

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 District as of December 31, 2021, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Supplementary and 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 identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such 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.

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
September 18, 2022

BASIC FINANCIAL STATEMENTS

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
ASSETS	
Cash and Investments	\$ 13,461,937
Cash and Investments - Restricted	123,200
Receivable - County Treasurer	16,241
Due From TCMD #2	3
Property Taxes Receivable	1,442,633
Capital Assets, Net	188,585
Total Assets	15,232,599
LIABILITIES	
Accounts Payable	12,935
Total Liabilities	12,935
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	1,442,633
Total Deferred Inflows of Resources	1,442,633
NET POSITION	
Net Investment in Capital Assets	188,585
Restricted For:	
Emergency Reserves	123,200
Unrestricted	13,465,246
Total Net Position	\$ 13,777,031

See accompanying Notes to Basic Financial Statements.

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
				Governmental Activities	
Primary Government:					
Governmental Activities:					
General Government	\$ 122,243	\$ -	\$ 3,184	\$ -	\$ (119,059)
Total Governmental Activities	\$ 122,243	\$ -	\$ 3,184	\$ -	(119,059)
GENERAL REVENUES					
Property Taxes					3,909,180
Specific Ownership Taxes					195,846
Net Investment Income					1,318
Total General Revenues					4,106,344
CHANGE IN NET POSITION					
Net Position - Beginning of Year					9,789,746
NET POSITION - END OF YEAR					
					\$ 13,777,031

See accompanying Notes to Basic Financial Statements.

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 654,978	\$ 12,806,959	\$ 13,461,937
Cash and Investments - Restricted	123,200	-	123,200
Receivable - County Treasurer	16,241	-	16,241
Due From TCMD #2	3	-	3
Property Taxes Receivable	1,442,633	-	1,442,633
Total Assets	\$ 2,237,055	\$ 12,806,959	\$ 15,044,014
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 12,935	\$ -	\$ 12,935
Total Liabilities	12,935	-	12,935
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	1,442,633	-	1,442,633
Total Deferred Inflows of Resources	1,442,633	-	1,442,633
FUND BALANCES			
Restricted For:			
Emergencies (TABOR)	123,200	-	123,200
Assigned To:			
Subsequent Year's Expenditures	586,560	-	586,560
Capital Projects	-	12,806,959	12,806,959
Unassigned	71,727	-	71,727
Total Fund Balances	781,487	12,806,959	13,588,446
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,237,055	\$ 12,806,959	

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.

	188,585
Net Position of Governmental Activities	\$ 13,777,031

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, 2021

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 3,909,180	\$ -	\$ 3,909,180
Specific Ownership Taxes	195,846	-	195,846
Net Investment Income	1,318	-	1,318
Intergovernmental Revenues	674	2,510	3,184
Total Revenues	<u>4,107,018</u>	<u>2,510</u>	<u>4,109,528</u>
EXPENDITURES			
Accounting	23,529	-	23,529
Auditing	4,000	-	4,000
County Treasurer's Fee	58,638	-	58,638
Dues	620	-	620
Insurance	6,925	-	6,925
Legal	14,980	-	14,980
Total Expenditures	<u>108,692</u>	<u>-</u>	<u>108,692</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,998,326	2,510	4,000,836
OTHER FINANCING SOURCES (USES)			
Transfers In	-	8,000,000	8,000,000
Transfers Out	(8,000,000)	-	(8,000,000)
Total Other Financing Sources (Uses)	<u>(8,000,000)</u>	<u>8,000,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(4,001,674)	8,002,510	4,000,836
Fund Balances - Beginning of Year	<u>4,783,161</u>	<u>4,804,449</u>	<u>9,587,610</u>
FUND BALANCES - END OF YEAR	<u>\$ 781,487</u>	<u>\$ 12,806,959</u>	<u>\$ 13,588,446</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, 2021**

Net Change in Fund Balances - Governmental Funds \$ 4,000,836

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. Therefore, this is the amount of capital related activity in the current period.

Depreciation Expense (13,551)

Change in Net Position of Governmental Activities \$ 3,987,285

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 3,909,179	\$ 3,909,180	\$ 1
Specific Ownership Taxes	195,450	195,846	396
Net Investment Income	1,800	1,318	(482)
Intergovernmental Revenues	674	674	-
Total Revenues	<u>4,107,103</u>	<u>4,107,018</u>	<u>(85)</u>
EXPENDITURES			
Accounting	30,000	23,529	6,471
Auditing	4,200	4,000	200
Country Treasurer's Fee	58,638	58,638	-
Dues	800	620	180
Insurance	6,000	6,925	(925)
Legal	30,000	14,980	15,020
Contingency	20,362	-	20,362
Total Expenditures	<u>150,000</u>	<u>108,692</u>	<u>41,308</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,957,103	3,998,326	41,223
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(8,000,000)</u>	<u>(8,000,000)</u>	-
Total Other Financing Sources (Uses)	<u>(8,000,000)</u>	<u>(8,000,000)</u>	-
NET CHANGE IN FUND BALANCE	(4,042,897)	(4,001,674)	41,223
Fund Balance - Beginning of Year	<u>4,381,681</u>	<u>4,783,161</u>	<u>401,480</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 338,784</u></u>	<u><u>\$ 781,487</u></u>	<u><u>\$ 442,703</u></u>

See accompanying Notes to Basic Financial Statements.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

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.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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, 2021

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, 2021

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, 2021**

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, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 13,461,937
Cash and Investments - Restricted	123,200
Total Cash and Investments	\$ 13,585,137

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 4,188,370
Investments	9,396,767
Total Cash and Investments	\$ 13,585,137

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, 2021, the District’s cash deposits had a bank balance and carrying balance of \$4,188,370.

**TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	<u>\$ 9,396,767</u>

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 currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. 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.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, 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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's and COLOTRUST EDGE is rated AAAsf/S1 by Fitch Ratings. 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 or weekly, 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, 2021 follows:

	Balance - December 31, 2020	Increases	Decreases	Balance - December 31, 2021
	<u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>2021</u>
Governmental Activities				
Capital Assets, Being				
Depreciated:				
Safety Protection	\$ 203,265	\$ -	\$ -	\$ 203,265
Less Accumulated				
Depreciation for:				
Safety Protection	(1,129)	(13,551)	-	(14,680)
Total Capital Assets, Being				
Depreciated, Net	<u>\$ 202,136</u>	<u>\$ (13,551)</u>	<u>\$ -</u>	<u>\$ 188,585</u>

Depreciation expense for the year ended December 31, 2021, was charged to general government function/program.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG-TERM OBLIGATIONS

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. 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.

As of December 31, 2021, 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.

As of December 31, 2021, there were no outstanding advances under this agreement.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG TERM OBLIGATIONS (CONTINUED)

Debt Authorization

At December 31, 2021, 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 Districts' service area.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investments 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, 2021, the District had net investment in capital assets of \$188,585.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 NET POSITION (CONTINUED)

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 has a restricted net position as of December 31, 2021 as follows:

Restricted Net Position:

Emergency Reserve	\$ 123,200
Total Restricted Net Position	<u>\$ 123,200</u>

The District's unrestricted net position as of December 31, 2021 totaled \$13,465,246.

NOTE 7 INTERFUND TRANSFERS

The District transferred \$8,000,000 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.

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.

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 40,000	\$ 2,510	\$ (37,490)
Developer Advance	5,500,000	-	(5,500,000)
Total Revenues	<u>5,540,000</u>	<u>2,510</u>	<u>(5,537,490)</u>
EXPENDITURES			
Accounting	8,000	-	8,000
Repay Developer Advance	5,550,000	-	5,550,000
Capital Outlay	5,500,000	-	5,500,000
Total Expenditures	<u>11,058,000</u>	<u>-</u>	<u>11,058,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,518,000)	2,510	5,520,510
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	8,000,000	8,000,000	-
Total Other Financing Sources (Uses)	<u>8,000,000</u>	<u>8,000,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,482,000	8,002,510	5,520,510
Fund Balance - Beginning of Year	<u>4,804,435</u>	<u>4,804,449</u>	<u>14</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,286,435</u>	<u>\$ 12,806,959</u>	<u>\$ 5,520,524</u>

OTHER INFORMATION

TRIPLE CREEK METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021

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
2021	78,183,590	50.000	0.000	3,909,179	3,909,180	100.00
Estimated for the Year Ending December 31, 2022	\$ 28,852,660	50.000	0.000	\$ 1,442,633		

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