

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT**  
**8390 East Crescent Parkway, Suite 300**  
**GREENWOOD VILLAGE, CO 80111**  
**303.779.5710**  
**303.779.0348 (fax)**  
[www.antelopeheightsmd.org](http://www.antelopeheightsmd.org)

August 10, 2021

Michelle Kivela, Acting Town Administrator  
Town of Parker  
20120 East Main Street  
Parker, CO 80138  
[mkivela@parkeronline.org](mailto:mkivela@parkeronline.org)

RE: Antelope Heights Metropolitan District 2020 Annual Report

Dear Ms. Kivela:

The following information is provided to the Town of Parker (“Town”) as required in Section VII.D. of the Antelope Heights Metropolitan District’s (“District”) Service Plan approved September 16, 2002. Unless otherwise indicated, the information is for the report year of 2020 (“Report Year”):

- A) District implementation of the Service Plan is proceeding as planned and as approved by the Town. The District has completed and received final acceptance of all infrastructure improvements.
- B) The 2020 Audit is enclosed for your review.
- C) A summary of the capital expenditures incurred by the District in development of public facilities is included in the 2020 Audit.
- D) Financial obligations as of 12/31/2020:
  - Amount of outstanding indebtedness – \$18,246,425, comprised of:
    - \$7,285,000 General Obligation (Limited Tax Convertible to Unlimited Tax), Refunding and Improvement Loan Series 2017A;
    - \$2,100,000 General Obligation Bonds (Taxable Convertible to Tax Exempt), Refunding and Improvement Loan, Series 2017B;
    - \$4,042,236 Developer Reimbursement Agreements (details of which may be found in the 2020 Audit);
    - \$4,819,189 Accrued Interest on Developer Advances (details of which may be found in the 2020 Audit);
  - ii. The amount and terms of any new District indebtedness or long-term obligations issued in the report year: \$0
  - iii. The amount of principal payment or retirement of the existing indebtedness of the District in the Report Year: \$330,000.
  - iv. Total assessed valuation of all taxable properties within the District as of December of 2020: \$17,399,960

- v. Current Mill Levy of the District pledged to debt retirement in the Report Year: 40.500 mills.
- E) The District's Budget for calendar year 2021 is attached.
- F) The District does not receive Certificates of Occupancy information from the Town of Parker, and is required to submit an Open Records request to the Town in order to report this information. As such, and as Parker holds this information, it is not included in this report. There was no commercial development in the District during 2020.
- G) A summary of fees, charges and assessments imposed by the District as of January 1 of the Report Year: the District has a system development fee of \$3,000 per residential property unit and \$0.25 per square foot for commercial properties. No system development fees were received in 2020.
- H) On behalf of the Board of Directors, I certify that no material modification, action, event or condition enumerated in Section 11.02.060 of the Parker Colorado Municipal Code, as amended, has occurred in the Report Year.
- I) A list of the names, business addresses and telephone numbers of each Board member, including identification of the manager and general counsel is attached hereto. The District holds a regular meeting on the first Monday of November (or special meetings as needed).

Should you have any questions, please feel free to contact me at any time.

Sincerely,

*Matthew Urkoski*

Matthew Urkoski  
District Manager  
CliftonLarsonAllen LLP

Enclosures (3)

E-copy: Board of Directors w/o enclosures  
Elisabeth Cortese, McGeady Becher P.C.  
Jason Carroll, CliftonLarsonAllen LLP w/o enclosures

**ANTELOPE HEIGHTS METROPOLITAN  
DISTRICT  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
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## Independent Auditor's Report

Board of Directors  
Antelope Heights Metropolitan District  
Douglas County, Colorado

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Antelope Heights Metropolitan District (the "District") as of and for the year ended December 31, 2020, 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; 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. 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 Antelope Heights Metropolitan District as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States.

## Other Matters

Management has omitted the management's discussion and analysis that accounting principles general accepted in the United States 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 is 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 the 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The other information, as listed in the table of contents, has not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sincerely,

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP  
July 8, 2021

## **BASIC FINANCIAL STATEMENTS**

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 23,120
Cash and Investments - Restricted	223,456
Receivable from County Treasurer	5,862
Prepaid Expense	4,623
Property Taxes Receivable	<u>756,898</u>
Total Assets	<u>1,013,959</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Cost of Bond Refunding	<u>908,061</u>
Total Deferred Outflows of Resources	<u>908,061</u>
<b>LIABILITIES</b>	
Accounts Payable	3,690
Accrued Interest Payable on Bonds	25,773
Noncurrent Liabilities:	
Due Within One Year	340,000
Due in More Than One Year	<u>17,906,425</u>
Total Liabilities	<u>18,275,888</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	<u>756,898</u>
Total Deferred Inflows of Resources	<u>756,898</u>
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	1,700
Debt Service	201,450
Unrestricted	<u>(17,313,916)</u>
Total Net Position	<u>\$ (17,110,766)</u>

See accompanying Notes to Basic Financial Statements.



**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue (Expenses) 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:					
Governmental Activities:					
General Government	\$ 47,758	\$ -	\$ -	\$ -	\$ (47,758)
Interest and Related Costs on Long-Term Debt	<u>707,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(707,593)</u>
Total Governmental Activities	<u><u>\$ 755,351</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(755,351)</u>
<b>GENERAL REVENUES</b>					
Property Taxes					758,097
Specific Ownership Taxes					65,392
Net Investment Income					<u>2,458</u>
Total General Revenues					<u><u>825,947</u></u>
<b>CHANGE IN NET POSITION</b>					70,596
Net Position - Beginning of Year					<u>(17,181,362)</u>
<b>NET POSITION - END OF YEAR</b>					<u><u>\$ (17,110,766)</u></u>

See accompanying Notes to Basic Financial Statements.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 23,120	\$ -	\$ 23,120
Cash and Investments - Restricted	1,700	221,756	223,456
Accounts Receivable - County Treasurer	395	5,467	5,862
Prepaid Expense	4,623	-	4,623
Property Taxes Receivable	52,200	704,698	756,898
Total Assets	\$ 82,038	\$ 931,921	\$ 1,013,959
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 3,690	\$ -	\$ 3,690
Total Liabilities	3,690	-	3,690
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenue	52,200	704,698	756,898
Total Deferred Inflows of Resources	52,200	704,698	756,898
<b>FUND BALANCES</b>			
Nonspendable	4,623	-	4,623
Restricted For:			
Emergency Reserve	1,700	-	1,700
Debt Service	-	227,223	227,223
Assigned	1,538	-	1,538
Unassigned	18,287	-	18,287
Total Fund Balances	26,148	227,223	253,371
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 82,038	\$ 931,921	

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

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

Loans Payable	(9,385,000)
Net Cost of Bond Refunding	908,061
Accrued Interest Payable - Loans	(25,773)
Developer Advance Payable	(4,042,236)
Accrued Interest on Developer Advances	(4,819,189)
	(17,110,766)

Net Position of Governmental Activities

**\$ (17,110,766)**

See accompanying Notes to Basic Financial Statements.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 51,108	\$ 706,989	\$ 758,097
Specific Ownership Taxes	4,409	60,983	65,392
Net Investment Income	178	2,280	2,458
Total Revenues	<u>55,695</u>	<u>770,252</u>	<u>825,947</u>
<b>EXPENDITURES</b>			
General:			
Accounting	17,291	-	17,291
Auditing	3,900	-	3,900
County Treasurer's Fee	767	10,610	11,377
Dues and Licenses	305	-	305
Insurance and Bonds	2,910	-	2,910
District Management	7,340	-	7,340
Legal Services	8,458	-	8,458
Miscellaneous	353	-	353
Election Expense	4,197	-	4,197
Sidewalk Snow Removal	2,237	-	2,237
Debt Service:			
Bond Principal - Series 2017A	-	330,000	330,000
Bond Interest - Series 2017A	-	239,873	239,873
Bond Interest - Series 2017B	-	79,800	79,800
Paying Agent Fees	-	3,000	3,000
Total Expenditures	<u>47,758</u>	<u>663,283</u>	<u>711,041</u>
<b>NET CHANGES IN FUND BALANCES</b>	7,937	106,969	114,906
Fund Balances - Beginning of Year	<u>18,211</u>	<u>120,254</u>	<u>138,465</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 26,148</u>	<u>\$ 227,223</u>	<u>\$ 253,371</u>

See accompanying Notes to Basic Financial Statements.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds	\$	114,906
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., Developer advances, bonds payable) 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 assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond Principal Payment		330,000
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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.

Accrued Interest on Developer Advance		(282,956)
Accrued Loan Interest - Change in Liability		866
Change in Cost of Refunding		(92,220)
		(92,220)

Change in Net Position of Governmental Activities	\$	70,596
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**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 51,108	\$ 51,108	\$ -
Specific Ownership Tax	4,600	4,409	(191)
Net Investment Income	500	178	(322)
Total Revenues	<u>56,208</u>	<u>55,695</u>	<u>(513)</u>
<b>EXPENDITURES</b>			
Accounting	17,850	17,291	559
Auditing	4,000	3,900	100
County Treasurer's Fee	767	767	-
Directors' Fees	400	-	400
Dues and Licenses	600	305	295
Insurance and Bonds	3,000	2,910	90
District Management	9,450	7,340	2,110
Legal Services	16,500	8,458	8,042
Miscellaneous	500	353	147
Payroll Taxes	31	-	31
Election Expense	1,000	4,197	(3,197)
Sidewalk Snow Removal	750	2,237	(1,487)
Contingency	152	-	152
Total Expenditures	<u>55,000</u>	<u>47,758</u>	<u>7,242</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,208	7,937	6,729
Fund Balance - Beginning of Year	<u>12,421</u>	<u>18,211</u>	<u>5,790</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 13,629</u>	<u>\$ 26,148</u>	<u>\$ 12,519</u>

See accompanying Notes to Basic Financial Statements.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Antelope Heights Metropolitan District (the District), a quasi-municipal corporation, was organized by Court Order recorded on December 24, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a service plan approved September 16, 2002 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.

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.

The District is not financially accountable for any other entity, 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 property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct 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 the 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.

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 District 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. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has 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 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 general obligation debt of the governmental funds.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Budgets**

In accordance with the Local Government Budget Law of Colorado, 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 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.

**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.

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

**Cost of Bond Refunding**

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred costs is reflected as a deferred outflow of resources.



**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Deferred Inflow/Outflow of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, cost of bond refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

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 and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes 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.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Equity (Continued)**

Fund Balance (Continued)

*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.

*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, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 23,120
Cash and Investments - Restricted	223,456
Total Cash and Investments	<u>\$ 246,576</u>

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 2,822
Investments	243,754
Total Cash and Investments	<u>\$ 246,576</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, 2020, the District’s cash deposits had a bank balance of \$13,772 and a carrying balance of \$2,822.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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.

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

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
	Weighted Average	
Colorado Surplus Asset Fund Trust (CSAFE)	Under 60 Days	<u>\$ 243,754</u>

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), 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. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**NOTE 4 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020	Due Within One Year
Series 2017A Loan	\$ 7,615,000	\$ -	\$ 330,000	\$ 7,285,000	\$ 340,000
Series 2017B Loan	2,100,000	-	-	2,100,000	-
Total Bonds Payable	<u>9,715,000</u>	<u>-</u>	<u>330,000</u>	<u>9,385,000</u>	<u>340,000</u>
Developer Advance Payable	4,042,236	-	-	4,042,236	-
Accrued Interest on					
Developer Advances	<u>4,536,233</u>	<u>282,956</u>	<u>-</u>	<u>4,819,189</u>	<u>-</u>
Total Developer Advance	<u>8,578,469</u>	<u>282,956</u>	<u>-</u>	<u>8,861,425</u>	<u>-</u>
Total	<u>\$ 18,293,469</u>	<u>\$ 282,956</u>	<u>\$ 330,000</u>	<u>\$ 18,246,425</u>	<u>\$ 340,000</u>

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

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

**2017A Loan and 2017B Loan**

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) Defease 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%.

On April 17, 2018, the Board of Directors approved a Resolution Providing for Deemed Reissuance by the Antelope Heights Metropolitan District of its Taxable (Convertible to Tax-Exempt) General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Loan, Series 2017B, in the Aggregate Principal Amount of \$2,100,000, For the Purpose of Reissuing Such Loan as a Tax Exempt Obligation; Providing for Certain Details in Connection Therewith; and Approving Documents Related Thereto. Effective as of April 17, 2018, the 2017B Loan will be thereafter identified, known as and referred to as the General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Loan, Series 2017B.

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, 2017 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  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**2017A Loan and 2017B Loan (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  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**2017A Loan and 2017B Loan (Continued)**

The District's general obligation loan principal and interest on the Series 2017A and 2017B Loans will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 340,000	\$ 309,278	\$ 649,278
2022	350,000	298,568	648,568
2023	360,000	287,543	647,543
2024	370,000	276,203	646,203
2025	500,000	264,548	764,548
2026-2030	2,755,000	1,064,027	3,819,027
2031-2035	3,255,000	574,381	3,829,381
2036-2037	1,455,000	73,173	1,528,173
Total	<u>\$ 9,385,000</u>	<u>\$ 3,147,721</u>	<u>\$ 12,532,721</u>

**Authorized Debt**

On November 5, 2002, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$24,500,000, at an interest rate not to exceed 12% per annum. At December 31, 2020, the District had authorized but unissued indebtedness from this election in the following amounts allocated for the following purposes:

	Amount Authorized on November 5, 2002	Authorization Used		Authorized But Unissued
		Previously Used	Series 2017 Loans	
Streets	\$ 2,895,000	\$ 2,224,530	\$ -	\$ 670,470
Water	1,680,000	1,370,250	-	309,750
Sanitation	4,365,000	2,877,507	310,650	1,176,843
Parks and Recreation	3,060,000	2,931,340	-	128,660
Operations and Maintenance	500,000	63,630	-	436,370
Refunding Financial Obligations	12,000,000	3,735,000	-	8,265,000
Total	<u>\$ 24,500,000</u>	<u>\$ 13,202,257</u>	<u>\$ 310,650</u>	<u>\$ 10,987,093</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$12,000,000.

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; however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

The restricted component of net position consists of assets 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, 2020, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserve	\$ 1,700
Debt Service	201,450
Total Restricted Net Position	\$ 203,150

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for the public improvements which were conveyed to other governmental entities and which costs were removed from the District’s financial records.

**NOTE 6 RELATED PARTIES**

The majority of members of the Board of Directors are employees, owners, or are otherwise associated with JF Companies and/or MDR and may have conflicts of interest in dealing with the District. JF Companies is the current developer of property within the District. JF Companies and MDR are the current holders of the Capital Reimbursement Agreement and/or the Acquisition Agreement.

**Capital Reimbursement Agreement**

On December 17, 2015, the District entered into a Capital Reimbursement Agreement with JF Companies and MDR. The District issued the 2015 Subordinate Bonds to JF Companies to reimburse advances for capital costs owed to JF Companies. JF Companies also waived its right to reimbursement for any advances made for operations and interest thereon. Upon issuance of the 2015 Subordinate Bonds, the District’s obligation to reimburse JF Companies for operating advances was forgiven.

The purpose of the Capital Reimbursement Agreement is to re-establish MDR’s right to reimbursement for all remaining unpaid advances for capital costs and to acknowledge payment in full of amounts owed by the District to JF Companies.



**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 6 RELATED PARTIES (CONTINUED)**

**Capital Reimbursement Agreement (Continued)**

MDR is entitled to reimbursement of \$3,886,992 in principal amount of capital advances and \$155,244 in principal amount of operating advances. As of December 31, 2020, the outstanding principal amounts of capital advances and operating advances was \$3,886,992 and \$155,244, respectively. Interest on all advances accrues at 7% per annum. As of December 31, 2020, accrued interest on the capital and operating advances was \$4,649,971 and \$169,218, respectively.

The District's obligation to reimburse the advances is subordinate to any bonded indebtedness of the District. No payment is required of the District for advances unless and until the District issues bonds in an amount sufficient to reimburse all or a portion of the advances. The term of the Capital Reimbursement Agreement expires on December 31, 2040, unless terminated earlier by the mutual agreement of the Parties. In the event the District has not reimbursed MDR or JF Companies pursuant to this Agreement on or before December 31, 2040, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

**Facilities Acquisition Agreement**

On December 10, 2007, the District entered into a Facilities Acquisition Agreement (Acquisition Agreement) with JF Companies whereby, subject to availability of funding, the District agreed to acquire from JF Companies up to \$800,000 in improvements to serve the commercial property within the District. The District's obligation to acquire the improvements from JF Companies under this agreement is: 1) subject to the District's issuance of bonds in an amount sufficient to acquire all or a portion of the improvements, 2) subordinate to the repayment of any bonds issued by the District, and 3) subordinate to the District's obligation to reimburse JF Companies pursuant to the Reimbursement Agreement. The District's obligation to acquire the improvements under the Acquisition Agreement is, however, superior to the District's obligation to reimburse MDR under the Reimbursement Agreement.

Interest accrues under the Acquisition Agreement at the rate of prime plus 1% per annum based upon the prime interest rate for Wells Fargo Bank and is in no event greater than 12%, from the date costs of the improvements are incurred by the Developer until paid. As of December 31, 2020, the Developer had not submitted a request for reimbursement for the District's acquisition of any improvements under the Acquisition Agreement.

**Construction Management Agreement**

The District and JF Companies entered into an Agreement for Construction Management Services, dated January 15, 2003, whereby JF Companies is to provide construction management services during the construction of certain improvements. The management fee is 4% of the amount of the construction work excluding engineering. During the year, no payments were made for management fees.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 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 (the 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.

The District pays annual premiums to the Pool for liability, property, crime, workers' compensation, 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 8 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 which 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 5, 2002, a majority of the District's electors authorized the District to collect and spend or retain in reserve taxes of \$500,000 annually and other 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.

**SUPPLEMENTARY INFORMATION**

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 706,989	\$ 706,989	\$ -
Specific Ownership Tax	63,629	60,983	(2,646)
Net Investment Income	7,500	2,280	(5,220)
Total Revenues	<u>778,118</u>	<u>770,252</u>	<u>(7,866)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fee	10,605	10,610	(5)
Miscellaneous	15	-	15
Paying Agent Fees	1,500	3,000	(1,500)
Bond Interest - Series 2017B	79,800	79,800	-
Bond Principal - Series 2017A	330,000	330,000	-
Bond Interest - Series 2017A	239,873	239,873	-
Contingency	3,207	-	3,207
Total Expenditures	<u>665,000</u>	<u>663,283</u>	<u>1,717</u>
<b>NET CHANGE IN FUND BALANCE</b>	113,118	106,969	(6,149)
Fund Balance - Beginning of Year	<u>119,590</u>	<u>120,254</u>	<u>664</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 232,708</u></u>	<u><u>\$ 227,223</u></u>	<u><u>\$ (5,485)</u></u>

## **OTHER INFORMATION**

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2020**

Bonds and Interest Maturing in the Year Ending December 31,	\$8,255,000			\$2,100,000			Total		
	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			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	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 340,000	\$ 229,478	\$ 569,478	\$ -	\$ 79,800	\$ 79,800	\$ 340,000	\$ 309,278	\$ 649,278
2022	350,000	218,768	568,768	-	79,800	79,800	350,000	298,568	648,568
2023	360,000	207,743	567,743	-	79,800	79,800	360,000	287,543	647,543
2024	370,000	196,403	566,403	-	79,800	79,800	370,000	276,203	646,203
2025	380,000	184,748	564,748	120,000	79,800	199,800	500,000	264,548	764,548
2026	390,000	172,778	562,778	125,000	75,240	200,240	515,000	248,018	763,018
2027	400,000	160,493	560,493	130,000	70,490	200,490	530,000	230,983	760,983
2028	415,000	147,893	562,893	135,000	65,550	200,550	550,000	213,443	763,443
2029	425,000	134,820	559,820	145,000	60,420	205,420	570,000	195,240	765,240
2030	435,000	121,433	556,433	155,000	54,910	209,910	590,000	176,343	766,343
2031	450,000	107,730	557,730	160,000	49,020	209,020	610,000	156,750	766,750
2032	460,000	93,555	553,555	170,000	42,940	212,940	630,000	136,495	766,495
2033	475,000	79,065	554,065	175,000	36,480	211,480	650,000	115,545	765,545
2034	490,000	64,103	554,103	180,000	29,830	209,830	670,000	93,933	763,933
2035	500,000	48,668	548,668	195,000	22,990	217,990	695,000	71,658	766,658
2036	515,000	32,918	547,918	200,000	15,580	215,580	715,000	48,498	763,498
2037	530,000	16,695	546,695	210,000	7,980	217,980	740,000	24,675	764,675
Total	<u>\$ 7,285,000</u>	<u>\$ 2,217,291</u>	<u>\$ 9,502,291</u>	<u>\$ 2,100,000</u>	<u>\$ 930,430</u>	<u>\$ 3,030,430</u>	<u>\$ 9,385,000</u>	<u>\$ 3,147,721</u>	<u>\$ 12,532,721</u>

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2020**

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Mill Levy	Total Property Taxes		Percentage Collected to Levied
		General	Debt Service		Levied	Collected	
2016	\$ 14,835,450	3.000	42.553	45.553	\$ 675,799	\$ 675,106	99.90 %
2017	14,987,960	3.000	42.553	45.553	682,747	682,747	100.00
2018	15,575,610	3.000	41.500	44.500	693,115	693,115	100.00
2019	15,578,100	3.000	41.500	44.500	693,225	693,226	100.00
2020	17,035,870	3.000	41.500	44.500	758,097	758,097	100.00
Estimated for the Year Ending December 31, 2021	\$ 17,399,960	3.000	40.500	43.500	\$ 756,898		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
ANNUAL BUDGET  
FOR YEAR ENDING DECEMBER 31, 2021



**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 76,061	\$ 138,465	\$ 241,203
REVENUES			
Property taxes	693,226	757,328	756,898
Specific ownership tax	69,530	61,760	60,552
Interest income	9,212	3,650	1,482
Total revenues	<u>771,968</u>	<u>822,738</u>	<u>818,932</u>
Total funds available	<u>848,029</u>	<u>961,203</u>	<u>1,060,135</u>
EXPENDITURES			
General Fund	43,453	55,000	58,000
Debt Service Fund	666,111	665,000	665,000
Total expenditures	<u>709,564</u>	<u>720,000</u>	<u>723,000</u>
ENDING FUND BALANCES	<u>\$ 138,465</u>	<u>\$ 241,203</u>	<u>\$ 337,135</u>
EMERGENCY RESERVE	<u>\$ 1,600</u>	<u>\$ 1,700</u>	<u>\$ 1,700</u>
TOTAL RESERVE	<u>\$ 1,600</u>	<u>\$ 1,700</u>	<u>\$ 1,700</u>

No assurance provided. See summary of significant assumptions.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Residential	\$ 15,223,710	\$ 16,718,740	\$ 16,786,120
Commercial	-	-	385,780
State assessed	101,000	77,500	118,300
Vacant land	253,400	239,630	109,760
Certified Assessed Value	<b>\$ 15,578,110</b>	<b>\$ 17,035,870</b>	<b>\$ 17,399,960</b>
<b>MILL LEVY</b>			
General	3.000	3.000	3.000
Debt Service	41.500	41.500	40.500
Total mill levy	<b>44.500</b>	<b>44.500</b>	<b>43.500</b>
<b>PROPERTY TAXES</b>			
General	\$ 46,734	\$ 51,108	\$ 52,200
Debt Service	646,492	706,989	704,698
Levied property taxes	693,226	758,097	756,898
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<b>\$ 693,226</b>	<b>\$ 758,097</b>	<b>\$ 756,898</b>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 46,734</b>	<b>\$ 51,108</b>	<b>\$ 52,200</b>
Debt Service	<b>646,492</b>	<b>706,989</b>	<b>704,698</b>
	<b>\$ 693,226</b>	<b>\$ 758,097</b>	<b>\$ 756,898</b>

No assurance provided. See summary of significant assumptions.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 9,665	\$ 18,211	\$ 18,729
REVENUES			
Property taxes	46,734	51,108	52,200
Specific ownership tax	4,687	4,160	4,176
Interest income	578	250	86
Total revenues	<u>51,999</u>	<u>55,518</u>	<u>56,462</u>
Total funds available	<u>61,664</u>	<u>73,729</u>	<u>75,191</u>
EXPENDITURES			
General and administrative			
Accounting	16,500	17,850	17,850
Auditing	3,740	3,900	4,200
County Treasurer's fee	701	767	783
Directors' fees	200	400	400
Dues and licenses	583	305	600
Insurance and bonds	3,358	2,910	3,150
District management	7,176	9,450	9,450
Legal services	9,312	10,000	16,500
Miscellaneous	656	500	500
Payroll taxes	15	31	50
Election expense	-	4,197	-
Contingency	-	690	517
Sidewalk Snow Removal	1,212	4,000	4,000
Total expenditures	<u>43,453</u>	<u>55,000</u>	<u>58,000</u>
ENDING FUND BALANCE	<u>\$ 18,211</u>	<u>\$ 18,729</u>	<u>\$ 17,191</u>
EMERGENCY RESERVE	<u>\$ 1,600</u>	<u>\$ 1,700</u>	<u>\$ 1,700</u>
TOTAL RESERVE	<u>\$ 1,600</u>	<u>\$ 1,700</u>	<u>\$ 1,700</u>

No assurance provided. See summary of significant assumptions.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 66,396	\$ 120,254	\$ 222,474
REVENUES			
Property taxes	646,492	706,220	704,698
Specific ownership tax	64,843	57,600	56,376
Interest income	8,634	3,400	1,396
Total revenues	<u>719,969</u>	<u>767,220</u>	<u>762,470</u>
Total funds available	<u>786,365</u>	<u>887,474</u>	<u>984,944</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	9,701	10,605	10,570
Miscellaneous	-	15	15
Paying agent fees	1,500	1,500	1,500
Contingency	-	3,207	3,637
Debt Service			
Bond interest - Series 2017B	79,800	79,800	79,800
Bond principal - Series 2017A	325,000	330,000	340,000
Bond interest - Series 2017A	250,110	239,873	229,478
Total expenditures	<u>666,111</u>	<u>665,000</u>	<u>665,000</u>
ENDING FUND BALANCE	<u>\$ 120,254</u>	<u>\$ 222,474</u>	<u>\$ 319,944</u>

No assurance provided. See summary of significant assumptions.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
2021 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 combined mill levy for both operations and debt service is 43.500 as of December 31, 2021. 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  
2021 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 8% 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  
2021 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%.

On April 17, 2018, the Board of Directors approved a Resolution Providing for Deemed Reissuance by the Antelope Heights Metropolitan District of its Taxable (Convertible to Tax-Exempt) General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Loan, Series 2017B, in the Aggregate Principal Amount of \$2,100,000, For the Purpose of Reissuing Such Loan as a Tax Exempt Obligation; Providing for Certain Details in Connection Therewith; and Approving Documents Related Thereto. Effective as of April 17, 2018, the 2017B Loan will be thereafter identified, known as and referred to as the General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Loan, Series 2017B.

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.

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.

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Cont.)**

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 maximum mill levy of 35 mills, as adjusted pursuant to the foregoing, is currently 50.713 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,**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 7,285,000</u>	<u>\$ 2,217,291</u>	<u>\$ 9,502,291</u>

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

**\$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**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 930,430</u>	<u>\$ 3,030,430</u>

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

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>Total</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	340,000	309,278	649,278
2022	350,000	298,568	648,568
2023	360,000	287,543	647,543
2024	370,000	276,203	646,203
2025	500,000	264,548	764,548
2026	515,000	248,018	763,018
2027	530,000	230,983	760,983
2028	550,000	213,443	763,443
2029	570,000	195,240	765,240
2030	590,000	176,343	766,343
2031	610,000	156,750	766,750
2032	630,000	136,495	766,495
2033	650,000	115,545	765,545
2034	670,000	93,933	763,933
2035	695,000	71,658	766,658
2036	715,000	48,498	763,498
2037	740,000	24,675	764,675
	<u>\$ 10,355,000</u>	<u>\$ 4,140,844</u>	<u>\$ 14,495,844</u>

**Antelope Heights Metropolitan District  
Schedule of Developer Advances**

	<b>Balance at December 31, 2019</b>	<b>Additions*</b>	<b>Payments*</b>	<b>Balance at December 31, 2020*</b>
Developer advance payable	\$ 4,042,236	\$ -	\$ -	\$ 4,042,236
Accrued interest on advances	4,536,233	282,956	-	4,819,189
	<u>\$ 8,578,469</u>	<u>\$ 282,956</u>	<u>\$ -</u>	<u>\$ 8,861,425</u>
	<b>Balance at December 31, 2020*</b>	<b>Additions*</b>	<b>Payments*</b>	<b>Balance at December 31, 2021*</b>
Developer advance payable	\$ 4,042,236	\$ -	\$ -	\$ 4,042,236
Accrued interest on advances	4,819,189	282,956	-	5,102,145
	<u>\$ 8,861,425</u>	<u>\$ 282,956</u>	<u>\$ -</u>	<u>\$ 9,144,381</u>

\*Estimated amounts

**ANTELOPE HEIGHTS METROPOLITAN DISTRICT**  
**8390 E. CRESCENT PKWY., SUITE 300**  
**GREENWOOD VILLAGE, COLORADO 80111-2814 LGID 65098**  
**303-779-5710**  
**303-779-0348 (f)**

President: Toni L. Serra Term Exp: 5/2023  
Gateway American Resources, LLC elected 5/16 – 4 yrs  
9033 E. Easter Avenue, Ste 112  
Centennial, CO 80112  
E-mail: [toni@garnow.com](mailto:toni@garnow.com)  
720-362-5995 (b) 720-362-7116 (f) 720-937-6584 (c)

Secretary: Joel H. Farkas Term Exp: 5/2022  
Gateway American Resources, LLC elected 2018  
9033 E. Easter Avenue, Ste 112  
Centennial, CO 80112  
E-mail: [joelharkas@gmail.com](mailto:joelharkas@gmail.com)  
720-362-5995 (b) 720-362-7116 (f)  
\*1880 Arapahoe St. #2811  
Denver, CO 80202\*

Secretary/  
Treasurer Vacant Term Exp: 5/2023

Asst. Secretary: Vacant Term Exp: 5/2023

Asst. Secretary: Vacant Term Exp: 5/2022