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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, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ending December 31, 2018, 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 3, 2020

**LYONS RIDGE METROPOLITAN DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 594,887	\$ 1,401,847	\$ 774,685
REVENUES			
Property taxes	519,768	603,149	783,796
Specific ownership tax	48,028	48,936	62,704
Interest income	49,268	21,050	20,200
Developer advance	105,000	90,000	85,000
Other revenue	61	100	10,000
Loan proceeds	4,277,992	-	-
Permits and fees	-	5,000	2,000
Fines	-	250	250
Minor app income	1,400	450	450
Landscaping fees	4,640	10,000	9,000
New development fees	9,000	4,200	5,200
Building permits	2,100	900	1,500
Total revenues	5,017,257	784,035	980,100
TRANSFERS IN	188,008	-	20
Total funds available	5,800,152	2,185,882	1,754,805
EXPENDITURES			
General Fund	190,250	175,468	221,133
LRDRC Fund	3,068	17,100	14,700
MRDC Fund	4,355	12,100	23,350
Debt Service Fund	518,584	657,504	810,066
Capital Projects Fund	3,494,040	549,025	261,070
Total expenditures	4,210,297	1,411,197	1,330,319
TRANSFERS OUT	188,008	-	20
Total expenditures and transfers out requiring appropriation	4,398,305	1,411,197	1,330,339
ENDING FUND BALANCES	\$ 1,401,847	\$ 774,685	\$ 424,466
EMERGENCY RESERVE	\$ 2,900	\$ 3,300	\$ 4,300
DEBT SERVICE RESERVE	200,000	200,000	200,000
TOTAL RESERVE	\$ 202,900	\$ 203,300	\$ 204,300

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
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION - JEFFERSON			
Residential	\$ 6,816,336	\$ 8,429,364	\$ 10,654,757
Agricultural	29	29	31
State assessed	68,110	145,020	150,949
Vacant land	1,039,622	552,709	1,016,585
Personal property	-	35,655	33,961
Certified Assessed Value	<u>\$ 7,924,097</u>	<u>\$ 9,162,777</u>	<u>\$ 11,856,283</u>
MILL LEVY			
General	10.908	10.971	11.018
Debt Service	54.540	54.855	55.090
Total mill levy	<u>65.448</u>	<u>65.826</u>	<u>66.108</u>
PROPERTY TAXES			
General	\$ 86,436	\$ 100,525	\$ 130,633
Debt Service	432,180	502,624	653,163
Levied property taxes	518,616	603,149	783,796
Adjustments to actual/rounding	1,152	-	-
Budgeted property taxes	<u>\$ 519,768</u>	<u>\$ 603,149</u>	<u>\$ 783,796</u>
BUDGETED PROPERTY TAXES			
General	\$ 86,628	\$ 100,525	\$ 130,633
Debt Service	433,140	502,624	653,163
	<u>\$ 519,768</u>	<u>\$ 603,149</u>	<u>\$ 783,796</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 7,090	\$ 16,525	\$ 39,788
REVENUES			
Property taxes	86,628	100,525	130,633
Specific ownership tax	8,005	8,156	10,451
Interest income	41	50	200
Developer advance	105,000	90,000	85,000
Other revenue	11	-	-
Total revenues	<u>199,685</u>	<u>198,731</u>	<u>226,284</u>
Total funds available	<u>206,775</u>	<u>215,256</u>	<u>266,072</u>
EXPENDITURES			
General and administrative			
Accounting	12,446	15,000	18,000
Audit	4,200	4,500	5,000
County Treasurer's fee	1,300	1,508	1,959
Dues and licenses	405	500	650
Insurance and bonds	2,488	2,508	2,610
District management	12,000	12,900	12,978
Legal services	23,653	20,000	20,000
Miscellaneous expenditure	149	500	500
Election expense	-	-	500
Repay developer advance	-	-	1,000
Contingency	10,213	-	10,000
Operations and maintenance			
Landscaping improvements	10,400	40,000	55,000
Snow removal	1,609	10,000	10,000
Mulch	-	8,000	-
O&M labor	15,021	15,472	15,936
Utilities	13,639	12,000	12,000
Ejector pump contract	20,992	17,580	30,000
Miscellaneous landscape	55,643	10,000	20,000
Miscellaneous repairs	6,092	5,000	5,000
Total expenditures	<u>190,250</u>	<u>175,468</u>	<u>221,133</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>20</u>
Total expenditures and transfers out requiring appropriation	<u>190,250</u>	<u>175,468</u>	<u>221,153</u>
ENDING FUND BALANCE	<u>\$ 16,525</u>	<u>\$ 39,788</u>	<u>\$ 44,919</u>
EMERGENCY RESERVE	<u>\$ 2,900</u>	<u>\$ 3,300</u>	<u>\$ 4,300</u>
TOTAL RESERVE	<u>\$ 2,900</u>	<u>\$ 3,300</u>	<u>\$ 4,300</u>

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**LYONS RIDGE METROPOLITAN DISTRICT
LRDRC FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 22,707	\$ 21,489	\$ 15,139
REVENUES			
Permits and fees	-	5,000	2,000
Fines	-	250	250
Minor app income	1,400	300	150
Landscaping fees	450	5,000	2,000
New development fees	-	200	200
Total revenues	<u>1,850</u>	<u>10,750</u>	<u>4,600</u>
Total funds available	<u>24,557</u>	<u>32,239</u>	<u>19,739</u>
EXPENDITURES			
General and administrative			
Application review - contract services	-	-	500
Covenant enforcement	-	10,000	5,000
DRC management	-	-	7,200
Miscellaneous expenditure	38	100	-
Operating expenditures	3,030	5,000	1,000
Contingency	-	2,000	1,000
Total expenditures	<u>3,068</u>	<u>17,100</u>	<u>14,700</u>
Total expenditures and transfers out requiring appropriation	<u>3,068</u>	<u>17,100</u>	<u>14,700</u>
ENDING FUND BALANCE	<u>\$ 21,489</u>	<u>\$ 15,139</u>	<u>\$ 5,039</u>

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**LYONS RIDGE METROPOLITAN DISTRICT
MDRC FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 14,810	\$ 25,795	\$ 23,745
REVENUES			
Other revenue	50	-	-
Building permits	2,100	900	1,500
Minor app income	-	150	300
Landscaping fees	4,190	5,000	7,000
New development fees	9,000	4,000	5,000
Total revenues	<u>15,340</u>	<u>10,050</u>	<u>13,800</u>
Total funds available	<u>30,150</u>	<u>35,845</u>	<u>37,545</u>
EXPENDITURES			
General and administrative			
Application review - contract servcies	-	-	5,000
Covenant enforcement	-	5,000	8,000
DRC management	-	-	7,350
Miscellaneous expenditure	-	100	-
Operating expenditures	4,355	5,000	1,000
Contingency	-	2,000	2,000
Total expenditures	<u>4,355</u>	<u>12,100</u>	<u>23,350</u>
Total expenditures and transfers out requiring appropriation	<u>4,355</u>	<u>12,100</u>	<u>23,350</u>
ENDING FUND BALANCE	<u>\$ 25,795</u>	<u>\$ 23,745</u>	<u>\$ 14,195</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 337,149	\$ 528,963	\$ 434,963
REVENUES			
Property taxes	433,140	502,624	653,163
Specific ownership tax	40,023	40,780	52,253
Interest income	49,227	20,000	20,000
Other revenue	-	100	10,000
Total revenues	<u>522,390</u>	<u>563,504</u>	<u>735,416</u>
TRANSFERS IN			
Transfers from other funds	<u>188,008</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,047,547</u>	<u>1,092,467</u>	<u>1,170,379</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	6,500	7,539	9,797
Contingency	10,000	-	10,000
Debt Service			
Paying agent fees	4,500	3,000	3,000
Loan interest	349,140	448,108	441,464
Loan principal	142,580	198,857	345,805
Non-use fee	5,864	-	-
Total expenditures	<u>518,584</u>	<u>657,504</u>	<u>810,066</u>
Total expenditures and transfers out requiring appropriation	<u>518,584</u>	<u>657,504</u>	<u>810,066</u>
ENDING FUND BALANCE	<u>\$ 528,963</u>	<u>\$ 434,963</u>	<u>\$ 360,313</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/3/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 213,131	\$ 809,075	\$ 261,050
REVENUES			
Interest income	-	1,000	-
Loan proceeds	4,277,992	-	-
Total revenues	<u>4,277,992</u>	<u>1,000</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>20</u>
Total funds available	<u>4,491,123</u>	<u>810,075</u>	<u>261,070</u>
EXPENDITURES			
Capital Projects - Initial Improvements			
Landscaping improvements	-	500,208	-
Parks and recreation	-	48,817	-
Capital outlay	3,494,040	-	261,050
Capital Projects - Future Improvements			
Fence replacement	-	-	10
Tree replacement	-	-	10
Total expenditures	<u>3,494,040</u>	<u>549,025</u>	<u>261,070</u>
TRANSFERS OUT			
Transfers to other funds	<u>188,008</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>3,682,048</u>	<u>549,025</u>	<u>261,070</u>
ENDING FUND BALANCE	<u>\$ 809,075</u>	<u>\$ 261,050</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
2020 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 7.15% from 7.20% for property years 2019-2020 on April 10, 2019 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.

**LYONS RIDGE METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

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.

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 8.00% of the property taxes collected by the General Fund.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

Developer Advance

Developer advances are expected to fund a portion of general fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to issue bonds to reimburse the Developer.

Architectural and Design Control Revenues

In order to maintain certain architectural and design standards throughout the community, the District imposes fees, charges and fines for the review, enforcement, monitoring and permitting of these standards.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to landscape maintenance and repairs, mowing, parks and open space maintenance, utilities and snow removal were also included in the budget.

Debt Service

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

Capital Outlay

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

**LYONS RIDGE METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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%	June 6, 2017	\$ 725,369	3.900%
August 10, 2016	\$ 413,522	3.6680%	November 11, 2017	\$ 637,635	4.065%
November 1, 2016	\$ 618,533	3.6080%	June 14, 2018	\$ 3,077,992	4.538%
February 20, 2017	\$ 293,303	4.0350%	June 14, 2018	\$ 1,200,000	4.538%

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.

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.

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		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2020	\$ 123,000	\$ 145,086	\$ 30,962	\$ 35,660	\$ 51,346	\$ 64,254	\$ 140,498	\$ 196,463	\$ 345,805	\$ 441,464	\$ 787,269
2021	85,000	140,079	20,641	34,423	34,782	62,170	93,665	189,636	234,089	426,307	660,396
2022	89,000	136,892	23,023	33,663	38,095	60,779	102,338	185,343	252,456	416,677	669,133
2023	93,000	133,566	23,817	32,815	39,751	59,257	107,542	180,652	264,110	406,279	670,389
2024	102,000	130,426	24,611	32,025	41,408	57,696	116,214	176,071	284,232	396,218	680,450
2025	106,000	126,245	26,992	31,032	44,720	56,012	119,683	170,397	297,396	383,686	681,082
2026	80,000	122,272	19,847	30,038	31,470	54,225	84,993	164,911	216,310	371,445	587,755
2027	85,000	119,273	20,641	29,307	33,126	52,967	90,196	161,016	228,963	362,562	591,525
2028	89,000	116,404	23,023	28,625	36,439	51,668	93,665	157,192	242,127	353,889	596,016
2029	97,000	112,750	23,817	27,699	39,751	50,186	107,542	152,589	268,110	343,223	611,333
2030	102,000	109,113	26,198	26,822	43,064	48,597	111,011	147,660	282,273	332,192	614,464
2031	110,000	105,289	27,786	25,857	44,720	46,876	119,683	142,572	302,190	320,594	622,783
2032	119,000	101,443	30,168	24,902	48,033	45,110	128,356	137,357	325,557	308,812	634,369
2033	127,000	96,704	31,756	23,723	51,346	43,168	137,029	131,203	347,130	294,798	641,928
2034	135,000	91,943	34,137	22,553	56,314	41,115	149,171	124,923	374,622	280,535	655,157
2035	148,000	86,882	37,313	21,296	59,627	38,864	157,843	118,086	402,783	265,129	667,912
2036	157,000	81,557	38,901	19,977	64,596	36,499	171,720	111,071	432,216	249,103	681,319
2037	169,000	75,448	42,076	18,490	69,565	33,899	183,861	102,981	464,502	230,818	695,320
2038	182,000	69,113	45,252	16,940	74,534	31,118	196,003	94,554	497,789	211,725	709,513
2039	195,000	62,290	48,427	15,274	79,503	28,139	209,879	85,570	532,809	191,273	724,082
2040	212,000	55,130	52,397	13,528	86,128	24,973	227,225	76,101	577,749	169,732	747,481
2041	224,000	47,032	57,160	11,561	92,753	21,518	244,570	65,536	618,483	145,647	764,131
2042	246,000	38,635	61,129	9,456	99,378	17,810	265,385	54,327	671,893	120,228	792,120
2043	262,000	29,412	65,099	7,205	106,004	13,838	282,730	42,163	715,833	92,618	808,451
2044	279,000	19,644	69,862	4,821	114,285	9,605	300,076	29,262	763,223	63,333	826,556
2045	243,573	9,131	60,700	2,235	125,879	5,032	337,115	15,451	767,266	31,849	799,116
	<u>\$ 3,859,573</u>	<u>\$ 2,361,749</u>	<u>\$ 965,735</u>	<u>\$ 579,927</u>	<u>\$ 1,606,617</u>	<u>\$ 1,055,375</u>	<u>\$ 4,277,993</u>	<u>\$ 3,213,087</u>	<u>\$ 10,709,916</u>	<u>\$ 7,210,136</u>	<u>\$ 17,920,050</u>

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