

## **Accountants' Compilation Report**

Board of Directors  
Lincoln Park Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Lincoln Park 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 ended 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 Lincoln Park Metropolitan District.

Greenwood Village, Colorado  
January 24, 2019

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

1/24/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 1,506,760	\$ 1,623,420	\$ 2,796,215
REVENUES			
Property taxes	1,670,445	1,856,320	1,930,214
Specific ownership tax	182,990	161,082	192,575
Interest income	15,620	13,800	2,700
Facilities fees	619,971	653,196	700,000
System development fees	1,045,628	813,000	850,000
Plan admin fee	-	-	7,500
Conservation trust	15,256	15,000	15,000
Road maintenance fee - Market	78,865	78,900	80,000
Road maintenance fee - Mangano	8,183	8,210	10,000
Reimbursed expenditures	-	-	-
Other revenue	25,000	1,243	1,000
Bond premium	-	1,892,105	-
Bond proceeds	-	32,000,000	-
Total revenues	<u>3,661,958</u>	<u>37,492,856</u>	<u>3,788,989</u>
TRANSFERS IN	<u>60,000</u>	<u>2,302,867</u>	<u>-</u>
Total funds available	<u>5,228,718</u>	<u>41,419,143</u>	<u>6,585,204</u>
EXPENDITURES			
General and administrative	210,203	231,605	217,122
Operations and maintenance	587,096	610,475	715,378
Debt service	1,572,340	34,449,981	1,659,550
Capital projects	1,175,659	1,028,000	3,479,527
Total expenditures	<u>3,545,298</u>	<u>36,320,061</u>	<u>6,071,577</u>
TRANSFERS OUT	<u>60,000</u>	<u>2,302,867</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>3,605,298</u>	<u>38,622,928</u>	<u>6,071,577</u>
ENDING FUND BALANCES	<u>\$ 1,623,420</u>	<u>\$ 2,796,215</u>	<u>\$ 513,627</u>
EMERGENCY RESERVE	\$ -	\$ 27,800	\$ 32,300
DEBT SERVICE SURPLUS FUND	-	196,221	309,462
PROJECT FUND	-	2,200,000	-
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 2,424,021</u>	<u>\$ 341,762</u>

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

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

1/24/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
<b>ASSESSED VALUATION</b>			
Residential	\$ 24,696,090	\$ 26,140,860	\$ 26,545,570
Commercial	5,286,420	5,917,390	7,238,920
State assessed	1,100	1,200	1,200
Vacant land	2,691,250	2,990,670	2,806,040
Personal property	1,022,580	945,750	841,170
Other	-	10	10
	<u>33,697,440</u>	<u>35,995,880</u>	<u>37,432,910</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 33,697,440</u>	<u>\$ 35,995,880</u>	<u>\$ 37,432,910</u>
<b>MILL LEVY</b>			
General	6.500	6.500	8.500
Debt Service	43.000	45.000	43.000
Total mill levy	<u>49.500</u>	<u>51.500</u>	<u>51.500</u>
<b>PROPERTY TAXES</b>			
General	\$ 219,033	\$ 233,973	\$ 318,180
Debt Service	1,448,990	1,619,815	1,609,615
	<u>1,668,023</u>	<u>1,853,788</u>	<u>1,927,795</u>
Levied property taxes	1,668,023	1,853,788	1,927,795
Adjustments to actual/rounding	320	1	-
Budgeted property taxes	<u>\$ 1,668,343</u>	<u>\$ 1,853,789</u>	<u>\$ 1,927,795</u>
<b>ASSESSED VALUATION - DEBT</b>			
Vacant land	\$ 56,260	\$ 56,260	\$ 56,260
Certified Assessed Value	<u>\$ 56,260</u>	<u>\$ 56,260</u>	<u>\$ 56,260</u>
<b>MILL LEVY</b>			
General	0.000	0.000	0.000
Debt Service	43.000	45.000	43.000
Total mill levy	<u>43.000</u>	<u>45.000</u>	<u>43.000</u>
<b>PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
Debt Service	2,419	2,532	2,419
	<u>2,419</u>	<u>2,532</u>	<u>2,419</u>
Levied property taxes	2,419	2,532	2,419
Adjustments to actual/rounding	(317)	-	-
Budgeted property taxes	<u>\$ 2,102</u>	<u>\$ 2,532</u>	<u>\$ 2,419</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 219,075	\$ 233,973	\$ 318,180
Debt Service	1,451,370	1,622,347	1,612,034
	<u>\$ 1,670,445</u>	<u>\$ 1,856,320</u>	<u>\$ 1,930,214</u>

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

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

1/24/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 22,503	\$ 78,510	\$ 60,467
REVENUES			
Property taxes	219,351	233,973	318,180
Specific ownership tax	24,029	20,331	31,818
Interest income	9,699	300	2,700
Facilities fees	619,971	653,196	700,000
Reimbursed expenditures	-	-	-
Other revenue	25,000	1,237	1,000
Plan admin fee	-	-	7,500
Conservation trust	15,256	15,000	15,000
Total revenues	913,306	924,037	1,076,198
Total funds available	935,809	1,002,547	1,136,665
EXPENDITURES			
General and administrative			
Accounting	10,463	18,000	20,000
Auditing	4,400	4,400	4,700
County Treasurer's fee	3,293	3,510	4,773
Directors' fees	969	1,755	6,000
Insurance and bonds	15,967	16,023	17,000
District management	107,300	87,334	75,000
Legal services	53,487	46,810	35,000
Legal Special	-	-	10,000
Telephone - Office Expense	2,725	3,500	2,500
Miscellaneous	11,599	6,989	2,000
Payroll taxes	-	92	100
Election expense	-	2,252	-
Contingency	-	40,940	40,049
Operations and maintenance			
Repairs and maintenance	20,460	30,000	25,000
Engineering	11,102	10,000	10,000
Snow Removal	5,804	30,000	40,000
Landscape maintenance	239,057	203,340	250,248
Irrigation System Repair	-	10,000	21,630
Annual Landscape Items	10,341	50,000	105,000
Market landscape maintenance	4,400	10,000	-
Tree Replacement	10,892	10,000	10,000
Lighting Maintenance (Apartments)	54,973	10,000	12,000
Utilities	-	80,000	80,000
GIS Mapping	-	3,000	10,000
Pool Management	87,012	78,100	85,000
Pool Maintenance	44,297	72,839	40,000
Pool Utilities	26,894	8,414	25,000
Participation SV Pool Rec Ctr	71,864	-	-
Facilities Maintenance	-	4,044	-
Website Hosting	-	738	1,500
Total expenditures	797,299	842,080	932,500
TRANSFERS OUT			
Transfers to other fund	60,000	100,000	-
Total expenditures and transfers out requiring appropriation	857,299	942,080	932,500
ENDING FUND BALANCES	\$ 78,510	\$ 60,467	\$ 204,165
EMERGENCY RESERVE	\$ -	\$ 27,800	\$ 32,300
TOTAL RESERVE	\$ -	\$ 27,800	\$ 32,300

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

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

1/24/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 1,139,724	\$ 1,180,360	\$ 196,221
REVENUES			
Property taxes	1,451,094	1,622,347	1,612,034
Specific ownership tax	158,961	140,751	160,757
Interest income	2,921	13,500	-
Other revenue	-	6	-
Bond premium	-	1,892,105	-
Bond proceeds	-	32,000,000	-
Total revenues	<u>1,612,976</u>	<u>35,668,709</u>	<u>1,772,791</u>
Total funds available	<u>2,752,700</u>	<u>36,849,069</u>	<u>1,969,012</u>
EXPENDITURES			
Debt Service			
Bond interest - series 2018	-	815,906	1,331,369
Bond principal Senior Bonds	-	870,000	300,000
County Treasurer's fee	21,782	24,335	24,181
Paying agent fees	-	4,000	4,000
Loan interest - series 2014	1,145,558	339,058	-
Loan principal - series 2014	405,000	30,847,091	-
Subordinate debt	-	706,500	-
Bond issue costs	-	843,059	-
Miscellaneous	-	32	-
Total expenditures	<u>1,572,340</u>	<u>34,449,981</u>	<u>1,659,550</u>
TRANSFERS OUT			
Transfers to other fund	-	2,202,867	-
Total expenditures and transfers out requiring appropriation	<u>1,572,340</u>	<u>36,652,848</u>	<u>1,659,550</u>
ENDING FUND BALANCES	<u>\$ 1,180,360</u>	<u>\$ 196,221</u>	<u>\$ 309,462</u>
DEBT SERVICE SURPLUS FUND	\$ -	\$ 196,221	\$ 309,462
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 196,221</u>	<u>\$ 309,462</u>

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

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

1/24/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 344,533	\$ 364,550	\$ 2,539,527
REVENUES			
System development fees	1,045,628	813,000	850,000
Interest income	3,000	-	-
Road maintenance fee - Market	78,865	78,900	80,000
Road maintenance fee - Mangano	8,183	8,210	10,000
Total revenues	<u>1,135,676</u>	<u>900,110</u>	<u>940,000</u>
TRANSFERS IN			
Transfers from other funds	<u>60,000</u>	<u>2,302,867</u>	<u>-</u>
Total funds available	<u>1,540,209</u>	<u>3,567,527</u>	<u>3,479,527</u>
EXPENDITURES			
Capital Projects			
Engineering	6,585	-	30,000
Landscaping & fencing	-	15,000	70,000
Streets repairs and maintenance	250,089	200,000	320,000
District management	3,685	-	5,000
Other Projects	-	-	4,527
Pool project	-	-	2,200,000
System development costs	577,866	813,000	850,000
Interest expense - reimbursement agreement	337,434	-	-
Total expenditures	<u>1,175,659</u>	<u>1,028,000</u>	<u>3,479,527</u>
Total expenditures and transfers out requiring appropriation	<u>1,175,659</u>	<u>1,028,000</u>	<u>3,479,527</u>
ENDING FUND BALANCES	<u>\$ 364,550</u>	<u>\$ 2,539,527</u>	<u>\$ -</u>
PROJECT FUND	<u>\$ -</u>	<u>\$ 2,200,000</u>	<u>\$ -</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 2,200,000</u>	<u>\$ -</u>

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

**LINCOLN PARK 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 the County of Douglas on July 20, 1983, 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 the County in November 1982, and as modified on August 21, 2000. The District's service area is located in Douglas County, Colorado.

The District was established to finance public improvements, participate with other special districts and government entities in Intergovernmental Agreements, provide for maintenance, operations and management services regarding facilities for the use and benefit of the District inhabitants and taxpayers.

On May 5, 1998, the District's voters authorized total indebtedness of \$101,000,000 for street improvements, water system, sanitation and storm drainage, and parks and recreation.

On November 7, 2000, the District's voters authorized an additional total indebtedness of \$210,000,000 for street improvements, water system, sanitation and storm drainage, parks and recreation, public transportation, and safety protection. The District's voters also authorized an additional total indebtedness of \$210,000,000 each for debt refunding.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 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**

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.

**LINCOLN PARK METROPOLITAN DISTRICT  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

Required Mill Levy means an ad valorem property tax imposed upon the taxable property of the District each year in an amount sufficient to (i) pay the principal of and interest on the Bonds as the same become due and payable, (ii) replenish the Reserve Fund to the amount of the Reserve Requirement and (iii) so long as the Surplus Fund is in existence, fund the Surplus Fund to the Maximum Surplus Amount. The District's maximum Required Mill Levy is 55.000 mills, and if the amount on deposit in the Surplus Fund is less than the Maximum Surplus amount, a minimum of 43.000 mills or such lesser mill levy as is necessary to cause the amount on deposit in the Surplus Fund to be increased to the Maximum Surplus Amount. If the method of calculating assessed valuation is changed after the issuance of the Bonds, the maximum and minimum Required Mill Levy shall be increased or decreased to reflect such changes, such adjustments to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the Required Mill Levy as adjusted are neither diminished nor enhanced as a result of such changes.

The calculation of the taxes levied is displayed on the Property Tax Summary 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 10% of the property taxes collected.

**Conservation Trust**

The District receives revenue from the State Lottery on a per capita basis ratio. The revenue is restricted for recreation purposes under State statutes.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

**Facilities Maintenance Fee**

The District imposes a monthly Facilities Maintenance Fee of \$43.50 on each single-family and multi-family residential unit for the purpose of maintaining District parks and streets. The fees are collected by Stonegate Village Metropolitan District through its billing of water and sewer customers and are remitted to Lincoln Park Metropolitan District on a monthly basis.



**LINCOLN PARK METROPOLITAN DISTRICT  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Road Maintenance Fee**

The District imposes a monthly Road Maintenance Fee of \$10.00 on each multi-family residential unit within the Market Square area for the purpose of maintaining roads in that area. The fees are collected by Stonegate Village Metropolitan District through its billing of water and sewer customers and are remitted to Lincoln Park Metropolitan District on a monthly basis.

**Tap Fees**

As part of a Regional Facilities Construction Agreement entered into by the District with Stonegate Village Metropolitan District, Lincoln Park Metropolitan District will be entitled to receive certain water and sewer tap fees (herein referred to as System Development Fees) within the District's service area. All fees are subsequently remitted to the Developer under terms of a Reimbursement Agreement.

**EXPENDITURES**

**Administrative and Operating Expenditures**

Operating and administrative 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 street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included in the budget.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Tap Fees**

As part of a Regional Facilities Construction Agreement entered into by the District with Stonegate Village Metropolitan District, Lincoln Park Metropolitan District will be entitled to receive certain water and sewer tap fees (herein referred to as System Development Fees) within the District's service area. All fees are subsequently remitted to the Developer under terms of a Reimbursement Agreement.

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

**LINCOLN PARK METROPOLITAN DISTRICT  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures - (continued)**

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2018 Limited Tax General Obligation Refunding and Improvement Bonds (discussed under Debt and Leases).

**Debt and Leases**

On April 26, 2018, the District issued the Limited Tax General Obligation Refunding and Improvement Bonds Series 2018, (the "Series 2018 Bonds"), in the par amount of \$32,000,000, to retire the existing outstanding indebtedness of the District, fund public improvements for the District, fund a Reserve Fund and pay the costs of issuing the Series 2018 Bonds. The Series 2018 Bonds have annual principal payments due on December 1, 2018 through December 1, 2047. The Series 2018 Bonds bear interest at rates ranging from 3.00% to 5.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2018. The purpose of the refunding was to extend the maturity of the debt beyond December 21, 2019, the maturity date of the current debt.

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 Reserves**

The District maintains a Surplus Fund Reserve as required with the issuance of the Series 2018 Limited Tax General Obligation Refunding and Improvement Bonds. The required Maximum Surplus Amount will be \$1,000,000. The actual and projected balances at December 31 of the years included in this report are reflected in the Debt Service budget.

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