

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

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YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Triple Creek Metropolitan District No. 1
Weld County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Triple Creek Metropolitan District No. 1 (the District) as of and for the year ended December 31, 2020, 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 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 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 each major fund of Triple Creek Metropolitan District No. 1, as of December 31, 2020, and the respective changes in financial position thereof, 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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Fiscal Focus Partners, LLC

Other Matters

Required Supplementary Information

Management has omitted 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary and other information (together, the 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 basic financial statements. The information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Fiserv Focus Partners, LLC

Greenwood Village, Colorado
July 1, 2021

BASIC FINANCIAL STATEMENTS

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 4,982,349
Cash and Investments - Restricted	264,100
Receivable - County Treasurer	4,349,804
Due from TCMD #2	4
Property Taxes Receivable	3,909,179
Capital Assets, Net	202,136
Total Assets	13,707,572
LIABILITIES	
Accounts Payable	8,647
Total Liabilities	8,647
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	3,909,179
Total Deferred Inflows of Resources	3,909,179
NET POSITION	
Net Investment in Capital Assets	202,136
Restricted For:	
Emergency Reserves	264,100
Unrestricted	9,323,510
Total Net Position	\$ 9,789,746

See accompanying Notes to Basic Financial Statements.

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 177,900	\$ 4,804,449	\$ 4,982,349
Cash and Investments - Restricted	264,100	-	264,100
Receivable - County Treasurer	4,349,804	-	4,349,804
Due from TCMD #2	4	-	4
Property Taxes Receivable	3,909,179	-	3,909,179
Total Assets	\$ 8,700,987	\$ 4,804,449	\$ 13,505,436
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 8,647	\$ -	\$ 8,647
Total Liabilities	8,647	-	8,647
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	3,909,179	-	3,909,179
Total Deferred Inflows of Resources	3,909,179	-	3,909,179
FUND BALANCES			
Restricted For:			
Emergencies (TABOR)	264,100	-	264,100
Assigned to:			
Subsequent Year's Expenditures	4,042,897	-	4,042,897
Unassigned	476,164	4,804,449	5,280,613
Total Fund Balances	4,783,161	4,804,449	9,587,610
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,700,987	\$ 4,804,449	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			202,136
Net Position of Governmental Activities			\$ 9,789,746

See accompanying Notes to Basic Financial Statements.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 8,029,808	\$ -	\$ 8,029,808
Specific Ownership Taxes	381,140	-	381,140
Interest Income from Delinquent Taxes	384,005	-	384,005
Net Investment Income	2,289	7,714	10,003
Intergovernmental Revenues	2,878	-	2,878
Total Revenues	<u>8,800,120</u>	<u>7,714</u>	<u>8,807,834</u>
EXPENDITURES			
Accounting	25,334	-	25,334
Audit	4,000	-	4,000
County Treasurer's Fee	126,207	-	126,207
Dues	736	-	736
Election Expense	794	-	794
Insurance	5,820	-	5,820
Legal	8,560	-	8,560
Landscaping	-	203,265	203,265
Total Expenditures	<u>171,451</u>	<u>203,265</u>	<u>374,716</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,628,669	(195,551)	8,433,118
OTHER FINANCING SOURCES (USES)			
Repay Developer Advance	(54,285)	-	(54,285)
Transfers In	-	4,000,000	4,000,000
Transfers Out	(4,000,000)	-	(4,000,000)
Total Other Financing Sources (Uses)	<u>(4,054,285)</u>	<u>4,000,000</u>	<u>(54,285)</u>
NET CHANGE IN FUND BALANCES	4,574,384	3,804,449	8,378,833
Fund Balances - Beginning of Year	<u>208,777</u>	<u>1,000,000</u>	<u>1,208,777</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,783,161</u>	<u>\$ 4,804,449</u>	<u>\$ 9,587,610</u>

See accompanying Notes to Basic Financial Statements.

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ 8,378,833

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	203,265
Depreciation Expense	(1,129)

Long-term debt (e.g., 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of Developer Advance - Principal	51,496
Repayment of Developer Advance - Interest	2,789

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.

Accrued Interest on Developer Advances – Change in Liability	(1,981)
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Change in Net Position of Governmental Activities	\$ 8,633,273
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**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 8,029,808	\$ 8,029,808	\$ -
Specific Ownership Taxes	562,087	381,140	(180,947)
Interest Income from Delinquent Taxes	-	384,005	384,005
Net Investment Income	90,000	2,289	(87,711)
Intergovernmental Revenues	2,940	2,878	(62)
Total Revenues	<u>8,684,835</u>	<u>8,800,120</u>	<u>115,285</u>
EXPENDITURES			
Accounting	30,000	25,334	4,666
Audit	4,500	4,000	500
County Treasurer's Fee	120,447	126,207	(5,760)
Dues	400	736	(336)
Election Expense	200	794	(594)
Insurance	5,500	5,820	(320)
Legal	30,000	8,560	21,440
Contingency	14,953	-	14,953
Total Expenditures	<u>206,000</u>	<u>171,451</u>	<u>34,549</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,478,835	8,628,669	149,834
OTHER FINANCING SOURCES (USES)			
Repay Developer Advance	(64,000)	(54,285)	9,715
Transfers Out	(8,210,000)	(4,000,000)	4,210,000
Total Other Financing Sources (Uses)	<u>(8,274,000)</u>	<u>(4,054,285)</u>	<u>4,219,715</u>
NET CHANGE IN FUND BALANCE	204,835	4,574,384	4,369,549
Fund Balance - Beginning of Year	<u>192,232</u>	<u>208,777</u>	<u>16,545</u>
FUND BALANCE - END OF YEAR	<u>\$ 397,067</u>	<u>\$ 4,783,161</u>	<u>\$ 4,386,094</u>

See accompanying Notes to Basic Financial Statements.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF REPORTING ENTITY

Triple Creek Metropolitan District No. 1 (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 in and for Weld County, Colorado, on November 19, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

Pursuant to the Consolidated Service Plan approved by the City of Greeley, the District was organized in conjunction with Triple Creek Metropolitan District No. 2 (District No. 2 and collectively the Districts) in order to provide financing for the construction, installation and operations of public improvements, including streets and safety controls, park and recreation facilities, water, sanitary/storm sewer, transportation, mosquito control, fire protection, television relay and translation, security, and directional drilling. The District will serve as the Operating District and is responsible for coordinating the financing, construction, and maintenance of all public improvements and other services needed for the Districts. The Districts will both be responsible for providing the tax base needed to support public improvement costs as well as on-going operations.

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 property taxes and intergovernmental revenues.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

The statement of activities demonstrates the degree to which the direct and indirect 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 as general revenues.

Separate financial statements are provided for the 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 property taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has 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 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 Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses 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.

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 always 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, sale 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 property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include plant, equipment, and infrastructure assets (e.g., storm drainage, park and recreational facilities, and similar items), are reported in the applicable governmental activities column 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.

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.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Safety Protection	15 Years
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Deferred Inflows 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.

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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 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, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 4,982,349
Cash and Investments - Restricted	264,100
Total Cash and Investments	\$ 5,246,449

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 138,509
Investments	5,107,940
Total Cash and Investments	\$ 5,246,449

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, 2020, the District’s cash deposits had a bank balance and carrying balance of \$138,509.

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 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, 2020, the District had the following investment:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	<u>\$ 5,107,940</u>

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
Governmental Activities				
Capital Assets, Being				
Depreciated:				
Safety Protection	\$ -	\$ 203,265	\$ -	\$ 203,265
Less Accumulated				
Depreciation for:				
Safety Protection	-	(1,129)	-	(1,129)
Total Capital Assets, Being				
Depreciated, Net	<u>\$ -</u>	<u>\$ 202,136</u>	<u>\$ -</u>	<u>\$ 202,136</u>

Depreciation expense for the year ended December 31, 2020, was charged to general government function/program.

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
Other Debts					
Developer Advance - Operating	\$ 11,455	\$ -	\$ 11,455	\$ -	\$ -
Developer Advance - Organization	40,041	-	40,041	-	-
Accrued Interest on:					
Developer Advance - Operating	623	441	1,064	-	-
Developer Advance - Organization	185	1,540	1,725	-	-
Subtotal of Other Debts	<u>52,304</u>	<u>1,981</u>	<u>54,285</u>	<u>-</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 52,304</u>	<u>\$ 1,981</u>	<u>\$ 54,285</u>	<u>\$ -</u>	<u>\$ -</u>

Developer Advances

The District has entered into Funding and Reimbursement Agreement(s) with the Developer as follows:

Operation Funding and Reimbursement Agreement

Effective December 6, 2018, the District entered into a Funding and Reimbursement Agreement with Richmark Real Estate Partners, LLC (Developer) to repay advances made by the Developer for operations and maintenance (O&M) costs. The Developer agrees to loan the District a sum not to exceed \$50,000 per annum for two years, up to \$100,000 through December 31, 2020. Thereafter, the Developer may annually agree to renew its obligation and make additional loan advances. The District agrees to repay the Developer for such O&M advances plus accrued interest at the rate of 6.5% from the date the advance was paid by the Developer. The repayment of such advances by the District is subject to annual appropriation.

During 2020, the District repaid the Developer \$11,455 of principal and \$1,064 of accrued interest. As of December 31, 2020, there were no outstanding advances under this agreement.

Capital Funding and Reimbursement Agreement

Effective December 6, 2018, the District entered into an Infrastructure Acquisition and Reimbursement Agreement with the Developer to repay advances made by the Developer for capital infrastructure costs and District organization costs. The District agrees to repay the Developer for such capital advances plus accrued interest at the rate of 6.5% from the date the costs are recognized and accepted by the District.

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

Capital Funding and Reimbursement Agreement (Continued)

During 2020, the District repaid the Developer \$40,041 principal and \$1,725 accrued interest. As of December 31, 2020, there were no outstanding advances under this agreement.

Debt Authorization

At December 31, 2020, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 6, 2018	Authorized but Unissued
In-District Special Assessment Debt	\$ 23,000,000	\$ 23,000,000
Streets	23,000,000	23,000,000
Parks and Recreation	23,000,000	23,000,000
Water	23,000,000	23,000,000
Sanitation/Storm Sewer	23,000,000	23,000,000
Transportation	23,000,000	23,000,000
Mosquito Control	23,000,000	23,000,000
Safety Protection	23,000,000	23,000,000
Fire Protection	23,000,000	23,000,000
Television Relay and Translation	23,000,000	23,000,000
Security	23,000,000	23,000,000
Operations and Maintenance Debt	23,000,000	23,000,000
Debt Refunding	253,000,000	253,000,000
District Intergovernmental Agreements as Debt	23,000,000	23,000,000
District Private Agreements as Debt	23,000,000	23,000,000
Directional Drilling	23,000,000	23,000,000
Total	<u>\$ 598,000,000</u>	<u>\$ 598,000,000</u>

Pursuant to the Consolidated Service Plan, the maximum general obligation indebtedness for the Districts combined is not to exceed \$23,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 NET POSITION

The District has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, the District had net investment in capital assets of \$202,136.

Restricted net position includes assets that are restricted for use either externally imposed by auditors, 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, 2020 as follows:

Restricted Net Position:	
Emergency Reserve	\$ 264,100
Total Restricted Net Position	<u>\$ 264,100</u>

The District's unrestricted net position as of December 31, 2020 totaled \$9,323,510.

NOTE 7 INTERFUND TRANSFERS

The District transferred \$4,000,000 from the General Fund to the Capital Projects Fund for the purpose of funding anticipated public infrastructure costs.

NOTE 8 RELATED PARTIES

The Developer of the property which constitutes the District is Richmark Real Estate Partners, LLC. Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

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 (the 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.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9 RISK MANAGEMENT (CONTINUED)

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, commonly known 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.

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.

On November 6, 2018, 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 TABOR.

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.

SUPPLEMENTARY INFORMATION

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ -	\$ 7,714	\$ 7,714
Developer Advance	500,000	-	(500,000)
Total Revenues	<u>500,000</u>	<u>7,714</u>	<u>(492,286)</u>
EXPENDITURES			
Engineering	500,000	-	500,000
Landscaping	-	203,265	(203,265)
Total Expenditures	<u>500,000</u>	<u>203,265</u>	<u>296,735</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(195,551)	(195,551)
OTHER FINANCING SOURCES (USES)			
Transfers In	8,210,000	4,000,000	(4,210,000)
Repay Developer Advance	(525,000)	-	525,000
Total Other Financing Sources (Uses)	<u>7,685,000</u>	<u>4,000,000</u>	<u>(3,685,000)</u>
NET CHANGE IN FUND BALANCE	7,685,000	3,804,449	(3,880,551)
Fund Balance - Beginning of Year	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,685,000</u>	<u>\$ 4,804,449</u>	<u>\$ (3,880,551)</u>

OTHER INFORMATION

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2019	\$ 23,254,870	50.000	0.000	\$ 1,162,744	\$ 1,162,744	100.00 %
2020	160,596,160	50.000	0.000	8,029,808	8,029,808 (1)	100.00
Estimated for the Year Ending December 31, 2021	\$ 78,183,590	50.000	0.000	\$ 3,909,179		

(1) \$4,002,350 of this amount was received by the District in January/February 2021.