

## **TRIVIEW METROPOLITAN DISTRICT**

BASIC FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

### **BOARD OF TRUSTEES**

President Mark Melville  
Vice President Marco Fiorito  
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Director James Otis  
Director Anthony Sexton

James McGrady - District Manager

# TRIVIEW METROPOLITAN DISTRICT

## TABLE OF CONTENTS


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	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	3
<b>BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020:</b>	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Fund and Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund to the Statement of Activities	13
Statement of Net Position – Proprietary Fund – Water and Wastewater Fund	14
Statement of Revenues, Expenses and Change in Net Position – Proprietary Fund – Water and Wastewater Fund	15
Statement of Cash Flows – Proprietary Fund – Water and Wastewater Fund	16
Notes to Financial Statements	18
<b>REQUIRED SUPPLEMENTAL INFORMATION:</b>	
Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – General Fund	36
<b>SUPPLEMENTAL INFORMATION:</b>	
Schedule of Revenues, Expenses and Change in Net Position – Budget and Actual (Non-GAAP Budgetary Basis) – Water and Wastewater Fund	37
Reconciliation of Budgetary Basis to Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	38


## **INDEPENDENT AUDITOR'S REPORT**



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## Independent Auditor's Report

To the Board of Directors  
Triview Metropolitan District  
Monument, Colorado

### Opinion

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2020, 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.

### Basis for Opinion

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

### Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Triview Metropolitan District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

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



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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Triview Metropolitan District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Triview Metropolitan District's ability to continue as a going concern for a reasonable period of time.

### **Other-Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, 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. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Triview Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

The Continuing Disclosure Annual Financial Information section has 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.

*Haysie & Company*

Littleton, Colorado

September 23, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# TRIVIEW METROPOLITAN DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2020. 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: \$115,857,423 for 2020.
- Deferred Outflows of Resources were \$3,880,624.
- Cash, Cash Equivalents and Investments as of December 31, 2020 were \$22,519,381.
- Total Liabilities for 2020 equaled \$87,619,670.
- Deferred Inflows of Resources were \$2,735,915.
- Net Position for 2020 totaled \$29,382,462.
- Governmental change in Net Position from 2019 to 2020 was an increase of \$2,252,871.
- Business-type change in Net Position from 2019 to 2020 was an increase of \$4,658,003.

### 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:**

	2020			2019		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
<b>ASSETS</b>						
Other	\$ 4,583,621	\$ 21,525,313	\$ 26,108,934	\$ 6,006,359	\$ 15,200,791	\$ 21,207,150
Capital	19,581,534	70,166,955	89,748,489	17,027,682	41,866,306	58,893,988
Total assets	<u>\$ 24,165,155</u>	<u>\$ 91,692,268</u>	<u>\$ 115,857,423</u>	<u>\$ 23,034,041</u>	<u>\$ 57,067,097</u>	<u>\$ 80,101,138</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	<u>\$ 3,739,296</u>	<u>\$ 141,328</u>	<u>\$ 3,880,624</u>	<u>\$ 3,936,101</u>	<u>\$ 162,011</u>	<u>\$ 4,098,112</u>



	2020			2019		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
<b>LIABILITIES</b>						
Current	\$ 1,191,606	\$ 2,280,857	\$ 3,472,463	\$ 1,515,054	\$ 1,310,435	\$ 2,825,489
Long-term	<u>44,049,659</u>	<u>40,097,548</u>	<u>84,147,207</u>	<u>44,735,272</u>	<u>11,120,785</u>	<u>55,856,057</u>
Total liabilities	<u>\$ 45,241,265</u>	<u>\$ 42,378,405</u>	<u>\$ 87,619,670</u>	<u>\$ 46,250,326</u>	<u>\$ 12,431,220</u>	<u>\$ 58,681,546</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	<u>\$ 2,735,915</u>	<u>\$ -</u>	<u>\$ 2,735,915</u>	<u>\$ 3,045,416</u>	<u>\$ -</u>	<u>\$ 3,045,416</u>
<b>NET POSITION</b>						
Net investment in capital assets	\$ (21,383,829)	\$ 29,745,735	\$ 8,361,906	\$ (24,756,211)	\$ 30,722,532	\$ 5,966,321
Restricted position	163,000	-	163,000	1,628,875	201,970	1,830,845
Unrestricted position	<u>1,148,100</u>	<u>19,709,456</u>	<u>20,857,556</u>	<u>801,736</u>	<u>13,873,386</u>	<u>14,675,122</u>
Total net position	<u>\$ (20,072,729)</u>	<u>\$ 49,455,191</u>	<u>\$ 29,382,462</u>	<u>\$ (22,325,600)</u>	<u>\$ 44,797,888</u>	<u>\$ 22,472,288</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:

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Charges of services</b>						
User charges (rates)	\$ -	\$ 6,445,640	\$ 6,445,640	\$ -	\$ 5,441,226	\$ 5,441,226
Impact fees	886,160	-	886,160	739,358	-	739,358
<b>Capital contributions:</b>						
Water & sewer tap fees	-	3,104,924	3,104,924	-	2,303,847	2,303,847
<b>GENERAL</b>						
Tax revenue	6,381,095	-	6,381,095	5,903,559	-	5,903,559
Interest income	50,499	57,883	108,382	155,380	249,391	404,771
Other	<u>301,985</u>	<u>390,977</u>	<u>692,962</u>	<u>60,091</u>	<u>1,028,788</u>	<u>1,088,879</u>
Total revenue	<u>7,619,739</u>	<u>9,999,424</u>	<u>17,619,163</u>	<u>6,858,388</u>	<u>9,023,252</u>	<u>15,881,640</u>

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONAL</b>						
General government	739,111	-	739,111	801,994	-	801,994
Streets	1,228,342	-	1,228,342	1,046,003	-	1,046,003
Lighting	66,064	-	66,064	52,011	-	52,011
Drainage	29,850	-	29,850	20,301	-	20,301
Signage	1,694	-	1,694	636	-	636
Traffic control	10,382	-	10,382	18,115	-	18,115
Parks	641,171	-	641,171	460,209	-	460,209
Conservation	22,054	-	22,054	22,460	-	22,460
Debt service	2,228,200	-	2,228,200	2,091,926	-	2,091,926
Water, wastewater and reuse	-	5,741,421	5,741,421	-	3,899,856	3,899,856
Total expenditures	<u>4,966,868</u>	<u>5,741,421</u>	<u>10,708,289</u>	<u>4,513,655</u>	<u>3,899,856</u>	<u>8,413,511</u>
Transfers	<u>(400,000)</u>	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>	<u>400,000</u>	<u>-</u>
Change in net position	2,252,871	4,658,003	6,910,874	1,944,733	5,523,396	7,468,129
Net position – beginning 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>
Net position – end of year	<u>\$ (20,072,729)</u>	<u>\$ 49,455,891</u>	<u>\$ 29,383,162</u>	<u>\$ (22,325,600)</u>	<u>\$ 44,797,888</u>	<u>\$ 22,472,288</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 2020, 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. Continued residential development resulted in revenue amounts above budgeted amounts in tap fees and related fees. In addition, water usage and sewer service revenue exceeded budgeted numbers.

Capital assets for the Governmental Activities increased in 2020 due to capital outlays exceeding depreciation by over \$8,000,000 as a result of continued road improvements amongst other projects and equipment purchases. Capital assets for the Business-type Activities increased also due to capital outlay exceeding depreciation in 2020 as the District invested over \$29,000,000 in water rights, land, equipment and capital improvements during the year.



## CAPITAL ASSETS:

	2020			2019		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Operating systems	\$ 28,074,727	\$ 85,934,580	\$ 114,009,307	\$ 24,819,639	\$ 56,506,883	\$ 81,326,522
Accumulated depreciation	<u>(8,493,193)</u>	<u>(15,767,625)</u>	<u>(24,260,818)</u>	<u>(7,791,957)</u>	<u>(14,640,577)</u>	<u>(22,432,534)</u>
Total capital assets, net	<u>\$ 19,581,534</u>	<u>\$ 70,166,955</u>	<u>\$ 89,748,489</u>	<u>\$ 17,027,682</u>	<u>\$ 41,866,306</u>	<u>\$ 58,893,988</u>

Long-term liabilities increased during 2020 by \$28,596,150 due to the 2020 and 2020B Bonds being issued during the year.

## LONG-TERM DEBT:

	2020			2019		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Bonds payable	\$ -	\$ 40,562,548	\$ 40,562,548	\$ -	\$ 11,305,785	\$ 11,305,785
G.O. bonds payable	<u>44,704,659</u>	<u>-</u>	<u>44,704,659</u>	<u>45,365,272</u>	<u>-</u>	<u>45,365,272</u>
Total debt	<u>\$ 44,704,659</u>	<u>\$ 40,562,548</u>	<u>\$ 85,267,207</u>	<u>\$ 45,365,272</u>	<u>\$ 11,305,785</u>	<u>\$ 56,671,057</u>

## FUTURE TRENDS AND ECONOMIC FACTORS

As of December 31, 2020, there are 1,965 residential taps and 70 commercial 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 2021. This continued growth will result in the collection of tap fees that will help to build and maintain infrastructure. Residential and commercial development also impacts the following revenue bases:

- 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 302, Monument, Colorado, 80132.



## **BASIC FINANCIAL STATEMENTS**

**TRIVIEW METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**December 31, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,574,527	\$ 1,130,407	\$ 3,704,934
Cash and cash equivalents, restricted	2,012,105	-	2,012,105
Investments	3,176,979	13,625,363	16,802,342
Property taxes receivable	2,735,915	-	2,735,915
Accounts receivable	656,443	66,544	722,987
Prepaid expenses	123,794	6,857	130,651
Internal balances	(6,696,142)	6,696,142	-
Capital assets, net of accumulated depreciation	19,581,534	70,166,955	89,748,489
Total assets	<u>24,165,155</u>	<u>91,692,268</u>	<u>115,857,423</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	3,739,296	141,328	3,880,624
Total deferred outflows of resources	<u>3,739,296</u>	<u>141,328</u>	<u>3,880,624</u>
<b>LIABILITIES</b>			
Accounts payable	224,204	1,638,870	1,863,074
Accrued interest	312,402	128,987	441,389
Accrued settlement	-	48,000	48,000
Long-term liabilities			
Due within one year	655,000	465,000	1,120,000
Due in more than one year	44,049,659	40,097,548	84,147,207
Total liabilities	<u>45,241,265</u>	<u>42,378,405</u>	<u>87,619,670</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	2,735,915	-	2,735,915
Total deferred inflows of resources	<u>2,735,915</u>	<u>-</u>	<u>2,735,915</u>
<b>NET POSITION</b>			
Net investment in capital assets	(21,383,829)	29,745,735	8,361,906
Restricted			
Emergency reserve (TABOR)	163,000	-	163,000
Unrestricted	1,148,100	19,709,456	20,857,556
Total net position	<u>\$ (20,072,729)</u>	<u>\$ 49,455,191</u>	<u>\$ 29,382,462</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, 2020

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
<b>Governmental activities:</b>							
General government	739,111	\$ -	\$ -	\$ -	\$ (739,111)	\$ -	\$ (739,111)
Streets	1,228,342	164,464	-	-	(1,063,878)	-	(1,063,878)
Lighting	66,064	-	-	-	(66,064)	-	(66,064)
Drainage	29,850	209,000	-	-	179,150	-	179,150
Signage	1,694	-	-	-	(1,694)	-	(1,694)
Traffic control	10,382	-	-	-	(10,382)	-	(10,382)
Parks, landscape and open space	641,171	512,696	-	-	(128,475)	-	(128,475)
Conservation Trust	22,054	-	-	-	(22,054)	-	(22,054)
Interest and fiscal charges	2,228,200	-	-	-	(2,228,200)	-	(2,228,200)
General government	\$ 4,966,868	\$ 886,160	\$ -	\$ -	(4,080,708)	-	(4,080,708)
<b>Business-type activities:</b>							
Water and Wastewater Fund	\$ 5,479,990	\$ 9,288,433	\$ -	\$ -	3,808,443	3,808,443	3,808,443
Total	\$ 5,479,990	\$ 9,288,433	\$ -	\$ -	3,808,443	3,808,443	3,808,443
<b>General revenues and transfers:</b>							
Taxes					6,381,095	-	6,381,095
Investment earnings					50,499	57,883	108,382
Conservation Trust funds					22,054	-	22,054
Other revenue					279,931	390,977	670,908
Transfers					(400,000)	400,000	-
Total general revenue					6,333,579	848,860	7,182,439
Change in net position					2,252,871	4,657,303	6,910,174
Net position - Beginning					(22,325,600)	44,797,888	22,472,288
Net position - Ending					\$ (20,072,729)	\$ 49,455,191	\$ 29,382,462

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, 2020**

	<b>General</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,574,527
Investments	3,176,979
Restricted cash and cash equivalents	2,012,105
Property taxes receivable	2,735,915
Accounts receivable, other	656,443
Prepaid expense	123,794
Total assets	\$ 11,279,763
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	
Accounts payable	\$ 224,204
Due to other funds	6,696,142
Total liabilities	6,920,346
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue	2,735,915
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	2,735,915
 <b>FUND BALANCE</b>	
Nonspendable:	
Prepaid expenditures	123,794
Restricted:	
Debt service	2,012,105
Emergency reserves	163,000
Unassigned	(675,397)
Total fund balance	1,623,502
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	
	\$ 11,279,763
 Total fund balance, governmental funds	
	\$ 1,623,502
 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	19,581,534
Deferred outflows of resources are not current financial resources, and therefore are not reported in the funds	3,739,296
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds	(312,402)
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	(44,704,659)
Net position of governmental activities	\$ (20,072,729)

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

**TRIVIEW METROPOLITAN DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUND  
Year Ended December 31, 2020**

	<b>General</b>
<b>REVENUE</b>	
Taxes	\$ 6,381,095
Fees	886,160
Conservation trust funds	22,054
Interest income	50,499
Sale of asset	250,000
Miscellaneous revenue	29,931
Total revenue	7,619,739
 <b>EXPENDITURES</b>	
General government	774,311
Streets	3,828,641
Lighting	66,064
Signage	1,694
Traffic control	3,718
Drainage	29,850
Parks, landscape and open space	731,783
Conservation Trust	22,054
Debt Service:	
Interest and fiscal charges	2,530,613
Total expenditures	7,988,728
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	(368,989)
 <b>OTHER FINANCING SOURCES (USES)</b>	
Transfers out	(400,000)
Total other financing sources	(400,000)
<b>NET CHANGE IN FUND BALANCE</b>	(768,989)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	2,392,491
<b>FUND BALANCE - END OF YEAR</b>	\$ 1,623,502

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, 2020**

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>\$ (768,989)</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.	2,553,852
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>468,008</u>
Change in net position - Governmental activities	<u>\$ 2,252,871</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, 2020**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Current assets	
Cash and cash equivalents	\$ 1,130,407
Investments	13,625,363
Accounts receivable	66,544
Prepaid expenses	6,857
Due from other funds	6,696,142
Total current assets	<u>21,525,313</u>
Non-current assets	
Capital assets, net of depreciation	<u>70,166,955</u>
Total non-current assets	<u>70,166,955</u>
Total assets	<u>91,692,268</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred amount on refunding	<u>141,328</u>
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**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

\$ 91,833,596

**LIABILITIES AND NET POSITION**

Current liabilities	
Accounts payable	\$ 1,638,870
Accrued interest	128,987
Accrued settlement	48,000
Bonds payable	465,000
Total current liabilities	<u>2,280,857</u>
Non-current liabilities	
Bonds payable	<u>40,097,548</u>
Total non-current liabilities	<u>40,097,548</u>
Total liabilities	<u>42,378,405</u>

**NET POSITION**

Net investment in capital assets	29,745,735
Unrestricted	19,709,456
Total net position	<u>49,455,191</u>

**TOTAL LIABILITIES AND NET POSITION**

\$ 91,833,596

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, 2020**

<b>OPERATING REVENUE</b>	
Water sales	\$ 4,462,196
Tap fees	3,104,924
Payment in lieu of fees	262,131
Sewer charges	1,721,313
Total operating revenue	<u>9,550,564</u>
 <b>OPERATING EXPENSES</b>	
Water system	830,465
Wastewater system	710,659
General and administrative	1,003,252
Depreciation	1,127,048
Total operating expenses	<u>3,671,424</u>
 <b>OPERATING INCOME</b>	 <u>5,879,140</u>
 <b>NONOPERATING REVENUE (EXPENSE)</b>	
Interest income	57,883
Miscellaneous income	290,977
Bond issuance costs	(489,531)
Developer refund	(265,025)
Tap fee credits	(443,732)
Interest expense	(872,409)
Total nonoperating expense, net	<u>(1,721,837)</u>
 <b>INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</b>	 4,157,303
 <b>CONTRIBUTIONS</b>	 100,000
 <b>TRANSFERS IN</b>	 <u>400,000</u>
 <b>CHANGE IN NET POSITION</b>	 <u>4,657,303</u>
 <b>NET POSITION - BEGINNING OF YEAR</b>	 <u>44,797,888</u>
 <b>NET POSITION - END OF YEAR</b>	 <u>\$ 49,455,191</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, 2020**

	<b>Water and Wastewater</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 9,545,220
Cash payments to suppliers for goods and services	(3,103,480)
Cash payments to employees for services	(445,183)
Net cash provided by operating activities	5,996,557
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers in	400,000
Miscellaneous non-operating income	390,977
Change in due from other funds	373,981
Net cash provided by noncapital financing activities	1,164,958
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(29,427,697)
Developer contributions	100,000
Principal paid on debt	(185,000)
Bond proceeds	27,080,000
Bond premium	2,397,675
Bond issuance costs	(489,531)
Developer refunds	(265,024)
Tap fee credits	(443,732)
Interest and other debt-related charges	(798,591)
Net cash used in capital and related financing activities	(2,031,900)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(5,135,000)
Investment income	57,883
Net cash used by investing activities	(5,077,117)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	52,498
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	1,077,909
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,130,407
Cash is reflected on The Statement of Net Position as follows:	
Cash and Cash Equivalents	\$ 1,130,407
	\$ 1,130,407

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, 2020**

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

Operating income	\$ 5,879,140
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	1,127,048
Effects of changes in operating assets and liabilities:	
Accounts receivable	(25,726)
Prepaid expense	(3,164)
Accounts payable	<u>(980,741)</u>
Total adjustments	<u>117,417</u>
Net cash provided by operating activities	<u><u>\$ 5,996,557</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

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### 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	\$ 28,074,727
Accumulated depreciation	<u>(8,493,193)</u>
Net adjustment to fund balance – governmental fund to arrive at net position – governmental activities	<u>\$ 19,581,534</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	\$ (701,236)
Capital outlays	<u>3,255,088</u>
Net adjustment to net change in fund balance – governmental fund to arrive at change in net position – governmental activities	<u>\$ 2,553,852</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	\$ (196,805)
Amortization of discount/premium	30,613
Repayment of bonds	630,000
Change in accrued interest	<u>4,200</u>
Net adjustment to net change in fund balance – governmental fund to arrive at change in net position of governmental activities	<u>\$ 468,008</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, 2020:

	<u>Deposits</u>	<u>COLOTRUST</u>	<u>Total</u>
Cash and cash equivalents	\$ 3,704,934	\$ -	\$ 3,704,934
Restricted cash and cash equivalents	-	2,012,105	2,012,105
Investments	-	16,802,342	16,802,342
Total	<u>\$ 3,704,934</u>	<u>\$ 18,814,447</u>	<u>\$ 22,519,381</u>

Reconciliation of cash and cash equivalents to the government-wide financial statements at December 31, 2020:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,574,527	\$ 1,130,407	\$ 3,704,934
Restricted cash and cash equivalents	2,012,105	-	2,012,105
Investments	3,176,979	13,625,363	16,802,342
Total	<u>\$ 7,763,611</u>	<u>\$ 14,755,770</u>	<u>\$ 22,519,381</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, 2020, the carrying amount of the District's deposits, including certificates of deposits and money markets, was \$3,704,934 the bank balances were \$3,799,542. Of the total bank balance, \$500,000 was covered by FDIC insurance and \$3,299,542 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, 2020:

	<u>December 31,</u> <u>2020</u>	<u>Fair Value Measurements Using</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:				
Investment Pool	<u>\$16,802,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total investments by fair level value:	<u>\$16,802,342</u>	<u>\$ -</u>	<u>\$ -</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](http://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, 2020 the District's ColoTrust investment is rated AAAM by Standard & Poor's.

## 5. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31, 2020:

GENERAL FUND	
Cash with County Treasurer	\$ 26,690
Taxes from town	<u>629,753</u>
Total general fund	<u>656,443</u>
WATER AND WASTEWATER FUND	
User fees receivable	56,450
Developer receivable	<u>10,094</u>
Total water and wastewater fund	<u>66,544</u>
Total accounts receivables	<u>\$ 722,987</u>

**6. INTERFUND BALANCES AND TRANSFERS**

Interfund balances consisted of the following at December 31, 2020:

<b>Receivable</b>	<b>Payable</b>	<b>Amount</b>
Enterprise fund	General fund	<u>\$ 6,696,142</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, 2020 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, 2020 was 32.000 mills, 35.000 mills less a temporary mill reduction of 3.000 mills. The District's assessed valuation for 2019, for taxes collected in 2020, was \$95,169,260.

**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 developers were refunded the remaining balance of the escrow in 2020.



## 9. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance at December 31, 2019	Additions	Disposals/ Retirements	Balance at December 31, 2020
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in process	\$ 5,579,109	\$ 307,590	\$ (5,579,109)	\$ 307,590
Total capital assets not being depreciated	5,579,109	307,590	(5,579,109)	307,590
Capital assets, being depreciated:				
Road and streets	16,507,905	8,289,038	-	24,796,943
Traffic control	436,399	12,000	-	448,399
Parks, landscape and open space	1,607,384	320,330	-	1,927,714
Equipment	476,182	62,846	-	539,028
Office space	212,660	7,988	(165,595)	55,053
Total capital assets being depreciated	19,240,530	8,692,202	(165,595)	27,767,137
Less accumulated depreciation for:				
Road and streets	(6,509,241)	(617,034)	-	(7,126,275)
Traffic control	(416,687)	(6,664)	-	(423,351)
Parks, landscape and open space	(533,341)	(42,405)	-	(575,746)
Equipment	(301,683)	(62,345)	-	(364,028)
Office space	(31,005)	(1,683)	28,895	(3,793)
Total accumulated depreciation	(7,791,957)	(730,131)	28,895	(8,493,193)
Total capital assets, net	<u>\$ 17,027,682</u>	<u>\$ 8,269,661</u>	<u>\$ (5,715,809)</u>	<u>\$ 19,581,534</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Water rights and land	\$ 16,198,271	\$ 6,050,362	\$ -	\$ 22,248,633
Construction in process	2,510,812	19,783,443	(2,510,812)	19,783,443
Total capital assets not being depreciated	18,709,083	25,833,805	(2,510,812)	42,032,076
Capital assets, being depreciated:				
Wells	2,757,350	2,360,559	-	5,117,909
Water storage tank	1,038,433	27,023	-	1,065,456
Wastewater treatment facility	10,017,728	2,046,574	-	12,064,302
Water distribution system and treatment facility	19,925,639	950,358	(107,481)	20,768,516
Sanctuary Pointe	3,472,177	813,907	-	4,286,084
Equipment	586,473	13,764	-	600,237
Total capital assets being depreciated	37,797,800	6,212,185	(107,481)	43,902,504
Less accumulated depreciation for:				
Wells	(1,034,852)	(96,362)	-	(1,131,214)
Water storage tank	(585,644)	(26,073)	-	(611,717)
Wastewater treatment facility	(3,993,654)	(301,608)	-	(4,295,262)
Water distribution system and treatment facility	(8,519,171)	(517,770)	-	(9,036,941)
Sanctuary Pointe	(291,103)	(88,247)	-	(379,350)
Equipment	(216,153)	(96,988)	-	(313,141)
Total accumulated depreciation	(14,640,577)	(1,127,048)	-	(15,767,625)
Total capital assets, net	<u>\$ 41,866,306</u>	<u>\$ 30,918,942</u>	<u>\$ (2,618,293)</u>	<u>\$ 70,166,955</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 the 2018 bonds are as follows:

<u>December 31,</u>	<u>Business Type Activities.</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 195,000	\$ 470,100
2022	205,000	460,350
2023	215,000	450,100
2024	225,000	439,350
2025	235,000	428,100
2026 - 2030	1,360,000	1,952,500
2031 - 2035	1,740,000	1,576,500
2036 - 2040	2,160,000	1,159,800
2041 - 2045	2,625,000	692,000
2046 - 2048	1,845,000	149,600
<b>Total</b>	<b>\$ 10,805,000</b>	<b>\$ 7,778,400</b>

On May 27, 2020 the District issued Water and Wastewater Enterprise Revenue Bonds-Series 2020 in the amount of \$16,140,000. The bonds were issued to partially fund the purchase of water rights and land known as Stonewall Springs. The bonds are payable semiannually on June 1 and December 1 each year commencing December 1, 2020 with the final payment due December 1, 2050. The bonds are pledged by water and sewer revenue and have a variable interest rate of 3.375% to 5%. Annual debt service requirements to maturity for business-type activities the 2020 bonds are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 270,000	\$ 618,244
2022	285,000	604,744
2023	300,000	590,494
2024	315,000	575,494
2025	330,000	559,744
2026 - 2030	1,910,000	2,534,470
2031 - 2035	2,400,000	2,054,356
2036 - 2040	2,870,000	1,585,120
2041 - 2045	3,425,000	1,021,994
2046 - 2050	4,035,000	417,847
<b>Total</b>	<b>\$ 16,140,000</b>	<b>\$ 10,562,507</b>

On November 5, 2020 the District issued Water and Wastewater Enterprise Revenue Bonds – Series 2020B in the amount of \$10,940,000. The bonds were issued to fund the purchase of water rights and land. The bonds are payable semiannually on June 1 and December 1 each year commencing December 1, 2021 with the final payment due December 1, 2050. The bonds are pledged by water and sewer revenue and have an interest rate of 4%. Annual debt service requirements to maturity for business-type activities the 2020B bonds are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ -	\$ 452,102
2022	-	421,650
2023	220,000	421,650
2024	230,000	412,850
2025	240,000	403,650
2026 - 2030	1,360,000	1,865,650
2031 - 2035	1,640,000	1,571,650
2036 - 2040	1,960,000	1,241,800
2041 - 2045	2,340,000	878,200
2046 - 2050	2,950,000	369,600
Total	<u>\$ 10,940,000</u>	<u>\$ 8,038,802</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.

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.	<u>\$ 43,910,000</u>
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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>
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	885,000	1,738,193
2026 - 2030	5,630,000	7,950,312
2031 - 2035	7,780,000	6,424,613
2036 - 2040	10,255,000	4,664,162
2041 - 2045	13,270,000	2,338,356
2046	3,100,000	127,875
Total	<u>\$ 43,910,000</u>	<u>\$ 30,562,662</u>

The following are considered to be events of default under the bond agreements:

- (a) Payment of the principal of any of the 2020B Bonds is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption.
- (b) Payment of any installment of interest on any of the 2020B Bonds is not made when the same becomes due and payable.
- (c) The occurrence and continuance of an "event of default" as defined in any Parity Bond Resolution.
- (d) The District unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any part of the System which is destroyed or damaged and is not promptly repaired or replaced (whether such failure promptly to repair the same is due to impracticability of such repair or replacement or is due to a lack of moneys therefor or for any other reason), but it shall not be an Event of Default if such reconstruction is not essential to the efficient operation of the System or the collection of Gross Pledged Revenues.
- (e) An order or decree is entered by a court or competent jurisdiction with the consent or acquiescence of the District appointing a receiver or receivers for the System or for the Gross Pledged Revenues and any other moneys subject to the lien to secure the payment of the 2020B Bonds, or if an order or decree having been entered without the consent or acquiescence of the District is not vacated or discharged or stayed on appeal within 60 days after entry.
- (f) If an event of default shall have occurred and be continuing under the provisions of the Insurance Agreement.
- (g) The District defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the 2020B Bonds or in the Bond Resolution on its part to be performed (other than with respect to the Continuing Disclosure Certificate), and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District and the Insurer specifying the failure and requiring that it be remedied, which notice may be given by the Paying Agent in its discretion and, except as provided under "Provisions Related to the Insurer" below, shall be given by the Paying Agent at the written request of the Owners of not less than 25 percent in aggregate principal amount of Bonds then Outstanding.

## Changes In Long-Term Liabilities —

	Balance at December 31,			Balance at December 31,	Amounts Due Within
	2019	Additions	Reductions	2020	One Year
<b><u>Bonded Debt - Governmental Activities:</u></b>					
Series 2016 GO Bonds	\$ 44,540,000	\$ -	\$ 630,000	\$ 43,910,000	\$ 655,000
Bond Issuance Premium	825,272	-	30,613	794,659	30,613
Total - Governmental Activities	<u>\$ 45,365,272</u>	<u>\$ -</u>	<u>\$ 660,613</u>	<u>\$ 44,704,659</u>	<u>\$ 685,613</u>
<b><u>Bonded Debt - Business-Type Activities:</u></b>					
Revenue Bonds - 2018	\$ 10,990,000	\$ -	\$ 185,000	\$ 10,805,000	\$ 195,000
Revenue Bonds - 2020	-	16,140,000	-	16,140,000	270,000
Revenue Bonds - 2020B	-	10,940,000	-	10,940,000	-
Bond Issuance Premium - 2018 Bonds	315,785	-	10,889	304,896	10,889
Bond Issuance Premium - 2020 Bonds	-	842,569	16,383	826,186	28,086
Bond Issuance Premium - 2020B Bonds	-	1,555,106	8,640	1,546,466	51,837
Total - Business-Type Activities	<u>\$ 11,305,785</u>	<u>\$29,477,675</u>	<u>\$ 220,912</u>	<u>\$ 40,562,548</u>	<u>\$ 555,812</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, 2020, the District had net investment in capital assets as follows:

Net investment in capital assets:	
Capital assets, net of depreciation	\$ 89,748,489
Capital asset related to deferred outflow	3,880,624
Long-term liabilities due within one year	(1,120,000)
Long-term liabilities due in more than one year	<u>(84,147,207)</u>
Total net investment in capital assets	<u>\$ 8,361,906</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, 2020, the District had restricted net position as follows:

Emergency reserve (TABOR)	<u>163,000</u>
Total restricted	<u>\$ 163,000</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, 2020, the District had unrestricted net position of \$20,857,556.

## 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, 2020 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, 2020, 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.0

#### 15. SUBDISTRICT A AND SUBDISTRICT B

On November 3, 2020, electors approved the formation of Triview Metropolitan Subdistricts A and B for the purpose providing additional services to specific areas of the Triview Metropolitan District.

#### 16. 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.

## **17. SUBSEQUENT EVENTS**

In March 2020, pursuant to an agreement approved on December 28, 2020, the District initiated the purchase of 1,000 Class A shares in the Stonewall Springs Reservoir Company for \$3,500,000.

**REQUIRED SUPPLEMENTAL INFORMATION**



**TRIVIEW METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original &amp; Final</u>	<u>Actual</u>	
<b>REVENUE</b>			
Taxes	\$ 6,257,566	\$ 6,381,095	\$ 123,529
Fees	884,500	886,160	1,660
Conservation trust funds	22,000	22,054	54
Interest income	59,000	50,499	(8,501)
Sale of asset	-	250,000	250,000
Miscellaneous revenue	30,000	29,931	(69)
Total Revenue	<u>7,253,066</u>	<u>7,619,739</u>	<u>366,673</u>
<b>EXPENDITURES</b>			
General government	916,571	766,323	150,248
Capital	-	7,988	(7,988)
Streets	601,860	580,136	21,724
Capital	3,554,413	3,248,505	305,908
Lighting	58,000	66,064	(8,064)
Signage	2,000	1,694	306
Traffic control	21,000	3,718	17,282
Drainage	30,000	29,850	150
Parks, landscape & open space	549,398	567,593	(18,195)
Capital	318,587	164,190	154,397
Conservation trust	22,000	22,054	(54)
Debt Service:			
Interest and fiscal charges	2,532,113	2,530,613	1,500
Total Expenditures	<u>8,605,942</u>	<u>7,988,728</u>	<u>617,214</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(1,352,876)</u>	<u>(368,989)</u>	<u>983,887</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(400,000)	(400,000)	-
Total other financing sources	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,752,876)	(768,989)	983,887
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>2,895,455</u>	<u>2,392,491</u>	<u>(502,964)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,142,579</u>	<u>\$ 1,623,502</u>	<u>\$ 480,923</u>

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

**SUPPLEMENTAL INFORMATION**

**TRIVIEW METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN**  
**NET POSITION (NON-GAAP BUDGETARY BASIS)**  
**WATER AND WASTEWATER FUND**  
**For the Year Ended December 31, 2020**

	<u>Budgeted Amounts Original</u>	<u>Budgeted Amounts Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUE</b>				
Water assessments	\$ 4,327,219	\$ 4,327,219	\$ 4,462,196	\$ 134,977
Sewer assessments	1,545,382	1,545,382	1,721,313	175,931
Interest income	150,000	150,000	57,883	(92,117)
Water and sewer tap fees	2,837,250	2,837,250	3,104,924	267,674
Payment in lieu of water	1,300,000	1,300,000	262,131	(1,037,869)
Fees	160,296	160,296	166,752	6,456
Developer contributions	-	-	100,000	100,000
Miscellaneous income	70,165	70,165	124,225	54,060
Total Revenue	<u>10,390,312</u>	<u>10,390,312</u>	<u>9,999,424</u>	<u>(390,888)</u>
<b>EXPENDITURES</b>				
General & administrative:				
Salaries & wages	503,695	503,695	445,183	58,512
Employee benefits	139,573	139,573	102,750	36,823
Engineering	30,000	30,000	77,502	(47,502)
Legal	20,000	20,000	90,402	(70,402)
Communications	40,000	40,000	25,819	14,181
Accounting and auditing	48,000	48,000	54,838	(6,838)
Conference/training/class	6,000	6,000	540	5,460
Dues, publications & subscriptions	10,000	10,000	4,976	5,024
IT support	25,000	25,000	26,583	(1,583)
Office supplies & equipment	6,500	6,500	9,807	(3,307)
Postage	800	800	1,035	(235)
Publications - legal notice	500	500	-	500
Repairs & maintenance	1,000	1,000	140	860
Telephone service	5,500	5,500	7,071	(1,571)
Travel & meetings	3,000	3,000	115	2,885
Office overhead	2,000	2,000	2,255	(255)
Insurance	24,000	24,000	25,544	(1,544)
Billing expense	97,913	97,913	85,367	12,546
Miscellaneous	20,500	20,500	17,620	2,880
Vehicle repair and maintenance	12,000	20,000	25,704	(5,704)
Total General & Administrative	995,981	1,003,981	1,003,251	730
Water system	1,813,563	830,000	830,465	(465)
Wastewater system	802,664	802,664	710,660	92,004
Principal payments on capital debt	185,000	185,000	185,000	-
Interest and bond expense	481,850	481,850	861,424	(379,574)
Tap fee credits	960,000	960,000	443,732	516,268
Developer Refunds - West Interceptor	-	-	265,025	(265,025)
Capital expenditures	3,830,486	29,700,000	29,427,697	272,303
Total Expenses	<u>9,069,544</u>	<u>33,963,495</u>	<u>33,727,254</u>	<u>236,241</u>
<b>EXCESS OF REVENUE OVER (UNDER)</b>	<u>1,320,768</u>	<u>(23,573,183)</u>	<u>(23,727,830)</u>	<u>(154,647)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Water and Wastewater Revenue Bond Proceeds	-	27,080,000	27,080,000	-
Costs of issuance	-	(490,000)	(489,531)	469
Premium on Water and Wastewater Revenue Bonds	-	2,400,000	2,397,675	(2,325)
Transfer from (to) other funds	400,000	400,000	400,000	-
Total other financing sources	<u>400,000</u>	<u>29,390,000</u>	<u>29,388,144</u>	<u>(1,856)</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	1,720,768	5,816,817	5,660,314	(156,503)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>11,030,147</u>	<u>11,030,147</u>	<u>13,163,336</u>	<u>2,133,189</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 12,750,915</u>	<u>\$ 16,846,964</u>	<u>\$ 18,823,650</u>	<u>\$ 1,976,686</u>



**TRIVIEW METROPOLITAN DISTRICT  
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF  
REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND  
Year Ended December 31, 2020**

Excess of revenue over expenses	<u>\$ 5,660,314</u>
 Reconciling Items:	
Expenditures included in statement of revenue, expenses and changes in net position, but not included with expenditures on a budgetary basis:	
Depreciation	(1,127,048)
Expenditures included under budgetary basis, but not included in statement of revenues, expenses and changes in net position	
Capital outlay	29,427,697
Amortization on refunding	(20,683)
Debt paid	185,000
Issuance of new debt	(27,080,000)
Bond premium on new debt	(2,397,675)
Amortization of Bond Premium	35,906
Change in Accrued Interest	<u>(26,208)</u>
 Change in net position per statement of revenues, expenses and changes in net position	 <u><u>\$ 4,657,303</u></u>