

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT
Weld County, Colorado

FINANCIAL STATEMENTS
December 31, 2019

L. PAUL GOEDECKE P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Directors

Tri-Pointe Residential Metropolitan District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Tri-Pointe Residential Metropolitan District as of and for the year ended December 31, 2019, 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 an opinion 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 from 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tri-Pointe Residential Metropolitan District as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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 opinions on the basic financial statements are not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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.

L. Paul Goedecke P.C.

L. Paul Goedecke, P.C.
April 29, 2020

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION
December 31, 2019

	General Fund	Debt Service Fund	Total	Adjustments note 11	Statement of Net Position
ASSETS:					
Cash and investments	\$ 75,804	\$ -	\$ 75,804	\$ -	\$ 75,804
Cash and investments - restricted	288	3,351	3,639	-	3,639
Receivable from City of Greeley:	25,945	-	25,945	-	25,945
Amount held by County treasurer	82	911	993	-	993
Property taxes receivable	19,514	218,511	238,025	-	238,025
Total assets	121,633	222,773	344,406	-	344,406
LIABILITIES:					
Accounts payable	86,441	-	86,441	-	86,441
Interest payable bonds	-	-	-	46,050	46,050
Long term liabilities:					
Unpaid interest accrual on bonds	-	-	-	10,301,527	10,301,527
Due within one year	-	-	-	5,055,000	5,055,000
Due in more than one year	-	-	-	1,085,000	1,085,000
Total liabilities	86,441	-	86,441	16,487,577	16,574,018
DEFERRED INFLOWS OF RESOURCES					
Property tax revenue	19,514	218,511	238,025	-	238,025
Total deferred inflow of resources	19,514	218,511	238,025	-	238,025
FUND BALANCE					
Restricted:					
Emergencies	288	-	288	(288)	-
Debt service	-	4,262	4,262	(4,262)	-
Unassigned	17,390	-	17,390	(17,390)	-
Total fund balances	17,678	4,262	21,940	(21,940)	-
TOTAL LIABILITIES AND FUND EQUITY	\$ 123,633	\$ 222,773	\$ 346,406		
NET POSITION					
Restricted for:					
Emergencies				288	288
Debt service				4,262	4,262
Unrestricted				(16,470,187)	(16,470,187)
Total Net Position				\$ (16,465,637)	\$ (16,465,637)

NOTE: The accompanying notes are an integral part of the financial statements.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2019

	<u>Government Fund Types</u>			Adjustments Note 11	Statement of Activities
	General Fund	Debt Service Fund	Total		
EXPENDITURES					
Accounting and audit	\$ 3,050	\$ -	\$ 3,050	\$ -	\$ 3,050
Insurance	2,249	-	2,249	-	2,249
Legal	4,074	-	4,074	-	4,074
Treasurer's fees	215	2,395	2,610	-	2,610
Paying agent fee	-	650	650	-	650
Debt Service:					-
Bond interest	-	173,306	173,306	1,222,774	1,396,080
Total expenditures/expenses	<u>9,588</u>	<u>176,351</u>	<u>185,939</u>	<u>1,222,774</u>	<u>1,408,713</u>
REVENUES					
Property taxes	14,361	159,692	174,053	-	174,053
Specific ownership taxes	965	10,724	11,689	-	11,689
Interest income	-	46	46	-	46
Total revenues	<u>15,326</u>	<u>170,462</u>	<u>185,788</u>	<u>-</u>	<u>185,788</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES					
	5,738	(5,889)	(151)	151	-
CHANGE IN NET POSITION					
				(1,222,925)	(1,222,925)
FUND BALANCE/NET POSITION					
BEGINNING OF YEAR	<u>11,940</u>	<u>10,151</u>	<u>22,091</u>	<u>(15,264,803)</u>	<u>(15,242,712)</u>
END OF YEAR	<u>\$ 17,678</u>	<u>\$ 4,262</u>	<u>\$ 21,940</u>	<u>\$ (16,487,577)</u>	<u>\$ (16,465,637)</u>

NOTE: The accompanying notes are an integral part of the financial statements.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
Year Ended December 31, 2019

	Original Budget	Actual Amounts	Variance- Positive (Negative)
REVENUES			
Property Taxes	\$ 14,360	\$14,361	\$ 1
Specific Ownership taxes	<u>1,085</u>	<u>965</u>	<u>(120)</u>
Total revenues	<u>15,445</u>	<u>15,326</u>	<u>(119)</u>
EXPENDITURES			
Accounting and audit	3,050	3,050	-
Legal	3,360	4,074	(714)
Treasurer's Fees	219	215	4
Insurance	2,450	2,249	201
Contingency	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>11,079</u>	<u>9,588</u>	<u>1,491</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,366	5,738	1,372
FUND BALANCE			
BEGINNING OF YEAR	<u>10,385</u>	<u>11,940</u>	<u>1,555</u>
END OF YEAR	<u>\$ 14,751</u>	<u>\$ 17,678</u>	<u>\$ 2,927</u>

NOTE: The accompanying notes are an integral part of the financial statements.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1 – DEFINITION OF REPORTING ENTITY

Definition of Reporting Entity

Tri-Pointe Residential Metropolitan District (The District), a quasi-municipal corporation, was organized on August 18, 1999 and is governed pursuant to provisions of the Colorado Special District Act. The District operates under a combined service plan, with the Tri-Pointe Commercial Metropolitan District, approved by the City of Greeley (“City”). The District’s service area is located entirely within the City in Weld County, Colorado. The District was established to provide financing for the acquisition, design, construction, relocation, completion, installation and/or operation and maintenance of: parks and recreational facilities and services; water and sanitary sewer and storm drainage services; streets and safety improvements; public transportation services and fiber optic communication systems.

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

The District follows the Governmental Accounting Standards Boards (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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 – Special Purpose Governments.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Property taxes are recognized as revenues in the year for which they are levied.

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 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 period. The material sources of revenue subject to accrual are property and specific ownership taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The government reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Fund Balances

Beginning with fiscal year 2011 the District implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District’s highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. 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.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s policy to use the most restrictive classification first.

Budgets

In accordance with the State Budget Law, 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. Subsequent to the year end the District amended its Debt Service Fund budget from \$172,045 to \$177,351.

Cash

The District follows the practice of pooling cash 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.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost except for those assets contributed which are stated at estimated fair market value at the date of contribution or at the Developer's cost. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. No depreciation has been provided as all assets have been transferred to the City of Greeley.

Property Taxes

Property taxes are levied by the District 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 assess the property tax obligation of 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, at the taxpayers election, in equal installments in February and June. Delinquent taxpayers are notified in August and the sales of the resultant tax liens on delinquent properties are generally 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 inflows in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Restricted Fund Balance

Emergency Reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado. \$ 288 of the General Fund balance has been restricted in compliance with this requirement.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

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NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2019 are classified in the accompanying financial statement as follows:

Statement of net position:

Cash and investments – unrestricted	\$ 75,804
Cash and investments - restricted	3,639
	<u>\$ 79,443</u>

Cash and investments as of December 31, 2019 consist of the following:

Deposits with financial institutions	<u>\$ 79,443</u>
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Deposits With Financial Institutions

Custodial Credit Risk

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

As of December 31, 2019, the District’s cash deposits had a bank balance of \$ 81,458 and a carrying balance of \$ 79,443.

Investments

Credit Risk

The District has adopted a formal investment policy and follows state statutes regarding investments. Colorado statutes specify types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. government agency entities, certain money market funds, and local government pools.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Custodial And Concentration Of Credit Risk

None of the District’s investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

NOTE 4 – LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations as of December 31, 2019:

	Value Balance at January 1, 2019	Additions	Retirements	Balance at December 31, 2019	Due in One Year*
2001 G.O. Limited Tax Bonds	\$ 6,140,000	\$ -	\$ -	\$ 6,140,000	\$ 5,055,000
Unpaid interest	9,078,752	1,396,081	173,306	10,301,527	-
	<u>\$ 15,218,752</u>	<u>\$ 1,396,081</u>	<u>\$ 173,306</u>	<u>\$ 16,441,527</u>	<u>\$ 5,055,000</u>

*The District does not anticipate being able to make any principal payments in 2020.

NOTE 5 – GENERAL OBLIGATION BONDS PAYABLE SERIES 2001

The District is authorized to issue general obligation bonds totaling \$413,855,000 for street improvements, water improvements, sanitation facilities, safety protection services, park and recreation facilities, transportation and operation and maintenance of facilities within the District.

On August 6, 2001 the District issued a series of bonds aggregating \$6,145,000 par value of General Obligation Limited Tax Bonds at an interest rate of 9.0%. The bonds were issued at a discount with the net proceeds from the bond issue at \$4,198,141 accreting to a principal payoff of \$6,145,000. The bonds constitute a limited tax obligation of the District payable from pledged revenue as defined in the bond resolution as monies derived from the limited tax levy not to exceed 35 mills imposed on all taxable property within the District subject to adjustment due to any change in assessment determination, presently at 44.79 mills for collection in 2020, provided that in no event shall the mill levy be increased beyond 50 mills. Bonds of this issue are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity, upon payment of par plus accrued interest.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 5 – GENERAL OBLIGATION BONDS PAYABLE SERIES 2001 (CONTINUED)

The annual maturity and sinking fund requirements to amortize the general obligation bonds outstanding as of December 31, 2019 are as follows:

Annual Requirements

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007-2019*	\$ 4,155,000	\$10,301,527	\$ 14,456,527
2020	900,000	178,650	1,078,650
2021	1,085,000	48,825	1,133,825
	<u>\$ 6,140,000</u>	<u>\$10,529,002</u>	<u>\$ 16,669,002</u>

*Includes \$ 4,155,000 unpaid principal and \$ 10,301,527 unpaid interest as of December 31, 2019.

NOTE 6 – RELATED PARTY TRANSACTIONS

All of the members of the District’s Board of Directors are or have been employees of the developer, Westfield Development Company, Inc. or an affiliated company. As and when required by law, and on advice of counsel, the Board members file written disclosures of any conflicts with the District and the Colorado Secretary of State.

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to thefts of, damage to, or destruction of assets; errors or omissions and or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2019. 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.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 8 – FEE LIMITATION AND MILL LEVY CAP AGREEMENT

The District has entered into an agreement with Richmond American Homes of Colorado, Inc. (Richmond) and TriPoint Acquisition Group LLC, (TAG) to limit the District rates, fees, tolls, charges and penalties according to a fee schedule attached to said agreement. As a part of this agreement, the District has agreed to include terms of this limitation as a limitation on the pledge of any revenues and remedies available to the owners of any District bonds issued after March 16, 2001. As a part of this agreement, the District agrees not to amend its service plan to allow the District to increase its mill levy to greater than 35 mills except for the effect of any reassessment (presently adjusted to 44.79 mills for collection in 2020).

NOTE 9 – INTERGOVERNMENTAL AGREEMENTS

Intergovernmental Agreement Between the Tri-Pointe Districts. The District has entered into a Fee Agreement with the Tri-Pointe Commercial Metropolitan District pursuant to which, in consideration of the construction by the Commercial District of road, drainage and park improvements for the benefit of both the Tri-Pointe Districts, the Residential District agrees to assess within its boundaries road development fees and drainage fees. Such fees are to be collected and remitted to the Commercial District. The Fee Agreement provides that it will terminate upon the earlier of (1) collection of and payment to the Commercial District of road development and drainage fees in the total amount of \$1.32 million, or (2) the retirement or defeasance of the Bonds.

Intergovernmental Agreement with the Commercial District and the City. The District has entered into an intergovernmental agreement with the Commercial District and the City of Greeley, defined as the “Districts-City IGA,” concerning the collection by the City, and payment to the Tri-Pointe Districts, of road development fees and drainage fees.

NOTE 10 – TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer’s Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. 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.

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 10 – TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above tax policy change directly causing a net tax revenue gain to any local government.

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.

On November 7, 2000, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

NOTE 11 – RECONCILIATION OF *GOVERNMENT-WIDE* AND FUND FINANCIAL STATEMENTS

Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

Interest payable	\$ 46,050
Bonds payable	\$ 6,140,000
Unpaid interest accrued on bonds	\$ 10,301,527

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

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 11 – RECONCILIATION OF *GOVERNMENT-WIDE* AND FUND
FINANCIAL STATEMENTS (CONTINUED)**

Explanation of differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Interest expense - accrued	\$ 1,222,774
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Governmental funds report actual interest payments as expenditures. However, in the Statement of Activities, the accrual of unpaid interest is recognized as an expense in the current period.

SUPPLEMENTAL INFORMATION

TRI-POINTE RESIDENTIAL METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
Year Ended December 31, 2019

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Property taxes	\$ 159,693	\$ 159,693	\$ 159,692	\$ (1)
Specific Ownership taxes	11,743	11,743	10,724	(1,019)
Interest income	-	50	46	(4)
Total Revenues	<u>171,436</u>	<u>171,486</u>	<u>170,462</u>	<u>(1,024)</u>
EXPENDITURES				
Paying agent fees	650	650	650	-
Treasurer's fees	2,395	2,395	2,395	-
Interest on bonds	168,000	173,306	173,306	-
Contingency	1,000	1,000	-	1,000
Total Expenditures	<u>172,045</u>	<u>177,351</u>	<u>176,351</u>	<u>1,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(609)	(5,865)	(5,889)	(24)
FUND BALANCE/NET POSITION:				
BEGINNING OF YEAR	<u>8,662</u>	<u>10,151</u>	<u>10,151</u>	<u>-</u>
END OF YEAR	<u>\$ 8,053</u>	<u>\$ 4,286</u>	<u>\$ 4,262</u>	<u>\$ (24)</u>

NOTE: The accompanying notes are an integral part of the financial statements.