

RIVERVIEW METROPOLITAN DISTRICT
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

**RIVERVIEW METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	3
STATEMENT OF ACTIVITIES	4
FUND FINANCIAL STATEMENTS	
BALANCE SHEET	5
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION	6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND	7
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	8
NOTES TO FINANCIAL STATEMENTS	9
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	19
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	20



INDEPENDENT AUDITORS' REPORT

Board of Directors
Riverview Metropolitan District
Dacono, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Riverview Metropolitan District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 the major fund of Riverview Metropolitan District as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.



CliftonLarsonAllen LLP

Broomfield, Colorado
September 28, 2021

**RIVERVIEW METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 236,062
Restricted Cash and Investments	397,081
Property Tax Receivable	151,572
Construction in Process	2,739,505
Total Assets	3,524,220
LIABILITIES	
Accounts Payable and Retainage Payable	6,955
Due Within the Year:	
Accrued Interest	292,769
Due in More Than One Year:	
Developer Advances	89,671
General Obligation Limited Tax Bonds	4,000,000
Total Liabilities	4,389,395
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	151,572
Total Deferred Inflows of Resources	151,572
NET POSITION	
Restricted for Emergencies	4,795
Restricted for Capital Projects	560,475
Unrestricted	(1,582,017)
Total Net Position	\$ (1,016,747)

See accompanying Notes to Financial Statements.

**RIVERVIEW METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenue Charges for Services	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Governmental Activities:			
General Government	\$ 69,414	\$ -	\$ (69,414)
Interest on Long-Term Debt	356,496	-	(356,496)
	\$ 425,910	\$ -	\$ (425,910)
General Revenues:			
			147,530
			9,506
			2,790
			159,826
			Change in Net Position
			(266,084)
			Net Position - Beginning of Year
			(750,663)
			Net Position - End of Year
			\$ (1,016,747)

See accompanying Notes to Financial Statements.

**RIVERVIEW METROPOLITAN DISTRICT
BALANCE SHEET
DECEMBER 31, 2020**

	<u>General Fund</u>
ASSETS	
Cash and Investments	\$ 236,062
Restricted Cash and Investments	397,081
Property Tax Receivable	<u>151,572</u>
Total Assets	<u><u>\$ 784,715</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
TOTAL LIABILITIES	
Accounts Payable and Retainage Payable	<u>\$ 6,955</u>
Total Liabilities	6,955
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>151,572</u>
Total Deferred Inflows of Resources	<u>151,572</u>
FUND BALANCE	
Restricted for TABOR	4,795
Restricted for Debt Service	60,918
Restricted for Capital Projects	<u>560,475</u>
Total Fund Balance	<u>626,188</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 784,715</u></u>

See accompanying Notes to Financial Statements.

**RIVERVIEW METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Total Fund Balance - Total Governmental Fund	\$	626,188
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balance sheet:</p>		
Capital Assets, not being depreciated		2,739,505
<p>Accrued interest payable is recognized for governmental activities, therefore, is not reported as a liability in the governmental fund.</p>		
		(292,769)
<p>Some liabilities are not due in the current period and, therefore, are not reported in the fund balance sheet.</p>		
Developer Advances		(89,671)
General Obligation Limited Tax Bonds		(4,000,000)
		<u>(4,089,671)</u>
Net Position of Governmental Activities	\$	<u>(1,016,747)</u>

See accompanying Notes to Financial Statements.

**RIVERVIEW METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2020**

	General Fund
REVENUES	
Property Taxes	\$ 147,530
Specific Ownership Taxes	9,506
Net Investment Income	2,790
Total Revenues	159,826
EXPENDITURES	
Current:	
Accounting and Audit Fees	18,776
Insurance	7,175
Legal	22,621
Permits and Compliance	191
Snow Removal	1,900
Landscaping	9,294
Miscellaneous	5,031
Treasurer's Fees	4,426
Debt Service:	
Interest	526,000
Total Expenditures	595,414
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(435,588)
OTHER FINANCING SOURCES	
Developer Advances	18,400
Total Other Financing Sources	18,400
NET CHANGES IN FUND BALANCE	(417,188)
Fund Balance - Beginning of Year	1,043,376
FUND BALANCE - END OF YEAR	\$ 626,188

See accompanying Notes to Financial Statements.

**RIVERVIEW METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balance - Total Governmental Fund \$ (417,188)

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

The issuance of long-term debt provides current financial resources to the
governmental fund, while the repayment of the principal on long-term debt
consumes the current financial resources of governmental funds. Neither
transaction, however, has any effect on net position.

Proceeds from Developer Advances (18,400)

The change in accrued interest does not have any impact on
governmental fund expenditures. This transaction, however, does increase the
amount of interest expense on the statement of activities.

Accrued Interest 169,504

Change in Net Position of Governmental Activities \$ (266,084)

**RIVERVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Riverview Metropolitan District (the District) is a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Steamboat Springs, Colorado (the City) on October 22, 2017. Pursuant to the Service Plan, the District is an operating and financing district and is intended to provide funding for construction, operation and maintenance of public improvements within the District boundaries.

The District has the power to provide street and roadway improvements, water, sanitation, safety protection improvements, park and recreation improvements, transportation, mosquito pest control, fire protection improvements, television relay and translation improvements, and other related improvements for the benefit of taxpayers and service users within the District's boundaries. The Service Plan anticipates the District will convey a portion of the constructed improvements to the City for ownership and maintenance.

The District has no employees and all services are contracted.

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, including the City.

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. Governmental activities are normally supported by taxes.

The statement of net position reports all financial resources of the District. The difference between the assets, liabilities and deferred outflows and inflows of resources of the District is reported as net position.

**RIVERVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The District is responsible for the repayment of bonds issued for the purpose of constructing infrastructure improvements which will be conveyed to the City or retained by the District. Consequently, a net deficit balance is reflected on the District's statement of net position as of December 31, 2020.

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 charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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 government 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. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The District reports the following major governmental fund:

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

Budgets

In accordance with the State Budget Law, the District's Board (the Board) 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 level and lapses at year-end. The Board 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.

**RIVERVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

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

Property Taxes

Property taxes are levied by the Board. 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 are recorded initially as deferred inflows of resources in the year they are levied and measurable. The property tax revenue is recorded as revenue in the year they are available or collected.

Fund Balance and Net Position

Net position is reported in the governmental activities and is classified as restricted or unrestricted. Restrictions of net position represent amounts that are not available for appropriation or are legally restricted. As of December 31, 2020, fund balances of the governmental fund are classified as follows:

Nonspendable – amounts that cannot be spent either because they are not spendable in form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – amounts that are subject to a purpose constraint imposed by a formal action of the Board. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board.

Assigned – amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the General Fund.

Unassigned – represents the residual classification for the District's General Fund and could report a surplus or deficit.

**RIVERVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Fund Balance

Emergency Reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 8). \$4,795 of the General Fund balance has been reserved in compliance with this requirement.

Fund balance of \$60,918 is restricted to meet contractual commitments under the Series 2018 Limited Tax Bonds (see Note 5). Fund balance of \$560,475 is restricted to meet contractual commitments with third parties related to construction projects.

The District's order of fund balance spending policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. The District reserves the right to selectively spend unassigned fund balance.

NOTE 3 CASH AND INVESTMENTS

Cash and investments reflected on the statement of net position as of December 31, 2020 consist of the following:

Restricted	\$ 397,081
Unrestricted	236,062
Total Cash and Investments	\$ 633,143

Cash and investments reflected on the statement of net position as of December 31, 2020 consist of the following:

Cash Deposits	\$ 572,225
Investments	60,918
Total Cash and Investments	\$ 633,143

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state 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 fair value of the collateral must be at least equal to 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.

**RIVERVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

At December 31, 2020, the District's cash deposits had a carrying balance of \$572,225. A portion of the District's cash, \$336,163, is considered restricted due to an agreement the District has with the City and RiverView-Yampa Development, LLC (the developer) requiring a certain amount of cash to be held in a separate account for a security fund commitment guarantee.

Investments

The District has not adopted a formal investment policy; however, it follows state statutes regarding investments. The District also follows investment policies in bond or note agreements when those agreements are more restrictive than state statutes. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

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

Colorado revised statutes limit investment maturities to five years or less depending on the specific investment held unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Revenue bonds of U.S. local government, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

As of December 31, 2020, the District had \$60,918 invested in Colorado Surplus Asset Fund Trust (CSAFE) Cash Fund, which has a maturity of less than one year. CSAFE is 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 \$1.00. The Trust is rated AAAM by Standard and Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

**RIVERVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 4 CONSTRUCTION IN PROCESS

An analysis of the changes in construction in process for the year ended December 31, 2020 follows:

	Balance at December 31, 2019	Additions	Retirements	Balance at December 31, 2020
Construction in Process	\$ 2,739,505	\$ -	\$ -	\$ 2,739,505

The District is expected to convey a portion of the construction in process to the City once the construction is complete. When the completed construction projects are conveyed, the District removes the cost of construction from its Statement of Net Position. During the year ended December 31, 2020, there were no conveyances to the City of Steamboat Springs.

NOTE 5 LONG-TERM OBLIGATIONS

The District's long-term obligations consist of the following from inception to December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Developer Advances:					
RiverView-Yampa Development, LLC	\$ 71,271	\$ 18,400	\$ -	\$ 89,671	\$ -
General Obligation					
Limited Tax Bonds:					
Series 2018	4,000,000	-	-	4,000,000	-
Total Long-Term Obligations	\$ 4,071,271	\$ 18,400	\$ -	\$ 4,089,671	\$ -

Developer Advances

On December 19, 2017, the District entered into a funding and reimbursement agreement with RiverView-Yampa Development, LLC (the Developer), pursuant to which the developer agreed to advance the District up to \$150,000 for eligible costs as defined by the District and shall be available to the District through December 31, 2020. The developer advances under the agreement carry interest at 6.5% per annum. The repayment of the advances will be made for organizational costs and other capital costs from the proceeds of the bonds issued by the District and any revenues available to the District, net of any debt service or current operations and maintenance costs of the District.

**RIVERVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2018 Bonds

The District issued the 2018 Limited Tax General Obligation Bonds on February 22, 2018 for an amount of \$4,000,000. The proceeds of such debt are used for project costs and costs of issuing the Bonds. The District drew down \$4,000,000 of principal on the date of issuance. The Bonds are subject to redemption prior to maturity at the option of the District as well as mandatory redemption for excess funds in the Subordinate Bond Fund to be first applied to interest then principal as a whole or in denominations of \$1,000.

The Bonds will mature on December 1, 2048 and bear interest at a rate of 8% calculated based on a 360-day year payable to the extent of Pledged Revenue. Interest payments are due on December 1 of each year beginning on December 1, 2018. The District incurred \$356,495 in interest expense during the year ended December 31, 2020.

The following summarizes the debt services requirements to maturity for the 2018 Bonds:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 352,662	\$ 352,662
2022	-	371,634	371,634
2023	-	401,365	401,365
2024	-	433,474	433,474
2025	-	468,152	468,152
2026-2030	-	2,966,180	2,966,180
2031-2035	-	4,358,292	4,358,292
2036-2040	-	6,403,761	6,403,761
2041-2045	-	9,409,226	9,409,226
2046-2048	4,000,000	7,650,471	11,650,471
Total	<u>\$ 4,000,000</u>	<u>\$ 32,815,218</u>	<u>\$ 36,815,218</u>

Debt Authorization

The District voters approved \$4,750,000 of debt in 2018. At December 31, 2020, the District had \$750,000 in 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. The District's current service plan limits its combined debt obligations to \$17,000,000.

NOTE 6 RELATED PARTIES

Two members of the Board are employees or are associated with RiverView Yampa Development, LLC, the developer within the District. Note 5 outlines developer advances transactions.

**RIVERVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

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 (Pool) as of December 31, 2020. 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 during the past three years.

The District pays annual premiums to the Pool for liability 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, referred to 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.

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.

On November 7, 2018, the District's electors authorized the District to collect and spend or retain in a reserve all annual District revenue without regard to any limitations under TABOR.

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.

**RIVERVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 9 SUBSEQUENT EVENT

Subsequent to year-end, the District entered into a debt issuance of \$5,305,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds to refund the 2018 Series Bonds held by the District. These Refunding Bonds were certified and elected during a unanimous vote held by the District in May 2020.

REQUIRED SUPPLEMENTARY INFORMATION

**RIVERVIEW METROPOLITAN DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 147,530	\$ 147,530	\$ 147,530	\$ -
Specific Ownership Taxes	-	-	9,506	9,506
Net Investment Income	-	-	2,790	2,790
Total Revenues	<u>147,530</u>	<u>147,530</u>	<u>159,826</u>	<u>12,296</u>
EXPENDITURES				
Current:				
Accounting and Audit Fees	16,000	16,000	18,776	(2,776)
Insurance	3,100	3,100	7,175	(4,075)
Legal	30,000	30,000	22,621	7,379
Permits and Compliance	-	-	191	(191)
Snow Removal	10,000	10,000	1,900	8,100
Landscaping	9,000	9,000	9,294	(294)
Miscellaneous	6,000	6,000	5,031	969
Treasurer's Fees	-	-	4,426	(4,426)
Contingency	10,000	10,000	-	10,000
Debt Service:				
Interest	122,942	526,000	526,000	-
Capital Outlay	213,625	213,625	-	213,625
Total Expenditures	<u>420,667</u>	<u>823,725</u>	<u>595,414</u>	<u>228,311</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(273,137)	(676,195)	(435,588)	(240,607)
OTHER FINANCING SOURCES				
Developer Contributions	45,000	45,000	18,400	(26,600)
Total Other Financing Sources	<u>45,000</u>	<u>45,000</u>	<u>18,400</u>	<u>(26,600)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(228,137)	(631,195)	(417,188)	214,007
Fund Balances - Beginning of Year	<u>2,805,048</u>	<u>1,043,376</u>	<u>1,043,376</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,576,911</u>	<u>\$ 412,181</u>	<u>\$ 626,188</u>	<u>\$ 214,007</u>

**RIVERVIEW METROPOLITAN DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020**

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

Budgets for all governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP). The District adopts a legal budget for the General Fund. All appropriations lapse at year-end.

The level on which expenditures may not legally exceed appropriations is the fund level. Expenditures may not exceed the appropriation levels for legally adopted budgets. Revisions to an appropriation require approval by the Board at a public meeting, with prior published notice of the proposed change.