

TRIVIEW METROPOLITAN DISTRICT

BASIC FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

BOARD OF TRUSTEES

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Director Anthony Sexton

James McGrady - District Manager

TRIVIEW METROPOLITAN DISTRICT


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INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Triview Metropolitan District
Monument, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of Triview Metropolitan District, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of Triview Metropolitan District, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Triview Metropolitan District's basic financial statements. The other supplementary information schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Haynie & Company

Littleton, CO
September 29, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

TRIVIEW METROPOLITAN DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) is presented to provide an overview of the financial activities and conditions for the fiscal year ended on December 31, 2019. The MD&A contains information currently known to management as of the date of the auditor's report. The MD&A should be read in conjunction with the District's financial statement that accompanies this report.

FINANCIAL HIGHLIGHTS

- Total Assets equaled: \$58,893,988 for 2019.
- Deferred Outflows of Resources were \$4,098,112.
- Cash, Cash Equivalents and Investments as of December 31, 2019 were \$17,635,946.
- Total Liabilities for 2019 equaled \$58,681,546.
- Deferred Inflows of Resources were \$3,045,416.
- Net Position for 2019 totaled \$22,472,288.
- Governmental change in Net Position from 2018 to 2019 was an increase of \$1,944,733.
- Business-type change in Net Position from 2018 to 2019 was an increase of \$5,523,396.

FINANCIAL STATEMENTS

The financial statements consist of three parts - management discussion and analysis, the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the district:

- The first two are government-wide statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplemental information that further explains and supports the information in the financial statements.

Government-wide Statements — The government-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the District as a whole and include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. The District's net position, the difference between assets and liabilities, is one way to measure the District's financial status, or financial position. Over time increases or decreases in the District's net position is one indicator whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base (Assessed Valuation) are needed to assess the overall strength of the District.

Fund Financial Statements — The fund financial statements provide more detailed information about the District's funds, focusing on its most significant funds, not the District as a whole. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Fund — The activity of the District's General fund is reported as a governmental fund, which focuses on how money flows into and out of the General fund. This fund is reported using the modified accrual accounting method, which measures cash and all of the other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs.

Proprietary (Enterprise) Fund — The activity of the District Enterprise fund is to report the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's Enterprise fund is the same as the business-type activities reported in the governmental-wide statements but provides more detailed and additional information, such as cash flows.

District Specific — The Triview Metropolitan District utilizes two separate financial categories of activities; one for the general district functions and one for the enterprise, or business-type functions. Each of these, in turn, is segregated into operational and capital functions. Together, these comprise the overall government-wide statements. The Governmental, or general, category covers the public functions involving: administration; streets; drainage; landscaping; traffic control; street lighting; street signage; environmental and mosquito control. The Proprietary, or Business-type, category involves the public provision of water, wastewater, reuse water, related administration, and environmental functions. The Governmental functions are funded by property taxes, sales taxes, impact fees and bond financing when required. The Proprietary functions are funded by water and sewer user charges, tap fees and, similarly, bond financing when required for capital projects.

FINANCIAL POSITION & RESULTS FROM OPERATIONS

NET POSITION:

	2019			2018		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
ASSETS						
Other	\$ 6,006,359	\$ 15,200,791	\$ 21,207,150	\$ 10,665,570	\$ 14,926,593	\$ 25,592,163
Capital	<u>17,027,682</u>	<u>41,866,306</u>	<u>58,893,988</u>	<u>10,313,459</u>	<u>36,391,786</u>	<u>46,705,245</u>
Total assets	<u>\$ 23,034,041</u>	<u>\$ 57,067,097</u>	<u>\$ 80,101,138</u>	<u>\$ 20,979,029</u>	<u>\$ 51,318,379</u>	<u>\$ 72,297,408</u>
DEFERRED OUTFLOWS OF RESOURCES						
	<u>\$ 3,936,101</u>	<u>\$ 162,011</u>	<u>\$ 4,098,112</u>	<u>\$ 4,135,361</u>	<u>\$ 226,033</u>	<u>\$ 4,361,394</u>

	2019			2018		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
LIABILITIES						
Current	\$ 1,515,054	\$ 1,310,435	\$ 2,825,489	\$ 1,077,403	\$ 953,246	\$ 2,030,649
Long-term	<u>44,735,272</u>	<u>11,120,785</u>	<u>55,856,057</u>	<u>45,395,885</u>	<u>11,316,674</u>	<u>56,712,559</u>
Total liabilities	<u>\$ 46,250,326</u>	<u>\$ 12,431,220</u>	<u>\$ 58,681,546</u>	<u>\$ 46,473,288</u>	<u>\$ 12,269,920</u>	<u>\$ 58,743,208</u>
DEFERRED INFLOWS OF RESOURCES						
	<u>\$ 3,045,416</u>	<u>\$ -</u>	<u>\$ 3,045,416</u>	<u>\$ 2,911,435</u>	<u>\$ -</u>	<u>\$ 2,911,435</u>
NET POSITION						
Net investment in capital assets	\$ (24,756,211)	\$ 30,722,532	\$ 5,966,321	\$ (29,894,646)	\$ 27,881,463	\$ (2,013,183)
Restricted position	1,628,875	201,970	1,830,845	1,188,133	1,265,590	2,453,723
Unrestricted position	<u>801,736</u>	<u>13,873,386</u>	<u>14,675,122</u>	<u>4,436,180</u>	<u>10,127,439</u>	<u>14,563,619</u>
Total net position	<u>\$ (22,325,600)</u>	<u>\$ 44,797,888</u>	<u>\$ 22,472,288</u>	<u>\$ (24,270,333)</u>	<u>\$ 39,274,492</u>	<u>\$ 15,004,159</u>

Triview Metropolitan District was formed in 1985. In 1987 debt was placed upon Triview and in 1988 the developer filed for bankruptcy. This "Old Debt" remained in place accruing interest at 12.21% annual rate with no payments being made. This is referred to as the "Inactive Period". In 1994 the majority of the land within the District was acquired by a new developer and in 1997 a development agreement was reached whereby all of the previous debt and any new debt to that developer became Limited Tax Obligation Debt, or "Unscheduled Bonds" resembling "Revenue Bonds". The point-in-time from 1998 onward is referred to as the "Active Period".

The Old Debt had paid for a portion of the sewer system, a partially constructed water tank, partial road grading and soft costs; but nothing at that stage, the Inactive Period, could provide services. In order to service the first house within Triview, additional funds had to be obtained to complete the water and sewer systems, construct streets and improve the site drainage along with other required improvements. This funding initially took the form of developer loans that were then converted into Limited Tax Liability Bonds during this Active Period.

The current financial position is the result of the District investing in infrastructure in order to provide services. That infrastructure is being depreciated. The debt in excess of that directly related to the infrastructure equates to the accruing interest costs thus resulting in the status of the net position.

PROGRAM REVENUE BY SOURCE:

	2019			2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Charges of services						
User charges (rates)	\$	\$ 5,441,226	\$ 5,441,226	\$	\$ 4,804,781	\$ 4,804,781
Impact fees	739,358		739,358	690,093		690,093
Capital contributions:						
Water & sewer tap fees		2,303,847	2,303,847		2,173,334	2,173,334
GENERAL						
Tax revenues	5,903,559		5,903,559	5,716,464		5,716,464
Interest income	155,380	249,391	404,771	262,355	76,259	338,614
Other	<u>60,091</u>	<u>1,028,788</u>	<u>1,088,879</u>	<u>50,213</u>	<u>1,183,178</u>	<u>1,233,391</u>
Total revenues	<u>6,858,388</u>	<u>9,023,252</u>	<u>15,881,640</u>	<u>6,719,125</u>	<u>8,237,552</u>	<u>14,956,677</u>

	2019			2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
FUNCTIONAL						
General government	801,994		801,994	805,055		805,055
Streets	1,046,003		1,046,003	634,769		634,769
Lighting	52,011		52,011	49,730		49,730
Drainage	20,301		20,301	198		198
Signage	636		636	4,313		4,313
Traffic control	18,115		18,115	32,702		32,702
Parks	460,209		460,209	525,129		525,129
Conservation	22,460		22,460	19,431		19,431
Debt service	2,091,926		2,091,926	2,231,165		2,231,165
Water, wastewater and reuse		3,899,856	3,899,856		4,336,559	4,336,359
Total expenditures	<u>4,513,655</u>	<u>3,899,856</u>	<u>8,413,511</u>	<u>4,302,492</u>	<u>4,336,559</u>	<u>8,638,851</u>
Transfers	<u>(400,000)</u>	<u>400,000</u>	<u>-</u>	<u>(7,004,450)</u>	<u>7,004,450</u>	<u>-</u>
Change in net position	1,944,733	5,523,396	7,468,129	(4,587,817)	10,905,643	6,317,826
Net position – beginning of year	<u>(24,270,333)</u>	<u>39,274,492</u>	<u>15,004,159</u>	<u>(19,682,516)</u>	<u>28,368,849</u>	<u>8,686,333</u>
Net position – end of year	<u>\$ (22,325,600)</u>	<u>\$ 44,797,888</u>	<u>\$ 22,472,288</u>	<u>\$ (24,270,333)</u>	<u>\$ 39,274,492</u>	<u>\$ 15,004,159</u>

Both Governmental and Proprietary (Business Type) Activities exhibited a positive change in net position primarily attributable to monitoring appropriate expenditures in conjunction with declining fee revenue.

ANALYSIS OF POSITION

The overall financial position of the District continued to improve during 2019, due to substantial revenue growth. The District continues to be an attractive area for both home buyers and retail establishments. With the growth comes the need for infrastructure improvements and expansions, in addition to, additional water supplies for future demand.

Both the General Fund and the Water and Wastewater Enterprise Fund recorded revenue over and above budgeted amounts. The revenues were better than budget due primarily to the increased in tap revenue from several residential developments.

Capital assets for the Governmental Activities increased in 2019 due to capital outlays exceeding depreciation by over \$6,000,000 as a result of a large road improvement capital project. Capital assets for the Business-type Activities increased also due to capital outlay exceeding depreciation in 2019 as the District purchased a substantial amount of renewable water rights during the year.

CAPITAL ASSETS:

	2019			2018		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Operating systems	\$ 24,819,639	\$ 56,506,883	\$ 81,326,522	\$ 17,546,913	\$ 50,000,697	\$ 67,547,610
Accumulated depreciation	<u>(7,791,957)</u>	<u>(14,640,577)</u>	<u>(22,432,534)</u>	<u>(7,233,454)</u>	<u>(13,608,911)</u>	<u>(20,842,365)</u>
Total capital assets, net	<u>\$ 17,027,682</u>	<u>\$ 41,866,306</u>	<u>\$ 58,893,988</u>	<u>\$ 10,313,459</u>	<u>\$ 36,391,786</u>	<u>\$ 46,705,245</u>

The long-term liabilities decreased during 2019 by \$776,502 primarily due to repayment of debt obligation.

LONG-TERM DEBT:

	2019			2018		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Loan payable	\$	\$ 11,305,785	\$ 11,305,785	\$	\$ 11,491,674	\$ 11,491,674
G.O. bonds payable	<u>45,365,272</u>		<u>45,365,272</u>	<u>\$ 45,955,885</u>		<u>45,955,885</u>
Total debt	<u>\$ 45,365,272</u>	<u>\$ 11,305,785</u>	<u>\$ 56,671,057</u>	<u>\$ 45,955,885</u>	<u>\$ 11,491,674</u>	<u>\$ 57,447,559</u>

FUTURE TRENDS AND ECONOMIC FACTORS

As of December 31, 2019, there are 1,764 residential taps and 110 commercial/irrigation taps being serviced by the District.

The District is located in a desired area for both Denver and Colorado Springs commuters. This will result in continued residential and commercial building in 2020. This continued growth will result in the collection of tap fees that will help to build and maintain infrastructure. In addition, additional residential and commercial development generates the following revenue implications:

- Increase in property tax base.
- Increase in retail commercial sales tax revenues; which Triview receives 50% of of the sales tax revenue under an agreement with the Town of Monument.
- Increase in employment base that relates to residential demand for District housing.
- Increase in use tax revenues; which are based upon building costs by type.
- Increase in water and sewer user fees and charges.
- Increase in impact fees generated by the additional development.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Triview Metropolitan District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to James McGrady, District Manager, PO Box 849, 16055 Old Forest Point, Suite 300, Monument, Colorado, 80132.

BASIC FINANCIAL STATEMENTS

TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,858,834	\$ 875,939	\$ 3,734,773
Cash and cash equivalents, restricted	1,496,875	201,970	1,698,845
Investments	5,205,624	6,996,704	12,202,328
Property taxes receivable	3,045,416	-	3,045,416
Interest receivable	5,656	11,544	17,200
Accounts receivable	447,873	40,818	488,691
Prepaid expenses	16,204	3,693	19,897
Internal balances	(7,070,123)	7,070,123	-
Capital assets, net of accumulated depreciation	17,027,682	41,866,306	58,893,988
Total assets	<u>23,034,041</u>	<u>57,067,097</u>	<u>80,101,138</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	3,936,101	162,011	4,098,112
Total deferred outflows of resources	<u>3,936,101</u>	<u>162,011</u>	<u>4,098,112</u>
LIABILITIES			
Accounts payable	568,452	1,037,489	1,605,941
Accrued interest	316,602	39,946	356,548
Accrued settlement	-	48,000	48,000
Long-term liabilities			
Due within one year	630,000	185,000	815,000
Due in more than one year	44,735,272	11,120,785	55,856,057
Total liabilities	<u>46,250,326</u>	<u>12,431,220</u>	<u>58,681,546</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	3,045,416	-	3,045,416
Total deferred inflows of resources	<u>3,045,416</u>	<u>-</u>	<u>3,045,416</u>
NET POSITION			
Net investment in capital assets	(24,756,211)	30,722,532	5,966,321
Restricted			
Debt service	1,496,875	-	1,496,875
Contributions	-	201,970	201,970
Emergency reserve (TABOR)	132,000	-	132,000
Unrestricted	801,736	13,873,386	14,675,122
Total net position	<u>\$ (22,325,600)</u>	<u>\$ 44,797,888</u>	<u>\$ 22,472,288</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	801,994	\$ 4,400	\$ -	\$ -	\$ (797,594)	\$ -	\$ (797,594)
Streets	1,046,003	136,872	-	-	(909,131)	-	(909,131)
Lighting	52,011	-	-	-	(52,011)	-	(52,011)
Drainage	20,301	216,937	-	-	196,636	-	196,636
Signage	636	-	-	-	(636)	-	(636)
Traffic control	18,115	-	-	-	(18,115)	-	(18,115)
Parks, landscape and open space	460,209	381,149	-	-	(79,060)	-	(79,060)
Conservation	22,460	-	-	-	(22,460)	-	(22,460)
Interest and fiscal charges	2,091,926	-	-	-	(2,091,926)	-	(2,091,926)
General government	\$ 4,513,655	\$ 739,358	\$ -	\$ -	\$ (3,774,297)	\$ -	\$ (3,774,297)
Business-type activities:							
Water and Wastewater Fund	\$ 3,899,856	\$ 7,745,073	\$ -	\$ -	\$ 3,845,217	\$ 3,845,217	\$ 3,845,217
Total	\$ 3,899,856	\$ 7,745,073	\$ -	\$ -	\$ 3,845,217	\$ 3,845,217	\$ 3,845,217
General revenues and transfers:							
Taxes					5,903,559	-	5,903,559
Investment earnings					155,380	249,391	404,771
Conservation Trust funds					22,460	-	22,460
Other revenues					37,631	1,028,788	1,066,419
Transfers					(400,000)	400,000	-
Total general revenues					5,719,030	1,678,179	7,397,209
Change in net position					1,944,733	5,523,396	7,468,129
Net position - Beginning					(24,270,333)	39,274,492	15,004,159
Net position - Ending					\$ (22,325,600)	\$ 44,797,888	\$ 22,472,288

These financial statements should be read only in connection with the accompanying notes to financial statements.

**TRIVIEW METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2019**

	General
ASSETS	
Cash and cash equivalents	\$ 2,858,834
Investments	5,205,624
Restricted cash and cash equivalents	1,496,875
Property taxes receivable	3,045,416
Interest receivable	5,656
Accounts receivable, other	447,873
Prepaid expense	16,204
Total assets	\$ 13,076,482
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Accounts payable	\$ 568,452
Due to other funds	7,070,123
Total liabilities	7,638,575
 DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	3,045,416
TOTAL DEFERRED INFLOWS OF RESOURCES	3,045,416
 FUND BALANCE	
Nonspendable:	
Prepaid expenditures	16,204
Restricted:	
Debt service	1,496,875
Emergency reserves	132,000
Unassigned	747,412
Total fund balance	2,392,491
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 \$ 13,076,482
Total fund balance, governmental funds	\$ 2,392,491
 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.	
Capital assets	17,027,682
Deferred outflows of resources are not current financial resources, and therefore are not reported in the funds	3,936,101
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds	(316,602)
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position	(45,365,272)
Net position of governmental activities	\$ (22,325,600)

These financial statements should be read only in connection with the accompanying notes to financial statements.

**TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended December 31, 2019**

	General
REVENUES	
Taxes	\$ 5,903,559
Fees	739,358
Conservation trust funds	22,460
Interest income	155,380
Miscellaneous revenue	37,631
Total revenues	6,858,388
 EXPENDITURES	
General government	797,178
Streets	7,759,393
Lighting	52,011
Signage	636
Traffic control	18,115
Drainage	20,301
Parks, landscape and open space	465,857
Conservation Trust	22,460
Debt Service:	
Interest and fiscal charges	2,487,013
Total expenditures	11,622,964
 EXCESS OF REVENUES OVER EXPENDITURES	(4,764,576)
 OTHER FINANCING SOURCES (USES)	
Transfers out	(400,000)
Total other financing sources	(400,000)
 NET CHANGE IN FUND BALANCE	(5,164,576)
 FUND BALANCE - BEGINNING OF YEAR	7,557,067
 FUND BALANCE - END OF YEAR	\$ 2,392,491

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**TRIVIEW METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL
FUND TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ (5,164,575)</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays for the period.	6,714,223
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>395,085</u>
Change in net position - Governmental activities	<u><u>\$ 1,944,733</u></u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND WASTEWATER FUND
December 31, 2019**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets	
Cash and cash equivalents	\$ 875,939
Investments	6,996,704
Restricted cash and cash equivalents	201,970
Interest receivable	11,544
Accounts receivable	40,818
Prepaid expenses	3,693
Due from other funds	7,070,123
Total current assets	15,200,791
Non-current assets	
Capital assets, net of depreciation	41,866,306
Total non-current assets	41,866,306
Total assets	57,067,097

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding	162,011
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 57,229,108

LIABILITIES AND NET POSITION

Current liabilities	
Accounts payable	\$ 1,037,489
Accrued interest	39,946
Accrued settlement	48,000
Bonds payable	185,000
Total current liabilities	1,310,435
Non-current liabilities	
Bonds payable	11,120,785
Total non-current liabilities	11,120,785
Total liabilities	12,431,220

NET POSITION

Net investment in capital assets	30,722,532
Restricted - other	201,970
Unrestricted	13,873,386
Total net position	44,797,888

TOTAL LIABILITIES AND NET POSITION

\$ 57,229,108

These financial statements should be read only in connection with
the accompanying notes to financial statements.

TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND - WATER AND WASTEWATER FUND
Year Ended December 31, 2019

OPERATING REVENUE	
Water sales	\$ 3,040,652
Tap fees	2,303,847
Payment in lieu of fees	1,026,945
Sewer charges	<u>1,495,730</u>
Total operating revenue	<u>7,867,174</u>
 OPERATING EXPENSES	
Water system	628,186
Wastewater system	734,784
General and administrative	757,690
Depreciation	<u>1,031,666</u>
Total operating expenses	<u>3,152,326</u>
 OPERATING INCOME	 <u>4,714,848</u>
 NONOPERATING REVENUE (EXPENSE)	
Interest income	249,391
Miscellaneous income	218,080
Tap fee credits	(302,116)
Interest expense	<u>(567,515)</u>
Total nonoperating expense, net	<u>(402,160)</u>
 INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	 4,312,688
 CONTRIBUTIONS	 810,708
 TRANSFERS IN	 <u>400,000</u>
 CHANGE IN NET POSITION	 <u>5,523,396</u>
 NET POSITION - BEGINNING OF YEAR	 <u>39,274,492</u>
 NET POSITION - END OF YEAR	 <u><u>\$ 44,797,888</u></u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND WASTEWATER FUND
Year Ended December 31, 2019**

	Water
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 7,887,556
Cash payments to suppliers for goods and services	(1,393,035)
Cash payments to employees for services	(323,512)
Net cash provided by operating activities	6,171,009
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	400,000
Miscellaneous non-operating income	218,080
Change in due from other funds	(6,574,234)
Net cash used by noncapital financing activities	(5,956,154)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(6,506,186)
Developer contributions	810,708
Principal paid on debt	(175,000)
Tap fee credits	(302,116)
Interest and other debt-related charges	(515,561)
Net cash used in capital and related financing activities	(6,688,155)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	1,016,706
Investment income	274,641
Net cash used by investing activities	1,291,347
NET INCREASE IN CASH AND CASH EQUIVALENTS	(5,181,953)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	6,259,862
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,077,909
Cash is reflected on The Statement of Net Position as follows:	
Cash and Cash Equivalents	\$ 875,939
Restricted Cash	201,970
	\$ 1,077,909

Continued

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND WASTEWATER FUND
Year Ended December 31, 2019**

**RECONCILIATION OF OPERATING INCOME TO CASH FLOWS
PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 4,714,848
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	1,031,666
Effects of changes in operating assets and liabilities:	
Accounts receivable	20,382
Prepaid expense	24,753
Accounts payable	<u>379,360</u>
Total adjustments	<u>1,456,161</u>
Net cash provided by operating activities	<u><u>\$ 6,171,009</u></u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

TRIVIEW METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Triview Metropolitan District (the "District") is a quasi-municipal political subdivision of the State of Colorado organized to develop and provide certain services to the residents of the District. The District was formed by order of the District Court for the County of El Paso, Colorado, entered in Civil Action No. 85 CV 0893 on May 13, 1985, following the favorable outcome of an organizational election held on May 10, 1985. The District, as a metropolitan district, derives its power from state statutes. Among the express statutory powers of the District are the powers of taxation and eminent domain, and the power to borrow money and issue both general obligation bonds and revenue bonds. The District has purchased water rights, and has constructed a water distribution system, a sanitary and storm sewer collection system, roadways, signs and other improvements.

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). A summary of the significant accounting policies used in the preparation of these financial statements follows.

Reporting Entity — The District has no component units for which either discrete or blended presentation is required. The inclusion or exclusion of component units is based on a determination of the elected official's financial accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

Government-Wide and Fund Financial Statements — The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between *governmental* and *business-type* activities of the District. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities are financed to a significant extent by fees and charges.

The statement of activities demonstrates the degree to which direct 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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include 1) fees and 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. Revenues that are not classified as program revenues, including all taxes, are reported as *general revenues*.

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*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

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 period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The District considers property taxes as available if they are collected within 30 days after year-end. Property taxes are recognized as revenue in the fiscal period for which they are levied, providing the available criteria are met.

Those revenues susceptible to accrual are property taxes, sales taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District reports the following major governmental fund:

General Fund – The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the District reports the following major proprietary fund:

Enterprise Fund – The enterprise fund is used to account for those operations financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The District has one enterprise fund—the Water, Wastewater and Reuse Fund. The intent of the District is that the costs of providing goods and services to the general public on a

continuing basis be financed or recovered primarily through user charges. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges for services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to apply restricted resources first, then unrestricted resources as they are needed.

Receivables — All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses — Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Due To and From Other Funds — Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. In the fund financial statements, these receivables and payable are classified as "due from other funds" or "due to other funds". In the government-wide financial statements, all internal balances have been substantially eliminated.

Restricted Cash and Investments — The use of certain cash and investments of the District is restricted. These cash and investment items are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by debt agreements.

Investments — Investments are stated at fair value. Fair value is the amount the District can reasonably expect to receive to sell an investment in an orderly transaction between market participants. See Note 4 for further information on the fair values of investments.

Capital Assets — Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, traffic, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Buildings, improvements, vehicles, and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

Roads and streets	2 – 40 years
Wells	20 years
Water storage tank	40 years
Wastewater treatment facility	40 years
Water distribution system and treatment facility	40 years
Equipment	3 – 7 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of revenue, expenses and changes in fund net assets.

Accumulated Employee Benefit Amounts — Accumulated unpaid vacation, sick pay, and other employee benefit amounts are not material. Therefore, a liability of these benefits has not been reflected in these financial statements.

Long-Term Liabilities — In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issue costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classification — The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Non-spendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted -This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Statement of Cash Flows — For purposes of the Statement of Cash Flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, government pools, and short-term investments with original maturities of three months or less from the date of acquisition, including restricted cash and cash equivalents. Funds held in escrow are excluded from the District's definition of cash and cash equivalents.

Estimates — The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events — The District has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date of issuance of the financial statements.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the general fund balance sheet and the government-wide statement of net position:

The general fund balance sheet includes reconciliation between *fund balance-governmental fund* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds". The details of this difference are as follows:

Capital assets	\$ 24,819,639
Accumulated depreciation	<u>(7,791,957)</u>
Net adjustment to fund balance – governmental fund to arrive at net position – governmental activities	<u>\$ 17,027,682</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures and change in fund balance and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and change in fund balance includes a reconciliation of *net changes in fund balance-governmental fund* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report outlays for capital assets as expenditures. In contrast in the Statement of Activities the cost of capital assets is allocated over their estimated useful lives as depreciation expense. The details of this difference are as follows:

Depreciation	\$ (558,503)
Capital outlays	<u>7,272,726</u>
Net adjustment to net change in fund balance – governmental fund to arrive at change in net position – governmental activities	<u>\$ 6,714,223</u>

Another element of the reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities". The details of this difference are as follows:

Amortization of advance refunding difference	\$ (199,261)
Amortization of discount/premium	30,613
Repayment of bonds	560,000
Change in accrued interest	<u>3,733</u>
Net adjustment to net change in fund balance – governmental fund to arrive at change in net position of governmental activities	<u>\$ 395,085</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information — The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In the fall, the District Manager submits to the Board of Directors, a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the District to obtain taxpayer comments.
3. Prior to December 15, the budget is legally approved.
4. Any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
5. Formal budgetary integration is employed as a management control device during the year for the governmental and proprietary funds.
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The budget for the Water and Wastewater Fund is prepared on a basis of accounting other

than generally accepted accounting principles, which is normal for proprietary funds. The primary differences are that bond proceeds are treated as a budget source, capital expenditures and principal payments are treated as a budget use, and accrued unpaid interest and the amortization and depreciation expense are not budgeted.

8. Budgeted amounts are as originally adopted or amended.
9. All annual appropriations lapse at the end of the year.

4. DEPOSITS AND INVESTMENTS

The District's deposits and investments consist of the following at December 31, 2019:

	Deposits	Bonds	COLOTRUST	Total
Cash and cash equivalents	\$ 3,734,773	\$ -	\$ -	\$ 3,734,773
Restricted cash and cash equivalents	201,970	-	1,496,875	1,698,845
Investments	-	4,059,189	8,143,139	12,202,328
Total	<u>\$ 3,936,743</u>	<u>\$ 4,059,189</u>	<u>\$ 9,640,014</u>	<u>\$ 17,635,946</u>

Reconciliation of cash and cash equivalents to the government-wide financial statements at December 31, 2019:

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 2,858,834	\$ 875,939	\$ 3,734,773
Restricted cash and cash equivalents	1,496,875	201,970	1,698,845
Investments	5,205,624	6,996,704	12,202,328
Total	<u>\$ 9,561,333</u>	<u>\$ 8,074,613</u>	<u>\$ 17,635,946</u>

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 regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2019, the carrying amount of the District's deposits, including certificates of deposits and money markets, was \$2,858,834 the bank balances were \$2,940,509. Of the total bank balance, \$500,000 was covered by FDIC insurance and \$2,440,509 falls under the provision of the Colorado Public Deposit Protection Act which is collateralized in single institution pools.

Investments — The District is authorized by Colorado statutes to invest in the following:

- Obligations of the United States and certain U.S. government agencies' securities
- Certain international agencies' securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Certain commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposits
- Certain money market fund
- Guaranteed investment contracts

Fair Value Measurements – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest level to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest level to unobservable inputs (level 3) as follows:

Level 1 Unadjusted quoted prices for identical instruments in active markets.

Level 2 Observable inputs other than quoted market prices.

Level 3 Valuation derived from valuation techniques in which significant inputs are unobservable

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The District has the following fair value measurements as of December 31, 2019:

	<u>Fair Value Measurements Using</u>			
	<u>December 31,</u> <u>2019</u>	<u>Quoted Prices</u> <u>In Active</u> <u>Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 3)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u>
Investments by fair level:				
Government Bonds	\$ 4,059,189	-	\$4,059,189	-
Investment Pool	<u>8,143,139</u>	<u>\$ 8,143,139</u>	<u>-</u>	<u>-</u>
Total investments by fair level value:	<u>\$12,202,328</u>	<u>\$ 8,143,139</u>	<u>\$4,059,189</u>	<u>\$ -</u>

Fixed income securities classified in Level 2 of the fair value hierarchy are valued primarily using quoted prices in inactive markets, as well as other pricing methods using observable inputs.

Colorado Government Liquid Asset Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes by state statutes. A twelve-member Board of Trustees, elected by the fund participants, is responsible for overseeing the management of COLOTRUST, including establishing operating standards and policies. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Designated custodial banks provide safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes. The District has no unfunded commitments or redemption restrictions on their investment in COLOTRUST. The separate audited financial statements of COLOTRUST are available on their website at www.colotrust.com.

Investments with maturities of less than 90 days are classified as cash and cash equivalents on the financial statements.

The District's investments are subject to interest rate risk and credit risk as described below:

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Credit Risk: State law limits investments to those described above. The District does not have an investment policy that would further limit its investment choices. As of December 31, 2019 the District's ColoTrust investment is rated AAAM by Standard & Poor's.

5. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31, 2019:

GENERAL FUND		
Cash with County Treasurer		\$ 31,782
Taxes from town		<u>416,091</u>
Total general fund		<u>447,873</u>
WATER AND WASTEWATER FUND		
User fees receivable		<u>40,818</u>
Total water and wastewater fund		<u>40,818</u>
Total accounts receivables		<u>\$ 488,691</u>

6. INTERFUND BALANCES AND TRANSFERS

Interfund balances consisted of the following at December 31, 2019:

Receivable	Payable	Amount
Enterprise fund	General fund	<u>\$ 7,070.123</u>

The enterprise fund has a receivable from the general fund, the purpose of this interfund balance is to be a mechanism to track the proper allocation of payments and receipts. During the year ended December 31, 2019 the General Fund transferred \$400,000 to the Enterprise Fund..

7. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and are payable in two installments due February 28 and June 15, or in one installment due April 30. El Paso County bills and collects property taxes for the District. District property tax revenues are recognized when levied to the extent that they result in current receivables. The tax rate for the year ended December 31, 2019 was 35.000 mills. The District's assessed valuation for 2018, for taxes collected in 2019, was \$83,183,850.

8. ESCROW FUNDS HELD

Escrow accounts in the District's name have been established. As a result of agreements between the District, El Paso County, Centre Development and Pinetree Properties one million dollars was deposited with the District to construct infrastructure improvements west of Interstate 25 and to provide service to that portion of the District. In 2018, an escrow account was established to construct the Western Interceptor and West Water Loop. The balance in the initial Escrow account was transferred to the Western Interceptor escrow. Several other developers contributed to the escrow to construct the improvements. The balance of the remaining escrows totaled \$201,970 at December 31, 2019.

9. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance at December 31, 2018	Additions	Disposals/ Retirements	Balance at December 31, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Construction in process	\$ 131,980	\$ 5,447,129	\$ -	\$ 5,579,109
Total capital assets not being depreciated	131,980	5,447,129	-	5,579,109
Capital assets, being depreciated:				
Road and streets	14,843,506	1,664,399	-	16,507,905
Traffic control	436,399	-	-	436,399
Parks, landscape and open space	1,597,182	10,202	-	1,607,384
Equipment	365,501	110,681	-	476,182
Office space	172,345	40,315	-	212,660
Total capital assets being depreciated	17,414,933	1,825,597	-	19,240,530
Less accumulated depreciation for:				
Road and streets	(6,069,897)	(439,344)	-	(6,509,241)
Traffic control	(402,434)	(14,253)	-	(416,687)
Parks, landscape and open space	(493,733)	(39,608)	-	(533,341)
Equipment	(241,200)	(60,483)	-	(301,683)
Office space	(26,190)	(4,815)	-	(31,005)
Total accumulated depreciation	(7,233,454)	(558,503)	-	(7,791,957)
Total capital assets, net	<u>\$ 10,313,459</u>	<u>\$ 6,714,223</u>	<u>\$ -</u>	<u>\$ 17,027,682</u>
Business-type activities:				
Capital assets, not being depreciated:				
Water rights	\$ 11,977,058	\$ 4,221,213	\$ -	\$ 16,198,271
Construction in process	855,674	1,655,138	-	2,510,812
Total capital assets not being depreciated	12,832,732	5,876,351	-	18,709,083
Capital assets, being depreciated:				
Wells	2,554,746	202,604	-	2,757,350
Water storage tank	1,038,433	-	-	1,038,433
Wastewater treatment facility	10,017,728	-	-	10,017,728
Water distribution system and treatment facility	19,598,929	326,710	-	19,925,639
Sanctuary Pointe	3,472,177	-	-	3,472,177
Equipment	485,952	100,521	-	586,473
Total capital assets being depreciated	37,167,965	629,835	-	37,797,800
Less accumulated depreciation for:				
Wells	(948,246)	(86,606)	-	(1,034,852)
Water storage tank	(559,683)	(25,961)	-	(585,644)
Wastewater treatment facility	(3,743,049)	(250,605)	-	(3,993,654)
Water distribution system and treatment facility	(8,025,948)	(493,223)	-	(8,519,171)
Sanctuary Pointe	(202,856)	(88,247)	-	(291,103)
Equipment	(129,129)	(87,024)	-	(216,153)
Total accumulated depreciation	(13,608,911)	(1,031,666)	-	(14,640,577)
Total capital assets, net	<u>\$ 36,391,786</u>	<u>\$ 5,474,520</u>	<u>\$ -</u>	<u>\$ 41,866,306</u>

10. LONG-TERM LIABILITIES

Revenue Bonds — On November 29, 2018 the District issued Water and Wastewater Enterprise Revenue and Refunding and Improvement Bonds in the amount of \$11,165,000. The bonds were issued to retire existing debt consisting of a Tax Exempt Revenue Note issued in 2014 through Northstar/Independent Bank and the refunding of the Water and Wastewater Enterprise Revenue Bonds issued in 2016. In addition, the issuance of the bonds provided \$416,000 for the purchase of water rights. The bonds are payable semiannually on June 1 and December 1 each year commencing June 1, 2019 with the final payment due December 1, 2048. The bonds are pledged by water and sewer revenue and have a variable interest rate of 4% to 5%.

Annual debt service requirements to maturity for business-type activities bonds are as follows:

<u>December 31,</u>	<u>Business Type Activities.</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 185,000	\$ 479,350
2021	195,000	470,100
2022	205,000	460,350
2023	215,000	450,100
2024	225,000	439,350
2025 - 2029	1,295,000	2,017,250
2030 - 2034	1,655,000	1,659,250
2035 - 2039	2,080,000	1,243,000
2040 - 2044	2,525,000	793,000
2045- 2048	2,410,000	246,000
Total	<u>\$ 10,990,000</u>	<u>\$ 8,257,750</u>

General Obligation Bonds — The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Voters of the District authorized the issuance of \$50,840,800 of debt at special elections held in November 1986 and November 1987. General obligation bonds have been issued for governmental activities.

On December 15, 2016, the District issued \$46,215,000 in general obligation bonds with interest rates ranging from 4.0% to 5.0%. The District issued the bonds to advance refund \$42,740,000 of the outstanding Series 2009 general obligation bonds. The refunding was undertaken to lock in interest rates which were being remarketed weekly with the refunded bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$4,526,516. This amount is netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. The 2009 Series Bonds were redeemed in November 2019 when the remaining bonds became callable. As of December 31, 2019, the balance in the Escrow account for the refunding of the 2009 Series Bonds was \$0.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Series 2016 General Obligation Refunding Bonds bearing interest rates ranging from 4.00% to 5.00% until maturity on November 1, 2046.

\$ 45,100,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>December 31,</u>	<u>Governmental Activities.</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 630,000	\$ 1,899,613
2021	655,000	1,874,412
2022	730,000	1,848,213
2023	760,000	1,815,363
2024	845,000	1,781,163
2025 - 2029	5,215,000	8,211,062
2030 - 2034	7,355,000	6,745,462
2035 - 2039	9,700,000	5,052,162
2040 - 2044	12,630,000	2,858,625
2045 - 2046	6,020,000	376,200
Total	<u>\$ 44,540,000</u>	<u>\$ 32,462,275</u>

Changes In Long-Term Liabilities —

	<u>Balance at</u>			<u>Balance at</u>	<u>Amounts</u>
	<u>December 31,</u>		<u>December 31,</u>		
<u>Governmental Activities:</u>	<u>2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>2019</u>	<u>Within</u>
Series 2016 GO Bonds	\$ 45,100,000	\$ -	\$ 560,000	\$ 44,540,000	\$ 630,000
Bond Issuance Premium	855,885	-	30,613	825,272	-
Total - Governmental Activities	<u>\$ 45,955,885</u>	<u>\$ -</u>	<u>\$ 590,613</u>	<u>\$ 45,365,272</u>	<u>\$ 630,000</u>
<u>Business-Type Activities:</u>					
Revenue Bonds - 2018	\$ 11,165,000	\$ -	\$ 175,000	\$ 10,990,000	\$ 185,000
Bond Issuance Premium	326,674	-	10,889	315,785	10,889
Total - Business-Type Activities	<u>\$ 11,491,674</u>	<u>\$ -</u>	<u>\$ 185,889</u>	<u>\$ 11,305,785</u>	<u>\$ 195,889</u>

11. NET POSITION

The District has net assets consisting of three components: net investment in capital assets; restricted; and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

As of December 31, 2019, the District had net investment in capital assets as follows:

Net investment in capital assets:	
Capital assets, net of depreciation	\$ 58,898,988
Capital asset related to deferred outflow	4,000,524
Long-term liabilities due within one year	(815,000)
Long-term liabilities due in more than one year	(55,856,057)
Retainage payable	<u>(262,134)</u>
Total net investment in capital assets	<u>\$ 5,966,321</u>

Restricted assets are reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets are assets which have restrictions placed on the use of the assets through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported:

As of December 31, 2019, the District had restricted net position as follows:

Restricted for debt service	\$ 1,496,875
Restricted contributions	201,970
Emergency reserve (TABOR)	<u>132,000</u>
Total restricted	<u>\$ 1,830,845</u>

Unrestricted net position consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The District utilizes unrestricted net position before using restricted net position. As of December 31, 2019, the District had unrestricted net position of \$14,675,122.

12. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settlements have not exceeded coverage during the past three fiscal years.

13. COMMITMENTS AND CONTINGENCIES

Litigation — The District is involved in pending or threatened lawsuits and claims. The District and its legal counsel estimate that the potential claims against the District not covered by insurance or accrued for, resulting from such litigation, would not materially affect the financial statements of the District.

Tap fees — In 2007, the District settled a condemnation proceeding with a developer by agreeing to provide the developer with a credit for sewer and water tap fees in the cumulative amount of \$436,000. As of December 31, 2019 the developer had a remaining credit for sewer and water tap fees in the amount of \$48,000.

Commitments - On January 23, 2015 the District entered into an agreement with certain developers to expand the District's infrastructure to provide water, sewer and other standard services to a new area, Phase I of Sanctuary Pointe (Phase I) within the District's boundaries. The expansion of the District's services to this new area will require additional infrastructure estimated to cost approximately \$4,850,000.

A separate escrow account was set up for a portion of the tap fees to be used to fund the additional infrastructure improvements. The District pledged to escrow \$8,000 from each single family and \$6,000 from each multi-family tap fee from Phase I. The agreement required the Developers in Phase I to pay a Water Impact Fee of \$3,000, in excess of the standard District tap fees.

The agreement committed funding of approximately \$2,400,000 from escrowed tap fees and an additional \$250,000 from the District. The additional funding of approximately \$2,200,000 will be provided by the Developers. The contribution from the Developers will be repaid by the District from additional escrowed tap fees based on the schedule above. The estimated remaining funding of \$250,000 not supplied by the tap fees was required from the District within 90 days of the of the installation of the final residential meter in Phase I. As of December 31, 2019, the District had expended \$2,650,000 for infrastructure improvements in accordance with the Agreement.

Should the Developers fail to complete the development within two years after filing their intent to proceed the District will not be obligated to reimburse the Developers for all sewer infrastructure estimated to be approximately \$1,355,000.

14. INTERGOVERNMENTAL AGREEMENTS

Intergovernmental Agreement with Forest Lakes Metropolitan District and Donala Water and Sanitation District — The District entered into an agreement dated November 11, 1999, subsequently amended on October 25, 2001, with Forest Lakes Metropolitan District and Donala Water and Sanitation District to define ownership rights in the wastewater treatment plant. Under the amended agreement, the District and Forest Lakes transferred part ownership to Donala.

In 2009 the District completed an expansion of the plant to 1.75 million gallons per day (MGD). Under the terms of the above agreements, the three Districts reallocated ownership. Ownership was also modified under a 2009 agreement between the District and Donala, with the District deeding ownership of 6.7% of the 1.75 MGD capacity to Donala. The current ownership is 37.3% owned by the District, 17.1% by Forest Lakes, and 45.6% by Donala. The plant is currently being operated by Donala and all parties are responsible for their respective share of operations and maintenance costs, based on the relative share of actual flows.

In 2009 the District deeded 6.7% of the 1.75 MGD total plant treatment capacity to Donala. The District expects the 6.7% of plant ownership to be deeded back to the District pursuant to the intergovernmental agreement to fund the completion of the wastewater treatment plant

In addition, in accordance with the November 11, 1999 agreement, an ownership interest in a 24" interceptor was transferred to the Forest Lakes Metropolitan District. As a result of the transfer, the interceptor is owned 50% by the District, 25% by Forest Lakes, and 25% by Donala.

Intergovernmental Agreement with Forest Lakes Metropolitan — On March 28, 2002, the District entered into an intergovernmental agreement with Forest Lakes Metropolitan District for the design, construction, operation and ownership of the Monument Creek Interceptor.

Intergovernmental Agreements with the Town of Monument — The 1987-1999 IGA with the Town of Monument is part of (appendix to) the 1987 Annexation Agreement which brought the property into the Town. This IGA sets out how the District and the Town will interact as two separate public entities. Additionally, the IGA contains various requirements for Triview Metropolitan District to follow, including the collection of certain fees and the methods for infrastructure construction as well as the maintenance of said facilities.

15. AMENDMENT TO COLORADO CONSTITUTION

Colorado voters passed an amendment to the *State Constitution*, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On November 6, 2006 District residents voted to exempt the District from the revenue limits of the Amendment. This revenue change was effective from January 1, 2007 through December 31, 2017. On November 7, 2017 District residents voted to continue the exemption of the revenue limits indefinitely.

The Amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment's language in order to determine its compliance.

REQUIRED SUPPLEMENTAL INFORMATION

TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u> <u>Original</u>	<u>Budgeted Amounts</u> <u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUE				
Taxes	\$ 5,993,935	\$ 5,904,000	\$ 5,903,559	\$ (441)
Fees	584,000	740,000	739,358	(642)
Conservation trust funds	20,000	20,000	22,460	2,460
Interest income	265,000	155,000	155,380	380
Miscellaneous revenue	15,000	35,000	37,631	2,631
Total Revenues	<u>6,877,935</u>	<u>6,854,000</u>	<u>6,858,388</u>	<u>4,388</u>
EXPENDITURES				
General government	768,260	796,000	797,178	(1,178)
Streets	427,695	565,000	562,165	2,835
Capital	6,883,775	7,200,000	7,197,228	2,772
Lighting	52,000	52,000	52,011	(11)
Signage	4,000	1,000	636	364
Traffic control	4,000	18,000	18,115	(115)
Drainage	20,000	20,000	20,301	(301)
Parks, landscape & open space	437,815	395,000	390,359	4,641
Capital	269,375	76,000	75,498	502
Conservation trust	20,000	20,000	22,460	(2,460)
Debt Service:				
Interest and fiscal charges	2,484,513	2,489,000	2,487,013	1,987
Total Expenditures	<u>11,371,433</u>	<u>11,632,000</u>	<u>11,622,964</u>	<u>9,036</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(4,493,498)</u>	<u>(4,778,000)</u>	<u>(4,764,576)</u>	<u>13,424</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(400,000)	(400,000)	(400,000)	-
Total other financing sources	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,893,498)	(5,178,000)	(5,164,576)	13,424
FUND BALANCE - BEGINNING OF YEAR	<u>14,249,820</u>	<u>7,557,067</u>	<u>7,557,067</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,356,322</u>	<u>\$ 2,379,067</u>	<u>\$ 2,392,491</u>	<u>\$ 13,424</u>

These financial statements should be read only in connection with the
accompanying notes to financial statements.

SUPPLEMENTAL INFORMATION

TRIVIEW METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
NET POSITION (NON-GAAP BUDGETARY BASIS)
WATER AND WASTEWATER FUND
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u> <u>Original</u>	<u>Budgeted Amounts</u> <u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Water assessments	\$ 2,859,550	\$ 3,050,000	\$ 3,040,652	\$ (9,348)
Sewer assessments	1,296,960	1,500,000	1,495,730	(4,270)
Interest income	25,000	250,000	249,391	(609)
Water and sewer tap fees	1,891,500	2,300,000	2,303,847	3,847
Payment in lieu of water	100,000	1,025,000	1,026,945	1,945
Fees	100,000	120,000	122,101	2,101
Developer contributions	-	810,000	810,708	708
Miscellaneous income	40,000	95,000	95,979	979
Total Revenues	<u>6,313,010</u>	<u>9,150,000</u>	<u>9,145,353</u>	<u>(4,647)</u>
EXPENDITURES				
General & administrative:				
Salaries & wages	290,960	325,000	323,512	1,488
Employee benefits	113,342	100,000	100,051	(51)
Engineering	12,000	55,000	54,750	250
Legal	5,500	60,000	59,131	869
Communications	20,000	35,000	30,603	4,397
Accounting and auditing	30,100	40,000	38,316	1,684
Conference/training/class	6,000	6,000	2,221	3,779
Dues, publications & subscriptions	9,000	6,300	8,847	(2,547)
IT support	3,200	1,000	8,279	(7,279)
Office supplies & equipment	5,000	5,000	6,551	(1,551)
Postage	800	4,000	872	3,128
Publications - legal notice	-	350	-	350
Repairs & maintenance	1,000	1,500	1,376	124
Telephone service	4,800	5,000	5,218	(218)
Travel & meetings	750	750	439	311
Office overhead	1,100	1,200	1,840	(640)
Insurance	22,250	20,000	23,430	(3,430)
Billing expense	74,000	65,000	65,472	(472)
Miscellaneous	900	7,500	7,252	248
Vehicle repair and maintenance	8,000	20,000	19,529	471
Total General & Administrative	<u>608,702</u>	<u>758,600</u>	<u>757,689</u>	<u>911</u>
Water system	762,200	630,000	628,186	1,814
Wastewater system	693,343	735,000	734,785	215
Principal payments on capital debt	175,000	175,000	175,000	-
Interest and bond expense	490,812	515,000	515,562	(562)
Tap fee credits	720,000	305,000	302,116	2,884
Capital expenditures	1,729,751	6,516,000	6,506,186	9,814
Total Expenses	<u>5,179,808</u>	<u>9,634,600</u>	<u>9,619,524</u>	<u>15,076</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>1,133,202</u>	<u>(484,600)</u>	<u>(474,171)</u>	<u>10,429</u>
OTHER FINANCING SOURCES (USES)				
Reserve for 2018 Water Improvement Project	416,000	-	-	-
Transfer from (to) other funds	400,000	400,000	400,000	-
Total other financing sources	<u>816,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES	1,949,203	(84,600)	(74,171)	10,429
NET POSITION - BEGINNING OF YEAR	<u>5,681,093</u>	<u>13,237,507</u>	<u>13,237,507</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 7,630,296</u>	<u>\$ 13,152,907</u>	<u>\$ 13,163,336</u>	<u>\$ 10,429</u>

**TRIVIEW METROPOLITAN DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND
Year Ended December 31, 2019**

Excess of revenues over expenses	<u>\$ (74,171)</u>
Reconciling Items:	
Expenditures included in statement of revenues, expenses and changes in net position, but not included with expenditures on a budgetary basis:	
Depreciation	(1,031,666)
Expenditures included under budgetary basis, but not included in statement of revenues, expenses and changes in net position	
Capital outlay - water system improvements and water rights	6,506,186
Amortization on refunding	(64,022)
Debt paid	175,000
Amortization of Bond Premium	10,889
Change in Accrued Interest	<u>1,180</u>
Change in net position per statement of revenues, expenses and changes in net position	<u><u>\$ 5,523,396</u></u>