



CliftonLarsonAllen

Accountant's Compilation Report

CliftonLarsonAllen LLP
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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, 2017, including the estimate of comparative information for the year ending December, 31, 2016, and the actual comparative information for the year ending December 31, 2015, 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.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 22, 2016

**LEWIS POINTE METROPOLITAN DISTRICT
SUMMARY
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

12/22/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 5	\$ 2,162,301	\$ 1,751,353
REVENUES			
1 Property taxes	195	48,949	155,509
2 Specific ownership taxes	15	3,910	12,440
3 System development fees	134,000	132,000	132,000
4 Developer advance	5,682,857	65,000	45,000
5 Net investment income	4,950	9,364	8,200
6 Other income	-	3,087	-
7 Bond issuance	7,775,000	-	-
8 Association Assessments	3,582	22,515	53,460
9 Builder Assessments	54,687	101,417	87,600
Total revenues	<u>13,655,286</u>	<u>386,242</u>	<u>494,209</u>
TRANSFERS IN	<u>2,093,350</u>	<u>14,073</u>	<u>-</u>
Total funds available	<u>15,748,641</u>	<u>2,562,616</u>	<u>2,245,562</u>
EXPENDITURES			
10 General and administration			
11 Accounting	13,516	30,000	30,000
12 Audit	-	4,400	4,400
13 Billing services	-	-	6,000
14 Contingency	-	-	14,457
15 County Treasurer's fees	3	122	389
16 Design Review	-	-	10,800
17 District management	16,500	32,000	25,000
18 Dues and membership	209	509	525
19 Election	-	1,072	-
20 Engineering	-	1,800	5,000
21 Insurance	1,658	2,488	4,000
22 Legal	23,131	32,000	35,000
23 Miscellaneous	97	33	29
24 Operations and maintenance			
25 Decorations	-	-	2,000
26 Electricity	-	35	-
27 Landscaping	1,400	20,000	25,000
28 Meeting expenses	-	-	400
29 Postage	-	-	400
30 Refuse	-	441	10,000
31 Reserve study	-	-	3,000
32 Utilities	19,958	50,000	60,000
33 Water and sewer	-	4,500	-
34 Web hosting	-	2,000	600
35 Debt service			
36 Bond interest Series 2015A	221,588	466,500	466,500
37 Contingency	-	-	6,556
38 County Treasurer's fees	-	612	1,944
39 Paying agent fees	-	3,000	3,000
40 Capital projects			
41 Bond issue costs	350,172	-	-
42 Capital outlay	5,655,291	-	-
43 Repay Developer advances	5,189,467	145,678	-
Total expenditures	<u>11,492,990</u>	<u>797,190</u>	<u>715,000</u>
TRANSFERS OUT	<u>2,093,350</u>	<u>14,073</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>13,586,340</u>	<u>811,263</u>	<u>715,000</u>
ENDING FUND BALANCES	<u>\$ 2,162,301</u>	<u>\$ 1,751,353</u>	<u>\$ 1,530,562</u>
EMERGENCY RESERVE	\$ 1,800	\$ 4,100	\$ 5,100
RESERVE FUND	-	694,300	694,300
TOTAL RESERVE	<u>\$ 1,800</u>	<u>\$ 698,400</u>	<u>\$ 699,400</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,**

12/22/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
ASSESSED VALUATION - ADAMS			
Residential	\$ -	\$ -	\$ 2,000,760
Vacant Land	3,900	815,820	506,070
Personal Property	-	-	84,980
Certified Assessed Value	<u>\$ 3,900</u>	<u>\$ 815,820</u>	<u>\$ 2,591,810</u>
MILL LEVY			
GENERAL FUND	50.000	10.000	10.000
DEBT SERVICE FUND	-	50.000	50.000
Total Mill Levy	<u>50.000</u>	<u>60.000</u>	<u>60.000</u>
PROPERTY TAXES			
GENERAL FUND	\$ 195	\$ 8,158	\$ 25,918
DEBT SERVICE FUND	-	40,791	129,591
Budgeted Property Taxes	<u>\$ 195</u>	<u>\$ 48,949</u>	<u>\$ 155,509</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 195	\$ 8,158	\$ 25,918
DEBT SERVICE FUND	-	40,791	129,591
	<u>\$ 195</u>	<u>\$ 48,949</u>	<u>\$ 155,509</u>

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**LEWIS POINTE METROPOLITAN DISTRICT
GENERAL FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

12/22/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 5	\$ 9,582	\$ 43,082
REVENUES			
1 Property taxes	195	8,158	25,918
2 Specific ownership taxes	15	650	2,070
3 Developer advance	27,566	65,000	45,000
4 Net investment income	4	-	100
5 Other income	-	3,087	-
6 Association Assessments	3,582	22,515	53,460
7 Builder Assessments	54,687	101,417	87,600
Total revenues	86,049	200,827	214,148
TRANSFERS IN			
DEBT SERVICE FUND	-	14,073	-
Total transfers in	-	14,073	-
Total funds available	86,054	224,482	257,230
EXPENDITURES			
General and administration			
8 Accounting	13,516	30,000	30,000
9 Audit	-	4,400	4,400
10 Billing services	-	-	6,000
11 Contingency	-	-	14,457
12 County Treasurer's fees	3	122	389
13 Design Review	-	-	10,800
14 District management	16,500	32,000	25,000
15 Dues and membership	209	509	525
16 Election	-	1,072	-
17 Engineering	-	1,800	5,000
18 Insurance	1,658	2,488	4,000
19 Legal	23,131	32,000	35,000
20 Miscellaneous	97	33	29
Operations and maintenance			
21 Decorations	-	-	2,000
22 Electricity	-	35	-
23 Landscaping	1,400	20,000	25,000
24 Meeting expenses	-	-	400
25 Postage	-	-	400
26 Refuse	-	441	10,000
27 Reserve study	-	-	3,000
28 Utilities	19,958	50,000	60,000
29 Water and sewer	-	4,500	-
30 Web hosting	-	2,000	600
Total expenditures	76,472	181,400	237,000
Total expenditures and transfers out requiring appropriation	76,472	181,400	237,000
ENDING FUND BALANCES	\$ 9,582	\$ 43,082	\$ 20,230
EMERGENCY RESERVE	\$ 1,800	\$ 4,100	\$ 5,100
TOTAL RESERVE	\$ 1,800	\$ 4,100	\$ 5,100

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
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

12/22/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ 2,007,715	\$ 1,708,271
REVENUES			
1 Property taxes	-	40,791	129,591
2 Specific ownership taxes	-	3,260	10,370
3 System development fees	134,000	132,000	132,000
4 Net investment income	1,953	8,690	8,100
Total revenues	135,953	184,741	280,061
TRANSFERS IN			
CAPITAL PROJECTS FUND	2,093,350	-	-
Total transfers in	2,093,350	-	-
Total funds available	2,229,303	2,192,456	1,988,332
EXPENDITURES			
Debt service			
5 Bond interest Series 2015A	221,588	466,500	466,500
6 Contingency	-	-	6,556
7 County Treasurer's fees	-	612	1,944
8 Paying agent fees	-	3,000	3,000
Total expenditures	221,588	470,112	478,000
TRANSFERS OUT			
GENERAL FUND	-	14,073	-
Total transfers out	-	14,073	-
Total expenditures and transfers out requiring appropriation	221,588	484,185	478,000
ENDING FUND BALANCES	\$ 2,007,715	\$ 1,708,271	\$ 1,510,332
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
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

12/22/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ 145,004	\$ -
REVENUES			
1 Developer advance	5,655,291	-	-
2 Net investment income	2,993	674	-
3 Bond issuance	7,775,000	-	-
Total revenues	13,433,284	674	-
Total funds available	13,433,284	145,678	-
EXPENDITURES			
Capital projects			
4 Bond issue costs	350,172	-	-
5 Capital outlay	5,655,291	-	-
6 Repay Developer advances	5,189,467	145,678	-
Total expenditures	11,194,930	145,678	-
TRANSFERS OUT			
DEBT SERVICE FUND			
Total transfers out	2,093,350	-	-
Total expenditures and transfers out requiring appropriation	13,288,280	145,678	-
ENDING FUND BALANCES	\$ 145,004	\$ -	\$ -

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
2017 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.

The District's service plan allows for a maximum debt mill levy of 50 mills if the total amount of aggregate District debt exceeds 50% of the District's assessed valuation.

**LEWIS POINTE METROPOLITAN DISTRICT
2017 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 0.50%.

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 basis according to the schedule below.

Due Date	Number of Fees Due	Amount Due at \$2,000 per Unit
2016	66	\$132,000
2017	66	\$132,000
2018	68	\$136,000
2019	68	\$136,000
2020	64	\$128,000
2021	14	\$28,000

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.

**LEWIS POINTE METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt Service

Principal and interest payments in 2017 are provided based on the debt amortization schedule from the Series 2015A General Obligation Bonds (discussed under Debt and Leases).

Debt and Leases

The District issued \$7,775,000 of General Obligation Bonds (Limited Tax Convertible to Unlimited Tax) Series 2015A (2015A Bonds) and authorized issuance of \$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 redemption prior to maturity at the option of the District on December 1, 2020 and any date thereafter upon payment of par and accrued interest thereon without redemption premium. The 2015A bonds are also subject to a mandatory sinking fund redemption commencing on December 1, 2021. The 2015A bonds mature on December 31, 2044. The 2015B bonds bear interest at the rate of 7.00% and are payable semiannually on each June and December 15th, commencing on December 15, 2015, to the extent surplus revenues are available. The 2015B bonds are subject to redemption prior to maturity at the option of the District upon payment of par and accrued interest thereon, without redemption premium. The 2015B bonds mature December 15, 2044. 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.

No Series 2015B bonds were issued in 2015 and no funds have been drawn on these bonds.

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 2017 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, 2016**

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

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 Interest Total</u>			
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
	\$	7,775,000	\$ 9,810,300	\$ 17,585,300

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