

DOVE VALLEY METROPOLITAN DISTRICT
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2018

**DOVE VALLEY METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2018**

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(UNAUDITED)**

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Board of Directors
Dove Valley Metropolitan District
Arapahoe County, Colorado

Independent Auditors' Report

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Dove Valley Metropolitan District as of December 31, 2018, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Special Revenue Fund – Conservation Trust for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

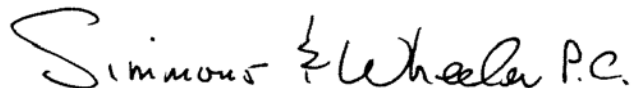
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dove Valley Metropolitan District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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



Englewood, CO
September 23, 2019

BASIC FINANCIAL STATEMENTS

**DOVE VALLEY METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 5,026,360
Cash and Investments - Restricted	2,980,417
Accounts Receivable	498,185
Property Tax Receivable	3,922,715
Prepaid Insurance	8,560
Deposits	179,743
Capital Assets, Not Being Depreciated	5,669,795
Capital Assets, Net	1,381,461
Total Assets	19,667,236
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Cost on Refunding	1,114,968
Total Deferred Outflows of Resources	1,114,968
LIABILITIES	
Accounts Payable	55,900
Due to County Treasurer	13,828
Accrued Interest Payable	182,584
Noncurrent Liabilities:	
Due Within One Year	965,000
Due in More than One Year	44,850,000
Total Liabilities	46,067,312
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	3,922,715
Total Deferred Outflows of Resources	3,922,715
NET POSITION	
Net Investment in Capital Assets	(1,678,744)
Restricted For:	
Emergency Reserves	33,000
Conservation Trust	67,205
Debt Service	1,327,483
Capital Projects	2,008,746
Unrestricted	(30,965,513)
Total Net Position	\$ (29,207,823)

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 468,329	\$ -	\$ 16,859	\$ -	\$ (451,470)
Interest and Related Costs on Long-Term Debt	1,873,106	-	-	190,956	(1,682,150)
Total Governmental Activities	\$ 2,341,435	\$ -	\$ 16,859	\$ 190,956	(2,133,620)
 GENERAL REVENUES					
Property Taxes					3,638,251
Specific Ownership Taxes					271,148
Interest Income					74,051
Other Revenue					418
Total General Revenues					3,983,868
 CHANGE IN NET POSITION					
Net Position - Beginning of Year					(31,058,071)
 NET POSITION - END OF YEAR					
					\$ (29,207,823)

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

ASSETS	General	Debt Service	Capital Projects	Special Revenue	Total Governmental Funds
Cash and Investments	\$ 5,026,360	\$ -	\$ -	\$ -	\$ 5,026,360
Cash and Investments - Restricted	33,000	1,521,840	1,358,372	67,205	2,980,417
Accounts Receivable	-	-	466,359	-	466,359
Property Tax Receivable	1,097,915	2,824,800	-	-	3,922,715
Prepaid Insurance	8,560	-	-	-	8,560
Due from Other Funds	-	-	28,687	-	28,687
Deposits	-	-	179,743	-	179,743
Total Assets	<u>\$ 6,165,835</u>	<u>\$ 4,346,640</u>	<u>\$ 2,033,161</u>	<u>\$ 67,205</u>	<u>\$ 12,612,841</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 31,485	\$ -	\$ 24,415	\$ -	\$ 55,900
Due to Other Funds	28,687	-	-	-	28,687
Due to County Treasurer	2,055	11,773	-	-	13,828
Total Liabilities	<u>62,227</u>	<u>11,773</u>	<u>24,415</u>	<u>-</u>	<u>98,415</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	1,097,915	2,824,800	-	-	3,922,715
Total Deferred Inflows of Resources	<u>1,097,915</u>	<u>2,824,800</u>	<u>-</u>	<u>-</u>	<u>3,922,715</u>
FUND BALANCES					
Nonspendable:					
Prepays	8,560	-	-	-	8,560
Restricted For:					
Emergency Reserves	33,000	-	-	-	33,000
Debt Service	-	1,510,067	-	-	1,510,067
Capital Projects	-	-	2,008,746	-	2,008,746
Special Revenue	-	-	-	67,205	67,205
Assigned for:					
General Fund	1,340,126	-	-	-	1,340,126
Unassigned:					
General Government	3,624,007	-	-	-	3,624,007
Total Fund Balances	<u>5,005,693</u>	<u>1,510,067</u>	<u>2,008,746</u>	<u>67,205</u>	<u>8,591,711</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,165,835</u>	<u>\$ 4,346,640</u>	<u>\$ 2,033,161</u>	<u>\$ 67,205</u>	<u>\$ 12,612,841</u>

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018**

Fund Balances - Total Governmental Funds	\$ 8,591,711
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets, Not Being Depreciated	5,669,795
Capital Assets, Net	1,381,461
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Cost of Bond Refunding	1,114,968
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Accounts Receivable - Build America Subsidy	31,826
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Loan Payable	(37,085,000)
Accrued Interest Payable - 2015 Loan	(85,227)
Bonds Payable	(8,730,000)
Accrued Interest Payable - 2010 Bonds	(97,357)
	(209,369)
Net Position of Governmental Activities	<u>\$ (29,207,823)</u>

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Special Revenue	Total Governmental Funds
REVENUES					
Property Taxes	\$ 969,982	\$ 2,668,269	\$ -	\$ -	\$ 3,638,251
Specific Ownership Taxes	72,184	198,964	-	-	271,148
Interest Income	54,463	12,070	7,440	78	74,051
Other Revenue	418	-	-	-	418
Federal Direct Payment Subsidy	-	190,956	-	-	190,956
CTF Proceeds	-	-	-	16,859	16,859
Total Revenues	<u>1,097,047</u>	<u>3,070,259</u>	<u>7,440</u>	<u>16,937</u>	<u>4,191,683</u>
EXPENDITURES					
General:					
Accounting	25,880	-	-	-	25,880
Audit	7,970	-	-	-	7,970
County Treasurer's Fees	14,564	-	-	-	14,564
Directors' Fees	1,300	-	-	-	1,300
Insurance and Bonds	9,621	-	-	-	9,621
Irrigation	83,631	-	-	-	83,631
District Management	29,698	-	4,754	-	34,452
Legal	21,470	-	7,923	-	29,393
Street Lights	70,546	-	-	-	70,546
Miscellaneous	8,783	-	-	-	8,783
Payroll Taxes	69	-	-	-	69
Election Expense	854	-	-	-	854
Landscaping Maintenance	94,395	-	-	-	94,395
Project Management	-	-	8,245	-	8,245
District Identity and Website	-	-	3,436	-	3,436
Monumentation Master Plan #4	-	-	6,530	-	6,530
Way Finding and Renaming	-	-	5,304	-	5,304
Trail Design	-	-	8,059	-	8,059
Debt Service:					
County Treasurer's Fees	-	40,047	-	-	40,047
Paying Agent Fees	-	2,600	-	-	2,600
Bond Interest - Series 2010	-	584,141	-	-	584,141
Loan Interest - Series 2015	-	1,053,975	-	-	1,053,975
Loan Principal - Series 2015	-	925,000	-	-	925,000
Capital Outlay:					
Street Expansion-Hannibal Circle	-	-	2,639,403	-	2,639,403
Street Expansion-Peoria/Briarwood	-	-	249,837	-	249,837
Medians-Potomac/Chambers/ Broncos Pkwy	-	-	2,430	-	2,430
Fremont Ave. Urban Trail	-	-	30,769	-	30,769
Lone Tree Creek Trail	-	-	6,145	-	6,145
Total Expenditures	<u>368,781</u>	<u>2,605,763</u>	<u>2,972,835</u>	<u>-</u>	<u>5,947,379</u>
NET CHANGE IN FUND BALANCES	728,266	464,496	(2,965,395)	16,937	(1,755,696)
Fund Balances - Beginning of Year	<u>4,277,427</u>	<u>1,045,571</u>	<u>4,974,141</u>	<u>50,268</u>	<u>10,347,407</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,005,693</u>	<u>\$ 1,510,067</u>	<u>\$ 2,008,746</u>	<u>\$ 67,205</u>	<u>\$ 8,591,711</u>

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
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, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ (1,755,696)

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

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

Capital Outlay	2,969,399
Depreciation	(96,112)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Current Year Loan Principal Payment	925,000
Amortization of Cost on 2015 Bond Refunding	(193,272)

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

Accrued Interest on 2015 Loan - Change in Liability	929
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Change in Net Position of Governmental Activities	\$ 1,850,248
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**DOVE VALLEY METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 993,309	\$ 969,982	\$ (23,327)
Allowance for Collections	(19,866)	-	19,866
Specific Ownership Taxes	59,599	72,184	12,585
Interest Income	4,000	54,463	50,463
Other Revenue	-	418	418
Total Revenues	<u>1,037,042</u>	<u>1,097,047</u>	<u>60,005</u>
EXPENDITURES			
Accounting	21,746	25,880	(4,134)
Audit	7,500	7,970	(470)
Consulting	1,500	-	1,500
County Treasurer's Fees	14,897	14,564	333
Directors' Fees	3,200	1,300	1,900
Insurance and Bonds	11,110	9,621	1,489
Irrigation	100,000	83,631	16,369
District Management	51,153	29,698	21,455
Legal	47,940	21,470	26,470
Street Lights	100,000	70,546	29,454
Miscellaneous	7,000	8,783	(1,783)
Payroll Taxes	245	69	176
Election Expense	2,000	854	1,146
Landscaping Maintenance	110,000	94,395	15,605
Contingency	31,120	-	31,120
Total Expenditures	<u>509,411</u>	<u>368,781</u>	<u>140,630</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	527,631	728,266	200,635
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	(2,000,000)	-	2,000,000
Total Other Financing Sources (Uses)	<u>(2,000,000)</u>	<u>-</u>	<u>2,000,000</u>
NET CHANGE IN FUND BALANCE	(1,472,369)	728,266	2,200,635
Fund Balance - Beginning of Year	<u>3,196,703</u>	<u>4,277,427</u>	<u>1,080,724</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,724,334</u>	<u>\$ 5,005,693</u>	<u>\$ 3,281,359</u>

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – CONSERVATION TRUST
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
CTF Proceeds	\$ 15,000	\$ 16,859	\$ 1,859
Interest Income	10	78	68
Total Revenues	<u>15,010</u>	<u>16,937</u>	<u>1,927</u>
EXPENDITURES			
Happy Canyon Trail Mowing	<u>2,000</u>	-	<u>2,000</u>
Total Expenditures	<u>2,000</u>	<u>-</u>	<u>2,000</u>
NET CHANGE IN FUND BALANCE	13,010	16,937	3,927
Fund Balance - Beginning of Year	<u>48,747</u>	<u>50,268</u>	<u>1,521</u>
FUND BALANCE - END OF YEAR	<u>\$ 61,757</u>	<u>\$ 67,205</u>	<u>\$ 5,448</u>

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 DEFINITION OF REPORTING ENTITY

Dove Valley Metropolitan District (District) is a quasi-municipal corporation located in Arapahoe County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on April 30, 1984, and was established to provide street improvements, traffic and safety control devices, parks and recreational facilities, and transportation services that benefit the citizens of the District.

In December 1988 and in January 2000, the District amended its Service Plan to include the operation and/or maintenance of water and sanitation services, local sanitary and drainage facilities and streets, either independently or pursuant to intergovernmental agreements with Arapahoe County, Parker Jordan Metropolitan district and Douglas County, as appropriate. In October 2004, the District again modified its Service Plan to reflect a modified Financial Plan and to grant the District the authority to issue the remaining voted debt in the amount of \$18,000,000.

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 operations 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, public improvement fees, and intergovernmental revenues.

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

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is 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.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and other assets.

Special Revenue Fund – The Conservation Trust Fund is used to account for resources for Conservation Trust Fund eligible expenditures.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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.

The District has amended its annual budget for the Debt Service Fund for the year ended December 31, 2018.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Capital Assets

Capital assets, which include property and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress/not yet conveyed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Street Lights	20 Years
Monumentation	20 Years

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Cost of Bond Refunding

In the government-wide financial statements, the cost of bond refunding is being amortized using the interest method over the life of the new loan (10 years). The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category which is the amortization of cost on 2015 bond refunding (discussed above).

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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only 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 amounts become 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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 balances is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2018, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 5,026,360
Cash and Investments - Restricted	<u>2,980,417</u>
Total Cash and Investments	<u><u>\$ 8,006,777</u></u>

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2018, consist of the following:

Deposits with Financial Institutions	\$ 5,521,490
Investments	<u>2,485,287</u>
Total Cash and Investments	<u><u>\$ 8,006,777</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2018, the District's cash deposits had a bank balance of \$5,548,183 and a carrying balance of \$5,521,490.

Investments

The District has adopted a formal investment policy wherein 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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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, 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
	Weighted Average	
US Bank Commercial Paper	Under 60 Days	<u>\$ 2,485,287</u>

US Bank Commercial Paper

The District's funds that are included in the bond related accounts at US Bank are invested in US Bank Open Monthly Manual Sweep Commercial Paper. Each share is equal in value to \$1.00 and is interest-bearing. The investment for the Series 2010 Bonds of \$1,840,380 matures April 1, 2019 and \$1,165 matures February 1, 2019 and the investment for the Series 2015 Loan of \$643,742 matures on July 1, 2019. The investment is rated A-1+ by Standard and Poor's. As of December 31, 2018, the District has \$2,485,287 in this investment, all of which was reserved for the repayment of bond/loan principal and interest or to be used for capital improvements.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2018:

	Balance - December 31, 2017	Increases	Decreases	Balance - December 31, 2018
Capital Assets, Not Being Depreciated:				
Construction in Progress/ Not Yet Conveyed				
Monumentation	\$ 4,640	\$ 6,574	\$ -	\$ 11,214
Trails	589,588	45,279	-	634,867
Medians	70,244	2,447	-	72,691
Streets/other	2,035,924	2,915,099	-	4,951,023
Total Capital Assets, Not Being Depreciated	2,700,396	2,969,399	-	5,669,795
Capital Assets, Being Depreciated:				
Street Lights	727,039	-	-	727,039
Monumentation	1,195,191	-	-	1,195,191
Total Capital Assets, Being Depreciated	1,922,230	-	-	1,922,230
Less Accumulated Depreciation For:				
Street Lights	(299,249)	(59,760)	-	(359,009)
Monumentation	(145,408)	(36,352)	-	(181,760)
Total Accumulated Depreciation	(444,657)	(96,112)	-	(540,769)
Total Capital Assets, Being Depreciated, Net	1,477,573	(96,112)	-	1,381,461
Governmental Activities Capital Assets, Net	\$ 4,177,969	\$ 2,873,287	\$ -	\$ 7,051,256

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	\$ 96,112
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It is the policy of Arapahoe County and the City of Centennial to accept the maintenance responsibility for improvements only after a probationary period following the completion of construction. Upon final acceptance of the streets by the County or the City, the District will remove the costs of construction from its capital assets. The District will maintain the ownership and maintenance of the District-owned street lighting and monumentation once those projects are completed.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2018:

	Balance - December 31, 2017	Additions	Retirements	Balance - December 31, 2018	Current Portion
Bonds Payable - Series 2010:	\$ 8,730,000	\$ -	\$ -	\$ 8,730,000	\$ 15,000
Loan Payable - Series 2015	38,010,000	-	925,000	37,085,000	950,000
Total	<u>\$ 46,740,000</u>	<u>\$ -</u>	<u>\$ 925,000</u>	<u>\$ 45,815,000</u>	<u>\$ 965,000</u>

\$40,635,000 Taxable (Convertible to Tax-Exempt) General Obligation Refunding Loan – Series 2015

On April 29, 2015, the District issued \$40,635,000 in a Taxable (Convertible to Tax-Exempt) General Obligation Refunding Loan (Series 2015 Loan) as evidenced by a promissory note. The Series 2015 Loan was issued to provide funds to advance refund the District's Series 2005 Bonds and to pay the costs of issuance. This refunding resulted in a net present value savings to the District of approximately \$7,200,000.

The Series 2015 Loan is a term loan due on April 29, 2025, with interest payable on June 1 and December 1 annually beginning December 1, 2015, and principal payments due on December 1 of each year commencing December 1, 2015. The Series 2015 Loan has a coupon rate of 3.89% through August 3, 2015 and 2.72% from August 3, 2015 through April 29, 2025. The District may, at its option, prepay all or any part of the principal of the Series 2015 Loan on a principal payment date, upon payment of a prepayment fee equal to the greater of zero or the net of the principal amount of the loan or portion of the loan to be prepaid minus the net present value of the loan or portion of the loan, as determined by U.S.Bank.

In the government-wide statements, the District incurred a cost on bond refunding in the amount of \$1,853,267, which has been deferred and is being amortized over the life of the Series 2015 Loan.

The outstanding loan principal and interest are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 950,000	\$ 1,022,722	\$ 1,972,722
2020	1,050,000	999,253	2,049,253
2021	1,075,000	967,566	2,042,566
2022	1,175,000	937,920	2,112,920
2023	1,200,000	905,516	2,105,516
2024-2025	31,635,000	1,216,881	32,851,881
Total	<u>\$ 37,085,000</u>	<u>\$ 6,049,858</u>	<u>\$ 43,134,858</u>

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$8,730,000 Taxable General Obligation Direct Pay Build America Bonds, Series 2010 Bonds

On November 18, 2010, the District issued \$8,730,000 of Taxable General Obligation Direct Pay Build America Bonds, Series 2010 (Series 2010 Bonds). The Series 2010 Bonds bear interest with rates varying from 6.487% to 6.750% payable semiannually on May 1 and November 1, beginning May 1, 2011. The Series 2010 Bonds mature on November 1, 2028 through November 1, 2040 and are subject to mandatory sinking fund redemption beginning in 2019. The Series 2010 bonds maturing on and after November 1, 2021 are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000 in any order of maturity designated by the District and in whole or partial maturities on November 1, 2020, and on any date thereafter upon payment of par and accrued interest. The Series 2010 Bonds are being used to finance capital projects, establish a reserve fund and to pay the costs of the issuance of the bonds.

The Series 2010 Bonds were issued as “Build America Bonds” as defined by the American Recovery and Reinvestment Act of 2009. Per this act, the District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 35% of the interest payable on the bonds on or about each interest payment date. The cash payment does not constitute a full faith and credit guarantee of the United States government, but is required to be paid under the Recovery Act. For 2018, per notification from the IRS, the subsidy payments applied for were reduced by 6.6% in May and 6.2% in November 2018 (Sequestration Reduction).

The Series 2010 Bonds principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 15,000	\$ 584,141	\$ 599,141
2020	15,000	583,168	598,168
2021	30,000	582,194	612,194
2022	35,000	580,248	615,248
2023	120,000	577,978	697,978
2024-2028	850,000	2,752,366	3,602,366
2029-2033	1,350,000	2,411,668	3,761,668
2034-2038	3,855,000	1,759,173	5,614,173
2039-2040	2,460,000	251,775	2,711,775
Total	<u>\$ 8,730,000</u>	<u>\$ 10,082,711</u>	<u>\$ 18,812,711</u>

Authorized Debt

At December 31, 2018, the District had authorized but unissued indebtedness of \$6,270,000. 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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 NET POSITION

The District has net position consisting of three components - net investments in capital interests, restricted, and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. As of December 31, 2018, the District had the following net investment in capital assets, calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 7,051,256
Less Capital Related Debt:	
2010 Bonds Payable	(8,730,000)
Net Investment in Capital Assets	\$ (1,678,744)

The restricted component of net position includes 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 a restricted net position at December 31, 2018, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 33,000
Conservation Trust	67,205
Debt Service	1,327,483
Capital Projects	2,008,746
Total Restricted Net Position	\$ 3,436,434

The District has a deficit in the net investment in capital assets and unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, a portion of which have been conveyed and/or will be conveyed to other governmental entities.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 AGREEMENTS

Traffic Signals – City of Centennial

In April 2006, the District entered into an agreement with the City of Centennial (the City) whereby the District agreed to fund \$997,500 towards the costs of traffic signals. Upon execution of the agreement, the District deposited \$427,500 with the City. Future deposits were to be made by the District as construction progressed. On October 4, 2012, the District and the City executed and Intergovernmental Agreement Regarding Construction and Cost-Sharing of Traffic Controls and Termination of Prior Intergovernmental Agreement Regarding Construction and Cost Sharing of Traffic Signals. The purpose of this agreement was to authorize the refunding of certain payments previously collected from property owners with the City and to provide for the cost sharing and design processes related to future traffic control improvements. Upon execution of this agreement, the City refunded \$285,000 to the District which was on deposit with the City from the prior agreement.

The October 4, 2012 agreement was supplemented on July 30, 2013 by the “Letter Agreement – Potomac and Briarwood Signalization Funding” between the District and the City, whereby the \$302,909 estimated completion cost of the signalization project was established, and the District agreed to contribute its pro rata share of \$176,066 of the project costs to the City within 45 days of the date of the Letter Agreement.

On February 12, 2016, the District approved the First Amended and Restated Intergovernmental Agreement regarding Construction and Cost Sharing of Traffic Controls (Amended and Restated IGA) with the City, effective October 4, 2015, which amends and restates in its entirety the October 4, 2012 agreement. The purpose of the Amended and Restated IGA is to allocate between the parties the costs of the traffic controls located within the boundaries of the District and the City, and to establish the process by which such traffic controls will be designed and constructed.

Traffic Signals – Arapahoe County

On January 12, 2004, the District entered into an agreement with Arapahoe County (the County) for the cost sharing and construction of traffic signals for a number of intersections within the District. The District funded \$495,000 pursuant to the agreement in February 2004, which work has been completed. On October 23, 2006, the District and the County amended the agreement to add an additional traffic signal at Broncos Parkway and Peoria Street with funding required from the District in the amount of \$100,000, and extended the term of the agreement to January 12, 2010. On November 17, 2009, the District approved a Second Amendment which extended the agreement until January 12, 2013. During 2012, the District approved a Third Amendment which extended the agreement until January 12, 2016. The Third Amendment states that the IGA will automatically be renewed for another three years, unless advance 90 day notice is given by either party.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 AGREEMENTS (CONTINUED)

Intergovernmental Agreement Regarding Contribution of Arapahoe County Open Space Program Funds – Lone Tree Creek Trail Joint Project – Phase I

On January 5, 2015, the District entered into an Intergovernmental Agreement Regarding Contribution of Arapahoe County Open Space Program Funds – Lone Tree Creek Trail Joint Project – Phase I with Arapahoe County (the County) and the City of Centennial (the City), whereby the County agreed to contribute \$100,000 towards completion of the Lone Tree Creek Trail Project, contingent upon contributions by the District of \$33,900 and by the City of \$80,000. As of December 31, 2018, the District has contributed \$33,900.

Intergovernmental Subdivision Improvement Agreement Hannibal Circle – Street/Storm Plan

On November 2, 2017, the District entered into an Intergovernmental Subdivision Improvement Agreement Hannibal Circle – Street/Storm Plan with Arapahoe County (the County), whereby the District agreed to construct, or cause to be constructed, all streets, curb, gutter, sidewalk, pans and drainage improvements within certain property owned by the County (collectively, the Improvements). Upon completion and acceptance of the Improvements within the County right-of-way, such Improvements will be conveyed to the County for ownership. All other Improvements will be owned and maintained by the District. The District agreed to appropriate \$2,500,000 for the cost of construction of the Improvements.

Development Agreement – Arapahoe County Water and Wastewater Authority

On January 8, 2018, the District entered into a Development Agreement with Arapahoe County Water and Wastewater Authority (ACWWA), whereby the parties agreed that the District would construct certain water and/or sewer facilities for connection to ACWWA water and/or sewer facilities (the Facilities). The District agreed to provide ACWWA with a letter of credit or cash deposit in the amount of \$455,568 for the construction of the Facilities (the Financial Guaranty) which was paid in July of 2017. The Financial Guaranty is required to be in effect beginning October 12, 2017 and will expire on the date the ACWWA finally accepts the Facilities. The District received back the Financial Guaranty of \$455,568 in January 2019 from ACWWA.

Intergovernmental Agreement Regarding 2018 Grant of Arapahoe County Open Space Program Funds – Project Name: East Fremont Avenue Trail

On October 2, 2018, the District entered into an Intergovernmental Agreement Regarding 2018 Grant of Arapahoe County Open Space Program Funds – Project Name: East Fremont Avenue Trail with Arapahoe County (the County) whereby the County agreed to contribute \$54,200 towards the completion of the East Fremont Avenue Trail Project.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 AGREEMENTS (CONTINUED)

Grant Funding Participation Intergovernmental Agreement

On October 26, 2018, the District entered into the Grant Funding Participation Intergovernmental Agreement with the City of Centennial (the City) whereby the City agreement to contribute \$10,000 to the completion of the East Fremont Avenue Trail Project, contingent upon contributions by the District of \$7,420 and by the County in amount of \$54,200 (discussed above under Intergovernmental Agreement Regarding 2018 Grant of Arapahoe County Open Space Program Funds – Project Name: East Fremont Avenue Trail).

NOTE 8 RELATED PARTY

All members of the Board of Directors are employees, officers or are otherwise associated with the developers within the District and may have conflicts of interest in dealing with the District. The Board of Directors believes that all potential conflicts, if any, have been disclosed.

NOTE 9 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). 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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 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, except Enterprises.

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 benefit increases.

The District's management has taken steps it believes are necessary to comply 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

**DOVE VALLEY METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 2,737,901	\$ 2,737,901	\$ 2,668,269	\$ (69,632)
Allowance for Collections	(54,758)	(54,758)	-	54,758
Specific Ownership Taxes	164,274	163,600	198,964	35,364
Interest Income	2,700	8,000	12,070	4,070
Federal Direct Payment Subsidy	190,546	190,546	190,956	410
Total Revenues	<u>3,040,663</u>	<u>3,045,289</u>	<u>3,070,259</u>	<u>24,970</u>
EXPENDITURES				
County Treasurer's Fees	41,069	41,069	40,047	1,022
Paying Agent Fees	5,000	5,000	2,600	2,400
Bond Interest - Series 2010	584,141	584,141	584,141	-
Loan Interest - Series 2015	1,048,231	1,053,975	1,053,975	-
Loan Principal - Series 2015	925,000	925,000	925,000	-
Contingency	-	90,815	-	90,815
Total Expenditures	<u>2,603,441</u>	<u>2,700,000</u>	<u>2,605,763</u>	<u>94,237</u>
NET CHANGE IN FUND BALANCE	437,222	345,289	464,496	119,207
Fund Balance - Beginning of Year	<u>958,339</u>	<u>1,045,572</u>	<u>1,045,571</u>	<u>(1)</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,395,561</u>	<u>\$ 1,390,861</u>	<u>\$ 1,510,067</u>	<u>\$ 119,206</u>

**DOVE VALLEY METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Income	\$ 8,500	\$ 7,440	\$ (1,060)
Total Revenues	<u>8,500</u>	<u>7,440</u>	<u>(1,060)</u>
EXPENDITURES			
District Management	15,708	4,754	10,954
Project Management	30,000	8,245	21,755
Legal	25,500	7,923	17,577
Contribution to City for Traffic Study	15,000	-	15,000
District Identity and Website	50,000	3,436	46,564
Street Expansion-Hannibal Circle	2,500,000	2,639,403	(139,403)
Street Expansion-Peoria/Briarwood	300,000	249,837	50,163
Traffic Signalization-County	262,500	-	262,500
Traffic Signal Agmt-Centennial	300,000	-	300,000
Monumentation Master Plan #4	250,000	6,530	243,470
Way Finding and Renaming	100,000	5,304	94,696
Medians-Potomac/Chambers/Broncos Pkwy	25,000	2,430	22,570
Fremont Ave. Urban Trail	550,000	30,769	519,231
Lone Tree Creek Trail	285,000	6,145	278,855
Trail Design	10,000	8,059	1,941
Total Expenditures	<u>4,718,708</u>	<u>2,972,835</u>	<u>1,745,873</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,710,208)	(2,965,395)	1,744,813
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	2,000,000	-	(2,000,000)
Total Other Financing Sources (Uses)	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
NET CHANGE IN FUND BALANCE	(2,710,208)	(2,965,395)	(255,187)
Fund Balance - Beginning of Year	<u>4,256,008</u>	<u>4,974,141</u>	<u>718,133</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,545,800</u>	<u>\$ 2,008,746</u>	<u>\$ 462,946</u>

OTHER INFORMATION

**DOVE VALLEY METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2018**

Bonds and Interest Maturing in the Year Ending December 31,	\$8,730,000 General Obligation Direct Pay Build America Bonds Series 2010 Interest Rate at 6.487 % to 6.750% Interest Payable May 1 and November 1 Principal Due November 1			\$40,365,000 Taxable (Convertible to Tax- Exempt) General Obligation Refunding Loan Series 2015 Interest Rate at 2.72 % to 3.89% Interest Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total	Principal	Interest	Total
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 15,000	\$ 584,141	\$ 599,141	\$ 950,000	\$ 1,022,722	\$ 1,972,722
2020	15,000	583,168	598,168	1,050,000	999,253	2,049,253
2021	30,000	582,194	612,194	1,075,000	967,566	2,042,566
2022	35,000	580,248	615,248	1,175,000	937,920	2,112,920
2023	120,000	577,978	697,978	1,200,000	905,516	2,105,516
2024	135,000	570,194	705,194	1,250,000	874,813	2,124,813
2025	150,000	561,436	711,436	30,385,000	342,068	30,727,068
2026	170,000	551,706	721,706	-	-	-
2027	190,000	540,678	730,678	-	-	-
2028	205,000	528,352	733,352	-	-	-
2029	225,000	515,054	740,054	-	-	-
2030	245,000	500,121	745,121	-	-	-
2031	270,000	483,860	753,860	-	-	-
2032	290,000	465,940	755,940	-	-	-
2033	320,000	446,693	766,693	-	-	-
2034	345,000	425,454	770,454	-	-	-
2035	370,000	402,557	772,557	-	-	-
2036	980,000	378,000	1,358,000	-	-	-
2037	1,045,000	311,850	1,356,850	-	-	-
2038	1,115,000	241,312	1,356,312	-	-	-
2039	1,190,000	166,050	1,356,050	-	-	-
2040	1,270,000	85,725	1,355,725	-	-	-
Total	\$ 8,730,000	\$ 10,082,711	\$ 18,812,711	\$ 37,085,000	\$ 6,049,858	\$ 43,134,858

**DOVE VALLEY METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2018**

Bonds and Interest Maturing in the <u>Year Ending December 31,</u>	Totals		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 965,000	\$ 1,606,863	\$ 2,571,863
2020	1,065,000	1,582,421	2,647,421
2021	1,105,000	1,549,760	2,654,760
2022	1,210,000	1,518,168	2,728,168
2023	1,320,000	1,483,494	2,803,494
2024	1,385,000	1,445,007	2,830,007
2025	30,535,000	903,504	31,438,504
2026	170,000	551,706	721,706
2027	190,000	540,678	730,678
2028	205,000	528,352	733,352
2029	225,000	515,054	740,054
2030	245,000	500,121	745,121
2031	270,000	483,860	753,860
2032	290,000	465,940	755,940
2033	320,000	446,693	766,693
2034	345,000	425,454	770,454
2035	370,000	402,557	772,557
2036	980,000	378,000	1,358,000
2037	1,045,000	311,850	1,356,850
2038	1,115,000	241,312	1,356,312
2039	1,190,000	166,050	1,356,050
2040	1,270,000	85,725	1,355,725
Total	<u>\$ 45,815,000</u>	<u>\$ 16,132,569</u>	<u>\$ 61,947,569</u>

**DOVE VALLEY METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2018**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
			Levied	Collected	
2014	\$ 159,948,710	18.100	\$ 2,886,457	\$ 2,840,889	98.42 %
2015	156,001,394	18.100	2,816,193	2,822,117	100.21
2016	184,080,000	18.042	3,308,478	3,196,010	96.60
2017	187,811,976	17.900	3,340,767	3,311,319	99.12
2018	226,838,509	16.545	3,731,210	3,638,251	97.51
Estimated for the Year					
Ending December 31,					
2019	\$ 234,018,948	16.860	\$ 3,922,715		

Note: Property taxes shown as collected in any one year may include collection of delinquent property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

**CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
(UNAUDITED)**

DOVE VALLEY METROPOLITAN DISTRICT
TABLE I
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE
GENERAL FUND
2014-2018 (UNAUDITED)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES					
Property Taxes	\$ 780,797	\$ 776,078	\$ 845,568	\$ 871,092	\$ 969,982
Specific Ownership Taxes	57,111	58,429	67,124	75,407	72,184
Net Investment Income	7,011	5,077	3,202	6,247	54,463
Miscellaneous	348	319	188	1,473	418
Total Revenue	<u>845,267</u>	<u>839,903</u>	<u>916,082</u>	<u>954,219</u>	<u>1,097,047</u>
EXPENDITURES					
Audit	4,863	6,593	5,665	7,367	7,970
Legal	32,326	36,627	25,952	32,787	21,470
Landscape Maintenance	118,034	83,807	107,436	92,969	94,395
Director Fees	2,300	2,500	2,200	1,600	1,300
Economic Development	-	5,000	5,000	-	-
Election Expenses	976	-	1,602	-	854
Insurance	6,027	6,266	9,566	8,796	9,621
Treasurer's Fees	11,724	11,650	12,676	13,076	14,564
Management Fees	31,429	40,380	41,092	32,636	29,698
Accounting	16,924	21,944	23,720	18,752	25,880
Irrigation	80,191	96,991	89,768	100,919	83,631
Street Lights	71,475	75,279	99,249	140,636	70,546
Engineering/Consulting	1,275	-	-	-	-
Miscellaneous	6,334	8,961	6,581	4,455	8,783
Payroll Taxes	-	-	168	122	69
Total Expenditures	<u>383,878</u>	<u>395,998</u>	<u>430,675</u>	<u>454,114</u>	<u>368,781</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	461,389	443,905	485,407	500,105	728,266
OTHER FINANCING SOURCES (USES)					
Transfer to Other Funds	(843,000)	(683,518)	-	-	-
Total Other Financing Sources (Uses)	<u>(843,000)</u>	<u>(683,518)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(381,611)	(239,613)	485,407	500,105	728,266
Fund Balance - Beginning of Year	<u>3,913,139</u>	<u>3,531,528</u>	<u>3,291,915</u>	<u>3,777,322</u>	<u>4,277,427</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,531,528</u>	<u>\$ 3,291,915</u>	<u>\$ 3,777,322</u>	<u>\$ 4,277,427</u>	<u>\$ 5,005,693</u>

DOVE VALLEY METROPOLITAN DISTRICT
TABLE II
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE
DEBT SERVICE FUND
2014-2018 (UNAUDITED)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES					
Property Taxes	\$ 2,060,092	\$ 2,046,039	\$ 2,350,442	\$ 2,440,227	\$ 2,668,269
Specific Ownership Taxes	150,685	154,047	186,505	210,662	198,964
Net Investment Income	3,395	2,639	838	4,919	12,070
Federal Direct Payment Subsidy	189,627	190,036	190,547	190,342	190,956
Total Revenue	<u>2,403,799</u>	<u>2,392,761</u>	<u>2,728,332</u>	<u>2,846,150</u>	<u>3,070,259</u>
EXPENDITURES					
Treasurer's Fees	30,937	30,715	35,231	36,629	40,047
Bond/Loan Principal	735,000	1,605,000	875,000	900,000	925,000
Bond/Loan Interest	2,511,241	1,404,285	1,684,329	1,657,192	1,638,116
Loan Issuance Costs	-	327,688	-	-	-
Paying Agent Fees	1,250	2,600	3,100	2,600	2,600
Total Expenditures	<u>3,278,428</u>	<u>3,370,288</u>	<u>2,597,660</u>	<u>2,596,421</u>	<u>2,605,763</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(874,629)	(977,527)	130,672	249,729	464,496
OTHER FINANCING SOURCES (USES)					
Transfer from Other Funds	843,634	683,457	-	-	-
Refunding Loan Proceeds	-	40,635,000	-	-	-
Payment to Refunding Escrow	-	(40,278,267)	-	-	-
Total Other Financing Sources (Uses)	<u>843,634</u>	<u>1,040,190</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(30,995)	62,663	130,672	249,729	464,496
Fund Balance - Beginning of Year	<u>633,502</u>	<u>602,507</u>	<u>665,170</u>	<u>795,842</u>	<u>1,045,571</u>
FUND BALANCE - END OF YEAR	<u>\$ 602,507</u>	<u>\$ 665,170</u>	<u>\$ 795,842</u>	<u>\$ 1,045,571</u>	<u>\$ 1,510,067</u>

**DOVE VALLEY METROPOLITAN DISTRICT
TABLE III
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE
CAPITAL PROJECTS FUND
2014-2018 (UNAUDITED)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES					
Interest Income	\$ 4,473	\$ 3,594	\$ 4,619	\$ 8,854	\$ 7,440
Reimbursement - Projects	52,075	-	-	-	-
Miscellaneous	11,595	-	15,000	-	-
Total Revenue	<u>68,143</u>	<u>3,594</u>	<u>19,619</u>	<u>8,854</u>	<u>7,440</u>
EXPENDITURES					
Contribution to City for Traffic Study	-	-	15,000	-	-
Legal	28,200	20,260	11,978	10,197	7,923
District Management	8,938	15,556	12,588	6,210	4,754
District Identity and Website	12,979	54,020	10,087	5,725	3,436
Project Management	9,893	35,762	17,302	7,268	8,245
Capital Improvements	413,395	1,621,837	874,588	512,626	2,948,477
Total Expenditures	<u>473,405</u>	<u>1,747,435</u>	<u>941,543</u>	<u>542,026</u>	<u>2,972,835</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	(405,262)	(1,743,841)	(921,924)	(533,172)	(2,965,395)
OTHER FINANCING SOURCES (USES)					
Grant Proceeds	25,145	1,273	284,149	-	-
Transfer to Other Funds	(634)	-	-	-	-
Total Other Financing Sources (Uses)	<u>24,511</u>	<u>1,273</u>	<u>284,149</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE					
	(380,751)	(1,742,568)	(637,775)	(533,172)	(2,965,395)
Fund Balance - Beginning of Year	<u>8,268,407</u>	<u>7,887,656</u>	<u>6,145,088</u>	<u>5,507,313</u>	<u>4,974,141</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,887,656</u>	<u>\$ 6,145,088</u>	<u>\$ 5,507,313</u>	<u>\$ 4,974,141</u>	<u>\$ 2,008,746</u>