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Accountant's Compilation Report

Board of Directors
Lyons Ridge Metropolitan District

Management is responsible for the accompanying budget of revenues expenditures and fund balances of Lyons Ridge Metropolitan District for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ending December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America

We are not independent with respect to Lyons Ridge Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 16, 2019



An independent member of Nexia International

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

1/16/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 492,862	\$ 594,887	\$ 1,367,902
REVENUES			
Property taxes	347,666	518,616	603,149
Specific ownership tax	33,654	46,680	36,189
Interest income	9,680	43,310	20,500
Developer advance	50,000	105,000	90,000
Reimbursed expenditures	-	20	-
Other revenue	-	-	10,000
Loan proceeds	1,656,307	4,277,991	-
Permits and fees	-	5,000	5,000
Fines	-	250	250
Minor app income	400	150	150
Landscaping fees	6,450	6,700	5,900
New development fees	5,500	3,785	4,200
Building permits	9,150	900	900
Total revenues	<u>2,118,807</u>	<u>5,008,402</u>	<u>776,238</u>
TRANSFERS IN	<u>58,023</u>	<u>250,000</u>	<u>-</u>
Total funds available	<u>2,669,692</u>	<u>5,853,289</u>	<u>2,144,140</u>
EXPENDITURES			
General Fund	100,316	200,124	199,640
Debt Service Fund	349,379	525,063	666,396
Capital Projects Fund	1,560,331	3,500,000	781,122
ACC Fund	3,166	5,100	17,600
MRDC Fund	3,590	5,100	12,100
Total expenditures	<u>2,016,782</u>	<u>4,235,387</u>	<u>1,676,858</u>
TRANSFERS OUT	<u>58,023</u>	<u>250,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,074,805</u>	<u>4,485,387</u>	<u>1,676,858</u>
ENDING FUND BALANCES	<u>\$ 594,887</u>	<u>\$ 1,367,902</u>	<u>\$ 467,282</u>
EMERGENCY RESERVE	\$ 2,000	\$ 2,900	\$ 3,300
DEBT SERVICE RESERVE	200,000	200,000	200,000
TOTAL RESERVE	<u>\$ 202,000</u>	<u>\$ 202,900</u>	<u>\$ 203,300</u>

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

**LYONS RIDGE METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION - JEFFERSON			
Residential	\$ 4,687,821	\$ 6,816,336	\$ 8,429,364
Agricultural	28	29	29
State assessed	80,608	68,110	145,020
Vacant land	972,785	1,039,622	552,709
Personal property	-	-	35,655
Certified Assessed Value	<u>\$ 5,741,242</u>	<u>\$ 7,924,097</u>	<u>\$ 9,162,777</u>
MILL LEVY			
General	10.000	10.908	10.971
Debt Service	50.000	54.540	54.855
Total mill levy	<u>60.000</u>	<u>65.448</u>	<u>65.826</u>
PROPERTY TAXES			
General	\$ 57,412	\$ 86,436	\$ 100,525
Debt Service	287,062	432,180	502,624
Levied property taxes	344,474	518,616	603,149
Adjustments to actual/rounding	3,192	-	-
Budgeted property taxes	<u>\$ 347,666</u>	<u>\$ 518,616</u>	<u>\$ 603,149</u>
BUDGETED PROPERTY TAXES			
General	\$ 57,944	\$ 86,436	\$ 100,525
Debt Service	289,722	432,180	502,624
	<u>\$ 347,666</u>	<u>\$ 518,616</u>	<u>\$ 603,149</u>

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

**LYONS RIDGE METROPOLITAN DISTRICT
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ (6,154)	\$ 7,090	\$ 6,512
REVENUES			
Property taxes	57,944	86,436	100,525
Specific ownership tax	5,609	7,780	6,032
Interest income	7	310	500
Developer advance	50,000	105,000	90,000
Reimbursed expenditures	-	20	-
Total revenues	113,560	199,546	197,057
Total funds available	107,406	206,636	203,569
EXPENDITURES			
General and administrative			
Accounting	8,400	12,000	15,000
Audit	4,200	4,500	5,000
County Treasurer's fee	869	1,297	1,508
Dues and licenses	605	405	650
Insurance and bonds	2,221	2,488	2,610
District management	-	12,000	12,900
Legal services	19,653	20,000	20,000
Miscellaneous expenditure	173	200	500
Repay Developer advance	-	-	1,000
Operations and maintenance			
Maintenance	48,084	10,213	-
Landscaping improvements	8,277	25,000	40,000
Snow removal	-	7,000	10,000
Mulch	-	8,000	8,000
O&M labor	-	15,021	15,472
Utilities	7,834	12,000	12,000
Ejector pump contract	-	25,000	30,000
Miscellaneous landscape	-	40,000	20,000
Miscellaneous repairs	-	5,000	5,000
Total expenditures	100,316	200,124	199,640
Total expenditures and transfers out requiring appropriation	100,316	200,124	199,640
ENDING FUND BALANCE	\$ 7,090	\$ 6,512	\$ 3,929
EMERGENCY RESERVE	\$ 2,000	\$ 2,900	\$ 3,300
TOTAL RESERVE	\$ 2,000	\$ 2,900	\$ 3,300

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

**LYONS RIDGE METROPOLITAN DISTRICT
ACC FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 21,873	\$ 22,707	\$ 28,207
REVENUES			
Permits and fees	-	5,000	5,000
Fines	-	250	250
Minor app income	400	150	150
Landscaping fees	3,600	5,000	5,000
New development fees	-	200	200
Total revenues	<u>4,000</u>	<u>10,600</u>	<u>10,600</u>
Total funds available	<u>25,873</u>	<u>33,307</u>	<u>38,807</u>
EXPENDITURES			
General and administrative			
Miscellaneous expenditure	-	100	100
Contingency	-	-	2,000
Covenant enforcement	-	-	10,500
O&M labor	3,166	-	-
Operating expenditures	-	5,000	5,000
Total expenditures	<u>3,166</u>	<u>5,100</u>	<u>17,600</u>
Total expenditures and transfers out requiring appropriation	<u>3,166</u>	<u>5,100</u>	<u>17,600</u>
ENDING FUND BALANCE	<u>\$ 22,707</u>	<u>\$ 28,207</u>	<u>\$ 21,207</u>

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

**LYONS RIDGE METROPOLITAN DISTRICT
MDRC FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 900	\$ 14,810	\$ 15,895
REVENUES			
New development fees	5,500	3,585	4,000
Total revenues	<u>17,500</u>	<u>6,185</u>	<u>5,800</u>
Total funds available	<u>18,400</u>	<u>20,995</u>	<u>21,695</u>
EXPENDITURES			
General and administrative			
Miscellaneous expenditure	-	100	100
Contingency	-	-	2,000
Covenant enforcement	-	-	5,000
Operating expenditures	-	5,000	5,000
O&M labor	3,590	-	-
Total expenditures	<u>3,590</u>	<u>5,100</u>	<u>12,100</u>
Total expenditures and transfers out requiring appropriation	<u>3,590</u>	<u>5,100</u>	<u>12,100</u>
ENDING FUND BALANCE	<u>\$ 14,810</u>	<u>\$ 15,895</u>	<u>\$ 9,595</u>

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

**LYONS RIDGE METROPOLITAN DISTRICT
DEBT SERVICE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 301,094	\$ 337,149	\$ 546,166
REVENUES			
Property taxes	289,722	432,180	502,624
Specific ownership tax	28,045	38,900	30,157
Interest income	9,644	13,000	10,000
Other revenue	-	-	10,000
Total revenues	<u>327,411</u>	<u>484,080</u>	<u>552,781</u>
TRANSFERS IN			
Transfers from other funds	<u>58,023</u>	<u>250,000</u>	<u>-</u>
Total funds available	<u>686,528</u>	<u>1,071,229</u>	<u>1,098,947</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	4,346	6,483	7,539
Contingency	-	-	10,000
Debt Service			
Loan interest	218,500	360,000	450,000
Loan principal	110,000	142,580	198,857
Bond issue costs	-	10,000	-
Non-use fee	13,533	6,000	-
Total expenditures	<u>349,379</u>	<u>525,063</u>	<u>666,396</u>
Total expenditures and transfers out requiring appropriation	<u>349,379</u>	<u>525,063</u>	<u>666,396</u>
ENDING FUND BALANCE	<u>\$ 337,149</u>	<u>\$ 546,166</u>	<u>\$ 432,551</u>
DEBT SERVICE RESERVE	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>
TOTAL RESERVE	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>

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

**LYONS RIDGE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 175,149	\$ 213,131	\$ 771,122
REVENUES			
Interest income	29	30,000	10,000
Loan proceeds	1,656,307	4,277,991	-
Total revenues	<u>1,656,336</u>	<u>4,307,991</u>	<u>10,000</u>
Total funds available	<u>1,831,485</u>	<u>4,521,122</u>	<u>781,122</u>
EXPENDITURES			
Capital Projects			
Landscaping improvements	509,460	300,000	5,000
Project management	-	50,000	-
Drainage / detention	6,326	200,000	-
Streets	542,032	-	500,000
Capital outlay	-	2,100,000	276,122
Turkey Creek culvert	502,095	500,000	-
Sewer infrastructure	-	150,000	-
Water infrastructure	-	200,000	-
Miscellaneous expenditure	418	-	-
Total expenditures	<u>1,560,331</u>	<u>3,500,000</u>	<u>781,122</u>
TRANSFERS OUT			
Transfers to other funds	<u>58,023</u>	<u>250,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,618,354</u>	<u>3,750,000</u>	<u>781,122</u>
ENDING FUND BALANCE	<u>\$ 213,131</u>	<u>\$ 771,122</u>	<u>\$ -</u>

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

**LYONS RIDGE METROPOLITAN DISTRICT
2019 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 Jefferson County on November 18, 2010, 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 Jefferson County. The District's service area is located in Jefferson County, Colorado.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements. These improvements include streets, water and sanitation facilities, park and recreation, safety and public transportation.

On November 2, 2010, the District's voters authorized total indebtedness of \$67,590,000 for the above listed facilities. The District's voters also authorized total indebtedness of \$33,795,000 for debt refunding. The election also approved an annual increase in property taxes of \$1,000,000 without limitation of rate, to pay the District's operation and maintenance costs.

Pursuant to the Service Plan, dated May 4, 2010, the District is permitted to issue indebtedness of up to \$67,690,000. 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.

The District has no employees and all operations and 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

A significant source of operating revenue is 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 method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.2% from 7.96% for property years 2017-2018 on April 17, 2017 with the report submitted to the State Board of Equalization. Accordingly, the mill levy was adjusted to reflect this change in the assessed value calculation.

The calculation of taxes levied is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

**LYONS RIDGE METROPOLITAN DISTRICT
2019 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 6% of the property taxes collected by the General Fund.

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.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the 2015A&B Loan (discussed under Debt and Leases).

The Loan Agreement requires the District to pay a non-use fee of 0.25% of the unfunded portion of the loan.

Capital Outlay

Anticipated expenditures for capital projects are noted on the Capital Project Fund page of the budget.

Debt and Leases

Loan Agreements

The District entered into a loan agreement with Vectra Bank dated October 1, 2015, in the aggregate maximum principal amount of \$11,200,000. Principal payments are due December 1 and interest payments are due June 1 and December 1 in varying amounts through December 1, 2045 with the taxable interest rate is 3.25% plus the five-year Des Moines Federal Home Loan Bank Long-Term Fixed Rate Advance at the date of the advance. The tax-exempt rate any principal portion designed as a qualified obligation is 75% of the taxable rate. The tax-exempt rate for any portion that is not a qualified tax-exempt obligation is 80% of the taxable rate. Loan advances are as follows:

October 1, 2015	\$ 4,233,646	3.6975%	February 20, 2017	\$ 293,303	4.035%
August 10, 2016	\$ 413,522	3.6680%	June 6, 2017	\$ 725,369	3.900%
November 1, 2016	\$ 618,533	3.6080%	November 11, 2017	\$ 637,635	4.065%

**LYONS RIDGE METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The District has the option to prepay the loan commencing on the second anniversary of the closing date plus 1% prepayment costs, or after the third anniversary of the closing date without penalty.

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.

Debt Service Reserve

The District maintains a debt service reserve as required with the execution of the 2015A&B Loan Agreement.

This information is an integral part of the accompanying budget.

**LYONS RIDGE METROPOLITAN DISTRICT
DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2019**

**\$10,000,000 Series 2015A Loan
\$1,200,000 Series 2015B Loan
Dated: December 4, 2015**

**Interest Rate: Variable
Interest Payable June 1 and December 1
Principal Payable December 1**

Maturing in the year ending December 31,	Loan Advances - 2015		Loan Advances - 2016		Loan Advances - 2017		Loan Advances - 2018		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 119,000	\$ 149,151	\$ 30,168	\$ 36,674	\$ 49,689	\$ 66,208	\$ -	\$ 196,075	\$ 198,857	\$ 448,108
2020	123,000	145,086	30,962	35,660	51,346	64,254	140,498	196,463	345,805	441,464
2021	85,000	140,079	20,641	34,423	34,782	62,170	93,665	189,636	234,089	426,307
2022	89,000	136,892	23,023	33,663	38,095	60,779	102,338	185,343	252,456	416,677
2023	93,000	133,556	23,817	32,815	39,751	59,257	107,542	180,652	264,110	406,279
2024	102,000	130,426	24,611	32,025	41,408	57,696	116,214	176,071	284,232	396,218
2025	106,000	126,245	26,992	31,032	44,720	56,012	119,683	170,397	297,396	383,686
2026	80,000	122,272	19,847	30,038	31,470	54,225	84,993	164,911	216,310	371,445
2027	85,000	119,273	20,641	29,307	33,126	52,967	90,196	161,016	228,963	362,562
2028	89,000	116,404	23,023	28,625	36,439	51,668	93,665	157,192	242,127	353,889
2029	97,000	112,750	23,817	27,699	39,751	50,186	107,542	152,589	268,110	343,223
2030	102,000	109,113	26,198	26,822	43,064	48,597	111,011	147,660	282,273	332,192
2031	110,000	105,289	27,786	25,857	44,720	46,876	119,683	142,572	302,190	320,594
2032	119,000	101,443	30,168	24,902	48,033	45,110	128,356	137,357	325,557	308,812
2033	127,000	96,704	31,756	23,723	51,346	43,168	137,029	131,203	347,130	294,798
2034	135,000	91,943	34,137	22,553	56,314	41,115	149,171	124,923	374,622	280,535
2035	148,000	86,882	37,313	21,296	59,627	38,864	157,843	118,086	402,783	265,129
2036	157,000	81,557	38,901	19,977	64,596	36,499	171,720	111,071	432,216	249,103
2037	169,000	75,448	42,076	18,490	69,565	33,899	183,861	102,981	464,502	230,818
2038	182,000	69,113	45,252	16,940	74,534	31,118	196,003	94,554	497,789	211,725
2039	195,000	62,290	48,427	15,274	79,503	28,139	209,879	85,570	532,809	191,273
2040	212,000	55,130	52,397	13,528	86,128	24,973	227,225	76,101	577,749	169,732
2041	224,000	47,032	57,160	11,561	92,753	21,518	244,570	65,536	618,483	145,647
2042	246,000	38,635	61,129	9,456	99,378	17,810	265,385	54,327	671,893	120,228
2043	262,000	29,412	65,099	7,205	106,004	13,838	282,730	42,163	715,833	92,618
2044	279,000	19,644	69,862	4,821	114,285	9,605	300,076	29,262	763,223	63,333
2045	243,573	9,131	60,700	2,235	125,879	5,032	337,115	15,451	767,266	31,849
	\$ 3,978,573	\$ 2,510,900	\$ 995,900	\$ 616,600	\$ 1,656,307	\$ 1,121,582	\$ 4,277,992	\$ 3,409,161	\$ 10,908,772	\$ 7,658,244
									\$ 18,567,016	