



TRIVIEW METROPOLITAN DISTRICT

BASIC FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

BOARD OF TRUSTEES

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TRIVIEW METROPOLITAN DISTRICT

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Triview Metropolitan District
Monument, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Triview Metropolitan District (the District), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of December 31, 2018, 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.

Report on Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and page 36, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplemental 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.

Report on Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules on pages 37 and 38 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Stockman Kast Ryan + Co. LLP

July 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

TRIVIEW METROPOLITAN DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) is presented to provide an overview of the financial activities and conditions for the fiscal year ended on December 31, 2018. 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: \$72,297,408 for 2018.
- Deferred Outflows of Resources were \$4,361,394.
- Cash, Cash Equivalents and Investments as of December 31, 2018 were \$22,076,018.
- Total Liabilities for 2018 equaled \$58,743,208.
- Deferred Inflows of Resources were \$2,911,435.
- Net Position for 2018 totaled \$15,004,159.
- Governmental change in Net Position from 2017 to 2018 was a decrease of \$4,587,817.
- Business-type change in Net Position from 2017 to 2018 was an increase of \$10,905,643.

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:

	2018			2017		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
ASSETS						
Other	\$ 10,665,570	\$ 14,926,593	\$ 25,592,163	\$ 17,147,798	\$ 4,563,724	\$ 21,711,522
Capital	<u>10,313,459</u>	<u>36,391,786</u>	<u>46,705,245</u>	<u>8,435,975</u>	<u>35,874,701</u>	<u>44,310,676</u>
Total assets	<u>\$ 20,979,029</u>	<u>\$ 51,318,379</u>	<u>\$ 72,297,408</u>	<u>\$ 25,583,773</u>	<u>\$ 40,438,425</u>	<u>\$ 66,022,198</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,135,361</u>	<u>\$ 226,033</u>	<u>\$ 4,361,394</u>	<u>\$ 4,432,209</u>	<u>\$ 203,377</u>	<u>\$ 4,635,586</u>

	2018			2017		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
LIABILITIES						
Current	\$ 1,077,403	\$ 953,246	\$ 2,030,649	\$ 917,461	\$ 1,804,079	\$ 2,721,540
Long-term	45,395,885	11,316,674	56,712,559	45,986,498	10,468,874	56,455,372
Total liabilities	<u>\$ 46,473,288</u>	<u>\$ 12,269,920</u>	<u>\$ 58,743,208</u>	<u>\$ 46,903,959</u>	<u>\$ 12,272,953</u>	<u>\$ 59,176,912</u>
DEFERRED INFLOWS OF RESOURCES						
	<u>\$ 2,911,435</u>	<u>\$ -</u>	<u>\$ 2,911,435</u>	<u>\$ 2,794,539</u>	<u>\$ -</u>	<u>\$ 2,794,539</u>
NET POSITION						
Net investment in capital assets	\$ (29,894,646)	\$ 27,881,463	\$ (2,013,183)	\$ (32,028,388)	\$ 28,009,047	\$ (4,019,341)
Restricted position	1,188,133	1,265,590	2,453,723	621,722		621,722
Unrestricted position	4,436,180	10,127,439	14,563,619	11,724,150	359,802	12,083,952
Total net position	<u>\$ (24,270,333)</u>	<u>\$ 39,274,492</u>	<u>\$ 15,004,159</u>	<u>\$ (19,682,516)</u>	<u>\$ 28,368,849</u>	<u>\$ 8,686,333</u>

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:

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Charges of services						
User charges (rates)	\$	\$ 4,804,781	\$ 4,804,781	\$	\$ 4,058,339	\$ 4,058,339
Impact fees	690,093		690,093	588,830		588,830
Capital contributions:						
Water & sewer tap fees		2,173,334	2,173,334		1,307,842	1,307,842
GENERAL						
Tax revenues	5,716,464		5,716,464	5,289,219		5,289,219
Interest income	262,355	76,259	338,614	144,636	16,197	160,833
Other	50,213	1,183,178	1,233,391	36,178	263,594	299,772
Total revenues	<u>6,719,125</u>	<u>8,237,552</u>	<u>14,956,677</u>	<u>6,058,863</u>	<u>5,645,972</u>	<u>11,704,835</u>

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
FUNCTIONAL						
General government	805,055		805,055	566,292		566,292
Streets	634,769		634,769	430,394		430,394
Lighting	49,730		49,730	45,895		45,895
Drainage	198		198			
Signage	4,313		4,313	4,814		4,814
Traffic control	32,702		32,702	28,734		28,734
Parks	525,129		525,129	537,130		537,130
Conservation	19,431		19,431	18,467		18,467
Debt service	2,231,165		2,231,165	2,018,685		2,018,685
Water, wastewater and reuse		4,336,359	4,336,359		2,965,553	2,965,553
Total expenditures	4,302,492	4,336,359	8,638,851	3,650,411	2,965,553	6,615,964
Transfers	(7,004,450)	7,004,450	-	(400,000)	400,000	-
Change in net position	(4,587,817)	10,905,643	6,317,826	2,008,452	3,080,419	5,088,871
Net position – beginning of year	(19,682,516)	28,368,849	8,686,333	(21,690,968)	25,288,430	3,597,462
Net position – end of year	<u>\$ (24,270,333)</u>	<u>\$ 39,274,492</u>	<u>\$ 15,004,159</u>	<u>\$ (19,682,516)</u>	<u>\$ 28,368,849</u>	<u>\$ 8,686,333</u>

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 improved during 2018, due to substantial revenue growth. The District continues to be an attractive area for both home buyers and retail establishments. With the growth comes the need for infrastructure improvements and expansions, in addition to, additional water supplies for future demand.

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

Capital assets for the Governmental Activities increased due to capital outlays of \$2,373,783 in 2018 exceeding depreciation of \$496,299. Capital assets for the Business-type Activities increased also due to capital outlay exceeding depreciation in 2018. Triview has constructed facilities and infrastructure that, in some cases, will serve the build-out population yet the District is less than 50% developed and probably 15 years from build out status. In addition, the District continues to purchase water rights to meet future demand. The District was able to complete a large road project in 2018 and initiate a pipeline project that will connect the east and west sides of the District.

CAPITAL ASSETS:

	2018			2017		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Operating systems	\$ 17,546,913	\$ 50,000,697	\$ 67,547,610	\$ 15,173,130	\$ 48,478,551	\$ 63,651,681
Accumulated depreciation	<u>(7,233,454)</u>	<u>(13,608,911)</u>	<u>(20,842,365)</u>	<u>(6,737,155)</u>	<u>(12,603,850)</u>	<u>(19,341,005)</u>
Total capital assets, net	<u>\$ 10,313,459</u>	<u>\$ 36,391,786</u>	<u>\$ 46,705,245</u>	<u>\$ 8,435,975</u>	<u>\$ 35,874,701</u>	<u>\$ 44,310,676</u>

The long-term liabilities decreased during 2018 by \$132,813 primarily due to repayment of debt obligation.

LONG-TERM DEBT:

	2018			2017		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Loan payable	\$	\$ 11,491,674	\$ 11,491,674	\$	\$ 11,053,874	\$ 11,053,874
G.O. bonds payable	<u>45,955,885</u>		<u>45,955,885</u>	<u>46,526,498</u>		<u>46,526,498</u>
Total debt	<u>\$ 45,955,885</u>	<u>\$ 11,491,674</u>	<u>\$ 57,447,559</u>	<u>\$ 46,526,498</u>	<u>\$ 11,053,874</u>	<u>\$ 57,580,372</u>

FUTURE TRENDS AND ECONOMIC FACTORS

As of December 31, 2018, there are 1,599 residential taps and 107 commercial/irrigation taps being serviced by the District.

Both commercial and residential growth is anticipated to continue in 2019. Continued building will result in the collection of tap fees that will help to build and maintain infrastructure. In addition, additional residential and commercial development generates the following revenue implications:

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,622,778	\$ 4,994,272	\$ 9,617,050
Cash and cash equivalents, restricted	1,069,633	1,265,590	2,335,223
Investments	2,110,335	8,013,410	10,123,745
Property taxes receivable	2,911,435	-	2,911,435
Interest receivable	1,062	36,794	37,856
Accounts receivable	403,403	61,200	464,603
Prepaid expenses	42,813	28,446	71,259
Internal balances	(495,889)	495,889	-
Funds held in escrow	-	30,992	30,992
Capital assets, net of accumulated depreciation	10,313,459	36,391,786	46,705,245
Total assets	20,979,029	51,318,379	72,297,408
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	4,135,361	226,033	4,361,394
Total deferred outflows of resources	4,135,361	226,033	4,361,394
LIABILITIES			
Accounts payable	197,068	658,129	855,197
Accrued interest	320,335	41,125	361,460
Escrow funds held	-	30,992	30,992
Accrued settlement	-	48,000	48,000
Long-term liabilities			
Due within one year	560,000	175,000	735,000
Due in more than one year	45,395,885	11,316,674	56,712,559
Total liabilities	46,473,288	12,269,920	58,743,208
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	2,911,435	-	2,911,435
Total deferred inflows of resources	2,911,435	-	2,911,435
NET POSITION			
Net investment in capital assets	(29,894,646)	27,881,463	(2,013,183)
Restricted			
Debt service	1,069,633	441,324	1,510,957
Contributions	-	824,266	824,266
Emergency reserve (TABOR)	118,500	-	118,500
Unrestricted	4,436,180	10,127,439	14,563,619
Total net position	\$ (24,270,333)	\$ 39,274,492	\$ 15,004,159

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, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities:					
General government	\$ 805,055	\$ -	\$ -	\$ -	\$ (805,055)
Streets	634,769	138,193	-	-	(496,576)
Lighting	49,730	-	-	-	(49,730)
Drainage	198	170,751	-	-	170,553
Signage	4,313	-	-	-	(4,313)
Traffic control	32,702	-	-	-	(32,702)
Parks, landscape and open space	525,129	381,149	-	-	(143,980)
Conservation	19,431	-	-	-	(19,431)
Interest and fiscal charges	2,231,165	-	-	-	(2,231,165)
General government	\$ 4,302,492	\$ 690,093	\$ -	\$ -	(3,612,399)
Business-type activities:					
Water and Wastewater Fund	\$ 4,336,359	\$ 6,978,115	\$ -	\$ -	2,641,756
Total	\$ 4,336,359	\$ 6,978,115	\$ -	\$ -	2,641,756
General revenues and transfers:					
Taxes		5,716,464			5,716,464
Investment earnings		262,355			338,614
Conservation Trust funds		19,431			19,431
Other revenues		30,782			1,213,960
Transfers		(7,004,450)			-
Total general revenues		(975,418)			7,288,469
Change in net position		(4,587,817)			6,317,826
Net position - Beginning		(19,682,516)			8,686,333
Net position - Ending		\$ (24,270,333)			\$ 15,004,159

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, 2018**

	<u>General</u>
ASSETS	
Cash and cash equivalents	\$ 4,622,778
Investments	2,110,335
Restricted cash and cash equivalents	1,069,633
Property taxes receivable	2,911,435
Interest receivable	1,062
Accounts receivable, other	403,403
Prepaid expense	42,813
Total assets	<u>\$ 11,161,459</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Accounts payable	\$ 197,068
Due to other funds	495,889
Total liabilities	<u>692,957</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	<u>2,911,435</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,911,435</u>
FUND BALANCE	
Nonspendable:	
Prepaid expenditures	42,813
Restricted:	
Debt service	1,069,633
Emergency reserves	118,500
Unassigned	6,326,121
Total fund balance	<u>7,557,067</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 11,161,459</u>
 Total fund balance, governmental funds	 \$ 7,557,067
 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	10,313,459
Deferred outflows of resources are not current financial resources, and therefore are not reported in the funds	4,135,361
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds	(320,335)
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>(45,955,885)</u>
Net position of governmental activities	<u>\$ (24,270,333)</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 CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended December 31, 2018**

	<u>General</u>
REVENUES	
Taxes	\$ 5,716,464
Fees	690,093
Conservation trust funds	19,431
Interest income	262,355
Miscellaneous revenue	30,782
Total revenues	<u>6,719,125</u>
EXPENDITURES	
General government	800,240
Streets	2,377,966
Lighting	49,730
Signage	4,313
Traffic control	9,084
Drainage	198
Parks, landscape and open space	687,850
Conservation Trust	19,431
Debt Service:	
Interest and fiscal charges	2,488,862
Total expenditures	<u>6,437,673</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>281,452</u>
OTHER FINANCING SOURCES (USES)	
Transfers out	(7,004,450)
Total other financing sources	<u>(7,004,450)</u>
NET CHANGE IN FUND BALANCE	(6,722,998)
FUND BALANCE - BEGINNING OF YEAR	<u>14,280,065</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 7,557,067</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 CHANGES IN FUND BALANCE - GOVERNMENTAL
FUND TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2018**

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>\$ (6,722,998)</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.	1,877,484
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>257,697</u>
Change in net position - Governmental activities	<u><u>\$ (4,587,817)</u></u>

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

TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND WASTEWATER FUND
December 31, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets	
Cash and cash equivalents	\$ 4,994,272
Investments	8,013,410
Restricted cash and cash equivalents	1,265,590
Interest receivable	36,794
Accounts receivable	61,200
Prepaid expenses	28,446
Due from other funds	495,889
Total current assets	<u>14,895,601</u>
Non-current assets	
Funds held in escrow	30,992
Capital assets, net of depreciation	<u>36,391,786</u>
Total non-current assets	<u>36,422,778</u>
Total assets	<u>51,318,379</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding	<u>226,033</u>
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 51,544,412

LIABILITIES AND NET POSITION

Current liabilities	
Accounts payable	\$ 658,129
Accrued interest	41,125
Accrued settlement	48,000
Bonds payable	175,000
Total current liabilities	<u>922,254</u>
Non-current liabilities	
Escrow funds held	30,992
Bonds payable	<u>11,316,674</u>
Total non-current liabilities	<u>11,347,666</u>
Total liabilities	<u>12,269,920</u>

NET POSITION

Net investment in capital assets	27,881,463
Restricted for debt service	441,324
Restricted - other	824,266
Unrestricted	<u>10,127,439</u>
Total net position	<u>39,274,492</u>

TOTAL LIABILITIES AND NET POSITION

\$ 51,544,412

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, 2018

OPERATING REVENUE	
Water sales	\$ 3,097,974
Tap fees	2,173,334
Payment in lieu of fees	459,800
Sewer charges	<u>1,247,007</u>
Total operating revenue	<u>6,978,115</u>
OPERATING EXPENSES	
Water system	696,159
Wastewater system	415,302
General and administrative	680,170
Depreciation	<u>1,005,061</u>
Total operating expenses	<u>2,796,692</u>
OPERATING INCOME	<u>4,181,423</u>
NONOPERATING REVENUE (EXPENSE)	
Interest income	76,259
Miscellaneous income	133,600
Bond issuance costs	(205,946)
Tap fee credits	(944,000)
Interest expense	<u>(389,721)</u>
Total nonoperating expense, net	<u>(1,329,808)</u>
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	2,851,615
CONTRIBUTIONS	1,049,578
TRANSFERS IN	<u>7,004,450</u>
CHANGE IN NET POSITION	<u>10,905,643</u>
NET POSITION - BEGINNING OF YEAR	<u>28,368,849</u>
NET POSITION - END OF YEAR	<u><u>\$ 39,274,492</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, 2018**

	<u>Water</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 6,998,187
Cash payments to suppliers for goods and services	(1,664,359)
Cash payments to employees for services	(334,956)
Net cash provided by operating activities	<u>4,998,872</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	7,004,450
Miscellaneous non-operating income	133,600
Change in due from other funds	132,049
Net cash used in noncapital financing activities	<u>7,270,099</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,522,146)
Developer contributions	1,049,578
Principal paid on debt	(400,000)
Bond proceeds	11,165,000
Bond premium	326,674
Bond issuance costs	(205,946)
Retirement of existing debt	(10,653,874)
Tap fee credits	(944,000)
Interest paid on debt	(460,913)
Net cash used in capital and related financing activities	<u>(1,645,627)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(6,152,593)
Investment income	39,465
Net cash provided by investing activities	<u>(6,113,128)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,510,216
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,749,646</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 6,259,862</u></u>

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, 2018**

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

Operating income	\$ 4,181,423
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	1,005,061
Effects of changes in operating assets and liabilities:	
Accounts receivable	20,072
Prepaid expense	(11,978)
Accounts payable	<u>(195,706)</u>
Total adjustments	<u>817,449</u>
Net cash provided by operating activities	<u><u>\$ 4,998,872</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

TRIVIEW METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include 1) fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation — The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

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

The District reports the following major governmental fund:

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

Additionally, the District reports the following major proprietary fund:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Capital assets	\$ 17,546,913
Accumulated depreciation	<u>(7,233,454)</u>
Net adjustment to fund balance – governmental fund to arrive at net position – governmental activities	<u>\$ 10,313,459</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	\$ (496,299)
Capital outlays	<u>2,373,783</u>
Net adjustment to net change in fund balance – governmental fund to arrive at change in net position – governmental activities	<u>\$ 1,877,484</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	\$ (296,848)
Amortization of discount/premium	30,613
Repayment of bonds	540,000
Change in accrued interest	<u>(16,068)</u>
Net adjustment to net change in fund balance – governmental fund to arrive at change in net position of governmental activities	<u>\$ (257,697)</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, 2018:

	Deposits	Certificate of Deposit/ Bonds	COLO- TRUST	Total
Cash and cash equivalents	\$ 3,778,279		\$ 5,838,771	\$ 9,617,050
Restricted cash and cash equivalents	1,265,590		1,069,633	2,335,223
Investments		10,123,745		10,123,745
Funds held in escrow	<u>30,992</u>			<u>30,992</u>
Total	<u>\$ 5,074,861</u>	<u>\$10,123,745</u>	<u>\$ 6,908,404</u>	<u>\$ 22,107,010</u>

Reconciliation of cash and cash equivalents to the government-wide financial statements at December 31, 2018:

	Governmental Activities	Business- type Activities	Total
Cash and cash equivalents	\$ 4,622,778	\$ 4,994,272	\$ 9,617,050
Restricted cash and cash equivalents	1,069,633	1,265,590	2,335,223
Investments	2,110,335	8,013,410	10,123,745
Funds held in escrow		<u>30,992</u>	<u>30,992</u>
Total	<u>\$ 7,802,746</u>	<u>\$ 14,304,264</u>	<u>\$ 22,107,010</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, 2018, the carrying amount of the District's deposits, including certificates of deposits and money markets, was \$7,185,196 the bank balances were \$7,974,255. Of the total bank balance, \$1,056,316 was covered by FDIC insurance and \$6,917,939 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, 2018:

	<u>Fair Value Measurements Using</u>			
	<u>December 31,</u>	<u>Quoted Prices</u>	<u>Significant</u>	<u>Significant</u>
	<u>2018</u>	<u>In Active</u>	<u>Other</u>	<u>Unobservable</u>
		<u>Markets for</u>	<u>Observable</u>	<u>Inputs</u>
		<u>Identical Assets</u>	<u>Inputs</u>	
		<u>(Level 1)</u>	<u>(Level 3)</u>	<u>Inputs</u>
Investments by fair level:				
Certificates of deposits	\$ 2,110,335		\$ 2,110,335	
Government Bonds	7,975,746		7,975,746	
Money Market	<u>37,664</u>	\$ <u>37,664</u>		<u>-</u>
Total investments by fair level value:	<u>\$10,123,745</u>	<u>\$ 37,664</u>	<u>\$10,086,081</u>	<u>\$ -</u>

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

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

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

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

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

Credit Risk. State law limits investments to those described above. The District does not have an investment policy that would further limit its investment choices. As of December 31, 2018 the District's ColoTrust investment is rated AAAM by Standard & Poor's.

5. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31, 2018:

GENERAL FUND	
Cash with County Treasurer	\$ 30,995
Taxes from town	<u>372,408</u>
Total general fund	<u>403,403</u>
WATER AND WASTEWATER FUND	
User fees receivable	<u>61,200</u>
Total water and wastewater fund	<u>61,200</u>
Total accounts receivables	<u>\$ 464,603</u>

6. INTERFUND BALANCES AND TRANSFERS

Interfund balances consisted of the following at December 31, 2018:

Receivable	Payable	Amount
Enterprise fund	General fund	<u>\$ 495,889</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, 2018 the General Fund transferred \$7,004,450 to the Enterprise Fund for the allocation of certain taxes for 2018 and prior years to the enterprise fund for operations.

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, 2018 was 35.000 mills. The District's assessed valuation for 2017, for taxes collected in 2018, was \$79,842,970.

8. ESCROW FUNDS HELD

An escrow account in the District's name has 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. Several developers contributed to the escrow to construct the improvements. The remaining balances of the two escrows totaled \$855,258 at December 31, 2018.

9. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance at December 31, 2017	Additions	Disposals/ Retirements	Balance at December 31, 2018
Governmental activities:				
Capital assets, not being depreciated:				
Construction in process	\$ -	\$ 131,980	\$ -	\$ 131,980
Total capital assets not being depreciated	-	131,980	-	131,980
Capital assets, being depreciated:				
Road and streets	12,851,561	1,991,945	-	14,843,506
Traffic control	436,399	-	-	436,399
Parks, landscape and open space	1,403,412	193,770	-	1,597,182
Equipment	309,413	56,088	-	365,501
Office space	172,345	-	-	172,345
Total capital assets being depreciated	15,173,130	2,241,803	-	17,414,933
Less accumulated depreciation for:				
Road and streets	(5,683,651)	(386,246)	-	(6,069,897)
Traffic control	(378,816)	(23,618)	-	(402,434)
Parks, landscape and open space	(457,166)	(36,567)	-	(493,733)
Equipment	(196,147)	(45,053)	-	(241,200)
Office space	(21,375)	(4,815)	-	(26,190)
Total accumulated depreciation	(6,737,155)	(496,299)	-	(7,233,454)
Total capital assets, net	\$ 8,435,975	\$ 1,877,484	\$ -	\$ 10,313,459
Business-type activities:				
Capital assets, not being depreciated:				
Water rights	\$ 11,550,581	\$ 426,477	\$ -	\$ 11,977,058
Construction in process	-	855,674	-	855,674
Total capital assets not being depreciated	11,550,581	1,282,151	-	12,832,732
Capital assets, being depreciated:				
Wells	2,507,056	47,690	-	2,554,746
Water storage tank	1,038,433	-	-	1,038,433
Wastewater treatment facility	10,017,728	-	-	10,017,728
Water distribution system and treatment facility	19,582,584	16,345	-	19,598,929
Sanctuary Pointe	3,472,177	-	-	3,472,177
Equipment	309,992	175,960	-	485,952
Total capital assets being depreciated	36,927,970	239,995	-	37,167,965
Less accumulated depreciation for:				
Wells	(862,881)	(85,365)	-	(948,246)
Water storage tank	(533,722)	(25,961)	-	(559,683)
Wastewater treatment facility	(3,492,444)	(250,605)	-	(3,743,049)
Water distribution system and treatment facility	(7,537,108)	(488,840)	-	(8,025,948)
Sanctuary Pointe	(114,609)	(88,247)	-	(202,856)
Equipment	(63,086)	(66,043)	-	(129,129)
Total accumulated depreciation	(12,603,850)	(1,005,061)	-	(13,608,911)
Total capital assets, net	\$ 35,874,701	\$ 517,085	\$ -	\$ 36,391,786

10. LONG-TERM LIABILITIES

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

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

<u>December 31,</u>	<u>Business Type Activities.</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 175,000	\$ 490,812
2020	185,000	479,350
2021	195,000	470,100
2022	205,000	460,350
2023	215,000	450,100
2024 - 2028	1,235,000	2,079,000
2029 - 2033	1,575,000	1,738,000
2034 - 2038	1,995,000	1,326,450
2039 - 2043	2,430,000	890,200
2044 - 2048	<u>2,955,000</u>	<u>364,200</u>
Total	<u>\$ 11,165,000</u>	<u>\$ 8,748,562</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. At December 31, 2018, the balance in the Escrow account for the refunding of the 2009 Series bonds was \$44,945,647.

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

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

\$ 45,100,000

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

<u>December 31,</u>	<u>Governmental Activities.</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 560,000	\$ 1,922,013
2020	630,000	1,899,613
2021	655,000	1,874,412
2022	730,000	1,848,213
2023	760,000	1,815,363
2024 - 2028	4,870,000	8,454,563
2029 - 2033	6,885,000	7,059,412
2034 - 2038	9,220,000	5,420,963
2039 - 2043	11,965,000	3,349,506
2044 - 2046	8,825,000	740,231
Total	<u>\$ 45,100,000</u>	<u>\$ 34,384,289</u>

Changes In Long-Term Liabilities —

	<u>Balance at</u> <u>December 31,</u>			<u>Balance at</u> <u>December 31,</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
<u>Governmental Activities:</u>	<u>2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>2018</u>	
Series 2016 GO Bonds	\$ 45,640,000	\$ -	\$ 540,000	\$ 45,100,000	\$ 560,000
Bond Issuance Premium	886,498	-	30,613	855,885	-
Total - Governmental Activities	<u>\$ 46,526,498</u>	<u>\$ -</u>	<u>\$ 570,613</u>	<u>\$ 45,955,885</u>	<u>\$ 560,000</u>
<u>Business-Type Activities:</u>					
Revenue Bonds - 2018	\$ -	\$ 11,165,000	\$ -	\$ 11,165,000	\$ 175,000
Bond Issuance Premium	-	326,674	-	326,674	-
Northstar Revenue Note	4,733,874	-	4,733,874	-	-
KeyBank Revenue Bond	6,320,000	-	6,320,000	-	-
Total - Business-Type Activities	<u>\$ 11,053,874</u>	<u>\$ 11,491,674</u>	<u>\$ 11,053,874</u>	<u>\$ 11,491,674</u>	<u>\$ 175,000</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, 2018, the District had net investment in capital assets as follows:

Net investment in capital assets:	
Capital assets, net of depreciation	\$ 46,705,245
Capital asset related to deferred outflow	4,361,394
Long-term liabilities due within one year	(735,000)
Long-term liabilities due in more than one year	(56,712,559)
Debt proceeds spent for non-capitalized purposes	<u>4,367,737</u>
Total net investment in capital assets	<u>\$ (2,013,183)</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, 2018, the District had restricted net position as follows:

Restricted for debt service	\$ 1,510,957
Restricted contributions	824,226
Emergency reserve (TABOR)	<u>118,500</u>
Total restricted	<u>\$ 2,453,683</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, 2018, the District had unrestricted net position of \$14,563,619.

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, 2018 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, 2018, 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 Districts completed an expansion of the plant to 1.75 million gallons per day (MGD). Under the terms of the above agreements, the three Districts reallocated ownership. Ownership was also modified under a 2009 agreement between the District and Donala, with the District deeding ownership of 6.7% of the 1.75 MGD capacity to Donala. The current ownership is 37.3% owned by the District, 17.1% by Forest Lakes, and 45.6% by Donala. The plant is currently being operated by Donala and all parties are responsible for their respective share of operations and maintenance costs, based on the relative share of actual flows.

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

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

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

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

15. AMENDMENT TO COLORADO CONSTITUTION

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

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

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

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

REQUIRED SUPPLEMENTAL INFORMATION

TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2018

	<u>Budgeted Amounts Original</u>	<u>Budgeted Amounts Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUE				
Taxes	\$ 5,149,993	\$ 5,710,000	\$ 5,716,464	\$ 6,464
Fees	362,400	690,000	690,093	93
Conservation trust funds	15,000	20,000	19,431	(569)
Interest income	128,000	260,000	262,355	2,355
Grant revenue	25,000	-	-	-
Miscellaneous revenue	10,000	30,000	30,782	782
Total Revenues	<u>5,690,393</u>	<u>6,710,000</u>	<u>6,719,125</u>	<u>9,125</u>
EXPENDITURES				
General government	887,653	887,653	800,240	87,413
Streets	276,609	276,609	225,997	50,612
Capital	1,640,000	2,100,000	2,151,969	(51,969)
Lighting	42,000	42,000	49,730	(7,730)
Signage	4,000	4,000	4,313	(313)
Traffic control	24,600	24,600	9,084	15,516
Drainage	20,000	20,000	197	19,803
Parks, landscape & open space	315,359	315,359	466,035	(150,676)
Capital	261,500	261,500	221,815	39,685
Conservation trust	15,000	17,000	19,431	(2,431)
Debt Service:				
Interest and fiscal charges	2,486,112	2,489,000	2,488,862	138
Total Expenditures	<u>5,972,833</u>	<u>6,437,721</u>	<u>6,437,673</u>	<u>48</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(282,440)</u>	<u>272,279</u>	<u>281,452</u>	<u>9,173</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(330,000)	(7,004,450)	(7,004,450)	-
Total other financing sources	<u>(330,000)</u>	<u>(7,004,450)</u>	<u>(7,004,450)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(612,440)</u>	<u>(6,732,171)</u>	<u>(6,722,998)</u>	<u>9,173</u>
FUND BALANCE - BEGINNING OF YEAR	<u>13,984,975</u>	<u>14,280,065</u>	<u>14,280,065</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 13,372,535</u>	<u>\$ 7,547,894</u>	<u>\$ 7,557,067</u>	<u>\$ 9,173</u>

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

SUPPLEMENTAL INFORMATION

TRIVIEW METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
NET POSITION (NON-GAAP BUDGETARY BASIS)
WATER AND WASTEWATER FUND
For the Year Ended December 31, 2018

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Water assessments	\$ 1,371,000	\$ 3,100,000	\$ 3,097,974	\$ (2,026)
Sewer assessments	1,144,000	1,246,000	1,247,007	1,007
Interest income	10,000	39,500	76,259	36,759
Water and sewer tap fees	1,132,500	2,175,000	2,173,334	(1,666)
Payment in lieu of water	-	460,000	459,800	(200)
Fees	870,000	61,000	63,618	2,618
Developer contributions	-	1,050,000	1,049,578	(422)
Miscellaneous income	20,000	70,000	69,982	(18)
Total Revenues	4,547,500	8,201,500	8,237,552	36,052
EXPENDITURES				
General & administrative:				
Salaries & wages	297,000	335,000	334,956	44
Employee benefits	84,221	89,000	88,605	395
Engineering	50,000	50,000	42,634	7,366
Legal	9,000	9,000	-	9,000
Consulting	55,000	55,000	51,526	3,474
Accounting and auditing	25,000	25,000	21,392	3,608
Conference/training/class	6,000	6,000	540	5,460
Dues, publications & subscriptions	6,300	6,300	7,109	(809)
IT support	1,000	1,000	7,218	(6,218)
Office supplies & equipment	5,000	5,000	7,967	(2,967)
Postage	4,000	4,000	1,035	2,965
Publications - legal notice	350	350	-	350
Repairs & maintenance	1,500	1,500	1,122	378
Telephone service	3,000	3,000	5,053	(2,053)
Travel & meetings	750	750	173	577
Office overhead	1,200	1,200	960	240
Insurance	8,800	20,000	19,179	821
Billing expense	60,000	60,000	61,347	(1,347)
Miscellaneous	1,000	16,350	16,347	3
Vehicle repair and maintenance	4,000	4,000	13,007	(9,007)
Total General & Administrative	623,121	692,450	680,170	12,280
Water system	592,000	697,000	696,159	841
Wastewater system	949,899	949,899	415,302	534,597
Principal payments on capital debt	585,000	585,000	400,000	185,000
Interest expense	364,551	364,551	389,721	(25,170)
Tap fee credits	432,000	432,000	944,000	(512,000)
Capital expenditures	893,000	1,500,000	1,522,146	(22,146)
Total Expenses	4,439,571	5,220,900	5,047,498	173,402
EXCESS OF REVENUE OVER (UNDER)	107,929	2,980,600	3,190,054	209,454
OTHER FINANCING SOURCES (USES)				
Water and Wastewater Revenue Refunding Bond Proceeds	-	11,165,000	11,165,000	-
Payment to retire existing debt	-	(10,844,403)	(10,653,874)	190,529
Costs of issuance	-	(205,946)	(205,946)	-
Premium on Water and Wastewater Revenue Refunding Bonds	-	326,674	326,674	-
Reserve for 2018 Water Improvement Project	-	(416,000)	(416,000)	-
Transfer from (to) other funds	330,000	7,000,000	7,004,450	4,450
Total other financing sources	330,000	7,000,000	7,220,304	194,979
EXCESS OF REVENUE OVER EXPENSES	437,930	9,980,600	10,410,358	404,433
NET POSITION - BEGINNING OF YEAR	1,962,938	2,827,149	2,827,149	-
NET POSITION - END OF YEAR	\$ 2,400,867	\$ 12,807,749	\$ 13,237,507	\$ 404,433

TRIVIEW METROPOLITAN DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND
Year Ended December 31, 2018

Excess of revenues over expenses	<u>\$ 10,410,358</u>
Reconciling Items:	
Expenditures included in statement of revenues, expenses and changes in net position, but not included with expenditures on a budgetary basis:	
Depreciation	(1,005,061)
Expenditures included under budgetary basis, but not included in statement of revenues, expenses and changes in net position	
Capital outlay - water system improvements and water rights	1,522,146
Debt paid, net of costs of issuance	<u>(21,800)</u>
Change in net position per statement of revenues, expenses and changes in net position	<u><u>\$ 10,905,643</u></u>