



# **TRIVIEW METROPOLITAN DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

## **BOARD OF TRUSTEES**

President Mark Melville

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Secretary/Treasurer James Barnhart

Director James Otis

Director Anthony Sexton

James McGrady - District Manager

# TRIVIEW METROPOLITAN DISTRICT

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

In our opinion, the 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, 2021, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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.

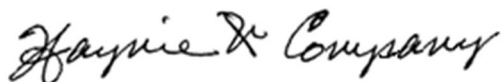
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary 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 are not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Littleton, Colorado

September 29, 2022

## **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, 2021. 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: \$126,004,176 for 2021.
- Deferred Outflows of Resources were \$3,663,137.
- Cash, Cash Equivalents and Investments as of December 31, 2021 were \$23,829,958.
- Total Liabilities for 2021 equaled \$85,682,988.
- Deferred Inflows of Resources were \$2,882,445.
- Net Position for 2021 totaled \$41,101,880.
- Governmental change in Net Position from 2020 to 2021 was an increase of \$5,529,309.
- Business-type change in Net Position from 2020 to 2021 was an increase of \$6,190,109.

### 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:

	2021			2020		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
ASSETS						
Other	\$ 8,934,011	\$ 18,417,828	\$ 27,351,839	\$ 4,583,621	\$ 21,525,313	\$ 26,108,934
Capital	<u>20,379,445</u>	<u>78,272,892</u>	<u>98,652,337</u>	<u>19,581,534</u>	<u>70,166,955</u>	<u>89,748,489</u>
Total assets	<u>\$ 29,313,456</u>	<u>\$ 96,690,720</u>	<u>\$ 126,004,176</u>	<u>\$ 24,165,155</u>	<u>\$ 91,692,268</u>	<u>\$ 115,857,423</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,542,492</u>	<u>\$ 120,645</u>	<u>\$ 3,663,137</u>	<u>\$ 3,739,296</u>	<u>\$ 141,328</u>	<u>\$ 3,880,624</u>



	2021			2020		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
LIABILITIES						
Current	\$ 1,227,877	\$ 1,649,329	\$ 2,877,206	\$ 1,191,606	\$ 2,280,857	\$ 3,472,463
Long-term	<u>43,289,046</u>	<u>39,516,736</u>	<u>82,805,782</u>	<u>44,049,659</u>	<u>40,097,548</u>	<u>84,147,207</u>
Total liabilities	<u>\$ 44,516,923</u>	<u>\$ 41,166,065</u>	<u>\$ 85,682,988</u>	<u>\$ 45,241,265</u>	<u>\$ 42,378,405</u>	<u>\$ 87,619,670</u>
DEFERRED INFLOWS OF RESOURCES						
	<u>\$ 2,882,445</u>	<u>\$ -</u>	<u>\$ 2,882,445</u>	<u>\$ 2,735,915</u>	<u>\$ -</u>	<u>\$ 2,735,915</u>
NET POSITION						
Net investment in capital assets	\$ (20,097,109)	\$ 38,386,801	\$ 18,289,692	\$ (21,383,829)	\$ 29,745,735	\$ 8,361,906
Restricted position	189,000	-	189,000	163,000	-	163,000
Unrestricted position	<u>5,364,689</u>	<u>17,258,499</u>	<u>22,623,188</u>	<u>1,148,100</u>	<u>19,709,456</u>	<u>20,857,556</u>
Total net position	<u>\$ (14,543,420)</u>	<u>\$ 55,645,300</u>	<u>\$ 41,101,880</u>	<u>\$ (20,072,729)</u>	<u>\$ 49,455,191</u>	<u>\$ 29,382,462</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:

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Charges of services						
User charges (rates)	\$ -	\$ 7,931,784	\$ 7,931,784	\$ -	\$ 4,445,640	\$ 6,445,640
Impact fees	1,918,960	-	1,918,960	886,160	-	886,160
Capital contributions:						
Water & sewer tap fees	-	4,103,963	4,103,963	-	3,104,924	3,104,924
GENERAL						
Tax revenue	6,680,074	-	6,680,074	6,381,095	-	6,381,095
Interest income	5,194	5,946	11,140	50,499	57,883	108,382
Other	<u>2,424,220</u>	<u>561,765</u>	<u>2,985,985</u>	<u>301,985</u>	<u>390,977</u>	<u>692,962</u>
Total revenue	<u>11,028,448</u>	<u>12,603,458</u>	<u>23,631,906</u>	<u>7,619,739</u>	<u>9,999,424</u>	<u>17,619,163</u>

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
FUNCTIONAL						
General government	603,739	-	603,739	739,111	-	739,111
Streets	1,222,985	-	1,222,985	1,228,342	-	1,228,342
Lighting	37,631	-	37,631	66,064	-	66,064
Drainage	94,777	-	94,777	29,850	-	29,850
Signage	2,817	-	2,817	1,694	-	1,694
Traffic control	31,907	-	31,907	10,382	-	10,382
Parks	807,709	-	807,709	641,171	-	641,171
Conservation	28,141	-	28,141	22,054	-	22,054
Debt service	2,069,433	-	2,069,433	2,228,200	-	2,228,200
Water, wastewater and reuse	-	7,013,349	7,013,349	-	5,742,121	5,742,121
Total expenditures	<u>4,899,139</u>	<u>7,013,349</u>	<u>11,912,488</u>	<u>4,966,868</u>	<u>5,742,121</u>	<u>10,708,989</u>
Transfers	<u>(600,000)</u>	<u>600,000</u>	<u>-</u>	<u>(400,000)</u>	<u>400,000</u>	<u>-</u>
Change in net position	5,529,309	6,190,109	11,719,418	2,252,871	4,657,303	6,910,174
Net position – beginning of year	<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>
Net position– end of year	<u>\$ (14,543,420)</u>	<u>\$ 55,645,300</u>	<u>\$ 41,101,880</u>	<u>\$ (20,072,729)</u>	<u>\$ 49,455,191</u>	<u>\$ 29,382,462</u>

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

## ANALYSIS OF POSITION

The overall financial position of the District continued to improve during 2021, 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 figures in sales taxes, tap fees and related fees. In addition, water and sewer service revenue exceeded budgeted numbers.

Capital assets for the Governmental Activities increased in 2021 due to capital outlays exceeding depreciation by nearly \$800,000 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 by over \$8,000,000 as the District continued to invest in water rights, land, equipment, in addition to, constructing infrastructure improvements during the year.

## CAPITAL ASSETS:

	2021			2020		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Operating systems	\$ 29,665,445	\$ 95,266,873	\$ 124,932,318	\$ 28,074,727	\$ 85,934,580	\$ 114,009,307
Accumulated depreciation	<u>(9,286,000)</u>	<u>(16,993,981)</u>	<u>(26,279,981)</u>	<u>(8,493,193)</u>	<u>(15,767,625)</u>	<u>(24,260,818)</u>
Total capital assets, net	<u>\$ 20,379,445</u>	<u>\$ 78,272,892</u>	<u>\$ 98,652,337</u>	<u>\$ 19,581,534</u>	<u>\$ 70,166,955</u>	<u>\$ 89,748,489</u>

Long-term liabilities decreased during 2021 by \$1,241,425 due to paying off principal during the year.

## LONG-TERM DEBT:

	2021			2020		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Bonds payable	\$ -	\$ 40,006,736	\$ 40,006,736	\$ -	\$ 40,562,548	\$ 40,562,548
G.O. bonds payable	<u>44,019,046</u>	<u>-</u>	<u>44,019,046</u>	<u>44,704,659</u>	<u>-</u>	<u>44,704,659</u>
Total debt	<u>\$ 44,019,046</u>	<u>\$ 40,006,736</u>	<u>\$ 84,025,782</u>	<u>\$ 44,704,659</u>	<u>\$ 40,562,548</u>	<u>\$ 85,267,207</u>

## FUTURE TRENDS AND ECONOMIC FACTORS

As of December 31, 2021, there are 2,055 residential taps and 72 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 2022. The continued growth generates the necessary tap fees that contribute to the payment of new infrastructure to accommodate the growth. 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 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, 2021**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,026,618	\$ 412,581	\$ 3,439,199
Cash and cash equivalents, restricted	4,270,660	-	4,270,660
Investments	4,695,828	11,424,271	16,120,099
Property taxes receivable	2,882,445	-	2,882,445
Accounts receivable	507,421	29,261	536,682
Prepaid expenses	94,882	7,872	102,754
Internal balances	(6,543,843)	6,543,843	-
Capital assets, net of accumulated depreciation	20,379,445	78,272,892	98,652,337
Total assets	<u>29,313,456</u>	<u>96,690,720</u>	<u>126,004,176</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	3,542,492	120,645	3,663,137
Total deferred outflows of resources	<u>3,542,492</u>	<u>120,645</u>	<u>3,663,137</u>
<b>LIABILITIES</b>			
Accounts payable	189,842	987,434	1,177,276
Accrued interest	308,035	123,895	431,930
Accrued settlement	-	48,000	48,000
Long-term liabilities			
Due within one year	730,000	490,000	1,220,000
Due in more than one year	43,289,046	39,516,736	82,805,782
Total liabilities	<u>44,516,923</u>	<u>41,166,065</u>	<u>85,682,988</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	2,882,445	-	2,882,445
Total deferred inflows of resources	<u>2,882,445</u>	<u>-</u>	<u>2,882,445</u>
<b>NET POSITION</b>			
Net investment in capital assets	(20,097,109)	38,386,801	18,289,692
Restricted			
Emergency reserve (TABOR)	189,000	-	189,000
Unrestricted	5,364,689	17,258,499	22,623,188
Total net position	<u>\$ (14,543,420)</u>	<u>\$ 55,645,300</u>	<u>\$ 41,101,880</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, 2021**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	603,739	\$ 13,200	\$ -	\$ -	\$ (590,539)	\$ -	\$ (590,539)
Streets	1,222,985	680,348	-	2,370,272	1,827,635	-	1,827,635
Lighting	37,631	-	-	-	(37,631)	-	(37,631)
Drainage	94,777	356,729	-	-	261,952	-	261,952
Signage	2,817	-	-	-	(2,817)	-	(2,817)
Traffic control	31,907	-	-	-	(31,907)	-	(31,907)
Parks, landscape and open space	807,709	868,683	-	-	60,974	-	60,974
Conservation Trust	28,141	-	-	-	(28,141)	-	(28,141)
Interest and fiscal charges	2,069,433	-	-	-	(2,069,433)	-	(2,069,433)
General government	<u>\$ 4,899,139</u>	<u>\$ 1,918,960</u>	<u>\$ -</u>	<u>\$ 2,370,272</u>	<u>(609,907)</u>	<u>-</u>	<u>(609,907)</u>
Business-type activities:							
Water and Wastewater Fund	\$ 7,013,349	\$ 11,026,190	\$ -	\$ -		4,012,841	4,012,841
Total	<u>\$ 7,013,349</u>	<u>\$ 11,026,190</u>	<u>\$ -</u>	<u>\$ -</u>		<u>4,012,841</u>	<u>4,012,841</u>
General revenues and transfers:							
Taxes					6,680,074	-	6,680,074
Investment earnings					5,194	5,946	11,140
Conservation Trust funds					28,141	-	28,141
Other revenue					25,807	1,571,322	1,597,129
Transfers					(600,000)	600,000	-
Total general revenue					<u>6,139,216</u>	<u>2,177,268</u>	<u>8,316,484</u>
Change in net position					<u>5,529,309</u>	<u>6,190,109</u>	<u>11,719,418</u>
Net position - Beginning					<u>(20,072,729)</u>	<u>49,455,191</u>	<u>29,382,462</u>
Net position - Ending					<u>\$ (14,543,420)</u>	<u>\$ 55,645,300</u>	<u>\$ 41,101,880</u>

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, 2021**

	<u>General</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,026,618
Investments	4,695,828
Restricted cash and cash equivalents	4,270,660
Property taxes receivable	2,882,445
Accounts receivable, other	507,421
Prepaid expense	94,882
Total assets	<u>\$ 15,477,854</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	
Accounts payable	\$ 189,842
Due to other funds	6,543,843
Total liabilities	<u>6,733,685</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue	2,882,445
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,882,445</u>
<b>FUND BALANCE</b>	
Nonspendable:	
Prepaid expenditures	94,882
Restricted:	
Debt service	2,120,706
Escrow-Higby Road	2,149,954
Emergency reserves	189,000
Unassigned	1,307,182
Total fund balance	<u>5,861,724</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 15,477,854</u>

Total fund balance, governmental funds	\$ 5,861,724
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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	20,379,445
Deferred outflows of resources are not current financial resources, and therefore are not reported in the funds	3,542,492
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds	(308,035)
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	<u>(44,019,046)</u>
Net position of governmental activities	<u>\$ (14,543,420)</u>

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

**TRIVIEW METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE**  
**IN FUND BALANCE - GOVERNMENTAL FUND**  
**Year Ended December 31, 2021**

	<u>General</u>
<b>REVENUES</b>	
Taxes	\$ 6,680,074
Fees	1,918,960
Conservation trust funds	28,141
Interest income	5,194
Sale of asset	3,000
Developer contributions	2,370,272
Miscellaneous revenue	22,807
Total revenue	<u>11,028,448</u>
<b>EXPENDITURES</b>	
General government	633,732
Streets	1,415,285
Lighting	37,631
Signage	2,817
Traffic control	26,539
Drainage	94,777
Parks, landscape and open space	1,419,392
Conservation Trust	28,141
Debt Service:	
Interest and fiscal charges	2,531,912
Total expenditures	<u>6,190,226</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>4,838,222</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers out	(600,000)
Total other financing sources	<u>(600,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	4,238,222
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,623,502</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 5,861,724</u></u>

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 CHANGE IN FUND BALANCE - GOVERNMENTAL  
FUND TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2021**

A reconciliation reflecting the differences between the governmental fund 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>\$ 4,238,222</u>
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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.

Sale of asset	799,712 (1,801)
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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>493,176</u>
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Change in net position - Governmental activities	<u><u>\$ 5,529,309</u></u>
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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, 2021**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Current assets	
Cash and cash equivalents	\$ 412,581
Investments	11,424,271
Accounts receivable	29,261
Prepaid expenses	7,872
Due from other funds	6,543,843
Total current assets	<u>18,417,828</u>
Non-current assets	
Capital assets, net of depreciation	<u>78,272,892</u>
Total non-current assets	<u>78,272,892</u>
Total assets	<u>96,690,720</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred amount on refunding	<u>120,645</u>
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**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

\$ 96,811,365

**LIABILITIES AND NET POSITION**

Current liabilities	
Accounts payable	\$ 987,434
Accrued interest	123,895
Accrued settlement	48,000
Bonds payable	490,000
Total current liabilities	<u>1,649,329</u>
Non-current liabilities	
Bonds payable	<u>39,516,736</u>
Total non-current liabilities	<u>39,516,736</u>
Total liabilities	<u>41,166,065</u>

**NET POSITION**

Net investment in capital assets	38,386,801
Unrestricted	<u>17,258,499</u>
Total net position	<u>55,645,300</u>

**TOTAL LIABILITIES AND NET POSITION**

\$ 96,811,365

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, 2021**

**OPERATING REVENUES**

Water sales	\$ 4,974,333
Tap fees	4,103,963
Payment in lieu of fees	1,009,557
Sewer charges	1,947,894
Total operating revenue	<u>12,035,747</u>

**OPERATING EXPENSES**

Water system	1,150,158
Wastewater system	694,475
General and administrative	1,564,226
Depreciation	1,226,356
Total operating expenses	<u>4,635,215</u>

<b>OPERATING INCOME</b>	<u>7,400,532</u>
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**NONOPERATING REVENUE (EXPENSE)**

Interest income	5,946
Miscellaneous income	439,265
IGA Revenue/sale of asset	122,500
Developer refund	(287,867)
Tap fee credits	(622,291)
Interest expense	(1,467,976)
Total nonoperating expense, net	<u>(1,810,423)</u>

<b>INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<u>5,590,109</u>
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<b>TRANSFERS IN</b>	<u>600,000</u>
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<b>CHANGE IN NET POSITION</b>	<u>6,190,109</u>
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<b>NET POSITION - BEGINNING OF YEAR</b>	<u>49,455,191</u>
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<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 55,645,300</u></u>
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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, 2021**

	<b><u>Water and Wastewater</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 12,073,030
Cash payments to suppliers for goods and services	(2,497,084)
Cash payments to employees for services	(1,564,226)
Net cash provided by operating activities	<u>8,011,720</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers in	600,000
Miscellaneous non-operating income	561,765
Change in due from other funds	152,299
Net cash provided by noncapital financing activities	<u>1,314,064</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(7,131,201)
Principal paid on debt	(555,812)
Developer refunds	(287,867)
Tap fee credits	(622,291)
Interest and other debt-related charges	(1,452,385)
Net cash used in capital and related financing activities	<u>(10,049,556)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	<u>5,946</u>
Net cash provided by investing activities	<u>5,946</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(717,826)</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,130,407</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 412,581</u></u>
 Cash is reflected on The Statement of Net Position as follows:	
Cash and Cash Equivalents	\$ 412,581
	<u><u>\$ 412,581</u></u>

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

**TRIVIEW METROPOLITAN DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - WATER AND WASTEWATER FUND  
Year Ended December 31, 2021**

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

Operating income	\$ 7,400,532
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	1,226,356
Effects of changes in operating assets and liabilities:	
Accounts receivable	37,283
Prepaid expense	(1,015)
Accounts payable	<u>(651,436)</u>
Total adjustments	<u>611,188</u>
Net cash provided by operating activities	<u><u>\$ 8,011,720</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**  
**DECEMBER 31, 2021**

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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 position 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.

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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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 and Wastewater 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.



**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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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.

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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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 position. 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.

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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*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

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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activities are not financial resources and, therefore, are not reported in the funds". The details of this difference are as follows:

Capital assets	\$ 29,665,445
Accumulated depreciation	<u>(9,286,000)</u>

Net adjustment to fund balance – governmental fund to arrive at net position – governmental activities	<u>\$ 20,379,445</u>
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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	\$ (814,076)
Capital outlays	<u>1,613,788</u>

Net adjustment to net change in fund balance – governmental fund to arrive at change in net position – governmental activities	<u>\$ 799,712</u>
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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	655,000
Change in accrued interest	<u>4,368</u>
Net adjustment to net change in fund balance – governmental fund to arrive at change in net position of governmental activities	<u>\$ 493,176</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.

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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, 2021:

	<b>Deposits</b>	<b>COLOTRUST</b>	<b>Total</b>
Cash and cash equivalents	\$ 3,439,199	\$ -	\$ 3,439,199
Restricted cash and cash equivalents	2,149,954	2,120,706	4,270,660
Investments	-	16,120,099	16,120,099
Total	<u>\$ 5,589,153</u>	<u>\$ 18,240,805</u>	<u>\$ 23,829,958</u>

Reconciliation of cash and cash equivalents to the government-wide financial statements at December 31, 2021:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Cash and cash equivalents	\$ 3,026,618	\$ 412,581	\$ 3,439,199
Restricted cash and cash equivalents	4,270,660	-	4,270,660
Investments	4,695,828	11,424,271	16,120,099
Total	<u>\$ 11,993,106</u>	<u>\$ 11,836,852</u>	<u>\$ 23,829,958</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

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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must be at least equal to 102% of the uninsured deposits.

At December 31, 2021, the carrying amount of the District's deposits, including certificates of deposits and money markets, was \$5,589,153 the bank balances were \$5,673,910. Of the total bank balance, \$250,000 was covered by FDIC insurance and \$5,423,910 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.

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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The District has the following fair value measurements as of December 31, 2021:

	December 31, 2021	<u>Fair Value Measurements Using</u>		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 3)	Significant Unobservable Inputs
Investments by fair level:				
Investment Pool	\$18,240,805	-	-	-
Total investments by fair level value:	\$18,240,805	\$ -	\$ -	\$ -

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, 2021 the District's ColoTrust investment is rated AAAM by Standard & Poor's.

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**5. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at December 31, 2021:

GENERAL FUND		
Cash with County Treasurer	\$	25,376
Taxes from town		<u>482,045</u>
Total general fund		<u>507,421</u>
WATER AND WASTEWATER FUND		
User fees receivable	\$	<u>29,261</u>
Total water and wastewater fund		<u>29,261</u>
Total accounts receivables	\$	<u><u>536,682</u></u>

**6. INTERFUND BALANCES AND TRANSFERS**

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

Receivable	Payable	Amount
Enterprise fund	General fund	<u>\$ 6,543,843</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, 2021 the General Fund transferred \$600,000 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, 2021 was 27.000 mills, 35.000 mills less a temporary mill reduction of 8.000 mills. The District's assessed valuation for 2020, for taxes collected in 2021, was \$101,330,190.

**8. ESCROW FUNDS HELD**

In 2021, an Escrow account was established in the District's name to accumulate funds for the study and construction of Higby Road. The balance in the account at December 31, 2021 was \$2,149,954.



**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**9. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance at December 31, 2020	Additions	Disposals/ Retirements	Balance at December 31, 2021
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in process	\$ 307,590	\$ 1,039,147	\$ -	\$ 1,346,737
Total capital assets not being depreciated	307,590	1,039,147	-	1,346,737
Capital assets, being depreciated:				
Road and streets	24,796,943	351,795	-	25,148,738
Traffic control	448,399	-	-	448,399
Parks, landscape and open space	1,927,714	50,381	-	1,978,095
Equipment	539,028	168,630	(23,070)	684,588
Office space	55,053	3,835	-	58,888
Total capital assets being depreciated	27,767,137	574,641	(23,070)	28,318,708
Less accumulated depreciation for:				
Road and streets	(7,126,275)	(684,287)	-	(7,810,562)
Traffic control	(423,351)	(5,368)	-	(428,719)
Parks, landscape and open space	(575,746)	(47,954)	-	(623,700)
Equipment	(364,028)	(73,729)	21,269	(416,488)
Office space	(3,793)	(2,738)	-	(6,531)
Total accumulated depreciation	(8,493,193)	(814,076)	21,269	(9,285,999)
Total capital assets, net	\$ 19,581,534	\$ 799,712	\$ (1,801)	\$ 20,379,446
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Water rights and land	\$ 22,248,633	\$ 1,070,793	\$ -	\$ 23,319,426
Construction in process	19,783,443	7,749,122	-	27,532,565
Total capital assets not being depreciated	42,032,076	8,819,915	-	50,851,991
Capital assets, being depreciated:				
Wells	5,117,909	179,265	-	5,297,174
Water storage tank	1,065,456	-	-	1,065,456
Wastewater treatment facility	12,064,302	-	-	12,064,302
Water distribution system and treatment facility	20,768,516	191,080	-	20,959,596
Sanctuary Pointe	4,286,084	92,875	-	4,378,959
Equipment	600,237	49,158	-	649,395
Total capital assets being depreciated	43,902,504	512,378	-	44,414,882
Less accumulated depreciation for:				
Wells	(1,131,214)	(151,062)	-	(1,282,276)
Water storage tank	(611,717)	(26,636)	-	(638,353)
Wastewater treatment facility	(4,295,262)	(301,607)	-	(4,596,869)
Water distribution system and treatment facility	(9,036,941)	(533,604)	-	(9,570,545)
Sanctuary Pointe	(379,350)	(108,313)	-	(487,663)
Equipment	(313,141)	(105,134)	-	(418,275)
Total accumulated depreciation	(15,767,625)	(1,226,356)	-	(16,993,981)
Total capital assets, net	\$ 70,166,955	\$ 8,105,937	\$ -	\$ 78,272,892

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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>Principal</u>	<u>Interest</u>
2022	\$ 205,000	\$ 460,350
2023	215,000	450,100
2024	225,000	439,350
2025	235,000	428,100
2026	245,000	416,350
2027 - 2031	1,430,000	1,884,500
2032 - 2036	1,825,000	1,493,350
2037 - 2041	2,245,000	1,073,400
2042 - 2046	2,730,000	587,000
2047 - 2048	<u>1,255,000</u>	<u>75,800</u>
Total	<u>\$ 10,610,000</u>	<u>\$ 7,308,300</u>

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>
2022	\$ 285,000	\$ 604,744
2023	300,000	590,494
2024	315,000	575,494
2025	330,000	559,744
2026	345,000	543,244
2027 - 2031	2,005,000	2,438,969
2032 - 2036	2,495,000	1,963,919
2037- 2041	2,975,000	1,475,668
2042 - 2046	3,540,000	910,681
2047 - 2050	<u>3,280,000</u>	<u>281,306</u>
Total	<u>\$ 15,870,000</u>	<u>\$ 9,944,263</u>

**TRIVIEW METROPOLITAN DISTRICT**  
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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>
2022	\$ -	\$ 421,650
2023	220,000	421,650
2024	230,000	412,850
2025	240,000	403,650
2026	255,000	394,050
2027 - 2031	1,410,000	1,811,250
2032 - 2036	1,700,000	1,506,050
2037 - 2041	2,030,000	1,179,350
2042 - 2046	2,430,000	784,600
2047 - 2050	2,425,000	251,600
Total	<u>\$ 10,940,000</u>	<u>\$ 7,586,700</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.

\$ 43,255,000

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
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	980,000	1,694,663
2027 - 2031	6,015,000	7,668,813
2032 - 2036	8,265,000	6,099,762
2037 - 2041	10,780,000	4,251,830
2042 - 2046	13,995,000	1,790,250
Total	<u>\$ 43,255,000</u>	<u>\$ 28,688,250</u>

**Changes In Long-Term Liabilities —**

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Amounts Due Within One Year
<b><u>Bonded Debt - Governmental Activities:</u></b>					
Series 2016 GO Bonds	\$ 43,910,000	\$ -	\$ 655,000	\$ 43,255,000	\$ 730,000
Bond Issuance Premium	794,659	-	30,613	764,046	30,613
Total - Governmental Activities	<u>\$ 44,704,659</u>	<u>\$ -</u>	<u>\$ 685,613</u>	<u>\$ 44,019,046</u>	<u>\$ 760,613</u>
<b><u>Bonded Debt - Business-Type Activities:</u></b>					
Revenue Bonds - 2018	\$ 10,805,000	\$ -	\$ 195,000	\$ 10,610,000	\$ 205,000
Revenue Bonds - 2020	16,140,000	-	270,000	15,870,000	285,000
Revenue Bonds - 2020B	10,940,000	-	-	10,940,000	-
Bond Issuance Premium - 2018 Bonds	304,896	-	10,889	294,007	10,889
Bond Issuance Premium - 2020 Bonds	826,186	-	28,086	798,100	28,086
Bond Issuance Premium - 2020B Bonds	1,546,466	-	51,837	1,494,629	51,837
Total - Business-Type Activities	<u>\$ 40,562,548</u>	<u>\$ -</u>	<u>\$ 555,812</u>	<u>\$ 40,006,736</u>	<u>\$ 580,812</u>

**11. NET POSITION**

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation, 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.

**TRIVIEW METROPOLITAN DISTRICT**  
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As of December 31, 2021, the District had net investment in capital assets as follows:

Net investment in capital assets:	
Capital assets, net of depreciation	\$ 98,652,338
Deferred outflow related to debt refunding	3,663,136
Long-term liabilities due within one year	(1,220,000)
Long-term liabilities due in more than one year	<u>(82,805,782)</u>
Total net investment in capital assets	<u>\$ 18,289,692</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, 2021, the District had restricted net position as follows:

Emergency reserve (TABOR)	<u>\$ 189,000</u>
Total restricted	<u>\$ 189,000</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, 2021, the District had unrestricted net position of \$22,623,188.

## **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.

**TRIVIEW METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2021 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, 2021, 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"

**TRIVIEW METROPOLITAN DISTRICT**  
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interceptor was transferred to the Forest Lakes Metropolitan District. As a result of the transfer, the interceptor is owned 50% by the District, 25% by Forest Lakes, and 25% by Donala.

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

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

**15. 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. As of December 31, 2021, the Districts are financially inactive.

**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.

## **REQUIRED SUPPLEMENTAL INFORMATION**



**TRIVIEW METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2021**

	<b>Budgeted Amounts Original</b>	<b>Budgeted Amounts Final</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 6,042,915	\$ 6,600,000	\$ 6,680,074	\$ 80,074
Fees	874,500	1,900,000	1,918,960	18,960
Conservation trust funds	22,500	22,500	28,141	5,641
Interest income	10,000	10,000	5,194	(4,806)
Sale of asset	-	-	3,000	3,000
Developer contributions	-	2,370,000	2,370,272	272
Miscellaneous revenue	15,000	15,000	22,807	7,807
Total Revenues	<u>6,964,915</u>	<u>10,917,500</u>	<u>11,028,448</u>	<u>110,948</u>
<b>EXPENDITURES</b>				
General government	687,127	630,000	629,897	103
Capital	30,000	4,000	3,835	165
Streets	530,721	502,000	501,834	166
Capital	690,000	914,000	913,451	549
Lighting	58,000	38,000	37,631	369
Signage	2,000	3,000	2,817	183
Traffic control	11,500	27,000	26,539	461
Drainage	50,000	95,000	94,777	223
Parks, landscape & open space	676,221	729,000	722,890	6,110
Capital	423,000	697,000	696,502	498
Conservation trust	22,500	22,500	28,141	(5,641)
Debt Service:				
Interest and fiscal charges	2,531,912	2,531,912	2,531,912	-
Total Expenditures	<u>5,712,981</u>	<u>6,193,412</u>	<u>6,190,226</u>	<u>3,186</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,251,934</u>	<u>4,724,088</u>	<u>4,838,222</u>	<u>114,134</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(600,000)	(600,000)	(600,000)	-
Total other financing sources	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	651,934	4,124,088	4,238,222	114,134
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,134,758</u>	<u>1,623,502</u>	<u>1,623,502</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,786,692</u>	<u>\$ 5,747,590</u>	<u>\$ 5,861,724</u>	<u>\$ 114,134</u>

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

## **SUPPLEMENTAL INFORMATION**

**TRIVIEW METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN**  
**NET POSITION (NON-GAAP BUDGETARY BASIS)**  
**WATER AND WASTEWATER FUND**  
**For the Year Ended December 31, 2021**

	<b>Budgeted Amounts Original</b>	<b>Budgeted Amounts Final</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Water assessments	\$ 4,457,741	\$ 4,974,000	\$ 4,974,333	\$ 333
Sewer assessments	1,819,013	1,947,900	1,947,894	(6)
Interest income	35,000	5,950	5,946	(4)
Water and sewer tap fees	2,837,250	4,104,000	4,103,963	(37)
Payment in lieu of water	800,000	1,009,600	1,009,557	(43)
Fees	395,840	342,000	342,009	9
IGA revenue/sale of asset	122,500	122,500	122,500	-
Miscellaneous income	60,000	97,250	97,256	6
Total Revenue	10,527,344	12,603,200	12,603,458	258
<b>EXPENSES</b>				
General & administrative:				
Salaries & wages	705,060	730,600	730,527	73
Employee benefits	183,565	185,300	185,228	72
Engineering	50,000	102,200	102,142	58
Legal	25,000	192,000	191,680	320
Communications	34,000	29,500	29,490	10
Accounting and auditing	51,000	58,000	57,722	278
Conference/training/class	6,000	600	575	25
Dues, publications & subscriptions	5,000	800	759	41
IT support	25,000	11,600	11,545	55
Office supplies & equipment	25,000	8,400	8,325	75
Postage	1,000	500	436	64
Publications - legal notice	200	200	-	200
Repairs & maintenance	500	500	403	97
Telephone service	10,000	11,000	10,674	326
Travel & meetings	1,000	2,000	1,829	171
Office overhead	2,000	8,300	8,211	89
Insurance	27,590	29,100	29,050	50
Billing expense	75,000	90,500	90,405	95
Miscellaneous	40,211	67,000	66,705	295
Vehicle repair and maintenance	20,000	38,600	38,520	80
Total General & Administrative	1,287,126	1,566,700	1,564,226	2,474
Water system	1,012,700	1,151,000	1,150,158	842
Wastewater system	804,548	695,000	694,476	524
Principal payments on capital debt	465,000	465,000	465,000	-
Interest and bond expense	1,545,447	1,544,000	1,559,488	(15,488)
Tap fee credits	150,000	623,000	622,291	709
Developer refund	-	288,000	287,867	133
Capital expenditures	7,007,677	9,350,000	9,332,293	17,707
Total Expenses	12,272,498	15,682,700	15,675,799	6,901
<b>EXCESS OF REVENUES OVER (UNDER) EXPENSES</b>	<b>(1,745,154)</b>	<b>(3,079,500)</b>	<b>(3,072,341)</b>	<b>7,159</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from (to) other funds	600,000	600,000	600,000	-
Total other financing sources	600,000	600,000	600,000	-
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>(1,145,154)</b>	<b>(2,479,500)</b>	<b>(2,472,341)</b>	<b>7,159</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>19,546,022</b>	<b>18,823,650</b>	<b>18,823,650</b>	<b>-</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 18,400,868</b>	<b>\$ 16,344,150</b>	<b>\$ 16,351,309</b>	<b>\$ 7,159</b>

**TRIVIEW METROPOLITAN DISTRICT**  
**RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND**  
**Year Ended December 31, 2021**

Excess of revenues over expenses	<u>\$ (2,472,341)</u>
Reconciling Items:	
Expenses included in statement of revenues, expenses and changes in net position, but not included with expenses on a budgetary basis:	
Depreciation	(1,226,356)
Expenses included under budgetary basis, but not included in statement of revenues, expenses and changes in net position	
Capital outlay	9,332,293
Amortization on refunding	(20,613)
Debt paid	465,000
Amortization of Bond Premium	90,812
Change in Accrued Interest	<u>21,314</u>
Change in net position per statement of revenues, expenses and changes in net position	<u><u>\$ 6,190,109</u></u>