

LEWIS POINTE METROPOLITAN DISTRICT
Adams County, Colorado

FINANCIAL STATEMENTS
December 31, 2017

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Office of the State Auditor

July 18, 2018

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**Haynie &
Company**

Certified Public Accountants (a professional corporation)

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Independent Auditor's Report

To the Board of Directors
Lewis Pointe Metropolitan District

We have audited the accompanying financial statements of the governmental activities and the major funds of Lewis Pointe Metropolitan District as of and for the year ended December 31, 2017 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 of America; 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Lewis Pointe Metropolitan District, as of December 31, 2017 and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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Other Matters

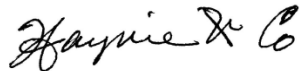
Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lewis Pointe Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
July 12, 2018

BASIC FINANCIAL STATEMENTS

LEWIS POINTE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 57,890
Cash and investments - Restricted	5,113,113
Accounts receivable	201,022
Prepaid Expense	24,721
Property taxes receivable	633,446
Receivable from county treasurer	1,220
Construction in progress	5,655,291
Total assets	<u>11,686,703</u>
LIABILITIES	
Accounts payable	64,709
Deferred assessments	25,194
Accrued interest payable	38,875
Noncurrent liabilities	
Due in more than one year	12,196,092
Total liabilities	<u>12,324,870</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	633,446
Total deferred inflows of resources	<u>633,446</u>
NET POSITION	
Net investment in capital assets	
Restricted for:	
Emergency reserves	6,000
Debt service	1,590,151
Unrestricted	(2,867,764)
Total net position	<u>\$ (1,271,613)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**LEWIS POINTE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017**

<u>Functions/Programs</u>	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Government activities:				
General government	\$ 279,916	\$ 161,685	\$ -	\$ -
Interest and related costs on long-term debt				\$ (118,231)
	1,016,903	-	-	378,000
	\$ 1,296,819	\$ 161,685	\$ -	\$ 378,000
				(638,903)
				(757,134)
General revenues:				
Property taxes				155,509
Specific ownership taxes				14,245
Other income				6,118
Net investment income				43,626
Total general revenues				219,498
Change in net position				(537,636)
Net position - Beginning				(733,977)
Net position - Ending				\$ (1,271,613)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**LEWIS POINTE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments	\$ 57,890	\$ -	\$ -	\$ 57,890
Cash and investments - Restricted	6,000	1,637,894	3,469,219	5,113,113
Accounts receivable	11,022	190,000	-	201,022
Prepaid expense	24,721	-	-	24,721
Property taxes receivable	167,679	465,767	-	633,446
Receivable from county treasurer	203	1,017	-	1,220
Due from other fund	2,392	-	-	2,392
Total assets	\$ 269,907	\$ 2,294,678	\$ 3,469,219	\$ 6,033,804
LIABILITIES				
Accounts payable	\$ 49,157	\$ -	\$ 15,552	\$ 64,709
Prepaid Assessments	25,194	-	-	25,194
Due to other fund	-	-	2,392	2,392
Total liabilities	74,351	-	17,944	92,295
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	167,679	465,767	-	633,446
Total deferred inflows of resources	167,679	465,767	-	633,446
FUND BALANCES				
Nonspendable:				
Prepaid expenses	24,721	-	-	24,721
Restricted for:				
Emergency reserves	6,000	-	-	6,000
Debt service	-	1,828,911	-	1,828,911
Assigned for:				
Capital projects	-	-	3,451,275	3,451,275
Unassigned	(2,844)	-	-	(2,844)
Total fund balances	27,877	1,828,911	3,451,275	5,308,063
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	\$ 269,907	\$ 2,294,678	\$ 3,469,219	

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

Capital assets are recorded as assets on the statement of net position, but are recorded as expenditures in the funds.

Capital outlay 5,655,291

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

Bonds payable (11,788,595)

Bond discount 208,795

Accrued interest on bonds payable (38,875)

Developer advance payable (616,292)

Net position of governmental activities \$ (1,271,613)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

LEWIS POINTE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 25,923	\$ 129,586	\$ -	\$ 155,509
Specific ownership tax	2,375	11,870	-	14,245
Interest Income	28	16,968	26,630	43,626
Other income	6,118	-	-	6,118
Operating fees	92,070	-	-	92,070
Operating fees - Builder	69,615	-	-	69,615
Facility fees	-	378,000	-	378,000
Total revenues	<u>196,129</u>	<u>536,424</u>	<u>26,630</u>	<u>759,183</u>
EXPENDITURES				
General				
Accounting	33,258	-	-	33,258
Audit	4,600	-	-	4,600
Billing services	3,465	-	-	3,465
County Treasurer's fees	389	-	-	389
Design review	2,169	-	-	2,169
District management	33,528	-	-	33,528
Dues and membership	634	-	-	634
Engineering	-	-	17,185	17,185
Electricity	123	-	-	123
Insurance and bonds	2,790	-	-	2,790
Legal services	21,761	-	6,144	27,905
Meeting expenses	718	-	-	718
Miscellaneous	19	-	4,967	4,986
Landscape maintenance	67,575	-	-	67,575
Refuse	20,515	-	-	20,515
Utilities	54,798	-	-	54,798
Web hosting	1,050	-	-	1,050
Water/ Sewer	4,228	-	-	4,228
Debt Service				
County treasurer's fee	-	1,946	-	1,946
Interest expense	-	475,085	-	475,085
Paying agent/trust fees	-	3,000	-	3,000
Capital outlay				
Cost of Issuance	-	-	273,794	273,794
Total expenditures	<u>251,620</u>	<u>480,031</u>	<u>302,090</u>	<u>1,033,741</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(55,491)</u>	<u>56,393</u>	<u>(275,460)</u>	<u>(274,558)</u>
OTHER FINANCING SOURCES (USES)				
Developer Advance	45,000	-	-	45,000
Transfers (to) from other fund	(10,351)	-	(8,585)	(18,936)
Transfers from other fund	-	8,585	10,351	18,936
Bond discount	-	-	(208,795)	(208,795)
Bond proceeds	-	-	3,788,000	3,788,000
Total other financing sources (uses)	<u>34,649</u>	<u>8,585</u>	<u>3,580,971</u>	<u>3,624,205</u>
NET CHANGE IN FUND BALANCES	(20,842)	64,978	3,305,511	3,349,647
FUND BALANCES - BEGINNING OF YEAR	<u>48,719</u>	<u>1,763,933</u>	<u>145,764</u>	<u>1,958,416</u>
FUND BALANCES - END OF YEAR	<u>\$ 27,877</u>	<u>\$ 1,828,911</u>	<u>\$ 3,451,275</u>	<u>\$ 5,308,063</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**LEWIS POINTE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ACTIVITIES
Year Ended December 31, 2017**

Net changes in fund balances - Total governmental funds \$ 3,349,647

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

Long-term debt (e.g., bonds, Developer advances) 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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond issuance	(3,788,000)
Developer advances	(45,000)

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.

Bond discount	207,806
Unpaid interest on Series 2017B Bonds - change in liability	(187,105)
Unpaid interest on Series 2017C Bonds - change in liability	(37,501)
Accrued interest on Developer Advances - Change in liability	(37,483)
	(37,483)

Change in net position of governmental activities	\$ (537,636)
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

**LEWIS POINTE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 25,918	\$ 25,918	\$ 25,923	\$ 5
Specific ownership tax	2,070	2,186	2,375	189
Interest Income	100	23	28	5
Refund of utility	-	10,000	-	(10,000)
Other income	-	13,143	6,118	(7,025)
Operating fees	53,460	92,235	92,070	(165)
Operating fees - Builder	87,600	69,450	69,615	165
Total revenues	<u>169,148</u>	<u>212,955</u>	<u>196,129</u>	<u>(16,826)</u>
EXPENDITURES				
Accounting	30,000	32,000	33,258	(1,258)
Audit	4,400	4,600	4,600	-
Billing services	6,000	6,000	3,465	2,535
County Treasurer's fees	389	389	389	-
Design review	10,800	7,042	2,169	4,873
District management	25,000	30,000	33,528	(3,528)
Dues and membership	525	634	634	-
Engineering	5,000	-	-	-
Electricity	-	5,000	123	4,877
Insurance and bonds	4,000	2,790	2,790	-
Legal services	35,000	25,000	21,761	3,239
Meeting expenses	400	932	718	214
Miscellaneous	29	2,500	19	2,481
Decorations	2,000	-	-	-
Landscape maintenance	25,000	35,000	67,575	(32,575)
Postage	400	-	-	-
Refuse	10,000	35,113	20,515	14,598
Reserve study	3,000	-	-	-
Utilities	60,000	60,000	54,798	5,202
Web hosting	600	2,100	1,050	1,050
Water/ Sewer	-	-	4,228	(4,228)
Contingency	14,457	2,900	-	2,900
Total expenditures	<u>237,000</u>	<u>252,000</u>	<u>251,620</u>	<u>380</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(67,852)</u>	<u>(39,045)</u>	<u>(55,491)</u>	<u>(16,446)</u>
OTHER FINANCING SOURCES				
Developer advance	45,000	45,000	45,000	-
Transfers to other funds	-	(11,000)	(10,351)	649
Total other financing sources	<u>45,000</u>	<u>34,000</u>	<u>34,649</u>	<u>649</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>(22,852)</u>	<u>(5,045)</u>	<u>(20,842)</u>	<u>(15,797)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>43,082</u>	<u>48,719</u>	<u>48,719</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 20,230</u>	<u>\$ 43,674</u>	<u>\$ 27,877</u>	<u>\$ (15,797)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - DEFINITION OF REPORTING ENTITY

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.

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 is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees and all operations and administrative functions are contracted.

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 taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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 District property taxes and interest. All other revenue items are considered to be measurable and available only when cash is received by the District. The District 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 is 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 debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of 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.

The District has amended its annual budget for the year ended December 31, 2017.

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 unearned property tax revenues are recorded as revenue in the year they are available or collected.

LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operations Fee Agreement

The District imposes an administrative fee of \$25 per month for Undeveloped Lots and \$55 per month for Developed Lots to fund operating expenses including landscaping maintenance, repairs, utilities, and some administrative costs. These fees commenced July 1, 2015, and are to be collected in quarterly payments due on the 20th day of each March, June, October, and December. Operations fees are due on the 20th day of the month stated for that month and the prior two months (example October, November, and December fees are due December 20th). Operations fees, until paid, constitute a lien against the property and the District may foreclose on the lien in the manner provided by the laws of the State of Colorado.

Facility Fee

The District imposes a Facilities Fee in the amount of \$2,000 for each single-family detached or attached residential unit within the District. The Facilities Fees are payable at the time a building permit is issued by the City for a residential unit.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

Amortization

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bonds issuance costs, during the current period. The face amount of debt issue is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflow of Resources

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.
- *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.

**LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *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, 2017, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 57,890
Cash and investments - Restricted	<u>5,113,113</u>
Total cash and investments	<u>\$ 5,171,003</u>

Cash and investments as of December 31, 2017, consist of the following:

Deposits with financial institutions	\$ 81,966
Investments	<u>5,089,037</u>
Total cash and investments	<u>\$ 5,171,003</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, 2017, the District's cash deposits had a bank balance and a carrying balance of \$81,966.

**LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

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, 2017, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$ 5,089,037
		<u>\$ 5,089,037</u>

**LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

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 using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 - CAPITAL ASSETS

The following is an analysis of the changes in capital assets for the year ended December 31, 2017:

	Balance at December 31, 2016	Increases	Decreases	Balance at December 31, 2017
Capital assets, not being depreciated:				
Construction in progress	\$ 5,655,291	\$ -	\$ -	\$ 5,655,291
Governmental activities capital assets	<u>\$ 5,655,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,655,291</u>

**LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2017.

	<u>Balance at December 31, 2016</u>	<u>Additions</u>	<u>Retirement of Long-Term Obligations</u>	<u>Balance at December 31, 2017</u>	<u>Due Within One Year</u>
G. O. Bonds - Series 2015	\$ 7,775,000	\$ -	\$ -	\$ 7,775,000	\$ -
G. O. Bonds - Series 2017B	-	3,252,000	-	3,252,000	-
G. O. Bonds - Series 2017C	-	536,000	-	536,000	-
Series 2017B unpaid interest	-	187,105	-	187,105	-
Series 2017C unpaid interest	-	37,501	-	37,501	-
Developer advance - Capital Fund	328,913	-	-	328,913	-
Developer advance - O&M Fund	94,066	45,000	-	139,066	-
Note payable - Developer	43,587	-	-	43,587	-
Developer advance - Capital Fund Interest	62,695	26,313	-	89,008	-
Developer advance - O&M Interest	4,299	7,683	-	11,982	-
Interest on Developer note	249	3,487	-	3,736	-
	8,308,809	4,095,089	-	12,403,898	-
Bond discount	-	(208,795)	(989)	(207,806)	-
	<u>\$ 8,308,809</u>	<u>\$ 3,886,294</u>	<u>\$ (989)</u>	<u>\$ 12,196,092</u>	<u>\$ -</u>

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

General Obligation Bonds

\$7,775,000 Limited tax (Convertible to Unlimited Tax) General Obligation bonds, Series 2015A Bonds, dated June 1, 2015 with interest at 6.0%, payable semi-annually on each June 1 and December 1, beginning on December 31, 2015. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The Bonds mature on December 1, 2044.

The Bonds are subject to 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 secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, Facilities Fees, Specific Ownership Taxes attributable to the Required Mill Levy, and any other legally available moneys of the District credited to the Bond Fund. Under certain circumstances, monies on deposit in the Reserve Fund and in the Surplus Fund, if any, will be used to pay only the 2015A Bonds in the event amounts credited to the Bond Fund are insufficient to pay the principal of, premium if any, or interest when due.

LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Prior to the date the Senior Debt to Assessed Ratio is equal to 50% or less, Pledged Revenue that is not needed to pay debt service on the 2015A Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of 10% of par value of the 2015A Bonds or \$777,550. Under the Indenture, the Surplus Fund is terminated once the Senior Debt to Assessed Ratio is equal to or less than 50%. The District has acknowledged that State Law places certain restrictions on the use of money derived from the Required Mill Levy. The amount in the surplus fund is \$689,630 at December 31, 2017.

The Bonds are further secured by the Reserve Fund which was funded upon issuance of the Bonds in the amount of the Required Reserve equal to \$694,300. The balance in the Reserve Fund at December 31, 2017, is \$694,300.

\$1,775,000 Subordinate Limited Tax General Obligation Bonds, Series 2015B, in the Aggregate Principal Amount of up to \$1,775,000, dated June 1, 2015, with interest at 7.0%. Payments on the Subordinate Bonds are payable annually to the extent surplus revenues are available after paying the Bonds, meeting the Reserve Requirement, and filling up the Surplus Fund on December 15. The bonds mature December 15, 2044. No Series 2015B bonds were issued in 2015. The Subordinate bonds are to be issued under a permitted draw amount arrangement, up to the face value of the bonds. The funds available for permitted draw under the indenture are to be paid to the developer for constructed improvements, upon receipt of an engineer's certification. In conjunction with the offering of the Series 2017B and 2017C Bonds, discussed below, the District has elected to terminate the Series 2015B Subordinate Indenture and has not nor will not issue any bonds pursuant to the 2015B agreements.

\$3,252,000 Subordinate Limited Tax General Obligation Bonds, Series 2017B, in the Aggregate Principal Amount of \$3,252,000, dated March 23, 2017, with interest at 7.75%, payable annually on December 15, commencing December 15, 2017, from and to the extent of, Subordinate Pledged Revenues available, if any, and mature on December 15, 2047. The 2017B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2017B Subordinate Bonds compounds annually on each December 15. In the event any amount due and owing on the 2017B Subordinate Bonds remains outstanding on December 15, 2056, such amount shall be deemed discharged and no longer be due and outstanding.

The 2017B Subordinate Bonds are secured by Subordinate Pledged Revenue on a subordinate basis to the Series 2015A Senior Bonds and any other Senior Obligations. Subordinate Pledged Revenue includes that portion of the Pledged Revenue available and required to be deposited into the Subordinate Bond Fund in accordance with the provisions of the 2017B Subordinate Indenture and any amounts in the 2015A Senior Surplus Fund upon the termination of such fund pursuant to the terms of the 2015A Senior Indenture.

\$536,000 Junior Lien Limited Tax General Obligation Bonds, Series 2017C, in the Aggregate Principal Amount of \$536,000, dated March 23, 2017, with interest at 9.00%, payable annually on December 15, beginning December 15, 2017, from, and to the extent of, Junior Lien Pledged Revenue available, if any, and mature on December 15, 2056. The 2017C Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled

**LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

payments of principal prior to the final maturity date. Unpaid interest on the 2017C Junior Lien Subordinate Bonds compounds annually on each December 15. In the event any amount due and owing on the 2017C Junior Lien Bonds remains outstanding on December 15, 2056, such amount shall be deemed discharged and no longer be due and outstanding.

Because the 2017B Subordinate Bonds are also being structured as cash flow bonds and will be secured by the Pledged Revenue on a senior basis to the 2017C Junior Lien Bonds, no debt service payments will be made on the 2017C Junior Lien Bonds until all 2017B Subordinate Bonds have been paid in full or are no longer outstanding.

Pledged Revenue consists of the following, net of any costs of collection: (a) all Property Tax Revenues; (b) all Specific Ownership Taxes; (c) all Capital Fees; and (d) all Facility Fees payable to the District in accordance with the Facility Fee Guaranty. With respect to the 2017B Subordinate Bonds, Pledged Revenue is required to first be applied to fund amounts required by any Senior Obligation Indenture, as more particularly provided in the 2017B Subordinate Indenture. As a result, after application of the Pledged Revenue to pay Senior Obligations (currently consisting of the 2015A Senior Bonds), Subordinate Pledged Revenue is expected to consist of: (a) property taxes derived from the 2017B Subordinate Required Mill Levy; (b) specific ownership taxes attributable to the 2017B Subordinate Required Mill Levy; (c) any revenue from Capital Fees remaining after deduction of any amounts required by a Senior Obligation Indenture; (d) Facility Fees payable to the District in accordance with the Facility Fee Guaranty Agreement remaining after deduction of any amounts required by a Senior Obligation Indenture; and (e) any amounts in the 2015A Senior Surplus Fund upon the termination of such fund pursuant to the terms of the 2015A Senior Indenture.

The District's Series 2015A long term obligations will mature as follows:

	Governmental Activities		
	Principal	Interest	Total
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
2023-2027	685,000	2,229,600	2,914,600
2028-2032	1,090,000	1,978,800	3,068,800
2033-2037	1,630,000	1,590,900	3,220,900
2038-2042	2,370,000	1,018,500	3,388,500
2043-2044	1,905,000	193,800	2,098,800
	<u>\$ 7,775,000</u>	<u>\$ 9,343,800</u>	<u>\$ 17,118,800</u>

No long term obligations are included for the Series 2017B and Series 2017C bonds as payments are made solely on available cash flow.

**LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 4, 2008, a majority of the qualified electors of the District who voted in the election authorized the issuance of District indebtedness in an amount not to exceed \$11,700,000. At December 31, 2017, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Debt Authorized June 1, 2015	Authorization Used for Series 2015A Bonds	Authorization Used for Series 2017B Bonds	Authorization Used for Series 2017C Bonds	Authorized But Unissued
Streets	\$ 11,700,000	\$ 5,413,203	\$ 1,106,005	\$ 182,294	\$ 4,998,498
Sanitation	11,700,000	834,367	1,036,087	170,770	9,658,776
Water	11,700,000	1,527,430	495,280	81,632	9,595,658
Transportation	11,700,000	-	-	-	11,700,000
Mosquito Control	11,700,000	-	-	-	11,700,000
Traffic/Safety Controls	11,700,000	-	-	-	11,700,000
Parks/Recreation	11,700,000	-	614,628	101,304	10,984,068
Refundings	11,700,000	-	-	-	11,700,000
	<u>\$ 93,600,000</u>	<u>\$ 7,775,000</u>	<u>\$ 3,252,000</u>	<u>\$ 536,000</u>	<u>\$ 82,037,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$11,700,000, at an interest rate not to exceed 18.0%.

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.

**LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 6 - NET POSITION

The District's net position consists of two components – restricted and unrestricted.

Restricted net position includes 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, 2017, as follows:

	Governmental Activities
Restricted net assets:	
Emergency reserves	\$ 6,000
Debt service	1,590,151
Total restricted net assets	\$ 1,596,151

The District has a deficit in unrestricted net position. This deficit amount is the result of the District being responsible for the repayment of bonds issued for public improvement.

NOTE 7 - RELATED PARTY

The Developer of the property which constitutes the District is Lennar Colorado, LLC. The majority of the members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

Operation Funding and Reimbursement Agreement

On April 29, 2015, the District entered into an Operation Funding and Reimbursement Agreement to repay advances made by the Developer for operations and maintenance (O&M) costs. The District agreed to repay the Developer for such O&M advances plus accrued interest at the rate of 8.0%. As of December 31, 2017, outstanding advances under the agreement totaled \$151,048, including principal of \$139,066 and accrued interest \$11,982.

Facility Fee Guaranty Agreement

The District imposes a Facilities Fee in the amount of \$2,000 for each single-family detached or attached residential unit within the District. The Facilities Fees are payable at the time a building permit is issued by the City for a residential unit. The District has entered into a Facility Fee Guaranty Agreement with the Developer. If the collected facility fees are less than the total amount of facility fees due, the Developer shall pay the resulting shortfall amount to the District. The District will be responsible for providing the Developer written notice of the shortfall amount. Any shortfall amounts which are not paid shall be subject to interest and penalties. These amounts are considered to be a personal unsecured obligation of the Developer and not subject to lien against the property.

**LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 7 - RELATED PARTY (CONTINUED)

The schedule of payment due dates and amounts is as follows:

<u>Due Date</u>	<u>Number of Fees Due</u>	<u>Amount Due at \$2,000 per Unit</u>	<u>Fees Received</u>
2015	27	\$ 54,000	\$ 134,000
2016	66	132,000	172,000
2017	66	132,000	188,000
2018	68	136,000	190,000
2019	68	136,000	-
2020	64	128,000	-
2021	14	28,000	-
	<u>373</u>	<u>\$ 746,000</u>	<u>\$ 684,000</u>

The District generated revenues of \$378,000 in facilities fees for 2017 and there is no shortfall due at December 31, 2017.

Infrastructure Acquisition Agreement

The District and the Developer entered into an agreement dated April 29, 2015, whereby the District has requested the Developer to design and construct certain improvements, for which the District issues general obligation bonds and the District will acquire the Improvements from the Developer. The specific acquisition, purchase price, and conveyance of the Improvements from the Developer to the District are outlined in the Infrastructure Acquisition Agreement. Improvement acquisition procedures include (a) Improvement Notice (b) Application for Acquisition (c) Engineer Certification: District Costs and (d) District Acceptance of Improvements (including the "Acceptance Letter"). Interest begins to accrue on the stated and accepted amount of District costs at 8.0% per annum (non-compounding), upon the date of the issuance of the Acceptance Letter from the District.

NOTE 8 - AGREEMENTS

INTERGOVERNMENTAL AGREEMENTS

Service Plan

The District entered into an intergovernmental agreement with the City of Thornton effective August 12, 2008. The agreement authorizes the District to provide the services set forth in the Service Plan approved by the City. It authorizes the District to issue debt not in excess of \$11,700,000.

LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8 – AGREEMENTS (CONTINUED)

The agreement provides a Required Maximum Debt Mill Levy, but not in excess of 50 mills (as adjusted) and for so long as the Surplus Fund is less than the Maximum Surplus Amount of 10% of the par value of the Bonds, not less than 50 mills (as adjusted). Such maximum and minimum mill levies are subject to adjustment per the Gallagher Amendment (defined below) and are currently 50 and 50, respectively. Once the ratio derived by dividing the District's currently outstanding general obligation debt by the assessed valuation of all taxable property of the District (the "Debt to Assessed Ratio") is equal to or less than 50%, the Required Mill Levy is no longer subject to such limitations and is required to be imposed at a level sufficient to pay the Bonds and replenish the Reserve Fund, without limitation of rate.

Construction Intergovernmental Agreement

The District entered into a Construction Intergovernmental Agreement (North Holly Sewer Interceptor Project) on September 3, 2014 (the "North Holly IGA") with Parterre Metropolitan District No. 1 and North Holly Metropolitan District for the purposes of constructing sanitary sewer main lines (the "Sewer Lines Project") benefitting the properties of the parties to the North Holly IGA and certain other properties described therein. Pursuant to the North Holly IGA, the parties to such agreement agree to share the costs of the Sewer Lines Project, including certain design, engineering, construction, administrative, and related costs. The District is responsible for approximately 18% of the costs of the Sewer Line Project, which had an estimated cost of approximately \$2.5 million as of the date of such agreement. Pursuant to the terms of the North Holly IGA and a related escrow agreement, the District deposited an initial funding amount of \$465,824 into an escrow account held by Fidelity National Title Insurance Company. Parterre Metropolitan District No. 1 is to provide monthly reports to the parties to the North Holly IGA, including an accounting of all expenditures to date. The obligations of the District and the other parties to the North Holly IGA are subject to annual appropriation and budgeting and do not create a lien on any funds of the District. The escrowed amount of \$465,824 is comprised of \$136,911, the Capital Advance discussed below, and \$328,913.

Advance and reimbursement Agreement for Capital Advances

In order to pay the initial funding amount due under the North Holly IGA, the District entered into an Advance and reimbursement Agreement for Capital Advances dated August 13, 2014 (the North Holly Advance Agreement), with Clark Carlson, Clay Carlson, Kent Carlson, Steve Young, Scott Carlson, Craig Thornton, Lee Carlson, and Ryan Carlson (collectively, Former Developers). Pursuant to such agreement, the Former Developers agreed to provide an advance of \$136,911 to the District. Such advance is evidenced by a promissory note that bears interest at a non-compounding rate of 8.0% per annum and matures on August 13, 2054. The North Holly Advance Agreement is a multiple fiscal year obligation of the District. Amounts owed on the Note are payable from all moneys reimbursed to the District pursuant to the North Holly IGA or any other legally available moneys which the District determines, in its absolute discretion, to apply to the principal of and interest due on the Note. The Pledged Revenue for the Bonds is not pledged to pay amounts due under the North Holly Advance Agreement. The outstanding balance under this agreement at December 31, 2017, is \$47,323 representing advances of \$43,587 and \$3,736 in interest on the advances.

LEWIS POINTE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - 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 (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 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 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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.

At the Election, voters of the District approved an election question allowing the District to collect and expend each year all revenues without regard to the revenue and spending limitations of 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.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

**LEWIS POINTE METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 129,591	\$ 129,591	\$ 129,586	\$ (5)
Specific ownership taxes	10,370	10,370	11,870	1,500
Interest income	8,100	8,100	16,968	8,868
Facility fees	132,000	132,000	378,000	246,000
Total revenues	<u>280,061</u>	<u>280,061</u>	<u>536,424</u>	<u>256,363</u>
EXPENDITURES				
County treasurer's fee	1,944	1,944	1,946	(2)
Interest expense - Bonds	466,500	466,500	475,085	(8,585)
Paying agent/trust fees	3,000	3,000	3,000	-
Contingency	6,556	11,556	-	11,556
Total expenditures	<u>478,000</u>	<u>483,000</u>	<u>480,031</u>	<u>2,969</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(197,939)</u>	<u>(202,939)</u>	<u>56,393</u>	<u>259,332</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other fund	-	8,585	8,585	-
Total other financing sources (uses)	<u>-</u>	<u>8,585</u>	<u>8,585</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>(197,939)</u>	<u>(194,354)</u>	<u>64,978</u>	<u>259,332</u>
FUND BALANCES - BEGINNING OF YEAR	<u>1,708,271</u>	<u>1,708,271</u>	<u>1,763,933</u>	<u>55,662</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,510,332</u>	<u>\$ 1,513,917</u>	<u>\$ 1,828,911</u>	<u>\$ 314,994</u>

**LEWIS POINTE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Interest income	\$ -	\$ 17,542	\$ 26,630	\$ 9,088
Total revenues	<u>-</u>	<u>17,542</u>	<u>26,630</u>	<u>9,088</u>
EXPENDITURES				
Cost of Issuance	-	273,794	273,794	-
Engineering	-	1,663	17,185	(15,522)
Legal	-	3,752	6,144	(2,392)
Lower Holly	-	4,937	4,967	(30)
Capital outlay	-	3,460,780	-	3,460,780
Total expenditures	<u>-</u>	<u>3,744,926</u>	<u>302,090</u>	<u>3,442,836</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(3,727,384)</u>	<u>(275,460)</u>	<u>3,451,924</u>
OTHER FINANCING SOURCES (USES)				
Bond issuance - Series 2017B	-	3,252,000	3,252,000	-
Bond issuance - Series 2017C	-	536,000	536,000	-
Bond discount	-	(208,795)	(208,795)	-
Transfers to other fund	-	(8,585)	(8,585)	-
Transfers from other fund	-	11,000	10,351	(649)
Total other financing sources (uses)	<u>-</u>	<u>3,581,620</u>	<u>3,580,971</u>	<u>(649)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>-</u>	<u>(145,764)</u>	<u>3,305,511</u>	<u>3,451,275</u>
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>145,764</u>	<u>145,764</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,451,275</u>	<u>\$ 3,451,275</u>

**LEWIS POINTE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2017**

**\$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>
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>\$ 9,343,800</u>	<u>\$ 17,118,800</u>

No long term obligations are included for the Series 2017B and Series 2017C bonds as payments are made solely on available cash flow.

**LEWIS POINTE METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2017**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Total Mills Levied</u>			<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
		<u>General Oper- ations</u>	<u>Debt Service</u>	<u>Refunds & Abatements</u>	<u>Levied</u>	<u>Collected</u>	
2015	\$ 3,900	50.000	0.000	0.000	\$ 195	\$ 195	100.00%
2016	815,820	10.000	50.000	0.000	48,949	48,949	100.00%
2017	2,591,810	10.000	50.000	0.000	155,509	155,509	100.00%
Estimated for year ending December 31, 2018	\$ 8,426,060	19.900	55.277	0.000	\$ 633,446		