,388
Levied property taxes	<u>675,799</u>	<u>682,747</u>	<u>693,115</u>
Adjustments to actual/rounding	(693)	(1,533)	-
Budgeted Property Taxes	<u>\$ 675,106</u>	<u>\$ 681,214</u>	<u>\$ 693,115</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 44,460	\$ 44,863	\$ 46,727
DEBT SERVICE FUND	630,646	636,351	646,388
	<u>\$ 675,106</u>	<u>\$ 681,214</u>	<u>\$ 693,115</u>

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

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
GENERAL FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

12/8/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 21,657	\$ 16,655	\$ 16,331
REVENUES			
1 Property taxes	44,460	44,863	46,727
2 Specific ownership taxes	4,095	4,847	4,673
3 Net investment income	161	350	100
Total revenues	48,716	50,060	51,500
Total funds available	70,373	66,715	67,831
EXPENDITURES			
General and administration			
4 Accounting	19,988	16,000	16,500
5 Audit	3,400	3,740	3,740
6 Bond issue costs	9,511	-	-
7 Contingency	-	-	2,128
8 County Treasurer's fees	668	673	701
9 Director fees	600	400	400
10 District management	8,746	8,000	9,000
11 Dues and membership	306	309	500
12 Election	872	-	2,000
13 Insurance	2,938	2,731	3,000
14 Legal	5,597	7,500	8,000
15 Miscellaneous	321	500	500
16 Payroll taxes	46	31	31
17 Repay developer advance	-	9,000	4,000
Operations and maintenance			
18 Sidewalk snow removal	725	1,500	1,500
Total expenditures	53,718	50,384	52,000
Total expenditures and transfers out requiring appropriation	53,718	50,384	52,000
ENDING FUND BALANCES	\$ 16,655	\$ 16,331	\$ 15,831
EMERGENCY RESERVE	\$ 1,500	\$ 1,600	\$ 1,600
TOTAL RESERVE	\$ 1,500	\$ 1,600	\$ 1,600

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

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

12/8/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 779,422	\$ 826,135	\$ 81,224
REVENUES			
1 Property taxes	630,646	636,351	646,388
2 Specific ownership taxes	58,081	68,738	64,639
3 Net investment income	5,809	10,000	1,000
4 Loan issue proceeds Series 2017A	-	8,255,000	-
5 Loan issue proceeds Series 2017B	-	2,100,000	-
Total revenues	694,536	11,070,089	712,027
Total funds available	1,473,958	11,896,224	793,251
EXPENDITURES			
Debt service			
6 Accounting	-	200	-
7 Bond interest Series 2007	459,360	225,181	-
8 Bond interest Series 2015 Subordinate	-	211,958	-
9 Bond interest Series 2017A Loan	-	-	260,033
10 Bond interest Series 2017B Loan	-	-	83,507
11 Bond principal Series 2007	175,000	-	-
12 Bond principal Series 2015 Subordinate	-	1,660,000	-
13 Bond principal Series 2017A Loan	-	-	315,000
14 Contingency	-	9,987	6,764
15 County Treasurer's fees	9,463	9,545	9,696
16 Legal	-	250	-
17 Loan issue costs	-	145,654	-
18 Paying agent fees	4,000	3,000	-
19 Payment to refunding escrow	-	9,244,225	-
20 Repay developer advance	-	305,000	-
Total expenditures	647,823	11,815,000	675,000
Total expenditures and transfers out requiring appropriation	647,823	11,815,000	675,000
ENDING FUND BALANCES	\$ 826,135	\$ 81,224	\$ 118,251
DEBT SERVICE RESERVE	760,000	-	-
TOTAL RESERVE	\$ 760,000	\$ -	\$ -

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

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Antelope Heights Metropolitan District (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by Court Order recorded on December 24, 2002, 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 Town of Parker (Town) in Douglas County, Colorado. The District's service area is located entirely within the Town.

The District was established to provide financing for the acquisition, construction, completion and/or installation of parks and recreation facilities, street improvements, traffic and safety controls, water systems and sanitary sewer and storm drainage systems.

On November 5, 2002, the District's voters authorized general obligation indebtedness of \$2,895,000 for street improvements, \$3,060,000 for parks and recreation, \$1,680,000 for water supply system, \$4,365,000 for sanitary sewer system, \$12,000,000 for refinancing of District debt, and \$500,000 for general operations and maintenance. The voters also approved an annual increase in taxes of \$500,000 for general operations and maintenance.

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

The District prepares its budget on the modified accrual basis of accounting.

Revenues

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 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.

The maximum mill levy for both operations and debt service is 50.361 as of December 31, 2017. The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of the property taxes collected by both the General Fund and the Debt Service Fund.

Loan Issue Proceeds

The District issued a 2017A Loan and 2017B Loan on September 29, 2017 in the par amounts of \$8,255,000 and \$2,100,000, respectively to refund the then outstanding Series 2007 Bonds and Series 2015 Subordinate Bonds.

**ANTELOPE HEIGHTS 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.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule for the Series 2017A Loan and the Series 2017B Loan (discussed under Debt and Leases).

Debt and Leases

The District entered into a General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Loan, Series 2017A (the 2017A Loan) and a Taxable (Convertible to Tax-Exempt) General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Loan, Series 2017B (the 2017B Loan and together with the 2017A Loan the 2017 Loan) in the amounts of \$8,255,000 and \$2,100,000, respectively, with Guaranty Bank and Trust Company on September 29, 2017. The proceeds from the Loans were used to:

- (a) Pay and cancel the then outstanding Subordinate Limited Tax Bonds, Series 2015;
- (b) Defeas the then outstanding General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Bonds, Series 2007;
- (c) Reimburse a portion of the costs of acquiring, constructing, and installing public facilities; and
- (d) Pay the costs of issuing the 2017 Loan.

The 2017A Loan bears interest at a fixed rate equal to 3.15% per annum. Commencing on the date of closing on the 2017 Loan, the 2017B Loan bears interest at a fixed rate of 5.85% per annum until the Tax-Exempt Reissuance Date, if any. After the Tax-Exempt Reissuance Date, if it occurs, the 2017B Loan balance will bear interest at a fixed rate equal to 3.80%. For purposes of the 2018 budget, the Tax-Exempt Reissuance is assumed to occur on January 2, 2018.

Interest payments on the 2017 Loan are payable semi-annually on June 1 and December 1 each year, beginning on December 1, 2017. Principal payments on the 2017 Loan are payable on December 1 of each year, commencing on December 1, 2018 through and including the Maturity Date of December 1, 2037.

The 2017A Loan may be prepaid prior to the Maturity Date at the option of the District, on December 1, 2022 and on any 2017A Principal Payment Date thereafter, with no prepayment fee or penalty. The 2017B Loan may be prepaid prior to the Maturity Date at the option of the District, on any 2017B Principal Payment Date thereafter, with no prepayment fee or penalty.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The 2017A Loan may also be prepaid prior to the Maturity Date at the option of the District, on or prior to December 1, 2021 on any 2017A Principal Payment Date, at a prepayment price equal to the sum of the 2017A Loan Balance plus accrued interest thereon to the date of prepayment, together with a prepayment fee computed as a percentage of the 2017A Loan Balance on the date of such prepayment, such percentage being computed as $(N-1)/2$, where N is equal to the number of years remaining between the date of prepayment and the Maturity Date.

The 2017 Loan is secured by and payable solely from and to the extent of Pledged Revenue, defined as moneys derived from the following sources, net of any costs of collection:

- (a) the Required Mill Levy;
- (b) the Specific Ownership Tax Revenues (attributable to the Required Mill Levy);
- (c) all other legally available moneys which the District, in its sole discretion, has deposited with the Custodian with instructions to apply such amounts as Pledged Revenue.

Prior to the Conversion Date, the Required Mill Levy means a mill levy imposed in an amount sufficient to pay principal and interest on the 2017 Loan for the relevant year, but not in excess of 35 mills less the number of mills necessary to pay unlimited mill levy general obligation debt of the District and less the amount necessary to pay operations and maintenance expenses of the District. Such mill levy will be increased or decreased to reflect changes in the method of calculating assessed valuation with tax year 1996 as the base year for calculation of any such adjustments. Such increases or decreases to be determined by the Board of Directors in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The mill levy of 35 mills, as adjusted pursuant to the foregoing, is currently 50.361 mills.

The Conversion Date means the first date on which:

- (a) the Debt to Assessed Ratio is 50% or less;
- (b) no amounts of principal or interest on the 2017 Loans are due but unpaid; and
- (c) the District's assessed valuation is not less than \$8,000,000.

Operating and Capital Leases

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 as defined under TABOR.

This information is an integral part of the accompanying budget.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$8,255,000

**General Obligation (Limited Tax Convertible to
Unlimited Tax) Refunding and Improvement Loan
Dated September 29, 2017
Series 2017A
Interest Rate of 3.15%
Payable June 1 and December 1
Principal Due December 1**

**Bonds and
Interest
Maturing
in the
Year Ending
December 31,**

	Principal	Interest	Total
2018	\$ 315,000	\$ 260,033	\$ 575,033
2019	325,000	250,110	575,110
2020	330,000	239,873	569,873
2021	340,000	229,478	569,478
2022	350,000	218,768	568,768
2023	360,000	207,743	567,743
2024	370,000	196,403	566,403
2025	380,000	184,748	564,748
2026	390,000	172,778	562,778
2027	400,000	160,493	560,493
2028	415,000	147,893	562,893
2029	425,000	134,820	559,820
2030	435,000	121,433	556,433
2031	450,000	107,730	557,730
2032	460,000	93,555	553,555
2033	475,000	79,065	554,065
2034	490,000	64,103	554,103
2035	500,000	48,668	548,668
2036	515,000	32,918	547,918
2037	530,000	16,695	546,695
	<u>\$ 8,255,000</u>	<u>\$ 2,967,307</u>	<u>\$ 11,222,307</u>

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$2,100,000 Taxable (Convertible to Tax-Exempt) General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Loan Dated September 29, 2017 Series 2017B Interest Rate of 5.85%, Convertible to 3.80% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2018	\$ -	\$ 83,507	\$ 83,507
2019	-	79,800	79,800
2020	-	79,800	79,800
2021	-	79,800	79,800
2022	-	79,800	79,800
2023	-	79,800	79,800
2024	-	79,800	79,800
2025	120,000	79,800	199,800
2026	125,000	75,240	200,240
2027	130,000	70,490	200,490
2028	135,000	65,550	200,550
2029	145,000	60,420	205,420
2030	155,000	54,910	209,910
2031	160,000	49,020	209,020
2032	170,000	42,940	212,940
2033	175,000	36,480	211,480
2034	180,000	29,830	209,830
2035	195,000	22,990	217,990
2036	200,000	15,580	215,580
2037	210,000	7,980	217,980
	<u>\$ 2,100,000</u>	<u>\$ 1,173,537</u>	<u>\$ 3,273,537</u>