



# CliftonLarsonAllen

## Accountant's Compilation Report

Board of Directors  
Antelope Heights Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Antelope Heights Metropolitan District for the year ending December 31, 2019, including the estimate of comparative information for the year ending 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.) 29-1-105 105 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 Antelope Heights Metropolitan District.

Greenwood Village, Colorado  
January 2, 2019

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
SUMMARY  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/2/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 842,790	\$ 52,459	\$ 82,375
REVENUES			
Property taxes	682,747	693,115	693,225
Specific ownership tax	74,791	69,312	69,322
Interest income	9,442	6,953	8,000
Loan proceeds - Series 2017A	10,355,000	-	-
Total revenues	<u>11,121,980</u>	<u>769,380</u>	<u>770,547</u>
Total funds available	<u>11,964,770</u>	<u>821,839</u>	<u>852,922</u>
EXPENDITURES			
General Fund	46,778	66,187	56,400
Debt Service Fund	11,865,533	673,277	670,000
Total expenditures	<u>11,912,311</u>	<u>739,464</u>	<u>726,400</u>
ENDING FUND BALANCES	<u>\$ 52,459</u>	<u>\$ 82,375</u>	<u>\$ 126,522</u>
EMERGENCY RESERVE	<u>\$ 1,500</u>	<u>\$ 1,600</u>	<u>\$ 1,600</u>
TOTAL RESERVE	<u>\$ 1,500</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  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/2/19

ACTUAL	ESTIMATED	BUDGET
2017	2018	2019

**ASSESSED VALUATION**

Residential	\$ 14,668,820	\$ 15,223,710	\$ 15,223,700
State assessed	89,500	98,500	101,000
Vacant land	229,640	253,400	253,400
Certified Assessed Value	\$ 14,987,960	\$ 15,575,610	\$ 15,578,100

**MILL LEVY**

General	3.000	3.000	3.000
Debt Service	42.553	41.500	41.500
Total mill levy	45.553	44.500	44.500

**PROPERTY TAXES**

General	\$ 44,964	\$ 46,727	\$ 46,734
Debt Service	637,783	646,388	646,491
Budgeted property taxes	\$ 682,747	\$ 693,115	\$ 693,225

**BUDGETED PROPERTY TAXES**

General	\$ 44,964	\$ 46,727	\$ 46,734
Debt Service	637,783	646,388	646,491
	\$ 682,747	\$ 693,115	\$ 693,225

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  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/2/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 16,655	\$ 20,066	\$ 6,232
REVENUES			
Property taxes	44,964	46,727	46,734
Specific ownership tax	4,926	4,673	4,673
Interest income	299	953	500
Total revenues	<u>50,189</u>	<u>52,353</u>	<u>51,907</u>
Total funds available	<u>66,844</u>	<u>72,419</u>	<u>58,139</u>
EXPENDITURES			
General and administrative			
Accounting	17,408	27,000	16,500
Auditing	3,740	3,740	3,740
County Treasurer's fee	674	701	701
Directors' fees	400	400	400
Dues and licenses	309	302	500
Insurance and bonds	2,731	2,731	3,000
District management	6,679	9,000	9,000
Legal services	13,939	20,307	16,500
Miscellaneous	634	300	500
Payroll taxes	31	31	31
Election expense	-	1,275	-
Repay developer advance	-	-	4,000
Contingency	-	-	28
Sidewalk Snow Removal	233	400	1,500
Total expenditures	<u>46,778</u>	<u>66,187</u>	<u>56,400</u>
ENDING FUND BALANCE	<u>\$ 20,066</u>	<u>\$ 6,232</u>	<u>\$ 1,739</u>
EMERGENCY RESERVE	<u>\$ 1,500</u>	<u>\$ 1,600</u>	<u>\$ 1,600</u>
TOTAL RESERVE	<u>\$ 1,500</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  
DEBT SERVICE FUND  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/2/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 826,135	\$ 32,393	\$ 76,143
<b>REVENUES</b>			
Property taxes	637,783	646,388	646,491
Specific ownership tax	69,865	64,639	64,649
Interest income	9,143	6,000	7,500
Loan proceeds - Series 2017A	10,355,000	-	-
Total revenues	11,071,791	717,027	718,640
Total funds available	11,897,926	749,420	794,783
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	9,571	9,697	9,697
Legal services	149	5,000	-
Miscellaneous	14	40	-
Repay developer advance	305,000	-	-
Paying agent fees	2,500	-	-
Payment to refunding escrow	9,244,225	-	-
Contingency	-	-	5,393
Debt Service			
Bond interest - Series 2017B	21,158	83,507	79,800
Bond principal - Series 2017A	-	315,000	325,000
Bond interest - Series 2017A	44,783	260,033	250,110
Bond interest - Series 2007	225,181	-	-
Bond interest - Series 2015 Subordinate	211,958	-	-
Bond principal - Series 2015 Subordinate	1,660,000	-	-
Bond issue costs	140,894	-	-
Total expenditures	11,865,533	673,277	670,000
ENDING FUND BALANCE	\$ 32,393	\$ 76,143	\$ 124,783

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  
2019 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 in accordance with the 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**

**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.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Cont.)**

**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.

**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.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Cont.)**

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. 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.



**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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.**