Range View Estates Metropolitan District

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2020

Table of Contents

Marc, James & Associates, PC
Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Range View Estates Metropolitan District
Weld County, Colorado

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and the governmental funds of the Range View Estates Metropolitan District (the "District"), as of and for the year ended December 31, 2020, 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 an opinion on these financial statements based on conducting our audit in accordance with auditing standards generally accepted in the United States of America as established by the *American Institute of Certified Public Accountants* ("US GAAS").

We conducted our audit in accordance with US GAAS. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether these financial statements are free of material misstatement.

An audit includes 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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.

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Opinion on the Financial Statements

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the governmental funds of the Range View Metropolitan District as of December 31, 2020, the respective change in 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

Supplementary Information

Our audit was conducted with the purpose of forming an opinion on the basic financial statements of the Range View Estates Metropolitan District taken as a whole. The supplementary information on pages 22 and 23 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 of the District and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to our auditing procedures applied in the audit of the financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management's Discussion and Analysis

The Board of Directors has omitted the Management's Discussion and Analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

Marc, James and Associates, PC

Highlands Ranch, Colorado
April 19, 2021

BASIC FINANCIAL STATEMENTS

Range View Estates Metropolitan District

GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2020

	Governmental Funds General	Governmental Funds Debt Service	Governmental Funds Capital Projects	Governmental Funds Total	Adjustments	Statement of Net Position
ASSETS						
Cash and cash equivalents	$ 243,365	$ -	$ -	$ 243,365	$ -	$ 243,365
Restricted cash and cash equivalents	-	679,164	2,916,999	3,596,163	-	3,596,163
Property taxes receivable	14,169	70,846	-	85,015	-	85,015
Due from other local governments	540	-	-	540	-	540
Prepaid expenses	2,075	-	-	2,075	-	2,075
Due from other funds	3,774	882	-	4,656	(4,656)	-
Capital assets	-	-	-	-	47,595	47,595
Total assets	$ 263,923	$ 750,892	$ 2,916,999	$ 3,931,814	42,939	3,974,753
LIABILITIES						
Accounts payable	$ 7,838	$ -	$ -	$ 7,838	-	7,838
Bond premium	-	-	-	-	55,023	55,023
Due to other funds	882	-	3,774	4,656	(4,656)	-
Accrued interest payable	-	-	-	-	45,966	45,966
Total liabilities	8,720	-	3,774	12,494	96,333	108,827
DEFERRED INFLOWS						
Property taxes	14,169	70,846	-	85,015	-	85,015
LONG-TERM DEBT						
Due in more than one year	-	-	-	-	3,990,000	3,990,000
Total long-term debt	-	-	-	-	3,990,000	3,990,000
FUND BALANCE						
Non-spendable	2,075	-	-	2,075	(2,075)	-
Restricted	4,700	680,046	2,913,225	3,597,971	(3,597,971)	-
Unassigned	234,259	-	-	234,259	(234,259)	-
Total fund balance	241,034	680,046	2,913,225	3,834,305	(3,834,305)	-
Total liabilities, deferred inflows and fund balance	$ 263,923	$ 750,892	$ 2,916,999	$ 3,931,814		
NET POSITION						
Investment in capital assets					47,595	47,595
Restricted					4,700	4,700
Unrestricted					(261,384)	(261,384)
Total net position					$ (209,089)	$ (209,089)

Range View Estates Metropolitan District
STATEMENT OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE/STATEMENT OF ACTIVITIES

For the Year ended December 31, 2020

	Governmental Funds					Statement
	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Activities
EXPENDITURES						
OPERATIONS						
Accounting and audit	$ 16,890	$ -	$ -	$ 16,890	$ -	$ 16,890
District management	8,250	-	-	8,250		8,250
Elections	1,678	-	-	1,678	-	1,678
Insurance	250	-	-	250	-	250
Legal	5,893	-	-	5,893	-	5,893
Office	1,329	-	-	1,329	-	1,329
Treasurer's fees	2,236	-	-	2,236	-	2,236
DEBT SERVICE						
Interest expense	-	123,073	-	123,073	44,069	167,142
CAPITAL EXPENDITURES						
Infrastructure	-	-	3,774	3,774	(3,774)	-
Total expenditures	36,526	123,073	3,774	163,373	40,295	203,668
GENERAL REVENUES						
Property and other taxes	155,274	-	-	155,274	-	155,274
Interest	829	987	3,656	5,472	-	5,472
Total general revenues	156,103	987	3,656	160,746	-	160,746
REVENUE OVER (UNDER) EXPENDITURES	119,577	(122,086)	(118)	(2,627)	(40,295)	(42,922)
OTHER SOURCES AND USES						
Proceeds from issuance of bonds	-	-	4,046,920	4,046,920	(4,046,920)	-
Cost of issuance of bonds	-	-	(331,445)	(331,445)	-	(331,445)
Transfers in (out)	-	802,132	(802,132)	-	-	-
Total other sources and uses	-	802,132	2,913,343	3,715,475	(4,046,920)	(331,445)
CHANGE IN FUND BALANCE	119,577	680,046	2,913,225	3,712,848	(3,712,848)	-
CHANGE IN NET POSITION	-	-	-	-	(374,367)	(374,367)
FUND BALANCE /NET POSITION (DEFICIT)						
Beginning of the year	121,457	-	-	121,457	43,821	165,278
End of the year	$ 241,034	$ 680,046	$ 2,913,225	$ 3,834,305	$ (4,043,394)	$ (209,089)

The accompanying notes are an integral part of these financial statements

Range View Estates Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year ended December 31, 2020

	Original and Final Budget	Actual	Variance
REVENUES			
Property and other taxes	$ 158,614	$ 155,274	$ (3,340)
Interest and other	-	829	829
Total revenues	158,614	156,103	(2,511)
EXPENDITURES			
OPERATING			
Accounting and audit	24,700	16,890	7,810
District management	20,400	8,250	12,150
Elections	3,600	1,678	1,922
Insurance	4,089	250	3,839
Legal	22,000	5,893	16,107
Office	800	1,329	(529)
Treasurer's fees	2,224	2,236	(12)
Contingency	5,000	-	5,000
Total expenditures	82,813	36,526	46,287
REVENUES OVER EXPENDITURES	75,801	119,577	43,776
FUND BALANCE			
Beginning balance	225,392	121,457	(103,935)
Ending balance	$ 301,193	$ 241,034	$ (60,159)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Range View Estates Metropolitan District (the "District") conform to the accounting principles generally accepted in the United States of America ("US GAAP") as applicable to governmental entities. The following is a summary of the more significant policies consistently applied in the preparation of the basic financial statements of the District.

1. Reporting Entity

The District was formed, pursuant to the Colorado Special District Act, Article 1 of Title 32 of the Colorado Revised Statutes, in June 2014, as a quasi-municipal corporation and a political subdivision of the State of Colorado. The District is governed by a five-member Board of Directors. The District is located entirely in the Town of Mead, Colorado in Weld County in northern Colorado.

The District was formed as part of a plan to serve the needs of the Range View Estates Development and for the purpose of providing, operating and maintaining of various public facilities and services for the use and benefit of the property owners, taxpayers, and other visitors to the District. For development planning purposes the District has been divided into three parcels, with parcels 1 and 2 comprising the Eastern Development area and parcel 3 comprising the Western Development area.

As required by US GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local government entities. The District has no component units as defined by Governmental Accounting Standards Board ("GASB"), Statement No. 14, *The Reporting Entity* and GASB No. 39, *Determining Whether Certain Organizations are Component Units*.

2. Measurement Focus and Financial Reporting Framework

Government-wide Financial Statements

The government–wide financial statements, the Statement of Net Position and the Statement of Activities, report information on the accrual basis of accounting related to the *governmental-type activities* of the District, which rely to a significant extent on property taxes and specific ownership taxes. The Statement of Activities demonstrates the degree to which expenses of the *governmental-type activities* are supported by property tax and specific ownership taxes.

Governmental Fund Financial Statements

The governmental fund financial statements are prepared 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 if the revenues are collectible within the current period or soon thereafter to pay liabilities of the current period. For that purpose, the District considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2. Measurement Focus and Financial Reporting Framework - continued

Governmental Funds

The District maintains three individual governmental funds. The governmental funds information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, the Debt Service Fund and the Capital Projects Fund, all of which, the District considers to be major funds.

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except for 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 liabilities of the District.

The *Capital Projects Fund* accounts for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition of capital facilities and other assets.

3. Cash and Cash Equivalents

The District considers cash and cash equivalents to include cash on hand, unrestricted demand deposits and money market accounts, as applicable.

4. Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, property taxes receivable, accounts payable, accrued liabilities and deferred inflows of resources. The District estimates that the fair value of these financial instruments as of December 31, 2020, do not differ materially from the aggregate carrying values used in the accompanying financial statements. The carrying amount of these financial instruments approximates the fair value due to the short maturity of these financial instruments.

5. Capital Assets

The District's capital assets which consist of construction in process are reported in the government-wide financial statements. The District's capital assets are recorded at cost, if purchased or constructed.

The District has a capitalization policy of $5,000. The District's Board of Directors has the option to capitalize certain items less than $5,000.

The cost of normal maintenance and repairs that do not add to the value of, or materially extend the life of, the related capital asset, are charged to expense as incurred.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

6. Use of Estimates

The preparation of financial statements in conformity with US GAAP involves the use of District management's estimates that affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses as applicable, during the reporting period. These estimates are based upon District management's best judgment, after considering past events and assumptions about future events. Actual results could differ from those estimates.

NOTE B – BUDGET INFORMATION

The District's annual budget is prepared on a Non-GAAP basis for the District's General Fund, Debt Service Fund and Capital Projects Fund. An annual appropriated budget is adopted at the total fund expenditure level and the annual appropriations lapse at the end of the District's fiscal year.

The District conforms to the following procedures, in accordance with the State of Colorado Revised Statutes, in the establishment of the budgetary information reflected in the accompanying financial statements.

On or before October 15, the District's Treasurer and/or the District's Manager submit a proposed budget for the subsequent fiscal year to the District's Board of Directors. The budget sets forth all proposed expenditures for administration, operations, maintenance, debt service, and capital projects for the budget year; all anticipated revenues for the budget year; estimated beginning and ending fund balances; actual figures for the prior fiscal year and projected figures through the end of the current year; and a written budget message describing the important features of the budget.

Following receipt of the proposed budget, the District publishes notice of the hearing at which the adoption of the proposed budget will be considered, a statement that the proposed budget is available for inspection, and that any interested elector may file objections to the proposed budget prior to its adoption. The budget hearing is held at a regular or special Board of Directors' meeting.

Following the budget hearing, the Board of Directors adopts the budget and makes appropriations for the budget year. The District also certifies a mill levy for collection in the budget year. Because the District certifies a mill levy, the adoption of the budget, appropriations and certification of the mill levy must occur on or before December 15. Expenditures in excess of the amounts appropriated for a Fund or transfer of monies between Funds must be approved by the Board of Directors in the same manner as the adoption of the budget.

State of Colorado Statutes requires a balanced budget. For 2020, the District's General Fund budgeted revenues exceeded budgeted expenditures by $75,801. Additionally, the District's Debt Service Fund budgeted transfers in exceeded budgeted expenditures by $779,310. It was anticipated that the current year surpluses would be used in subsequent years in both funds.

NOTE C – CASH AND INVESTMENTS

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine the eligibility. Amounts on deposit in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows institutions to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits. The market value of the collateral must be equal to 102% of the aggregate uninsured public deposits. The Colorado Division of Banking for banks and savings associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2020, all of the District's funds were held in eligible public depositories.

NOTE D – RESTRICTED CASH

The cash and cash equivalents held in the Debt Service Fund and the Capital Projects Fund is reflected as restricted as of December 31, 2020.

NOTE E – CAPITAL ASSETS

The change in the District's capital assets for the year ended December 31, 2020 is as follows:

	Balance December 31, 2019	Additions	Disposals	Balance December 31, 2020
Capital assets				
Construction in process	$ 43,821	$ 3,774	$ -	$ 47,595

NOTE F – LONG-TERM DEBT

Limited Tax General Obligation Bonds, Series 2020A

In March 2020, the District issued Limited Tax General Obligation Bonds, Series 2020A, ("Series 2020A Bonds") with a par value of $3,475,000. The Series 2020A Bonds were issued at a premium of $56,920, resulting in gross proceeds of $3,531,920. The Series 2020A Bonds were issued for the purpose of funding the costs of the public improvements, paying the cost of issuance, and funding a portion of the initial interest to accrue on the Series 2020A Bonds.

The Series 2020A Bonds have a final maturity of December 1, 2059, and bear interest from the issuance date at a rate of 5% calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent Senior Pledged Revenues, as defined in the Senior Trust Indenture, are available semiannually on each June 1 and December 1, commencing June 1, 2020, until the Series 2020A Bonds are deemed to be paid in full or are redeemed prior to maturity.

The Senior Pledged Revenue and other amounts available may be insufficient to pay the principal of, and any interest on the Series 2020A Bonds when due. As long as the District neither fails nor refuses to impose the Senior Required Mill Levy or to apply the Senior Pledged Revenue as required, the inability of the District to pay the principal, and any interest when due will not constitute an event of default.

NOTE F – LONG-TERM DEBT - *continued*

Limited Tax General Obligation Refunding Bonds, Series 2020A

Any principal of the Series 2020A Bonds, that is not paid when due shall remain outstanding until paid or until the Series 2020A Termination Date (December 1, 2059). Any interest on the Series 2020A Bonds that is not paid when due will compound semiannually on each Series 2020A Interest Payment Date listed above at the interest rate borne by such Series 2020A Bonds.

Under the terms of the Trust Indenture any amount of principal or interest on the Series 2020A Bonds that remains unpaid after the application of all Subordinate Pledged Revenue available on December 15, 2059 shall be deemed discharged.

In 2020, interest payments totaling $123,073 were made as scheduled, and as of December 31, 2020, there was accrued interest payable of $14,479 which is reflected on the Statement of Net Position.

<u>*Optional Redemption*</u>

The Series 2020A Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or partial multiples of $1,000, on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest and redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
March 1, 2025 to February 28, 2026	3.00%
March 1, 2026 to February 28, 2027	2.00
March 1, 2027 to February 29, 2028	1.00
March 1, 2028 and thereafter	-

Subordinated Limited Tax General Obligation Bond, Series 2020B

In March 2020, the District issued Subordinate Limited Tax General Obligation Bonds, Series 2020B, ("Series 2020B Bonds") in the amount of $515,000. The Series 2020B Bonds were issued for the purpose of funding the costs of the public improvements and paying the cost of issuance

The Series 2020B Bonds have a final maturity of December 15, 2059, and shall bear interest at a rate of 7.75% calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Subordinate Pledged Revenues, as defined in the Subordinate Trust Indenture, are available annually on each December 15, commencing December 15, 2020, to the extent of the Subordinate Pledged Revenue available therefor, until the Series 2020B Bonds are paid in full or are redeemed prior to maturity.

The Series 2020B Bonds are structured as “cash flow” bonds. Interest on the Series 2020B Bonds is payable on each Interest Payment Date to the extent of any Subordinated Pledged Revenue is available. There are no schedule principal payments prior to the maturity date. However, the Series 2020B Bonds are subject to mandatory redemption on December 15 of each year, commencing December 15, 2020, to the extent of any funds available. As long as the District neither fails nor refuses to impose the Subordinate Required Mill Levy or to apply the Subordinate Pledged Revenue as required, the inability of the District to pay the principal, and any interest when due will not constitute an event of default.

NOTE F – LONG-TERM DEBT - *continued*

Subordinated Limited Tax General Obligation Refunding Bonds, Series 2020B - continued

The December 15, 2020 interest payment was not made and as of December 31, 2020, there was accrued interest payable of $31,487 which is reflected on the Statement of Net Position.

Under the terms of the Subordinate Trust Indenture any amount of principal or interest on the Series 2020B Bonds that remains unpaid after the application of all Subordinate Pledged Revenue available on December 15, 2059 shall be deemed discharged.

Optional Redemption

The Series 2020B Bonds are subject to optional redemption prior to maturity at the option of the District, as a whole or in integral multiples of $1,000, beginning on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest and redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
March 1, 2025 to February 28, 2026	3.00%
March 1, 2026 to February 28, 2027	2.00
March 1, 2027 to February 29, 2028	1.00
March 1, 2028 and thereafter	-

Covenants and Agreements

Under the terms of the Senior Trust Indenture, the District is required to have an annual audit of its financial records to be performed by a Certified Public Accountant completed within reasonable efforts no later than 210 days after the end of the calendar year. Additionally, the District is required to the annual continuing disclosures completed within 60 days after the end of the calendar year.

Changes in Long-Term Debt

The following is an analysis of the changes in the long-term debt for the year ended December 31, 2020:

	December 31, 2019	Additions	Accretion/ Payments	December 31, 2020	Due within One Year
Series 2020A Bonds	$ -	$ 3,475,000	$ -	$ 3,475,000	$ -
Series 2020B Bonds	-	515,000	-	515,000	-
Series 2020A Bonds premium	-	56,920	(1,897)	55,023	
	$ -	$ 4,046,920	$ (1,897)	$ 4,045,023	$ -

The bond premium associated with the Series 2020A Bonds is being accreted over the 30 year schedule repayment period using the straight-line method. The accretion for the year ended December 31, 2020 is reflected as reduction of interest expense in the Statement of Activities.

NOTE F – LONG-TERM DEBT – *continued*

Future Minimum Debt Service Requirements

The future minimum debt service requirements for the Series 2020A Bonds as of December 31, 2020 are as follows:

Year ended December 31	Principal	Interest	Total
2021	$ -	$ 173,750	$ 173,750
2022	-	173,750	173,750
2023	-	173,750	173,750
2024	-	173,750	173,750
2025	-	173,750	173,750
2026-2030	285,000	844,750	1,129,750
2031-2035	450,000	755,750	1,205,750
2036-2040	640,000	625,250	1,265,250
2041-2045	885,000	442,250	1,327,250
2046-2049	1,215,000	176,000	1,391,000
	$ 3,475,000	$ 3,712,750	$ 7,187,750

Due to the “cash flow” structure of the Series 2020B Bonds, the future minimum payments cannot be projected.

Authorized, But Unissued Debt

As of December 31, 2020, the amount of the voter authorized, but unissued, debt for the Range View Estates Metropolitan District was $86,800,000. However, the District's Service Plan limits its total debt issuance to $6,200,000. As such, the District has $2,210,000 in remaining authorized, but unissued debt.

In the future, the District may issue a portion or all of the remaining authorized, but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area. However, the amount and timing of any debt issuances, if any, are not determinable.

NOTE G – FUND BALANCE/NET POSITION

Fund Balance

The District utilizes the fund balance presentation as required under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* Fund balances are categorized as non-spendable, restricted, committed, assigned or unassigned.

Non-spendable – represents amounts that cannot be spent because they are either in non-spendable form or legally required to remain intact,

Restricted – represents amounts with external constraints placed on the use of these resources or imposed by enabling legislation,

Committed – represents amounts that can only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the District's Board of Directors. Committed resources cannot be used for any other purpose unless the District's Board of Directors removes or changes the specific use by the same type of action used to commit those amounts, either by resolution or by ordinance,

Assigned – represents amounts that the District intends to use for specific purposes as expressed by the District's Board of Directors or a District official delegated the authority to assign amounts,

Unassigned – represents the residual classification for the general fund or deficit balances in other funds, as applicable.

Amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Unrestricted amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of these unrestricted fund balances classifications could be used.

As of December 31, 2020, the District's fund balance consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Fund balances				
Non-spendable				
Prepaid expenses	$ 2,075	$ -	$ -	$ 2,075
Restricted				
TABOR	4,700	-	-	4,700
Fund balance	-	680,046	2,913,225	3,593,271
Unassigned	234,259	-	-	234,259
Total	$ 241,034	$ 680,046	$ 2,913,225	$ 3,834,305

NOTE G – FUND BALANCE/NET POSITION - *continued*

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District will use the most restrictive net position first.

NOTE H - RELATED PARTY

Members of the Board of Directors

Members of the Board of Directors are affiliated with Range View Estates LLC; a Colorado limited liability company (the "Developer").

NOTE I – COMMITMENTS

Funding and Reimbursement Agreement – Operating and Maintenance Costs

In December 2019, the District and the Developer entered into a Funding and Reimbursement Agreement under which the Developer is willing to loan or advance funds to the District in an amount, or in amounts, sufficient to enable the District to pay operations and maintenance costs, as necessary. To evidence the District's obligation to repay advanced funds and to induce the Developer's advancing of additional funds, the District has determined that it is necessary to authorize the issuance of a promissory note in a principal amount not exceed $500,000.

The term of the Funding and Reimbursement Agreement shall be annually renewable one year terms.

As of December 31, 2020, there were no outstanding advances.

NOTE I – COMMITMENTS - *continued*

Advance and Reimbursement Agreement – Capital Costs

In August 2019, the District and the Developer entered into an Advance and Reimbursement Agreement. The Developer has previously expended funds and agrees to advance funds to the District in the future for the design, construction, and installation of certain pubic improvements and the District agrees to reimburse the Developer for such expended funds. As such, the District has determined that it is necessary to authorize the issuance of a Revenue and Limited Tax Obligation Subordinate Promissory Note ("Subordinate Promissory Note") in a principal amount not to exceed the authorized, but not issued debt limit. The Subordinate Promissory Note will bear simple interest at a rate equal the current Federal Reserve Board Prime Rate plus 2%.

The Developer's obligation shall renew on an annual basis at the discretion the Developer by providing notice to the District no later than December 15.

As of December 31, 2020, there were no outstanding advances.

District Management Agreement

The District outsources the management of the District which includes overall management, accounting and administrative services. The service contract renews annually each year on January 1, unless notice of non-renewal is provided by either party as described in the service contract.

NOTE J – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and natural disasters. These risks are covered by commercial insurance purchased from independent insurance brokers. Settled claims have not exceeded this commercial coverage in any of the past three years.

NOTE K – 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 and debt limitations which apply to the State of Colorado and all local governments.

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.

The District'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 calculation of the fiscal year spending limits may require judicial interpretation.

NOTE L – RECONCILIATION OF GOVERNMENT-WIDE AND GOVERNMENTAL FUND FINANCIAL STATEMENTS

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column which reconciles the differences between the government-wide and fund financial statements as follows:

Capital assets reflected in the Statement of Net Position are not financial resources in the governmental funds and accordingly are not reported in the governmental funds,	$	47,595
Long-term liabilities are not due and payable in the current period and, therefore, are not reflected in the governmental funds,		3,990,000
The premium associated with the issuance of the Series 2020A Bonds, reflected in the Statement of Net Position is not a financial resource in the governmental funds and accordingly is not reported in the governmental funds,		56,920
Interest is recognized in the governmental funds as paid, therefore accrued interest is only recognized on the Statement of Net Position.		45,966

The Statements of Governmental Funds Revenues, Expenditures and Changes in Fund Balance/Statement of Net Activities includes an adjustment column which reconciles the differences between the government-wide and fund financial statements as follows:

Interest is recognized in the governmental funds as paid. For the Statement of Activities interest expense is recognized as incurred. This is the difference between the amount of interest paid and the amount of interest incurred, plus the accretion of the bond premium,	$	44,069
Governmental funds report capital expenditures as expenditures. However, in the Statement of Net Position, the capital expenditures are capitalized. During 2020, this is the amount of capital expenditures capitalized.		3,774

NOTE M– CORONAVIRUS PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") originated in Wuhan, China and has since spread world-wide, including the United States. In March 2020, the World Health Organization characterized COVID-19 as a pandemic.

COVID-19 has adversely affected the economies and financial markets of the United States, including Colorado, resulting in a world-wide economic downturn, operational closures, and social restrictions that has impacted and delayed some of the operations of the District.

The District continues to monitor and assess the effects of the COVID-19 pandemic on the District; however, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

NOTE N – MANAGEMENT'S EVALUATION OF SUBSEQUENT EVENTS

The preparation of the District's financial statements and accompanying footnotes in conformity with generally accepted accounting principles requires management of the District to evaluate transactions and events subsequent to the balance sheet date involving the District. Management has evaluated the subsequent transactions and events of the District through April 19, 2021, which is the date the financial statements and accompanying footnotes were available for issuance.

SUPPLEMENTARY INFORMATION

Range View Estates Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year ended December 31, 2020

	Original and Final Budget	Actual	Variance
REVENUES			
Interest	$ -	$ 987	$ 987
EXPENDITURES			
DEBT SERVICE			
Interest	232,290	123,073	109,217
Total expenditures	232,290	123,073	109,217
EXPENDITURES OVER REVENUES	(232,290)	(122,086)	110,204
OTHER USES			
Transfers in	1,011,600	802,132	(209,468)
Total other uses	1,011,600	802,132	(209,468)
CHANGE IN FUND BALANCE	779,310	680,046	(99,264)
FUND BALANCE			
Beginning balance	-	-	-
Ending balance	$ 779,310	$ 680,046	$ (99,264)

Range View Estates Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year ended December 31, 2020

	Original and Final Budget	Actual	Variance
REVENUES			
Interest	$ 5,000	$ 3,656	$ (1,344)
EXPENDITURES			
CAPITAL EXPENDITURES			
Contingency	150,000	-	$ 150,000
Infrastructure	2,415,100	3,774	2,411,326
Total expenditures	2,565,100	3,774	2,561,326
EXPENDITURES OVER REVENUES	(2,560,100)	(118)	2,559,982
OTHER SOURCES AND USES			
Proceeds from issuance of bonds	4,000,000	4,046,920	46,920
Cost of issuance of bonds	(428,300)	(331,445)	96,855
Transfer out	(1,011,600)	(802,132)	209,468
Total other sources and uses	2,560,100	2,913,343	353,243
CHANGE IN FUND BALANCE	-	2,913,225	2,913,225
FUND BALANCE			
Beginning balance	-	-	-
Ending balance	$ -	$ 2,913,225	$ 2,913,225