



CliftonLarsonAllen LLP  
www.CLAconnect.com

## Accountant's Compilation Report

Board of Directors  
Lewis Pointe Metropolitan District  
Adams County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Lewis Pointe Metropolitan District for the year ending December 31, 2016, including the estimate of comparative information for the year ending December 31, 2015 and the actual comparative information for the year ending December 31, 2014 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 the Lewis Pointe Metropolitan District.

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP'.

Greenwood Village, Colorado  
January 7, 2016

**LEWIS POINTE METROPOLITAN DISTRICT  
SUMMARY  
2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

1/7/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ 5	\$ 1,932,756
<b>REVENUES</b>			
1 Property taxes	193	195	48,949
2 Specific ownership taxes	15	17	3,910
3 System development fees	-	54,000	132,000
4 Developer advance	4,494,946	520,824	100,000
5 Net investment income	-	4,909	1,500
6 Bond issuance	-	7,775,000	-
7 Association Assessments	-	695	-
8 Builder Assessments	-	27,611	34,650
Total revenues	<u>4,495,154</u>	<u>8,383,251</u>	<u>321,009</u>
<b>TRANSFERS IN</b>			
Total funds available	<u>4,495,154</u>	<u>10,476,607</u>	<u>2,253,765</u>
<b>EXPENDITURES</b>			
9 General and administration			
10 Accounting	5,289	10,000	17,500
11 Contingency	-	-	10,079
12 County Treasurer's fees	3	3	122
13 Dues and membership	-	209	500
14 Engineering	-	-	15,000
15 Insurance	1,170	1,658	2,000
16 Legal	38,110	40,000	20,000
17 Operations and maintenance			
18 Decorations	-	-	250
19 Landscaping	-	-	20,700
20 Management fees	-	16,500	27,150
21 Meeting expenses	-	-	60
22 Postage	-	-	270
23 Repairs and maintenance	-	-	885
24 Reserve study	-	-	1,500
25 Supplies	-	-	820
26 Utilities	-	10,160	20,054
27 Web hosting	-	-	600
28 Debt service			
29 Bond interest	-	221,588	466,500
30 Contingency	-	-	1,000
31 County Treasurer's fees	-	-	612
32 Capital projects			
33 Bond issue costs	-	350,172	-
34 Capital outlay	4,450,577	5,334,386	-
35 Lower holly	-	465,824	-
Total expenditures	<u>4,495,149</u>	<u>6,450,500</u>	<u>605,602</u>
<b>TRANSFERS OUT</b>			
Total expenditures and transfers out requiring appropriation	<u>4,495,149</u>	<u>8,543,851</u>	<u>605,602</u>
ENDING FUND BALANCES	<u>\$ 5</u>	<u>\$ 1,932,756</u>	<u>\$ 1,648,163</u>
EMERGENCY RESERVE	\$ 100	\$ 900	\$ 1,400
RESERVE FUND	-	694,300	694,300
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 695,200</u>	<u>\$ 695,700</u>

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

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

1/7/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
<b>ASSESSED VALUATION - ADAMS</b>			
Vacant Land	\$ 3,850	\$ 3,900	\$ 815,820
Certified Assessed Value	<u>\$ 3,850</u>	<u>\$ 3,900</u>	<u>\$ 815,820</u>
<b>MILL LEVY</b>			
GENERAL FUND	50.000	50.000	10.000
DEBT SERVICE FUND	-	-	50.000
Total Mill Levy	<u>50.000</u>	<u>50.000</u>	<u>60.000</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 193	\$ 195	\$ 8,158
DEBT SERVICE FUND	-	-	40,791
Budgeted Property Taxes	<u>\$ 193</u>	<u>\$ 195</u>	<u>\$ 48,949</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 193	\$ 195	\$ 8,158
DEBT SERVICE FUND	-	-	40,791
	<u>\$ 193</u>	<u>\$ 195</u>	<u>\$ 48,949</u>

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

**LEWIS POINTE METROPOLITAN DISTRICT  
GENERAL FUND  
2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

1/7/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ 5	\$ 4,993
REVENUES			
1 Property taxes	193	195	8,158
2 Specific ownership taxes	15	17	650
3 Developer advance	44,369	55,000	100,000
4 Association Assessments	-	695	-
5 Builder Assessments	-	27,611	34,650
Total revenues	44,577	83,518	143,458
Total funds available	44,577	83,523	148,451
EXPENDITURES			
General and administration			
6 Accounting	5,289	10,000	17,500
7 Contingency	-	-	10,079
8 County Treasurer's fees	3	3	122
9 Dues and membership	-	209	500
10 Engineering	-	-	15,000
11 Insurance	1,170	1,658	2,000
12 Legal	38,110	40,000	20,000
Operations and maintenance			
13 Decorations	-	-	250
14 Landscaping	-	-	20,700
15 Management fees	-	16,500	27,150
16 Meeting expenses	-	-	60
17 Postage	-	-	270
18 Repairs and maintenance	-	-	885
19 Reserve study	-	-	1,500
20 Supplies	-	-	820
21 Utilities	-	10,160	20,054
22 Web hosting	-	-	600
Total expenditures	44,572	78,530	137,490
Total expenditures and transfers out requiring appropriation	44,572	78,530	137,490
ENDING FUND BALANCES	\$ 5	\$ 4,993	\$ 10,961
EMERGENCY RESERVE	\$ 100	\$ 900	\$ 1,400
TOTAL RESERVE	\$ 100	\$ 900	\$ 1,400

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

**LEWIS POINTE METROPOLITAN DISTRICT**  
**DEBT SERVICE FUND**  
**2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/7/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 1,927,763
REVENUES			
1 Property taxes	-	-	40,791
2 Specific ownership taxes	-	-	3,260
3 System development fees	-	54,000	132,000
4 Net investment income	-	2,000	1,500
Total revenues	-	56,000	177,551
TRANSFERS IN			
CAPITAL PROJECTS FUND	-	2,093,351	-
Total transfers in	-	2,093,351	-
Total funds available	-	2,149,351	2,105,314
EXPENDITURES			
Debt service			
5 Bond interest	-	221,588	466,500
6 Contingency	-	-	1,000
7 County Treasurer's fees	-	-	612
Total expenditures	-	221,588	468,112
Total expenditures and transfers out requiring appropriation	-	221,588	468,112
ENDING FUND BALANCES	\$ -	\$ 1,927,763	\$ 1,637,202
RESERVE FUND	\$ -	\$ 694,300	\$ 694,300
TOTAL RESERVE	\$ -	\$ 694,300	\$ 694,300

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

**LEWIS POINTE METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

1/7/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Developer advance	4,450,577	465,824	-
2 Net investment income	-	2,909	-
3 Bond issuance	-	7,775,000	-
Total revenues	4,450,577	8,243,733	-
Total funds available	4,450,577	8,243,733	-
EXPENDITURES			
Capital projects			
4 Bond issue costs	-	350,172	-
5 Capital outlay	4,450,577	5,334,386	-
6 Lower holly	-	465,824	-
Total expenditures	4,450,577	6,150,382	-
TRANSFERS OUT			
DEBT SERVICE FUND	-	2,093,351	-
Total transfers out	-	2,093,351	-
Total expenditures and transfers out requiring appropriation	4,450,577	8,243,733	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

**LEWIS POINTE METROPOLITAN DISTRICT  
2016 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County on January 3, 2009, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Thornton, Adams County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including streets, water, storm, regional sanitary sewer facilities, safety protection, and parks and recreation facilities.

At its formation election held on November 4, 2008, the District's voters authorized general obligation indebtedness to be increased by \$11,700,000 for the above listed purposes to a total repayment cost of \$95,940,000. The District's voters also authorized general obligation indebtedness to be increased by \$500,000 to a total repayment cost of \$4,100,000 for operating and maintenance expenses incurred by the District. Additionally, the District's electors authorized the District to collect, retain and spend all revenue annually, other than ad valorem taxes, without regard to limitations under TABOR.

The Districts' service plan limits the total debt issuance of the project to \$11,700,000. The Maximum Debt Mill Levy the District is permitted to impose is 50.000 mills for any Debt which exceeds fifty percent of the District's assessed valuation. For the portion of any Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

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.

**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 calculation of the taxes levied is displayed on page 3 at the adopted mill levy of 60.000, with 10.000 mills for operations and 50.000 for debt service.

**LEWIS POINTE METROPOLITAN DISTRICT  
2016 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**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.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.15%.

**Developer Advance**

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**Facilities Fees**

The District imposes a Facilities Fee of \$2,000 on each single-family residential unit. The fees are payable by homebuilders at the time of issuance of building permits. The revenue from the fees is pledged for payment of bonds or any other indebtedness of the District. The Developer has guaranteed the payment of facility fees on an annual schedule through November 15, 2021 by entering into the Facilities Fee Guaranty Agreement with the District. Pursuant to this Agreement, the Developer has guaranteed the payment of \$132,000 in Facilities Fees during 2016.

**Expenditures**

**Administrative and Operating Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, 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 in 2016 are provided based on the debt amortization schedule from the Series 2015A General Obligation Bonds (discussed under Debt and Leases).



**LEWIS POINTE METROPOLITAN DISTRICT  
2016 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

The District issued \$7,775,000 of General Obligation Bonds (Limited Tax Convertible to Unlimited Tax) Series 2015A (2015A Bonds) and \$1,775,000 of General Obligation Bonds (Subordinate Limited Tax) Series 2015B (2015B Bonds) dated June 1, 2015 for the purpose of paying project costs, paying capitalized interest on the bonds, funding the Reserve Fund, paying bond issuance costs, and repayment of Developer advances. The 2015A bonds bear interest at the rate of 6.00% and are payable semiannually on each June and December 1, commencing on December 1, 2015. The 2015A bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2021. The 2015B bonds bear interest at the rate of 7.00% and are payable semiannually on each June and December 15<sup>th</sup>, commencing on December 15, 2015. The 2015A and 2015B Bonds are secured by and payable from the pledged revenues, consisting of revenues attributable to net property tax revenues, capital fees, specific ownership tax revenues, all facility fees payable under the Facility Fee Guaranty Agreement, and any other legally available revenues of the District.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2016 as defined under TABOR.

**Debt Service Reserve**

The District maintains a Debt Service Reserve in the amount of \$694,300 as required with the issuance of the Series 2015A bonds.

**This information is an integral part of the accompanying budget.**

**LEWIS POINTE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2015**

**\$7,775,000 General Obligation Bonds, Series 2015**

**Dated June 1, 2015**

**Principal Due Annually December 1**

**Interest at 6.00%, Due June and December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ -	\$ 466,500	\$ 466,500
2017	-	466,500	466,500
2018	-	466,500	466,500
2019	-	466,500	466,500
2020	-	466,500	466,500
2021	5,000	466,500	471,500
2022	90,000	466,200	556,200
2023	110,000	460,800	570,800
2024	125,000	454,200	579,200
2025	135,000	446,700	581,700
2026	155,000	438,600	593,600
2027	160,000	429,300	589,300
2028	185,000	419,700	604,700
2029	195,000	408,600	603,600
2030	220,000	396,900	616,900
2031	230,000	383,700	613,700
2032	260,000	369,900	629,900
2033	275,000	354,300	629,300
2034	305,000	337,800	642,800
2035	320,000	319,500	639,500
2036	355,000	300,300	655,300
2037	375,000	279,000	654,000
2038	410,000	256,500	666,500
2039	435,000	231,900	666,900
2040	475,000	205,800	680,800
2041	505,000	177,300	682,300
2042	545,000	147,000	692,000
2043	580,000	114,300	694,300
2044	1,325,000	79,500	1,404,500
	<u>\$ 7,775,000</u>	<u>\$ 10,276,800</u>	<u>\$ 18,051,800</u>

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