

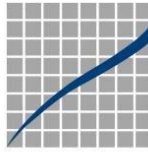
**TRIVIEW METROPOLITAN DISTRICT
NO. 2
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**TRIVIEW METROPOLITAN DISTRICT NO. 2
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	18
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	20
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	21



BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Triview Metropolitan District No. 2
Town of Monument, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Triview Metropolitan District No. 2 ("District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2020, the changes in its financial position, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary 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 supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The other information, as identified in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the other information.

BiggsKofford, P.C.

Colorado Springs, Colorado
September 28, 2021

BASIC FINANCIAL STATEMENTS

TRIVIEW METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash and Investments	\$ 36,268
Cash and Investments - Restricted	233,509
Other Receivable	30,340
Receivable from County treasurer	1,305
Property Taxes Receivable	149,310
Prepaid Expenses	3,316
Total Assets	454,048
LIABILITIES	
Accounts Payable	3,404
Accrued Interest Payable	4,975
Noncurrent Liabilities:	
Due in One Year	25,000
Due in More Than One Year	1,571,203
Total Liabilities	1,604,582
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	149,310
Total Deferred Inflows of Resources	149,310
NET POSITION	
Restricted for:	
Emergency Reserves	990
Debt Service	174,596
Unrestricted	(1,475,430)
Total Net Position	\$ (1,299,844)

See accompanying Notes to Basic Financial Statements.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 20,376	\$ -	\$ -	\$ -	\$ (20,376)
Interest and related costs on long-term debt	61,878	-	-	-	(61,878)
Dedication of Capital Assets to Other Governments	477,504	-	-	-	(477,504)
Total Governmental Activities	\$ 82,254	\$ -	\$ -	\$ -	(559,758)
 GENERAL REVENUES					
					148,816
Property Taxes					16,176
Specific Ownership Taxes					1,197
Net Investment Income					166,189
Total General Revenues					
 CHANGE IN NET POSITION					(393,569)
Net Position - Beginning of Year					(906,275)
 NET POSITION - END OF YEAR					\$ (1,299,844)

See accompanying Notes to Basic Financial Statements.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 36,268	\$ -	\$ 36,268
Cash and Investments - Restricted	990	232,519	233,509
Other Receivable	30,340	-	30,340
Receivable - County Treasurer	253	1,052	1,305
Property Taxes Receivable	29,073	120,237	149,310
Prepaid Expenses	3,316	-	3,316
	<u>\$ 100,240</u>	<u>\$ 353,808</u>	<u>\$ 454,048</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 3,404	\$ -	\$ 3,404
Total Liabilities	<u>3,404</u>	<u>-</u>	<u>3,404</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	29,073	120,237	149,310
Total Deferred Inflows of Resources	<u>29,073</u>	<u>120,237</u>	<u>149,310</u>
FUND BALANCES			
Nonspendable:			
Prepaid Expenses	3,316	-	3,316
Restricted For:			
Emergencies Reserves	990	-	990
Debt Service	-	233,571	233,571
Unassigned	63,457	-	63,457
Total Fund Balances	<u>67,763</u>	<u>233,571</u>	<u>301,334</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 100,240</u>	<u>\$ 353,808</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Long-term liabilities are not due and payable in the current period and, therefore, are not in the funds:			
Bond Payable			(1,596,203)
Accrued Interest Payable			(4,975)
Net Position of Governmental Activities			<u>\$ (1,299,844)</u>

See accompanying Notes to Basic Financial Statements.

TRIVIEW METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 28,822	\$ 119,994	\$ 148,816
Specific Ownership Taxes	3,133	13,043	16,176
Net Investment Income	797	400	1,197
Total Revenues	32,752	133,437	166,189
EXPENDITURES			
Current:			
Accounting	3,255	-	3,255
Auditing	5,600	-	5,600
County Treasurer's Fee	433	1,801	2,234
Insurance and Bonds	3,171	-	3,171
Legal Services	5,481	-	5,481
Miscellaneous	627	-	627
Banking Fees	-	8	8
Debt Service:			
Paying Agent Fee	-	3,500	3,500
Bond Interest	-	60,360	60,360
Bond Principal	-	25,000	25,000
Total Expenditures	18,567	90,669	109,236
NET CHANGE IN FUND BALANCES	14,185	42,768	56,953
Fund Balances - Beginning of Year	53,578	190,803	244,381
FUND BALANCES - END OF YEAR	\$ 67,763	\$ 233,571	\$ 301,334

See accompanying Notes to Basic Financial Statements.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ 56,953

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Dedication of Capital Assets to Other Governments (477,504)

Long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal Payment on Bonds Payable 25,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability 55
Bonds Premium Amortization 1,927

Change in Net Position of Governmental Activities \$ (393,569)

**TRIVIEW METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 28,977	\$ 28,822	\$ (155)
Specific Ownership Tax	2,103	3,133	1,030
Net Investment Income	2,300	797	(1,503)
Total Revenues	<u>33,380</u>	<u>32,752</u>	<u>(628)</u>
EXPENDITURES			
Current:			
Accounting	5,000	3,255	1,745
Auditing	6,000	5,600	400
County Treasurer's Fee	435	433	2
Insurance and Bonds	3,300	3,171	129
Legal Services	5,000	5,481	(481)
Miscellaneous	1,000	627	373
Election Expense	1,000	-	1,000
Trustee Fees	2,200	-	2,200
Contingency	57,390	-	57,390
Total Expenditures	<u>81,325</u>	<u>18,567</u>	<u>62,758</u>
NET CHANGE IN FUND BALANCE	<u>(47,945)</u>	<u>14,185</u>	<u>62,130</u>
Fund Balance - Beginning of Year	<u>48,663</u>	<u>53,578</u>	<u>4,915</u>
FUND BALANCE - END OF YEAR	<u>\$ 718</u>	<u>\$ 67,763</u>	<u>\$ 67,045</u>

See accompanying Notes to Basic Financial Statements.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Triview Metropolitan District No. 2 (District No. 2), a quasi-municipal corporation and a political subdivision of the state of Colorado created pursuant to the Special District Act, was formed in 2006 for the purpose of providing the funding for roads and traffic safety for Ranch Pointe Road, Jackson Creek Parkway, and Higby Road in the Town of Monument.

District No. 2 was formed in conjunction with Triview Metropolitan District No. 1 (District No. 1), Triview Metropolitan District No. 3 (District No. 3) and Triview Metropolitan District No. 4 (District No. 4) to design, finance and construct Ranch Pointe Road, Sanctuary Pointe Avenue, Higby Road, and Jackson Creek Parkway. District No. 1 is responsible for managing the construction, operation and maintenance of all improvements not transferred to the Town of Monument. District No. 2, District No. 3 and District No. 4 are responsible for providing the funding and tax base needed to support the financing plan for capital improvements and to fund ongoing operations.

District No. 2 follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

District No. 2 is not financially accountable for any other organization nor is District No. 2 a component unit of any other primary governmental entity.

District No. 2 has no employees and all operational and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of District No. 2 are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of District No. 2. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

The statement of net position reports all financial and capital resources of District No. 2. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of District No. 2 is reported as net position.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect 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. Program revenues include 1) 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 current period or soon enough thereafter to pay liabilities of the current period. For this purpose, District No. 2 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by District No. 2. District No. 2 has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

District No. 2 reports the following major governmental funds:

The General Fund is District No. 2's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, District No. 2's board of directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's board of directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Property Taxes

Property taxes are levied by District No. 2's board of directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to District No. 2.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by District No. 2 as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

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

TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. District No. 2 has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is District No. 2's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

If more than one classification of fund balance is available for use when an expenditure is incurred, it is District No. 2's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 36,268
Cash and Investments - Restricted	233,509
Total Cash and Investments	<u><u>\$ 269,777</u></u>

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 47,759
Investments	222,018
Total Cash and Investments	<u><u>\$ 269,777</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2020, District No. 2's cash deposits had a bank balance of \$51,075 and a carrying balance of \$47,759.

Investments

District No. 2 has not adopted a formal investment policy; however, District No. 2 follows state statutes regarding investments.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

District No. 2 generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, District No. 2 is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

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

As of December 31, 2020, District No. 2 had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 222,018

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

District No. 2 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST or Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAA by Standard & Poor's. COLOTRUST records its investments at fair value and District No. 2 records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 477,504	\$ -	\$ 477,504	\$ -
Total Capital Assets, Not Being Depreciated	<u>\$ 477,504</u>	<u>\$ -</u>	<u>\$ 477,504</u>	<u>\$ -</u>

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in District No. 2's long-term obligations for the year ended December 31, 2020:

	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
Bonds Payable:					
2017 G.O. Refunding Bonds	\$ 1,600,000	\$ -	\$ 25,000	\$ 1,575,000	\$ 25,000
2017 G.O. Refunding Bonds Premium	23,130	-	1,927	21,203	-
Total	<u>\$ 1,623,130</u>	<u>\$ -</u>	<u>\$ 26,927</u>	<u>\$ 1,596,203</u>	<u>\$ 25,000</u>

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017 –General Obligation Refunding Bonds

On July 27, 2017, District No. 2 issued \$1,635,000 of General Obligation Refunding Bonds, Series 2017 (2017 Bonds). The 2017 Bonds are serial and term bonds that bear interest between 2.625% and 4.350% per annum payable on June 1 and December 1. Mandatory principal payments are due on December 1, with final payment due on December 1, 2047. Bonds maturing after December 1, 2027 are subject to redemption prior to maturity at the option of District No. 2 on December 1, 2027, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

The 2017 Bonds are secured by and payable from general ad valorem taxes which may be levied on all taxable property within District No. 2 in an amount necessary to pay when due the principal and interest on the 2017 Bonds. The 2017 Bonds are additionally secured by the surplus fund, which was initially funded with proceeds of the 2017 Bonds in the amount of \$54,000.

Proceeds of the 2017 Bonds are being used for the purposes of (i) funding and reimbursing a portion of the costs of acquiring, constructing, and installing certain public improvements; (ii) refunding the 2012 Series Bonds, originally issued in the aggregate principal amount of \$1,500,000; (iii) funding an initial deposit to the surplus fund; (iv) funding a portion of interest to accrue on the bonds; and (v) paying the costs of issuance of the bonds.

The annual requirements to amortize the remaining Series 2017 Bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 25,000	\$ 59,704	\$ 84,704
2022	30,000	59,047	89,047
2023	30,000	58,260	88,260
2024	30,000	57,473	87,473
2025	30,000	56,685	86,685
2026	195,000	267,836	462,836
2027	260,000	222,015	482,015
2036-2040	345,000	159,577	504,577
2041-2045	435,000	86,438	521,438
2046-2047	195,000	10,875	205,875
Total	<u>\$ 1,575,000</u>	<u>\$ 1,037,910</u>	<u>\$ 2,612,910</u>

TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 NET POSITION

District No. 2 has net position consisting of two components – restricted, and unrestricted.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. District No. 2 had restricted net position as of December 31, 2020, as follows:

Restricted Net Position:	
Emergency Reserve	\$ 990
Debt Service Reserve	174,596
Total Restricted Net Position	<u>\$ 175,586</u>

District No. 2 has a deficit in unrestricted net position. The deficit was a result of District No. 2 being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from District No. 2's financial records.

NOTE 7 RELATED PARTIES

The developers of the property which constitutes District No. 2 is MREC Classic Promontory, LLC. The members of the board of directors are officers, employees or associated with the developers and may have conflicts of interest in dealing with District No. 2.

NOTE 8 RISK MANAGEMENT

District No. 2 is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

District No. 2 is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

District No. 2 pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. District No. 2 voters approved a ballot issue allowing District No. 2's to retain all revenues.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

District No. 2's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**TRIVIEW METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 119,858	\$ 119,994	\$ 136
Specific Ownership Tax	8,390	13,043	4,653
Net Investment Income	600	400	(200)
Total Revenues	<u>128,848</u>	<u>133,437</u>	<u>4,589</u>
EXPENDITURES			
County Treasurer's Fees	1,802	1,801	1
Banking Fees	-	8	(8)
Bond Interest	60,360	60,360	-
Bond Principal	25,000	25,000	-
Paying Agent Fee	4,000	3,500	500
Total Expenditures	<u>91,162</u>	<u>90,669</u>	<u>493</u>
NET CHANGE IN FUND BALANCE	<u>37,686</u>	<u>42,768</u>	<u>5,082</u>
Fund Balance - Beginning of Year	<u>185,357</u>	<u>190,803</u>	<u>5,446</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 223,043</u></u>	<u><u>\$ 233,571</u></u>	<u><u>\$ 10,528</u></u>

OTHER INFORMATION

TRIVIEW METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020

1,635,000
 General Obligation Refunding Bonds Series 2017
 July 27, 2017
 Interest Rate 2.625% - 4.350%
 Interest due June 1 and December 1
 Principal due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 25,000	\$ 59,704	\$ 84,704
2022	30,000	59,047	89,047
2023	30,000	58,260	88,260
2024	30,000	57,473	87,473
2025	30,000	56,685	86,685
2026	35,000	55,897	90,897
2027	35,000	54,979	89,979
2028	40,000	54,060	94,060
2029	40,000	52,320	92,320
2030	45,000	50,580	95,580
2031	45,000	48,623	93,623
2032	50,000	46,665	96,665
2033	50,000	44,490	94,490
2034	55,000	42,315	97,315
2035	60,000	39,922	99,922
2036	60,000	37,313	97,313
2037	65,000	34,702	99,702
2038	70,000	31,875	101,875
2039	75,000	29,250	104,250
2040	75,000	26,437	101,437
2041	80,000	23,625	103,625
2042	85,000	20,625	105,625
2043	90,000	17,438	107,438
2044	90,000	14,063	104,063
2045	90,000	10,687	100,687
2046	100,000	7,313	107,313
2047	95,000	3,562	98,562
Total	<u>\$ 1,575,000</u>	<u>\$ 1,037,910</u>	<u>\$ 2,612,910</u>

**TRIVIEW METROPOLITAN DISTRICT NO. 2
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2016	\$ 7,138,020	14.170	\$ 101,146	\$ 101,146	100.00
2017	8,057,320	14.170	114,172	114,172	100.00
2018	9,021,920	15.321	138,225	138,225	100.00
2019	9,053,500	15.325	138,745	138,745	100.00
2020	9,658,990	15.407	148,816	148,835	100.01
Estimated for the Year Ending December 31, 2021	\$ 9,691,050	15.407	\$ 149,310		