

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**TRIVIEW METROPOLITAN DISTRICT NO. 2
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

INDEPENDENT AUDITOR’S REPORT	I
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	20
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	22
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	23



BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Triview Metropolitan District No. 2
El Paso County, Colorado

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards

generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

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

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

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. Such 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

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BiggsKofford, P.C.

Colorado Springs, Colorado
July 29, 2024

BASIC FINANCIAL STATEMENTS

TRIVIEW METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments	\$ 65,454
Cash and Investments - Restricted	358,048
Prepaid Insurance	4,197
Property Tax Receivable	121,737
Receivable from County Treasurer	905
Total Assets	550,341
LIABILITIES	
Accounts Payable	1,166
Accrued Interest	4,789
Noncurrent Liabilities:	
Due Within One Year	30,000
Due in More Than One Year	1,477,659
Total Liabilities	1,513,614
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	121,737
Total Deferred Inflows of Resources	121,737
NET POSITION	
Restricted for:	
Emergency Reserve	1,100
Debt Service	288,882
Net Position - Unrestricted	(1,374,992)
Total Net Position	\$ (1,085,010)

See accompanying Notes to Basic Financial Statements.

TRIVIEW METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Program Revenues			Capital	Governmental
Expenses	Charges for Services	Operating Grants and Contributions	Grants and Contributions	Activities	Net Revenues (Expenses) and Changes in Net Position
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 41,926	\$ -	\$ -		\$ (41,926)
Interest on Long-Term Debt and Related Costs	60,528	-	-		(60,528)
Total Governmental Activities	\$ 102,454	\$ -	\$ -		(102,454)
GENERAL REVENUES					
Property taxes					112,498
Specific ownership taxes					11,783
Interest income					18,333
Total General Revenues and Transfers					142,614
CHANGES IN NET POSITION					
Net Position - Beginning of Year					(1,125,170)
NET POSITION - END OF YEAR					\$ (1,085,010)

See accompanying Notes to Basic Financial Statements.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 65,454	\$ -	\$ 65,454
Cash and Investments - Restricted	1,100	356,948	358,048
Receivable from County Treasurer	246	659	905
Due from Other Funds	9,936	-	9,936
Prepaid Insurance	4,197	-	4,197
Property Tax Receivable	32,036	89,701	121,737
	<u>\$ 112,969</u>	<u>\$ 447,308</u>	<u>\$ 560,277</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,166	\$ -	\$ 1,166
Due to Other Funds	-	9,936	9,936
Total Liabilities	<u>1,166</u>	<u>9,936</u>	<u>11,102</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	32,036	89,701	121,737
Total Deferred Inflows of Resources	<u>32,036</u>	<u>89,701</u>	<u>121,737</u>
FUND BALANCES			
Nonspendable:			
Prepaid Expense	4,197	-	4,197
Restricted for:			
Emergency Reserves	1,100	-	1,100
Debt Service	-	347,671	347,671
Assigned to:			
Subsequent Year's Expenditures	19,560	-	19,560
Unassigned	54,910	-	54,910
Total Fund Balances	<u>79,767</u>	<u>347,671</u>	<u>427,438</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 112,969</u>	<u>\$ 447,308</u>	

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest	(4,789)
Bonds Payable	(1,490,000)
Unamortized Bond Premium	(17,659)
	<u>(1,512,448)</u>

Net Position of Governmental Activities

\$ (1,085,010)

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, 2023

	General	Debt Service	Total Governmental Funds
REVENUES			
Property taxes	\$ 30,681	\$ 81,817	\$ 112,498
Specific ownership taxes	3,214	8,569	11,783
Interest income	574	17,759	18,333
Total Revenues	34,469	108,145	142,614
EXPENDITURES			
Current:			
Accounting	17,565	-	17,565
Auditing	4,900	-	4,900
County Treasurer's fee	460	1,228	1,688
District management	9,408	-	9,408
Dues and membership	307	-	307
Election	814	-	814
Insurance	4,175	-	4,175
Legal	2,118	-	2,118
Miscellaneous	27	-	27
Website	924	-	924
Debt Service:			
Bond interest	-	58,260	58,260
Bond principal	-	30,000	30,000
Paying agent fees	-	3,500	3,500
Total Expenditures	40,698	92,988	133,686
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,229)	15,157	8,928
NET CHANGE IN FUND BALANCES	(6,229)	15,157	8,928
Fund Balances - Beginning of Year	85,996	332,514	418,510
FUND BALANCES - END OF YEAR	\$ 79,767	\$ 347,671	\$ 427,438

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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$	8,928
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Amounts reported for governmental activities in the statement of activities are different because:

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

Bond Principal		30,000
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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 Payable - Change in Liability		66
Amortization of Bond Premium		1,166
		1,166

Changes in Net Position of Governmental Activities	\$	40,160
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**TRIVIEW METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 30,696	\$ 30,681	\$ (15)
Specific ownership taxes	3,070	3,214	144
Interest income	500	574	74
Total Revenues	<u>34,266</u>	<u>34,469</u>	<u>203</u>
EXPENDITURES			
Accounting	17,000	17,565	(565)
Auditing	4,900	4,900	-
Contingency	10,040	-	10,040
County Treasurer's fee	460	460	-
District management	10,000	9,408	592
Dues and membership	500	307	193
Election	2,000	814	1,186
Insurance	4,100	4,175	(75)
Legal	7,000	2,118	4,882
Miscellaneous	-	27	(27)
Website	1,000	924	76
Total Expenditures	<u>57,000</u>	<u>40,698</u>	<u>16,302</u>
NET CHANGE IN FUND BALANCE	(22,734)	(6,229)	16,505
Fund Balance - Beginning of Year	<u>86,407</u>	<u>85,996</u>	<u>(411)</u>
FUND BALANCE - END OF YEAR	<u>\$ 63,673</u>	<u>\$ 79,767</u>	<u>\$ 16,094</u>

See accompanying Notes to Basic Financial Statements.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Triview Metropolitan District No. 2 (the District), 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.

The District 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. The District, 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.

The District 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.

The District is not financially accountable for any other organization nor is the District a component unit of any other primary governmental entity.

The District has no employees, and all operational and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District 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 the District. 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 the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, the District 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 the District. The District 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.

The District reports the following major governmental funds:

The General Fund is the District'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, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District'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 the District'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 the District.

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.

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. The District 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 the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

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.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 65,454
Cash and Investments - Restricted	358,048
Total Cash and Investments	\$ 423,502

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 62,795
Investments	360,707
Total Cash and Investments	\$ 423,502

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, 2023, the District's cash deposits had a bank balance and carrying balance of \$62,795.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District 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, the District 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.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 2023, the District 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	\$ 360,707
Total		<u>\$ 360,707</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the 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 currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. 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.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
General Obligation Bonds:					
Series 2017	\$ 1,520,000	\$ -	\$ 30,000	\$ 1,490,000	\$ 30,000
Subtotal Bonds Payable	<u>1,520,000</u>	<u>-</u>	<u>30,000</u>	<u>1,490,000</u>	<u>30,000</u>
Bond Premium:					
Bond Premium - Series 2017	18,825	-	1,166	17,659	-
Subtotal Bond Premium	<u>18,825</u>	<u>-</u>	<u>1,166</u>	<u>17,659</u>	<u>-</u>
 Total Long-Term Obligations	 <u>\$ 1,538,825</u>	 <u>\$ -</u>	 <u>\$ 31,166</u>	 <u>\$ 1,507,659</u>	 <u>\$ 30,000</u>

Series 2017 General Obligation Refunding Bonds

On July 27, 2017, the District 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 the District on December 1, 2027, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017 General Obligation Refunding Bonds (Continued)

The 2017 Bonds are secured by and payable from pledged revenue consisting of general ad valorem taxes which may be levied on all taxable property within the District in an amount necessary to pay when due the principal and interest on the 2017 Bonds. Pledged revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (a) the Required Mill Levy; (b) the Capital Fees, if any; (c) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. 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.

As of December 31, 2023, there are funds in excess of the \$54,000 maximum in the 2017 Bond surplus fund in the amount of \$213.

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.

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an event of default under the Indenture:

- i. The District fails or refuses to impose the required mill levy or to apply the pledged revenue as provided in the indenture.
- ii. The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the indenture or the bond resolution, other than as described in paragraph (i) above, and fails to remedy the same after notice thereof pursuant to the indenture.
- iii. The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the bonds.

It is acknowledged that due to the limited nature of the pledged revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an event of Default under the Indenture.

Upon the occurrence and continuance of an event of default, the trustee has the following rights and remedies which may be pursued:

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default (Continued)

- i. Receivership: Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the trustee and of the owners, the trustee is entitled to as a matter of right to the appointment of a receiver or receivers of the trust estate, and of the revenues, income, product, and profits there of pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District, but not withstanding the appointment of any receiver or other custodian, the trustee is to be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the indenture to the trustee.
- ii. Suit for judgment: The trustee may proceed to protect and enforce its rights and the rights of the owners by suit, action, or special proceedings as the trustee, being advised by counsel, deems appropriate.
- iii. Mandamus or other suit: The trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the owners.

No Acceleration

Notwithstanding the foregoing or anything else herein to the contrary, acceleration shall not be an available remedy for an Event of Default.

As of December 31, 2023, the District was not in default.

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>
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
2029-2033	230,000	242,678	472,678
2034-2038	310,000	186,127	496,127
2039-2043	405,000	117,375	522,375
2044-2047	375,000	35,625	410,625
Total	<u>\$ 1,490,000</u>	<u>\$ 860,899</u>	<u>\$ 2,350,899</u>

Authorized Debt

On November 7, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$5,000,000. At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

	Amount Authorized on November 7, 2006	Authorization Used		Authorized But Unused
		Series 2012	Series 2017	
		Loans	Bonds	
Public Improvements	\$ 5,000,000	\$ 1,500,000	\$ 160,000	\$ 3,340,000
Total	<u>\$ 5,000,000</u>	<u>\$ 1,500,000</u>	<u>\$ 160,000</u>	<u>\$ 3,340,000</u>

Pursuant to the Service Plan, the District is only permitted to issue debt up to \$5,000,000. Operating expenditures and repayment of such debt can be accomplished only to the extent of maximum permitted mill levy of 50.000 mills as may be adjust by change in ratio of actual valuation.

NOTE 5 NET POSITION

The District 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. The District had restricted net position as of December 31, 2023, as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergencies	\$ 1,100
Debt Service Reserve	288,882
Total Restricted Net Position	<u>\$ 289,982</u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 6 RELATED PARTIES

The Developer of the property which constitutes the District is MREC Classic Promontory, LLC. The majority members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

**TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 RELATED PARTIES (CONTINUED)

Reimbursement Agreement

The Developer may advance funds to the District pursuant to following agreement:

- Purpose: To pay general, administrative, operations and maintenance costs of the District(s).
- Parties: Districts and MREC Classic Promontory LLC
- Original Date/Original Effective Date: December 1, 2011
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2023: \$0
- Accrued Interest Balance at December 31, 2023: \$0

NOTE 7 RISK MANAGEMENT

The District 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.

The District 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.

The District 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.

NOTE 8 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. The District voters approved a ballot issue allowing the District to retain all revenues.

TRIVIEW METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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 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, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 81,856	\$ 81,817	\$ (39)
Specific ownership taxes	8,186	8,569	383
Interest income	5,300	17,759	12,459
Total Revenues	<u>95,342</u>	<u>108,145</u>	<u>12,803</u>
EXPENDITURES			
County Treasurer's fee	1,228	1,228	-
Paying agent fees	3,500	3,500	-
Bond interest	58,260	58,260	-
Bond principal	30,000	30,000	-
Total Expenditures	<u>92,988</u>	<u>92,988</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,354	15,157	12,803
Fund Balance - Beginning of Year	<u>328,025</u>	<u>332,514</u>	<u>4,489</u>
FUND BALANCE - END OF YEAR	<u>\$ 330,379</u>	<u>\$ 347,671</u>	<u>\$ 17,292</u>

OTHER INFORMATION

TRIVIEW METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023

\$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>
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
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,490,000</u>	<u>\$ 860,899</u>	<u>\$ 2,350,899</u>

**TRIVIEW METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018/2019	\$ 9,053,500	15.325	\$ 138,745	\$ 138,745	100.00 %
2019/2020	9,658,990	15.407	148,817	148,835	100.01 %
2020/2021	9,691,050	15.407	149,310	149,310	100.00 %
2021/2022	10,499,240	15.407	161,762	161,761	100.00 %
2022/2023	10,232,010	11.000	112,552	112,498	99.95 %
Estimated for Year Ending December 31, 2024	\$ 12,814,380	9.500	\$ 121,737		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: El Paso County Assessor and Treasurer.