

The Point Metropolitan District

2020
Annual Report

Submitted to:
Manager of the Office of Development Assistance of the City
Manager's Office, City of Aurora
July 29, 2020

Also filed with:
Colorado Division of Local Government in the Department of Local Affairs &
Colorado State Auditor

The Point Metropolitan District (the “District”) hereby submits this annual report, as required pursuant to Section VIII of the Service Plan of the District dated August 8, 2016 (the “Service Plan”) and approved by the City of Aurora (the “City”) on August 22, 2016. This annual report is being submitted to satisfy the reporting requirement for the year 2020. For the year ending December 31, 2019, the District makes the following report:

1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.

On December 21, 2018, the Aurora Urban Renewal Authority (“AURA”) filed a petition for the inclusion of certain real property (the “AURA Dillon Subdivision 1 Property”) into the boundaries of the District. On February 26, 2019, the District’s Board of Directors (the “Board”) granted the petition for inclusion subject to the City providing its written consent to the inclusion in accordance with Section V.A.7 of the Service Plan. On March 18, 2019, the Aurora City Council adopted Resolution No. R2019-19 consenting to the inclusion of the AURA Dillon Subdivision 1 Property into the District. On April 4, 2019, the Arapahoe County District Court granted an order for the inclusion of the AURA Dillon Subdivision 1 Property into the District, and that order was recorded in the office of the Arapahoe County Clerk and Recorder on April 16, 2019 at Reception No. D9033231.

2. Intergovernmental agreements with other governmental bodies entered into or proposed as of December 31 of the prior year.

The District did not enter into any intergovernmental agreements as of December 31, 2019. On June 15, 2020 the District entered into a Stormwater Maintenance Agreement with the City, acting by and through its Utility Enterprise (the “Stormwater Maintenance Agreement”), which was recorded in the office of the Arapahoe County Clerk and Recorder on June 18, 2020 at Reception No. E0073070. A copy of the Stormwater Maintenance Agreement is attached hereto as **Exhibit A**.

3. Copies of the District’s rules and regulations, if any, as of December 31 of the prior year.

The District has not adopted any rules and regulations as of December 31, 2019.

4. A summary of any litigation which involves the District’s public improvements as of December 31 of the prior year.

As of December 31, 2019, District’s legal counsel had no knowledge of any litigation which involves the District’s public improvements.

5. Status of the District’s construction of the public improvements as of December 31 of the prior year.

On May 4, 2018, the District entered into a contract with R.G. Brinkmann Company for the construction of public improvements for Phase 1 of The Point Redevelopment Project,

which public improvements include overlot grading and erosion control, retaining wall improvements, sanitary sewer improvements including storm sewer improvements and a storm tech detention vault, water improvements, street improvements, traffic and safety improvements, and landscaping and irrigation improvements. These public improvements were 100% complete at the end of 2019.

6. **A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.**

The District had no facilities or improvements that were dedicated to the City in 2019.

7. **Assessed valuation of the District for the current year.**

The assessed valuation for the District for 2019 was \$1,409,657.

8. **Current year budget and description of public improvements to be constructed in such year.**

The Board adopted the District's 2020 budget, a 2019 budget amendment, and a 2018 budget amendment on December 3, 2019, copies of which are attached hereto as **Exhibit B**. See Section 5 above for a description of the public improvements to be constructed in 2020.

9. **Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.**

As of the date of filing of this report, the audit of the District's 2019 financial statements was in process but was not yet complete, and the District applied to the Office of the State Auditor for an extension of time to file its 2019 audited financial statements. The District's audited financial statements for the fiscal year ending December 31, 2019 will therefore be submitted with next year's report. The District applied for an extension to file its 2018 audited financial statements, which were unavailable at the time of last year's report filing, and are attached hereto as **Exhibit C**.

10. **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument.**

The District has no uncured events of default.

11. **Inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

There is currently no inability on the part of the District to pay its obligations as they come due in accordance with the terms of such obligations.

EXHIBIT A

Stormwater Maintenance Agreement

STORMWATER MAINTENANCE AGREEMENT

BETWEEN

THE CITY OF AURORA, acting by and through its

Utility Enterprise

and

THE POINT METROPOLITAN DISTRICT

THIS STORMWATER MAINTENANCE AGREEMENT, dated for reference this 15 day of June, 2020 is made by and between the City of Aurora, a Colorado home rule city and The Point Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (hereinafter, the "Owner") and the City of Aurora, (hereinafter, the "City"), agree as follows:

Paragraph 1. The Owner has a non-exclusive easement under, in, to, through, over and across the parcel of land including Lot 3, Block 1, The Point at Nine Mile Station Subdivision Filing No. 1, County of Arapahoe, State of Colorado (hereinafter, the "Property") to permit the District to construct, maintain, repair and/or replace the detention facility therein as granted in that Reciprocal Easement, Restrictive Covenant and Maintenance Agreement, dated August 14, 2018, and recorded at Reception No. D8080928 in the office of the Arapahoe County Clerk and Recorder. The Owner has installed, or caused to be installed, upon the Property the permanent stormwater best management practices (BMPs). Certain inspections and maintenance of those BMPs are required under the Owner's Stormwater Management Facility Inspection and Maintenance Plan, also referred to as the Operations and Maintenance Manual, dated September, 2010 and approved by the City of Aurora (hereinafter, the "IM Plan") to which this Agreement is attached as Appendix "A". The Owner agrees, at the Owner's sole expense, to inspect, maintain, and to ensure proper functioning of the BMPs, in accord with and as set out in the IM Plan, as set forth herein below. If the Owner conveys the Property, Owner shall provide a copy of the IM Plan along with a copy of this Agreement to the Grantee. Upon conveyance, Owner shall thereafter be relieved of its obligations under this Agreement. However, such obligations shall run with the Property and become the obligation of Grantee.

Paragraph 2. In accordance with the City of Aurora Municipal Code 138-442.5, the Owner has submitted an IM Plan. That IM Plan was approved by the City on June 17th, 2020 The Owner has also submitted the Drainage Plan. That Drainage Plan was approved by the City on June 17th, 2020

Paragraph 3. The Owner shall inspect the BMPs at least once every calendar year, and shall submit written inspection reports to Aurora Water prior to May 31st of that calendar year. The City is under no obligation whatsoever pursuant to this Agreement to notify the Owner of any failure to submit inspection reports.

Paragraph 4. The Owner shall promptly perform all maintenance and shall report maintenance activities to Aurora Water in accordance with the requirements set forth in the IM Plan.

Paragraph 5. Subject to the notice and Owner's right to cure requirements of City of Aurora Municipal Code Section 138-442.5, in the event that the Owner fails to inspect, maintain, or repair any BMP, Owner agrees that the City, at the City's sole discretion, shall have the right to enter upon the Property without warrant or further process of law and may make whatever inspection. Following the City's compliance with the notice requirements of 138-442.5 and Owner's right to cure any deficiencies noted, if the Owner fails to timely cure such deficiencies, the City shall have the right to enter upon the Property without warrant or further process of law and may complete whatever maintenance or repair may be needed, all at the Owner's sole cost. The City shall bill the Owner by invoice for any costs incurred by the City, including but not limited to personnel, contracting, labor, or materials, and the Owner shall pay those costs within thirty (30) City business days of the invoice date.

Paragraph 6. This Agreement shall be binding upon the Owner and the Owner's heirs, successors, and assigns. This Agreement shall be recorded at the Clerk and Recorder's Office. The benefits and burdens of this Agreement shall run with the land.

Paragraph 7. Governing Law. This Agreement is subject to and shall be interpreted under the law of the State of Colorado, and the Charter, City Code, ordinances, rules and regulations of the City of Aurora, Colorado, a Colorado home rule city. The Parties agree that this Agreement shall be deemed to have been made in, and the place of performance is deemed to be in the City of Aurora, Colorado.

Paragraph 8. Appropriation and availability of funds. In accord with the Colorado Constitution, Article X, Section 20, and the City Charter, performance of the City's and Owner's obligations under this Agreement are expressly subject to appropriation of funds by the City Council and the Owner's Board of Directors, respectively, and the availability of those funds for expenditure.

Paragraph 9. No Third Party Beneficiary. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties hereto, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person or entity on this Agreement. It is the express intention of the Parties hereto that any person or entity, other than the Parties to this Agreement, receiving services or benefits under this Agreement shall be deemed to be incidental beneficiaries only.

Paragraph 10. Amendments. This Agreement may be amended only by prior writing executed by duly authorized representatives of the Property Owner and the City, and recorded in the records of the Clerk and Recorder's Office.

Paragraph 11. Headings. The headings of the several paragraphs of this Agreement are inserted only as a matter of convenience and for reference and do not define or limit the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

Paragraph 12. Entire Agreement. This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the Parties hereto, and all other representations or statements heretofore made, verbal or written, are merged herein, and this Agreement may be amended only in writing, and executed by duly authorized representatives of the Parties hereto.

The MHK Nine Mile LLC ("MHK") previously entered into that Stormwater Maintenance Agreement with the City of Aurora, acting by and through its Utility Enterprise, dated June 5, 2018, and recorded in the office of the Arapahoe County Clerk and Recorder at Reception No. D8069637 (the "Prior Stormwater Agreement"). This Agreement shall supersede the Prior Stormwater Agreement in full, and the Prior Stormwater Agreement shall be of no further force or effect upon the execution hereof. Attached is MHK's written consent to the termination of the Prior Stormwater Agreement in accordance herewith.

Paragraph 13. Nonwaiver Of Rights. No waiver of default by the City of any of the terms, covenants, and conditions hereof to be performed, kept, and observed by the Owner shall be construed, or shall operate, as a waiver of any subsequent default of any of the terms, covenants, or conditions herein contained to be performed, kept, and observed by the Owner.

Paragraph 14. Waiver. This Agreement is for the benefit of the Owner. The Owner does hereby waive, remise, and release any claim, right, or cause of action the Owner may have or which may accrue in the future, whether under theories of contract or any other cause of action whatsoever, against the City arising in whole or in part from this Agreement unless such action arises or is alleged to arise from the grossly negligent acts or omissions of the City.

Paragraph 15. Governmental Immunity. Nothing in this Agreement shall be construed to be a waiver, in whole or in part, of any right, privilege or protection afforded the Owner or the City, or the Owner's Board of Directors, the City Council, or the parties' officers, employees, servants, agents or authorized volunteers pursuant to the Colorado Governmental Immunity Act, Sections 24-10-101, et seq., C.R.S.

CONSENT TO TERMINATION OF PRIOR STORMWATER AGREEMENT

MHK Nine Mile LLC hereby consents to the termination of that Stormwater Maintenance Agreement between the City of Aurora, acting by and through its Utility Enterprise, and MHK Nine Mile LLC, dated June 5, 2018, and recorded in the office of the Arapahoe County Clerk and Recorder at Reception No. D8069637.

MHK NINE MILE LLC:

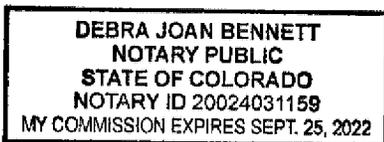
Carl Koelbel
By: Carl Koelbel
Its: COO of Koelbel and Company, manager of MHK Nine Mile, LLC a Colorado limited liability company

STATE OF Colorado)
)
COUNTY OF Denver) ss.

The foregoing instrument was acknowledged before me this 15th day of June, 2020 by Carl Koelbel as COO of Koelbel and Company, manager of MHK Nine Mile, LLC.

WITNESS my hand and official seal.

My commission expires: 9/25/2022



Debra Bennett
Notary Public

EXHIBIT B

2020 Budget, 2019 Budget Amendment
& 2018 Budget Amendment

STATE OF COLORADO
COUNTY OF ARAPAHOE
THE POINT METROPOLITAN DISTRICT
2020 BUDGET RESOLUTION

The Board of Directors of The Point Metropolitan District, Arapahoe County, Colorado held a regular meeting at Koelbel and Company, 5291 East Yale Avenue, Denver, Colorado on Tuesday, December 3, 2019 at the hour of 9:00 A.M.

The following members of the Board of Directors were present:

President:	Carl N. Koelbel
Secretary:	George L. Thorn
Treasurer:	Thomas E. Whyte
Assistant Secretary:	Keith L. Neale

Also present was Tamara Seaver, Icenogle Seaver Pogue, P.C. (*via telephone conference*)

Ms. Seaver reported that, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a regular meeting of the Board of Directors of the District and that a notice of regular meeting was posted at three places within the boundaries of the District and at the Arapahoe County Clerk and Recorder's Office in Arapahoe County, Colorado, and to the best of her knowledge, remains posted to the date of this meeting. An original publisher's Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference.

Thereupon, Director Keith L. Neale introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE POINT METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board of Directors (the “Board”) of The Point Metropolitan District (the “District”) has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2019; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Thursday, November 14, 2019 in the Sentinel, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division of Local Government (the “Division”) pursuant to §29-1-302(1), C.R.S.

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Tuesday, December 3, 2019 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-301, C.R.S., and Article X, § 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

WHEREAS, pursuant to § 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to § 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE POINT METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO:

Section 1. Summary of 2020 Revenues and 2020 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2020, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto as Exhibit B, is approved and adopted as the budget of the District for fiscal year 2020. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section shall be ratified by the Board of Directors at the next regular meeting.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by George Thorn, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division.

Section 5. 2020 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$2,033 and that the 2019 valuation for assessment, as certified by the Arapahoe County Assessor, is \$254,142. That for the purposes of meeting all general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of 8.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

Section 6. 2020 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$7,624 and that the 2019 valuation for assessment, as certified by the Arapahoe County Assessor, is \$254,142. That for the purposes of

meeting all debt retirement expenses of the District during the 2020 budget year, there is hereby levied a tax of 30.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

Section 7. Certification to County Commissioners. That the Secretary of the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of Arapahoe County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

[The remainder of this page is intentionally left blank.]

The foregoing Resolution was seconded by Director Thorn.

RESOLUTION APPROVED AND ADOPTED THIS 3rd DAY OF DECEMBER, 2019.

THE POINT METROPOLITAN DISTRICT

By: Carl N. Koelbel
Its: President

ATTEST:

George L. Thorn
By: George L. Thorn
Its: Secretary

STATE OF COLORADO
COUNTY OF ARAPAHOE
THE POINT METROPOLITAN DISTRICT

I, George L. Thorn, hereby certify that I am a director and the duly elected and qualified Secretary of The Point Metropolitan District, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a regular meeting of the Board of Directors of The Point Metropolitan District held on December 3rd, 2019, at Koelbel and Company, 5291 East Yale Avenue, Denver, CO 80222, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2020; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 3rd day of December, 2019.



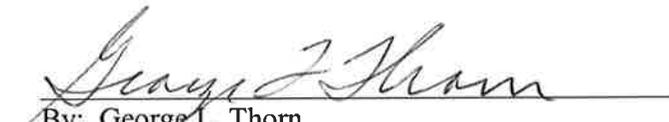

By: George L. Thorn
Its: Secretary

EXHIBIT A

Affidavit of Publication
Notice as to Proposed 2020 Budget

SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the County of Arapahoe, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Arapahoe for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 consecutive insertion; and that the first publication of said notice was in the issue of said newspaper dated November 14 A.D. 2019 and that the last publication of said notice was in the issue of said newspaper dated November 14 A.D. 2019.

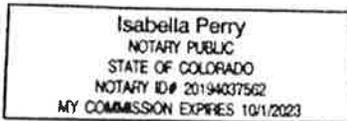
I witness whereof I have hereunto set my hand this 14th day of November A.D. 2019.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 14th day of November A.D. 2019.



Notary Public



NOTICE AS TO AMENDED 2018
BUDGET AND HEARING AND
NOTICE AS TO AMENDED 2019
BUDGET AND HEARING AND
NOTICE AS TO PROPOSED 2020
BUDGET
AND HEARING THE POINT
METROPOLITAN DISTRICT

NOTICE IS HEREBY GIVEN that an amended budget will be submitted to THE POINT METROPOLITAN DISTRICT for the year of 2018. A copy of such amended budget has been filed in the office of Koelbel and Company, 5291 Yale Avenue, Denver, Colorado, where same is open for public inspection. Such amended budget will be considered at a hearing at the regular meeting of The Point Metropolitan District to be held at 9:00 A.M. on Tuesday, December 3, 2019. The meeting will be held at 5291 Yale Avenue, Denver, Colorado. Any interested elector within The Point Metropolitan District may inspect the proposed amended budget and file or register any objections at any time prior to the final adoption of the amended 2018 budget.

NOTICE IS FURTHER GIVEN that an amended budget will be submitted to THE POINT METROPOLITAN DISTRICT for the year of 2019. A copy of such amended budget has been filed in the office of Koelbel and Company, 5291 Yale Avenue, Denver, Colorado, where same is open for public inspection. Such amended budget will be considered at a hearing at the regular meeting of The Point Metropolitan District

to be held at 9:00 A.M. on Tuesday, December 3, 2019. The meeting will be held at 5291 Yale Avenue, Denver, Colorado. Any interested elector within The Point Metropolitan District may inspect the proposed amended budget and file or register any objections at any time prior to the final adoption of the amended 2019 budget.

NOTICE IS FURTHER GIVEN that a proposed budget has been submitted to THE POINT METROPOLITAN DISTRICT for the ensuing year of 2020. A copy of such proposed budget has been filed in the office of Koelbel and Company, 5291 Yale Avenue, Denver, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of The Point Metropolitan District to be held at 9:00 A.M. on Tuesday, December 3, 2019. The meeting will be held at 5291 Yale Avenue, Denver, Colorado. Any interested elector within The Point Metropolitan District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2020 budget.

BY ORDER OF THE
BOARD OF DIRECTORS:
THE POINT METROPOLITAN DISTRICT
By: /s/ Icenogle Seaver Pogue
A Professional Corporation

Publication: November 14, 2019
Sentinel

EXHIBIT B

Budget Document
Budget Message

THE POINT METROPOLITAN DISTRICT

Budget for Year Ending December 31, 2020

Budget Message

The Point Metropolitan District (the "District") prepares its Budget using the modified accrual basis of accounting. The District does not have any obligations related to lease-purchase agreements. The District provides for the construction, completion and installation of regional transportation improvements.

The attached Budget for the District includes these important features:

GENERAL FUND:

Budget consists of legal, accounting, and administrative expenses. All of these expenses are reflected on the attached Budget. Property taxes and Developer Advances will fund the budgeted expenses. The mill levy remains at 8.00 for this fund.

CAPITAL PROJECTS:

The district anticipates additional capital improvements in 2020 which are being paid with bond funding established.

DEBT SERVICE FUND:

The district issued bonds in 2018. The 2020 budget includes paying bond interest of \$316,584.00 which is being funded through capitalized interest fund. The mill levy remains at 30.00. Revenue sources consist of Property Taxes and Sales Tax Revenue.

The Point Metropolitan District
Fund:
Status:

2020
General
APPROVED

Prepared: 12/02/19

ITEM	2018 Actual	2019 Projected Actual	2020 Budget	
Expenditures:				
GENERAL				
Legal	0	500	1,000	5015-01
Accounting/Auditing	53	5,582	5,600	5000-01
Insurance	250	2,363	2,500	5016-01
Emergency Reserve/Misc.	222	0	0	5600-01
Treasurer's Fee (1.5%)	0.00	0.18	63	5014-01
Total General Expenses	525	8,445	9,163	
INCIDENTAL				
Management Fee	0	2,500	2,500	5400-01
Director's Fees	0	500	400	5410-01
Engineering	0	0	0	5420-01
Utilities	0	0	0	5430-01
Self-Insured Losses	0	0	0	5440-01
Maintenance-				
Landscaping	0	0	0	5510-01
Lighting	0	0	0	5500-01
Snow Removal	0	0	0	5511-01
Streets (Cleaning & Striping)	0	0	0	5512-01
Other	0	301	300	5019-01
Transfer to Debt Service Fund	0	0	0	5620-01
ARI	0	0	7,048	
Total Incidental Expenses	0	3,301	10,248	
TOTAL EXPENDITURES	525	11,746	19,412	
BEGINNING FUNDS AVAILABLE	(49,998)	0	0	
Revenue:				
Specific Ownership Taxes	225	0	0	4800-01
Net Investment Income	0	0	5	4300-01
Interest on Prop. Taxes	0	0	0	4500-01
Transfer from Debt Fund (SOT & Inv.Inc.)	10	42	613	4900-01
Transfer from Capital Fund (Inv.Inc.)	0	0	0	4900-01
Refunds & Abatements	0	0	0	4600-01
Prior year 2006 Excess of Budget over Rev.-Capital	0	0	0	
Developer Advance	50,273	11,693	7,616	4200-01
Property Taxes (ARI)	0	0	7,048	4400-00
Property Taxes (General)	15	12	4,229	4400-01
NET REVENUE	50,523	11,746	19,511	
ENDING FUNDS AVAILABLE	0	0	100	
Mill Levy:				
Assessed Valuation		<u>2019</u> 3,989	<u>2020</u> 1,409,657	
Mill Levy		<u>3.000</u>	<u>8.000</u>	

The Point Metropolitan District
Fund:
Status:

Capital
APPROVED

Prepared: 12/02/19

ITEM	2018 Actual	2019 Projected Actual	2020 Budget	
Expenditures:				
Reserve for Contingencies	0	0	0	
Developer Advance Agreement	0	0	0	
Capital Improvements-Phase I	4,382,053	2,178,651	920,355	1700-02
Capital Improvements-Phase II	0	21,166	1,000,000	1750-02
Issuance Costs	290,995	350	0	5012-02
Repay Loans/Advances	1,356,895	0	0	
Project Mgmt. Fees	0	219,982	192,035	
Reimbursement Agreement-Land Purchase	0	0	0	
TOTAL EXPENDITURES	6,029,943	2,420,149	2,112,390	
OTHER FINANCING USES:				
Advances To General	0	0	0	4900-02
Transfers to Debt Fund	(299,898)	(155,440)	0	
Transfer to General Fund	0	0	0	4900-02
TOTAL OTHER	(299,898)	(155,440)	0	
TOTAL EXPENDITURES/OTHER	6,329,841	2,575,589	2,112,390	
BEGINNING FUNDS AVAILABLE	16,500	678,022	251,600	
Revenue:				
Net Investment Income	1,363	0	0	4300-02
Developer Advances	1,195,000	0	0	4200-02
CoBiz/Zions Fund Draws	0	1,975,829	1,920,355	
CoBiz Draws Funded with Bond Funds-Cap Int.	0	155,440	0	1040-02
CoBiz Draws Funded with Bond Funds-Proj. Funds	0	17,898	0	1060-02
Bond Proceeds	5,795,000	0	0	2300-02
ENDING FUNDS AVAILABLE	678,022	251,600	59,565	

The Point Metropolitan District
Fund:
Status:

Debt
APPROVED

Prepared: 12/02/19

ITEM	2018 Actual	2019 Projected Actual	2020 Budget	
Expenditures:				
Bond Interest	49,149	285,950	316,584	5010-03
Debt Retirement	0	0	0	5011-03
Legal-Agent Fee	0	3,500	3,500	5013-03
Legal	0	0	0	5015-03
Developer Reimbursement	0	0	0	
Contractual Debt Payment	0	0	0	5009-03
Emergency Reserve	0	0	1,396	5610-03
Other-Fund Transfers	0	42	0	5620-03
Treasurer's Fee (1.5%)	10	2	634	5014-03
TOTAL EXPENDITURES	49,159	289,494	322,114	
BEGINNING FUNDS AVAILABLE	515	251,791	117,877	
Revenue:				
Real Estate Taxes	508	140	42,290	4400-03
Property Taxes - TIF (Incremental)	0	0	85,087	
Interest on Prop.Taxes	0	0	0	4500-03
Capitalized Interest (Sitting in G/L 1040-02) @ 9/30/19	0	0	0	1040-02
Project Funds (Sitting in G/L 1060-02) @ 9/30/19	0	0	0	1060-02
Reserve Funds (Sitting in G/L 1050-02) @ 9/30/19	0	0	0	1050-02
Bond Proceeds	0	0	0	4100-03
Sales Tax Revenue	0	0	658,807	
Developer Advances	0	0	0	4200-03
Net Investment Income	0	0	(0)	4300-03
Specific Owner's Taxes	39	42	613	4800-03
TOTAL REVENUE	547	181	786,797	
OTHER FINANCING SOURCES				
Transfer to General Fund	(10)	(42)	(613)	4900-03
Transfers from Capital Fund	299,898	155,440	0	
Transfers from General Fund	0	0	0	4900-03
TOTAL REVENUE	300,435	155,580	786,184	
ENDING FUNDS AVAILABLE	251,791	117,877	581,947	
Mill Levy:				
Total Real Estate Taxes		<u>2019</u> 152	<u>2020</u> 46,519	
Assessed Valuation		<u>3,989</u>	<u>1,409,657</u>	
Mill Levy		<u>35.000</u>	<u>30.000</u>	
Total Mill Levy		<u>38.000</u>	<u>38.000</u>	

EXHIBIT C

Certification of Tax Levy

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the The Point Metropolitan District,
(taxing entity)^A

the Board of Directors,
(governing body)^B

of the The Point Metropolitan District,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 1,409,657 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 254,142 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/12/2019 for budget/fiscal year 2020.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

<u>PURPOSE</u> <small>(see end notes for definitions and examples)</small>	<u>LEVY²</u>	<u>REVENUE²</u>
1. General Operating Expenses ^H	<u>8.000</u> mills	\$ <u>2,033</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>< 0 ></u> mills	\$ <u>< 0 ></u>
SUBTOTAL FOR GENERAL OPERATING:	<u>8.000</u> mills	<u>\$ 2,033</u>
3. General Obligation Bonds and Interest ^J	<u>30.000</u> mills	\$ <u>7,624</u>
4. Contractual Obligations ^K	<u>0</u> mills	\$ <u>0</u>
5. Capital Expenditures ^L	<u>0</u> mills	\$ <u>0</u>
6. Refunds/Abatements ^M	<u>0</u> mills	\$ <u>0</u>
7. Other ^N (specify): _____	<u>0</u> mills	\$ <u>0</u>
	<u>0</u> mills	\$ <u>0</u>
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	<u>38.000</u> mills	<u>\$ 9,657</u>

Contact person: Thomas E. Whyte Daytime phone: (303) 758-3500
 (print)
 Signed: George Thorn Title: Secretary

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	Incremental Revenue and Limited Tas Loan
	Series:	Series 2018A
	Date of Issue:	August 23, 2018
	Coupon Rate:	Variable
	Maturity Date:	December 1, 2025
	Levy:	30.000
	Revenue:	\$7,624

2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

CONTRACTS^K:

3.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of The Point Metropolitan District of Arapahoe County, Colorado on Tuesday, December 3rd, 2019.




By: George L. Thorn
Its: Secretary

RESOLUTION TO AMEND 2019 BUDGET

COMES NOW, Carl N. Koelbel, the President of the Point Metropolitan District (the “District”), and certifies that at a regular meeting of the Board of Directors of the District held, on December 3, 2019, at 9:00 A.M., at 5291 East Yale Avenue, Denver, Colorado, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors, to-wit:

WHEREAS, the Board of Directors of the District appropriated funds for the fiscal year 2019 as follows:

General Fund	\$ 16,700
--------------	-----------

and;

WHEREAS, the necessity has arisen for additional expenditures and transfers by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for the fiscal year 2019; and

WHEREAS, funds are available for such an expenditure and transfer from surplus revenue funds of the District; and

WHEREAS, due and proper notice was published on Thursday, November 14, 2019 in the Sentinel, indicating (i) the date and time of the hearing at which the adoption of the proposed 2019 budget amendment will be considered; (ii) that the proposed budget amendment is available for inspection by the public at a designated place; and (iii) that any interested persons may file any objections to the proposed budget amendment at any time prior to the final adoption of the budget by the District, as shown on the publisher’s Affidavit of Publication attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget amendment was open for inspection by the public at a designated place; and

WHEREAS, a public hearing was held on December 3, 2019 and interested persons were given the opportunity to file or register any objections to said proposed budget amendment and any such objections were considered by the Board of Directors; and

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the District shall and hereby does amend the budget for the fiscal year 2019 as follows:

General Fund	\$ 20,700
--------------	-----------

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the General Fund for the purpose stated, and that any ending fund balances shall be reserved for purposes of Article X, Section 20 of the Colorado Constitution.

Whereupon, a motion was made by Director George L. Thorn and seconded by Director Keith L. Neale, and upon a unanimous vote this Resolution was approved by the Board of Directors.

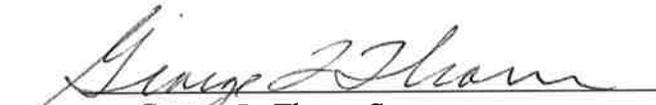
APPROVED AND ADOPTED THIS 3rd DAY OF DECEMBER, 2019.

THE POINT METROPOLITAN DISTRICT



By: Carl N. Koelbel, President

ATTEST:



By: George L. Thorn, Secretary

EXHIBIT A

Notice of Regular Meeting
Affidavit of Publication
Notice as to Proposed 2019 Budget Amendment

SENTINEL
PROOF OF PUBLICATION

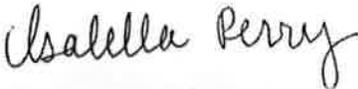
STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the County of Arapahoe, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Arapahoe for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 consecutive insertion; and that the first publication of said notice was in the issue of said newspaper dated November 14 A.D. 2019 and that the last publication of said notice was in the issue of said newspaper dated November 14 A.D. 2019.

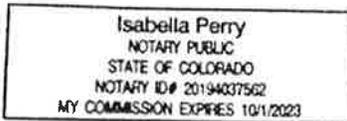
I witness whereof I have hereunto set my hand this 14th day of November A.D. 2019.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 14th day of November A.D. 2019.



Notary Public



NOTICE AS TO AMENDED 2018
BUDGET AND HEARING AND
NOTICE AS TO AMENDED 2019
BUDGET AND HEARING AND
NOTICE AS TO PROPOSED 2020
BUDGET
AND HEARING THE POINT
METROPOLITAN DISTRICT

NOTICE IS HEREBY GIVEN that an amended budget will be submitted to THE POINT METROPOLITAN DISTRICT for the year of 2018. A copy of such amended budget has been filed in the office of Koelbel and Company, 5291 Yale Avenue, Denver, Colorado, where same is open for public inspection. Such amended budget will be considered at a hearing at the regular meeting of The Point Metropolitan District to be held at 9:00 A.M. on Tuesday, December 3, 2019. The meeting will be held at 5291 Yale Avenue, Denver, Colorado. Any interested elector within The Point Metropolitan District may inspect the proposed amended budget and file or register any objections at any time prior to the final adoption of the amended 2018 budget.

NOTICE IS FURTHER GIVEN that an amended budget will be submitted to THE POINT METROPOLITAN DISTRICT for the year of 2019. A copy of such amended budget has been filed in the office of Koelbel and Company, 5291 Yale Avenue, Denver, Colorado, where same is open for public inspection. Such amended budget will be considered at a hearing at the regular meeting of The Point Metropolitan District

to be held at 9:00 A.M. on Tuesday, December 3, 2019. The meeting will be held at 5291 Yale Avenue, Denver, Colorado. Any interested elector within The Point Metropolitan District may inspect the proposed amended budget and file or register any objections at any time prior to the final adoption of the amended 2019 budget.

NOTICE IS FURTHER GIVEN that a proposed budget has been submitted to THE POINT METROPOLITAN DISTRICT for the ensuing year of 2020. A copy of such proposed budget has been filed in the office of Koelbel and Company, 5291 Yale Avenue, Denver, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of The Point Metropolitan District to be held at 9:00 A.M. on Tuesday, December 3, 2019. The meeting will be held at 5291 Yale Avenue, Denver, Colorado. Any interested elector within The Point Metropolitan District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2020 budget.

BY ORDER OF THE
BOARD OF DIRECTORS:
THE POINT METROPOLITAN DISTRICT
By: /s/ Icenogle Seaver Pogue
A Professional Corporation

Publication: November 14, 2019
Sentinel

RESOLUTION TO AMEND 2018 BUDGET

COMES NOW, Carl N. Koebel, the President of the Point Metropolitan District (the “District”), and certifies that at a regular meeting of the Board of Directors of the District held, on December 3, 2019, at 9:00 A.M., at 5291 East Yale Avenue, Denver, Colorado, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors, to-wit:

WHEREAS, the Board of Directors of the District appropriated funds for the fiscal year 2018 as follows:

Debt Service Fund	\$ 68
Capital Projects Fund	\$ 4,323,000

and;

WHEREAS, the necessity has arisen for additional expenditures and transfers by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for the fiscal year 2018; and

WHEREAS, funds are available for such an expenditure and transfer from surplus revenue funds of the District; and

WHEREAS, due and proper notice was published on Thursday, November 14, 2019 in the Sentinel, indicating (i) the date and time of the hearing at which the adoption of the proposed 2018 budget amendment will be considered; (ii) that the proposed budget amendment is available for inspection by the public at a designated place; and (iii) that any interested persons may file any objections to the proposed budget amendment at any time prior to the final adoption of the budget by the District, as shown on the publisher’s Affidavit of Publication attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget amendment was open for inspection by the public at a designated place; and

WHEREAS, a public hearing was held on December 3, 2019 and interested persons were given the opportunity to file or register any objections to said proposed budget amendment and any such objections were considered by the Board of Directors; and

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the District shall and hereby does amend the budget for the fiscal year 2018 as follows:

Debt Service Fund	\$ 55,500
Capital Projects Fund	\$ 6,519,053

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the Debt Service Fund and Capital Projects Fund for the purpose stated, and that any ending fund balances shall be reserved for purposes of Article X, Section 20 of the Colorado Constitution.

Whereupon, a motion was made by Director George L. Thorn and seconded by Director Keith L. Neale, and upon a unanimous vote this Resolution was approved by the Board of Directors.

APPROVED AND ADOPTED THIS 3rd DAY OF DECEMBER, 2019.

THE POINT METROPOLITAN DISTRICT



By: Carl N. Koelbel, President

ATTEST:



By: George L. Thorn, Secretary

EXHIBIT A

Notice of Regular Meeting
Affidavit of Publication
Notice as to Proposed 2018 Budget Amendment

SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the County of Arapahoe, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Arapahoe for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 consecutive insertion; and that the first publication of said notice was in the issue of said newspaper dated November 14 A.D. 2019 and that the last publication of said notice was in the issue of said newspaper dated November 14 A.D. 2019.

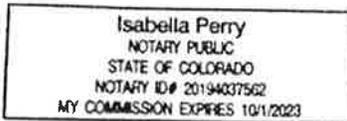
I witness whereof I have hereunto set my hand this 14th day of November A.D. 2019.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 14th day of November A.D. 2019.



Notary Public



NOTICE AS TO AMENDED 2018
BUDGET AND HEARING AND
NOTICE AS TO AMENDED 2019
BUDGET AND HEARING AND
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METROPOLITAN DISTRICT

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to be held at 9:00 A.M. on Tuesday, December 3, 2019. The meeting will be held at 5291 Yale Avenue, Denver, Colorado. Any interested elector within The Point Metropolitan District may inspect the proposed amended budget and file or register any objections at any time prior to the final adoption of the amended 2019 budget.

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BY ORDER OF THE
BOARD OF DIRECTORS:
THE POINT METROPOLITAN DISTRICT
By: /s/ Icenogle Seaver Pogue
A Professional Corporation

Publication: November 14, 2019
Sentinel

EXHIBIT C

2018 Audited Financial Statements

THE POINT METROPOLITAN DISTRICT
Arapahoe County, Colorado
—
FINANCIAL STATEMENTS
December 31, 2018

L. PAUL GOEDECKE P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Directors
The Point Metropolitan District
Arapahoe County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of The Point Metropolitan District as of and for the year ended December 31, 2018, 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 The Point Metropolitan District as of December 31, 2018, 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.

Economic Dependency

The District has not yet established a revenue base sufficient to pay its operational expenditures. As discussed in Note 12, the District is dependent upon the Developer of the District's service area to provide funds for such expenditures.

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.
September 26, 2019

THE POINT METROPOLITAN DISTRICT

**GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION
December 31, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS:						
Cash and investments - restricted	\$ (3)	\$ 251,791	\$ 678,022	929,810	-	\$ 929,810
Property taxes receivable - current	3			3	-	3
Property taxes receivable	12	140		152	-	152
Capital assets not being depreciated	-	-	-	-	4,557,010	4,557,010
Total assets	<u>12</u>	<u>251,931</u>	<u>678,022</u>	<u>929,965</u>	<u>4,557,010</u>	<u>5,486,975</u>
LIABILITIES:						
Long term liabilities:						
Due within one year	-	-	-	-	-	-
Due in more than one year	-	-	-	-	5,802,114	5,802,114
Total liabilities	-	-	-	-	5,802,114	5,802,114
DEFERRED INFLOW OF RESOURCES						
Property tax revenue	12	140	-	152	-	152
Total deferred inflow of resources	<u>12</u>	<u>140</u>	<u>-</u>	<u>152</u>	<u>-</u>	<u>152</u>
FUND BALANCE/NET POSITION						
Restricted:						
Emergencies	15	-	-	15	(15)	-
Debt service	-	251,791	-	251,791	(251,791)	-
Capital projects	-	-	678,022	678,022	(678,022)	-
Unassigned	(15)	-	-	(15)	15	-
Total fund balances	<u>-</u>	<u>251,791</u>	<u>678,022</u>	<u>929,813</u>	<u>(929,813)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 12</u>	<u>\$ 251,931</u>	<u>\$ 678,022</u>	<u>\$ 929,965</u>		
NET POSITION						
Invested in capital assets, net of related debt					(1,245,104)	(1,245,104)
Restricted for:						
Emergencies					15	15
Debt service					251,791	251,791
Capital projects					678,022	678,022
Unrestricted					(15)	(15)
Total net position					<u>\$ (315,291)</u>	<u>\$ (315,291)</u>

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

THE POINT METROPOLITAN DISTRICT

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES/STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018**

	General	Debt Service	Capital Project	Total	Adjustments	Statement of Activities
EXPENDITURES						
Accounting and audit	\$ 53	\$ -	\$ -	\$ 53	\$ -	\$ 53
Insurance	250	-	-	250	-	250
Miscellaneous expense	222	10	-	232	-	232
Interest expense		49,149	-	49,149		49,149
Treasurer's fees	-	10	-	10	-	10
Capital Improvements	-	-	4,382,053	4,382,053	(4,382,053)	-
Total expenditures/expenses	<u>525</u>	<u>49,169</u>	<u>4,382,053</u>	<u>4,431,747</u>	<u>(4,382,053)</u>	<u>49,694</u>
REVENUES						
Property taxes	15	508	-	523	-	523
Specific ownership taxes	225	39	-	264	-	264
Interest income	-	-	1,363	1,363	-	1,363
Miscellaneous income	10	-	-	10	-	10
Total revenues	<u>250</u>	<u>547</u>	<u>1,363</u>	<u>2,160</u>	<u>-</u>	<u>2,160</u>
EXCESS (DEFICIENCY) OF EXPENDITURES OVER REVENUES						
	<u>(275)</u>	<u>(48,622)</u>	<u>(4,380,690)</u>	<u>(4,429,587)</u>	<u>4,382,053</u>	<u>(47,534)</u>
OTHER FINANCING SOURCES (USES)						
Debt proceeds	-	-	5,795,000	5,795,000	(5,795,000)	-
Bond issuance costs	-	-	(290,995)	(290,995)	-	(290,995)
Transfer capitalized interest to Debt Service		299,898	(299,898)	-	-	
Developer repayment			(1,356,895)	(1,356,895)	1,356,895	
Developer contributions	50,273	-	1,195,000	1,245,273	(1,195,000)	50,273
Total Other Financing Sources (Uses)	<u>50,273</u>	<u>299,898</u>	<u>5,042,212</u>	<u>5,392,383</u>	<u>(5,633,105)</u>	<u>(240,722)</u>
NET CHANGES IN FUND BALANCES	49,998	251,276	661,522	962,796	(962,796)	-
CHANGE IN NET POSITION					(288,256)	(288,256)
FUND BALANCE/NET POSITION						
BEGINNING OF YEAR	<u>(49,998)</u>	<u>515</u>	<u>16,500</u>	<u>(32,983)</u>	<u>5,948</u>	<u>(27,035)</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 251,791</u>	<u>\$ 678,022</u>	<u>\$ 929,813</u>	<u>\$ (1,245,104)</u>	<u>\$ (315,291)</u>

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

THE POINT METROPOLITAN DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 44	\$ 15	\$ (29)
Specific ownership taxes	-	225	225
Interest income	5	10	5
Total revenues	<u>49</u>	<u>250</u>	<u>201</u>
EXPENDITURES			
Accounting, audit and miscellaneous	5,500	275	5,225
Insurance	3,000	250	2,750
Directors fees	500	-	500
Legal	10,000	-	10,000
Treasurer's fees	2	-	2
Total expenditures	<u>19,002</u>	<u>525</u>	<u>18,477</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(18,953)</u>	<u>(275)</u>	<u>18,678</u>
OTHER FINANCING SOURCES (USES)			
Transfer from other funds	51	-	(51)
Developer contributions	18,902	50,273	31,371
Total other financing sources (uses)	<u>18,953</u>	<u>50,273</u>	<u>31,320</u>
NET CHANGE IN FUND BALANCE	-	49,998	49,998
FUND BALANCE:			
BEGINNING OF YEAR	<u>-</u>	<u>(49,998)</u>	<u>(49,998)</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

THE POINT METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 – DEFINITION OF REPORTING ENTITY

Definition of Reporting Entity

The Point Metropolitan District (The District), a quasi-municipal corporation, was organized on February 22, 2006 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in City of Aurora, Colorado. The District was established to provide for a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction

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.

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.

THE POINT METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

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.

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.

THE POINT METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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. \$ 15 of the General Fund balance has been restricted in compliance with this requirement.

THE POINT METROPOLITAN DISTRICT
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NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2018 are classified in the accompanying financial statement as follows:

Statement of Net Position:

Cash in checking	
Cash and investments – restricted	<u>\$ 929,810</u>

Cash and investments as of December 31, 2018 consist of the following:

Deposits with financial institutions	<u>\$ 929,810</u>
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Cash Deposits

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, 2018, the District’s cash deposits had a bank balance of \$ 453,093 and a carrying balance of \$ 21,811. The District had funds in trust with CoBiz bank in the amount of \$907,999 held in a U.S. Treasury reserve fund.

Investments

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

Colorado State statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

THE POINT METROPOLITAN DISTRICT

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

- * Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contracts
- * Local government investment pools

The District generally limits its concentration of investments to those noted with an asterisk (*) above, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk.

The local government investment pools include the Colorado Local Government Liquid Assets Trust (ColoTrust) rated AAAM by Standard & Poor's.

Interest Rate Risk

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 or sinking fund requirements.

Restricted Cash and Investments

As of December 31, 2018, \$ 251,791 of cash and investments were restricted for debt service and \$678,022 in the Capital Projects Fund.

NOTE 4 – LONG-TERM OBLIGATIONS

Following is an analysis of the changes in the District's Long-term obligations for the year ended December 31, 2018:

	Balance at 1/1/2018	Additions	Reductions	Balance at 12/31/2018	Due within one year
Developer Advance	\$ 169,009	\$ 1,195,000	\$ 1,356,895	\$ 7,114	
G.O. Limited Tax Loan, Series 2018	-	5,795,000	-	5,795,000	-
	<u>\$ 169,009</u>	<u>\$ 6,990,000</u>	<u>\$ 1,356,895</u>	<u>\$ 5,802,114</u>	<u>\$ -</u>

THE POINT METROPOLITAN DISTRICT

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018**

NOTE 4 – LONG-TERM OBLIGATIONS (CONTINUED)

The following is a detail of the Districts long-term obligations as of the year ended December 31, 2018:

\$15,000,000 Incremental Revenue and Limited tax Loan Series 2018A. On August 13, 2018 the District issued a \$15,000,000 variable rate General Obligation Limited Tax Loan. The loan will fund capital expenditures through a series of advances for public improvements within the Districts. The loan is secured by a mill levy not to exceed 30 mills adjusted for any changes in the assessment ratio used by the State of Colorado to determine assessed valuation (Gallagher amendment). The District has been advanced funds through the limited tax loan in the amount of \$5,795,00.

The District is limited in the amount of indebtedness pursuant to its service plan to \$400,000,000.

The District’s long-term obligations will mature as follows:

Year	Principal	Interest	Total
2019	-	\$ 250,984	\$ 250,984
2020	-	251,998	251,998
2021	170,000	251,997	421,997
2022	170,000	244,620	414,620
2023	190,000	237,242	427,242
2024-2028	995,000	1,114,143	2,109,143
2029-2033	1,255,000	900,165	2,155,165
2034-2038	1,605,000	580,925	2,185,925
2039-2043	1,410,000	176,362	1,586,362
	<u>\$ 5,795,000</u>	<u>\$ 4,008,436</u>	<u>\$ 9,803,436</u>

Facilities and Operations Funding and Acquisition Agreements. On December 13, 2016 The District entered into agreements with the developer whereby the Developer will fund costs related to construction improvements and related construction costs which will be reimbursed from the issuance of bond proceeds. The District has agreed to reimburse the developer for these costs as well as organization and operational costs incurred by the District. The advances accrue interest at a rate of 8% per annum. The balance of these advances including any operating advances as of December 31, 2018 is \$7,114.

NOTE 5 – CAPITAL ASSETS

Capital Assets – Governmental Funds

An analysis of the changes in capital assets for the year ended December 31, 2018 follows:

Governmental Activities	Balance at 1/1/2018	Additions	Retirements	Balance at 12/1/2018
Capital assets, not being depreciated				
Improvements	\$ 174,957	\$ 4,382,053	\$ -	\$ 4,557,010
Total capital assets	<u>\$ 174,957</u>	<u>\$ 4,382,053</u>	<u>\$ -</u>	<u>\$ 4,557,010</u>

THE POINT METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Capital assets owned by the District will be transferred to other governmental entities; therefore, the District does not record depreciation on capital assets.

NOTE 6 – NET POSITION

Restricted assets include Net Position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District has Net Position consisting of two components- restricted and unrestricted.

NOTE 7 – RELATED PARTY INFORMATION

The members of the Board of Directors of the District are employees, owners or associated with the Developer of the District, and may have conflicts of interest in dealing with the District. No management fees were paid to the Developer during 2018. The District intends to pay management fees in the future.

NOTE 8 – RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2018. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 – COMMITMENTS

ARI Mill Levy

The District is required by the Service Plan and the City IGA to impose a mill levy for ARI, which is defined in the Service Plan and the City IGA as the “ARI Mill Levy”, which is to be imposed as follows: five mills for collection beginning in the first year of collection of a debt service mill levy. The ARI Mill Levy is in addition to the amount of the Limited Mill Levy. The ARI Mill Levy does not constitute a portion of the Pledged Revenue and is not pledged to the payment of the Bonds.

THE POINT METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. 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 that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year’s Fiscal 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.

On May 2, 2006, a majority of the District’s voters approved that the District be authorized to retain all revenues it received from its rates, fees, tolls and other charges (both operating and capital in nature) for facilities and services and any and all other revenues it receives in 2006 and in all subsequent years; and the District be authorized to spend such revenues as voter-approved revenue change and an exception to any spending limitations which might otherwise apply, without limiting the collection and spending of other revenues of the District in any one year.

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.

THE POINT METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

**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

The governmental fund Balance Sheet and the government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Capital assets	\$	4,557,010
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Bond issue costs are amortized over the life of the bond issue and capitalized in the Statement of Net Position. Construction costs are also capitalized.

Loan and advance payable	\$	5,802,114
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

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:

Loan proceeds	\$	5,795,000
Capital improvements	\$	4,382,053
Developer repayment net	\$	161,895

Governmental funds report loan proceeds as revenue and capital improvements as expenditures, developer repayments are recorded as expenditures and contributions as revenue. However in the Statement of Activities the developer repayment is reflected as a reduction in the outstanding debt and capital expenditures are reflected as capital assets.

NOTE 12 – ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer to advance funds for operations.

SUPPLEMENTAL INFORMATION

THE POINT METROPOLITAN DISTRICT

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
Year Ended December 31, 2018**

	Original Budget	Amended & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 508	\$ 508	\$ 508	\$ -
Specific ownership taxes	51	51	39	(12)
Total revenues	<u>559</u>	<u>559</u>	<u>547</u>	<u>(12)</u>
EXPENDITURES				
Loan interest	-	55,500	49,149	6,351
Miscellaneous expenses	9		10	(10)
Treasurer's fees	8	-	10	(10)
Total expenditures	<u>17</u>	<u>55,500</u>	<u>49,169</u>	<u>6,331</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	542	(54,941)	(48,622)	6,319
OTHER FINANCING SOURCES (USES)				
Bond proceeds transferred from Capital projects	-	299,898	299,898	-
Transfer to other funds	(51)	-	-	-
Total Other Financing Sources (Uses)	<u>(51)</u>	<u>299,898</u>	<u>299,898</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	491	244,957	251,276	6,319
FUND BALANCE – BEGINNING OF YEAR	<u>309</u>	<u>515</u>	<u>515</u>	<u>-</u>
FUND BALANCE – END OF YEAR	<u>\$ 800</u>	<u>\$ 245,472</u>	<u>\$ 251,791</u>	<u>\$ 6,319</u>

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

THE POINT METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
Year Ended December 31, 2018

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Interest income	\$ -	\$ -	\$ 1,363	\$ 1,363
Total Revenues	-		1,363	1,363
EXPENDITURES				
Capital improvements	4,323,000	4,382,053	4,382,053	-
Total Expenditures	4,323,000	4,382,053	4,382,053	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(4,323,000)	(4,382,053)	(4,380,690)	1,363
OTHER FINANCING SOURCES (USES)				
Proceeds from Loan issue	4,323,000	5,795,000	5,795,000	-
Loan issuance costs		(300,000)	(290,995)	9,005
Transfer capitalized interest to Debt service		(300,000)	(299,898)	102
Developer repayment		(1,357,000)	(1,356,895)	105
Developer advances		1,195,000	1,195,000	-
Total Other Financing Sources (Uses)	4,323,000	5,033,000	5,042,212	9,212
NET CHANGE IN FUND BALANCE	-	650,947	661,522	10,575
FUND BALANCE:				
BEGINNING OF YEAR	-	16,500	16,500	-
END OF YEAR	\$ -	\$ 667,447	\$ 678,022	\$ 10,575

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