

**DOVE VALLEY METROPOLITAN DISTRICT
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**DOVE VALLEY METROPOLITAN DISTRICT
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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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2020, and the respective changes in financial position and the respective budgetary comparison for the General and Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

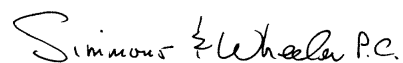
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

 Simmons & Wheeler P.C.

Englewood, CO
September 25, 2021

BASIC FINANCIAL STATEMENTS

**DOVE VALLEY METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 6,521,513
Cash and Investments - Restricted	3,320,523
Accounts Receivable - County Treasurer	25,622
Property Tax Receivable	4,346,691
Prepaid Insurance	8,906
Deposits	79,595
Capital Assets, Not Being Depreciated	1,121,814
Capital Assets, Net	1,235,031
Total Assets	16,659,695
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Cost on Refunding	2,066,488
Total Deferred Outflows of Resources	2,066,488
LIABILITIES	
Accounts Payable	78,855
Retainage Payable	14,363
Accrued Interest Payable	131,000
Noncurrent Liabilities:	
Due Within One Year	1,897,210
Due in More than One Year	42,731,266
Total Liabilities	44,852,694
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	4,346,691
Total Deferred Outflows of Resources	4,346,691
NET POSITION	
Net Investment in Capital Assets	(1,107,476)
Restricted For:	
Emergency Reserves	37,300
Conservation Trust	89,169
Debt Service	1,617,355
Capital Projects	488,334
Unrestricted	(31,597,884)
Total Net Position	\$ (30,473,202)

See accompanying Notes to Basic Financial Statements.

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

		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	\$ 734,026	\$ -	\$ 17,272	\$ 24,500	\$ (692,254)
Interest and Related Costs on Long-Term Debt	1,662,144	-	-	-	(1,662,144)
Total Governmental Activities	\$ 2,396,170	\$ -	\$ 17,272	\$ 24,500	(2,354,398)
 GENERAL REVENUES					
Property Taxes					4,013,138
Specific Ownership Taxes					288,451
Interest Income					68,624
Other Revenue					21,848
Total General Revenues					4,392,061
 CHANGE IN NET POSITION					
Net Position - Beginning of Year					(32,510,865)
 NET POSITION - END OF YEAR					
					\$ (30,473,202)

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

ASSETS	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Cash and Investments	\$ 6,521,513	\$ -	\$ -	\$ -	\$ 6,521,513
Cash and Investments - Restricted	37,300	1,730,171	1,447,883	105,169	3,320,523
Receivable from County Treasurer	7,038	18,584	-	-	25,622
Property Tax Receivable	1,295,950	3,050,741	-	-	4,346,691
Prepaid Insurance	8,906	-	-	-	8,906
Deposits	-	-	79,595	-	79,595
Total Assets	<u>\$ 7,870,707</u>	<u>\$ 4,799,496</u>	<u>\$ 1,527,478</u>	<u>\$ 105,169</u>	<u>\$ 14,302,850</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 53,685	\$ 400	\$ 8,770	\$ 16,000	\$ 78,855
Retainage Payable	-	-	14,363	-	14,363
Total Liabilities	<u>53,685</u>	<u>400</u>	<u>23,133</u>	<u>16,000</u>	<u>93,218</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	1,295,950	3,050,741	-	-	4,346,691
Total Deferred Inflows of Resources	<u>1,295,950</u>	<u>3,050,741</u>	<u>-</u>	<u>-</u>	<u>4,346,691</u>
FUND BALANCES					
Nonspendable:					
Prepays	8,906	-	-	-	8,906
Restricted For:					
Emergency Reserves	37,300	-	-	-	37,300
Debt Service	-	1,748,355	-	-	1,748,355
Capital Projects	-	-	1,504,345	-	1,504,345
Special Revenue	-	-	-	89,169	89,169
Assigned For:					
Subsequent Year's Expenditures	1,106,333	-	-	-	1,106,333
Unassigned:					
General Government	5,368,533	-	-	-	5,368,533
Total Fund Balances	<u>6,521,072</u>	<u>1,748,355</u>	<u>1,504,345</u>	<u>89,169</u>	<u>9,862,941</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,870,707</u>	<u>\$ 4,799,496</u>	<u>\$ 1,527,478</u>	<u>\$ 105,169</u>	<u>\$ 14,302,850</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, 2020**

Fund Balances - Total Governmental Funds	\$	9,862,941
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		1,121,814
Capital Assets, Net		1,235,031
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Cost of Bond/Loan Refunding		2,066,488
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bond/Loan Payable		(44,628,476)
Accrued Interest Payable		(131,000)
		(175,628,476)
Net Position of Governmental Activities		<u>\$ (30,473,202)</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, 2020

	General	Debt Service	Capital Projects	Special Revenue	Total Governmental Funds
REVENUES					
Property Taxes	\$ 1,100,146	\$ 2,912,992	\$ -	\$ -	\$ 4,013,138
Specific Ownership Taxes	79,076	209,375	-	-	288,451
Interest Income	45,588	21,371	1,035	630	68,624
Other Revenue	16,333	-	5,515	-	21,848
Fremont Trail Grant	-	-	24,500	-	24,500
CTF Proceeds	-	-	-	17,272	17,272
Total Revenues	<u>1,241,143</u>	<u>3,143,738</u>	<u>31,050</u>	<u>17,902</u>	<u>4,433,833</u>
EXPENDITURES					
General:					
Accounting	65,086	-	-	-	65,086
Audit	4,400	-	-	-	4,400
County Treasurer's Fees	16,534	43,778	-	-	60,312
Directors' Fees	2,000	-	-	-	2,000
District Management	28,462	-	-	-	28,462
Dues and Subscriptions	1,238	-	-	-	1,238
Election Expense	1,288	-	-	-	1,288
Engineering	5,787	-	-	-	5,787
Insurance and Bonds	8,825	-	-	-	8,825
Irrigation	107,722	-	-	-	107,722
Legal	17,816	-	18,768	-	36,584
Street Lights	85,502	-	-	-	85,502
Miscellaneous	5,520	-	-	-	5,520
Payroll Taxes	252	-	-	-	252
Landscaping Maintenance	122,896	-	-	-	122,896
Project Management	-	-	15,599	-	15,599
District Identity and Website	-	-	765	-	765
Happy Canyon Trail Mowing	-	-	-	16,000	16,000
Debt Service:					
Paying Agent Fees	-	1,610	-	-	1,610
Bond Interest	-	1,575,347	-	-	1,575,347
Bond Principal	-	1,325,000	-	-	1,325,000
Capital Outlay:					
Street Expansion-Hannibal Circle	-	-	110,974	-	110,974
Street Lighting Projects	-	-	288,276	-	288,276
Happy Canyon Trail and Bridge	-	-	16,969	-	16,969
Fremont Ave. Urban Trail	-	-	11,909	-	11,909
Total Expenditures	<u>473,328</u>	<u>2,945,735</u>	<u>463,260</u>	<u>16,000</u>	<u>3,898,323</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	767,815	198,003	(432,210)	1,902	535,510
OTHER FINANCING SOURCES (USES)					
Transfers (to) Other Funds	(70,000)	-	-	-	(70,000)
Transfers from Other Funds	-	-	70,000	-	70,000
Total Other Financing Sources (Uses)	<u>(70,000)</u>	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	697,815	198,003	(362,210)	1,902	535,510
Fund Balances - Beginning of Year	<u>5,823,257</u>	<u>1,550,352</u>	<u>1,866,555</u>	<u>87,267</u>	<u>9,327,431</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,521,072</u>	<u>\$ 1,748,355</u>	<u>\$ 1,504,345</u>	<u>\$ 89,169</u>	<u>\$ 9,862,941</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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 535,510

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	317,154
Depreciation	(98,592)

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 Bond Principal Payment	1,325,000
Amortization of Cost on 2015/2019 Bond Refunding	(470,639)
Amortization of Bond Premium	478,226

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

Accrued Interest on Bonds/Loans - Change in Liability	(48,996)
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Change in Net Position of Governmental Activities	\$ 2,037,663
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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, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,115,868	\$ 1,100,146	\$ (15,722)
Specific Ownership Taxes	66,952	79,076	12,124
Interest Income	35,000	45,588	10,588
Other Revenue	-	16,333	16,333
Total Revenues	<u>1,217,820</u>	<u>1,241,143</u>	<u>23,323</u>
EXPENDITURES			
Accounting	50,000	65,086	(15,086)
Audit	5,000	4,400	600
County Treasurer's Fees	16,738	16,534	204
Directors' Fees	3,200	2,000	1,200
District Management	50,000	28,462	21,538
Dues and Subscriptions	-	1,238	(1,238)
Election Expense	1,000	1,288	(288)
Engineering	-	5,787	(5,787)
Insurance and Bonds	12,000	8,825	3,175
Irrigation	90,000	107,722	(17,722)
Miscellaneous	6,817	5,520	1,297
Landscaping Maintenance	110,000	122,896	(12,896)
Legal	50,000	17,816	32,184
Payroll Taxes	245	252	(7)
Street Lights	100,000	85,502	14,498
Total Expenditures	<u>495,000</u>	<u>473,328</u>	<u>21,672</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	722,820	767,815	44,995
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	<u>(2,000,000)</u>	<u>(70,000)</u>	<u>1,930,000</u>
Total Other Financing Sources (Uses)	<u>(2,000,000)</u>	<u>(70,000)</u>	<u>1,930,000</u>
NET CHANGE IN FUND BALANCE	(1,277,180)	697,815	1,974,995
Fund Balance - Beginning of Year	<u>5,784,712</u>	<u>5,823,257</u>	<u>38,545</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,507,532</u>	<u>\$ 6,521,072</u>	<u>\$ 2,013,540</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, 2020**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
CTF Proceeds	\$ 20,000	\$ 20,000	\$ 17,272	\$ (2,728)
Interest Income	500	500	630	130
Total Revenues	<u>20,500</u>	<u>20,500</u>	<u>17,902</u>	<u>(2,598)</u>
EXPENDITURES				
Happy Canyon Trail Mowing	<u>2,000</u>	<u>18,000</u>	<u>16,000</u>	<u>2,000</u>
Total Expenditures	<u>2,000</u>	<u>18,000</u>	<u>16,000</u>	<u>2,000</u>
NET CHANGE IN FUND BALANCE	18,500	2,500	1,902	(598)
Fund Balance - Beginning of Year	<u>87,905</u>	<u>87,267</u>	<u>87,267</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 106,405</u>	<u>\$ 89,767</u>	<u>\$ 89,169</u>	<u>\$ (598)</u>

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Dove Valley Metropolitan District (the 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, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, 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, 2020**

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 year ended December 31, 2020.

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, 2020**

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.

Amortization – Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

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 old loan to the maturity of the 2015 Loan (December 1, 2025). 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 and 2019 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, 2020**

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, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 6,521,513
Cash and Investments - Restricted	3,320,523
Total Cash and Investments	<u>\$ 9,842,036</u>

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	\$ 238,607
Investments	<u>9,603,429</u>
Total Cash and Investments	<u><u>\$ 9,842,036</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2020, the District's cash deposits had a bank balance of \$238,607 and a carrying balance of \$238,607.

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, 2020**

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, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 8,587,267
US Bank Commercial Paper	Weighted Average Under 60 Days	1,016,162
Total		<u>\$ 9,603,429</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under C.R.S 24- 75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 is rated A-1+ by Standard and Poor's. As of December 31, 2020, the District has \$1,016,162 in this investment, all of which was reserved for the repayment of bond/loan principal and interest or to be used for capital improvements.

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2020:

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
Capital Assets, Not Being Depreciated:				
Construction in Progress/ Not Yet Conveyed				
Trails	\$ 717,989	\$ 28,878	\$ -	\$ 746,867
Medians	86,671	-	-	86,671
Streets/Other	-	288,276	-	288,276
Total Capital Assets, Not Being Depreciated	804,660	317,154	-	1,121,814
Capital Assets, Being Depreciated:				
Street Lights	765,337	-	-	765,337
Monumentation	1,206,405	-	-	1,206,405
Total Capital Assets, Being Depreciated	1,971,742	-	-	1,971,742
Less Accumulated Depreciation For:				
Street Lights	(219,068)	(38,268)	-	(257,336)
Monumentation	(419,051)	(60,324)	-	(479,375)
Total Accumulated Depreciation	(638,119)	(98,592)	-	(736,711)
Total Capital Assets, Being Depreciated, Net	1,333,623	(98,592)	-	1,235,031
Governmental Activities Capital Assets, Net	<u>\$ 2,138,283</u>	<u>\$ 218,562</u>	<u>\$ -</u>	<u>\$ 2,356,845</u>

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

General Government	<u>\$ 98,592</u>
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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.

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, 2020:

	Balance at December 31, 2019	Additions	Retirements	Balance at December 31, 2020	Current Portion
Bonds Payable:					
G.O. Refunding Bonds:					
Series 2019	\$ 40,625,000	\$ -	\$ 1,325,000	\$ 39,300,000	\$ 1,420,000
Premium	5,806,702	-	478,226	5,328,476	477,210
Total	\$ 46,431,702	\$ -	\$ 1,803,226	\$ 44,628,476	\$ 1,897,210

\$40,625,000 General Obligation Refunding Bonds, Series 2019

On December 12, 2019, the District issued \$40,625,000 of General Obligation Refunding Bonds (Series 2019 Bonds). The Series 2019 Bonds bear a stated interest rate of 4.00% (2.122% yield) payable semi-annually on June 1 and December 1, commencing on June 1, 2020, and mature on each December 1 of each year commencing in 2020 through 2039. Bonds maturing on and after December 1, 2030 are subject to redemption prior to their respective maturities, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2029, and on any date thereafter, upon payment of par and accrued interest, without redemption premium. Proceeds from the Series 2019 Bonds were used to advance refund the outstanding Series 2010 Bonds and the Series 2015 Loan, and pay the costs of the issuance of the Series 2019 Bonds.

The Series 2019 Bonds are insured by Build America Mutual Assurance Company (BAM). At December 31, 2020, BAM had an S&P rating of AA.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$40,625,000 General Obligation Refunding Bonds, Series 2019 (Continued)

The Series 2019 Bonds principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,420,000	\$ 1,572,000	\$ 2,992,000
2022	1,475,000	1,515,200	2,990,200
2023	1,535,000	1,456,200	2,991,200
2024	1,600,000	1,394,800	2,994,800
2025	1,660,000	1,330,800	2,990,800
2026-2030	9,360,000	5,602,400	14,962,400
2031-2035	11,390,000	3,574,400	14,964,400
2036-2039	10,860,000	1,107,000	11,967,000
Total	<u>\$ 39,300,000</u>	<u>\$ 17,552,800</u>	<u>\$ 56,852,800</u>

Authorized Debt

On December 31, 2020, 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.

NOTE 6 NET POSITION

The District has net position consisting of three components - net investments in capital assets, 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, 2020, the District had the following net investment in capital assets, calculated as follows:

Net Investment in Capital Assets:	Governmental Activities
Capital Assets, Net	\$ 2,356,845
Less Capital Related Debt:	
Bonds Payable	(3,244,166)
Loss on Bond Refunding	(170,586)
Bond Premium	(439,859)
Unspent Bond Proceeds	390,290
Net Investment in Capital Assets	<u>\$ (1,107,476)</u>

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 NET POSITION (CONTINUED)

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, 2020, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 37,300
Conservation Trust	89,169
Debt Service	1,617,355
Capital Projects	488,334
Total Restricted Net Position	\$ 2,232,158

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.

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 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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 AGREEMENTS (CONTINUED)

Traffic Signals – City of Centennial (Continued)

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.

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.

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 contributed \$54,200 towards the completion of the East Fremont Avenue Trail Project in 2019.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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), as subsequently amended on or about August 30, 2019, whereby the City agreed to contribute \$24,500 to the completion of the East Fremont Avenue Trail Project, contingent upon contributions by the District of \$8,870 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). The City contributed \$24,500 in 2020.

Intergovernmental Agreement with Arapahoe County Regarding the Maintenance Program for Trails Adjacent to the County Open Space Properties

Effective January 1, 2019, the District entered into an IGA with Arapahoe County (the County) regarding the trail maintenance program of adjacent County open spaces. The term of the agreement shall be for one year beginning with the year ending December 31, 2019 and shall automatically renew for each of the next three years ending December 31, 2022, subject to annual appropriation and the rite of either party to opt out by written notice at least 90 days prior to January 1 of the subsequent year. The District is responsible for all capital improvements or repairs to the trails and the County shall perform the maintenance of the trails. The District shall pay the County \$8,000 annually for the trail maintenance.

Reimbursement Agreement (Green Acres Tributary) – SEMSWA

On April 2, 2020, the District and Southeast Metro Stormwater Authority (SEMSWA) entered into a Reimbursement Agreement (Green Acres Tributary), under which SEMSWA agreed to build certain improvements for the District's benefit relative to the South Hannibal Circle Project and the District agrees to reimburse SEMSWA for the costs associated with such improvements, in an amount not to exceed \$103,679.

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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 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.

NOTE 11 COMMITMENTS AND CONTINGENCIES

As of December 31, 2020, the District had unexpended construction related contract commitments of \$886,829.

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, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 2,954,566	\$ 2,912,992	\$ (41,574)
Specific Ownership Taxes	177,274	209,375	32,101
Interest Income	25,000	21,371	(3,629)
Total Revenues	<u>3,156,840</u>	<u>3,143,738</u>	<u>(13,102)</u>
EXPENDITURES			
County Treasurer's Fees	44,318	43,778	540
Paying Agent Fees	10,000	1,610	8,390
Bond Interest - Series 2019	1,575,347	1,575,347	-
Bond Principal - Series 2019	1,325,000	1,325,000	-
Contingency	5,000	-	5,000
Total Expenditures	<u>2,959,665</u>	<u>2,945,735</u>	<u>13,930</u>
NET CHANGE IN FUND BALANCE	197,175	198,003	828
Fund Balance - Beginning of Year	<u>3,139,092</u>	<u>1,550,352</u>	<u>(1,588,740)</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,336,267</u>	<u>\$ 1,748,355</u>	<u>\$ (1,587,912)</u>

**DOVE VALLEY METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Income	\$ 10,000	\$ 1,035	\$ (8,965)
Other Revenue	-	5,515	5,515
Fremont Trail Grant	-	24,500	24,500
Total Revenues	<u>10,000</u>	<u>31,050</u>	<u>21,050</u>
EXPENDITURES			
District Management	10,000	-	10,000
Project Management	25,000	15,599	9,401
Legal	10,000	18,768	(8,768)
District Identity and Website	-	765	(765)
Street Expansion-Hannibal Circle	-	110,974	(110,974)
Street Lighting Alternative	500,000	-	500,000
Street Lighting Projects	1,200,000	288,276	911,724
Wayfinding and Renaming	50,000	-	50,000
Happy Canyon Trail and Bridge	-	16,969	(16,969)
Fremont Ave. Urban Trail	550,000	11,909	538,091
Contingency	15,000	-	15,000
Total Expenditures	<u>2,360,000</u>	<u>463,260</u>	<u>1,896,740</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,350,000)	(432,210)	1,917,790
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	<u>2,000,000</u>	<u>70,000</u>	<u>(1,930,000)</u>
Total Other Financing Sources (Uses)	<u>2,000,000</u>	<u>70,000</u>	<u>(1,930,000)</u>
NET CHANGE IN FUND BALANCE	(350,000)	(362,210)	(12,210)
Fund Balance - Beginning of Year	<u>1,879,946</u>	<u>1,866,555</u>	<u>(13,391)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,529,946</u></u>	<u><u>\$ 1,504,345</u></u>	<u><u>\$ (25,601)</u></u>

OTHER INFORMATION

**DOVE VALLEY METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

<u>Bonds and Interest Maturing in the Year Ending December 31,</u>	\$40,625,000 General Obligation Refunding Bonds - Series 2019 Issued December 12, 2019 Stated Interest Rate at 4.00% (Yield 2.122%) Interest Payable June 1 and December 1 Principal Due December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,420,000	\$ 1,572,000	\$ 2,992,000
2022	1,475,000	1,515,200	2,990,200
2023	1,535,000	1,456,200	2,991,200
2024	1,600,000	1,394,800	2,994,800
2025	1,660,000	1,330,800	2,990,800
2026	1,730,000	1,264,400	2,994,400
2027	1,795,000	1,195,200	2,990,200
2028	1,870,000	1,123,400	2,993,400
2029	1,945,000	1,048,600	2,993,600
2030	2,020,000	970,800	2,990,800
2031	2,105,000	890,000	2,995,000
2032	2,185,000	805,800	2,990,800
2033	2,275,000	718,400	2,993,400
2034	2,365,000	627,400	2,992,400
2035	2,460,000	532,800	2,992,800
2036	2,560,000	434,400	2,994,400
2037	2,660,000	332,000	2,992,000
2038	2,765,000	225,600	2,990,600
2039	2,875,000	115,000	2,990,000
Total	<u>\$ 39,300,000</u>	<u>\$ 17,552,800</u>	<u>\$ 56,852,800</u>

**DOVE VALLEY METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
			Levied	Collected	
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
2019	234,018,948	16.860	3,922,715	3,802,293	96.93
2020	275,632,943	14.860	4,070,434	4,013,138	98.59
Estimated for the Year Ending December 31,					
2021	\$ 281,872,209	15.521	\$ 4,346,691		

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
2016-2020 (UNAUDITED)**

	2016	2017	2018	2019	2020
REVENUES					
Property Taxes	\$ 845,568	\$ 871,092	\$ 969,982	\$ 1,063,718	\$ 1,100,146
Specific Ownership Taxes	67,124	75,407	72,184	86,074	79,076
Net Investment Income	3,202	6,247	54,463	106,668	45,588
Miscellaneous	188	1,474	418	6,830	16,333
Total Revenue	<u>916,082</u>	<u>954,220</u>	<u>1,097,047</u>	<u>1,263,290</u>	<u>1,241,143</u>
EXPENDITURES					
Accounting	23,720	18,752	25,880	55,719	65,086
Audit	5,665	7,367	7,970	4,014	4,400
Consulting/Engineering	-	-	-	11,489	5,787
County Treasurer's Fees	12,676	13,076	14,564	15,980	16,534
Director Fees	2,200	1,600	1,300	1,800	2,000
Dues and Subscriptions	-	-	-	-	1,238
Insurance	9,566	8,796	9,621	9,798	8,825
Irrigation	89,768	100,919	83,631	88,686	107,722
Management Fees	41,092	32,636	29,698	28,875	28,462
Legal	25,952	32,787	21,470	44,493	17,816
Street Lights	99,249	140,636	70,546	83,903	85,502
Miscellaneous	6,581	4,455	8,783	7,707	5,520
Payroll Taxes	168	122	69	-	252
Election Expenses	1,602	-	854	-	1,288
Landscape Maintenance	107,436	92,969	94,395	93,262	122,896
Economic Development	5,000	-	-	-	-
Total Expenditures	<u>430,675</u>	<u>454,115</u>	<u>368,781</u>	<u>445,726</u>	<u>473,328</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	485,407	500,105	728,266	817,564	767,815
OTHER FINANCING SOURCES (USES)					
Transfer to Other Funds	-	-	-	-	(70,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,000)</u>
NET CHANGE IN FUND BALANCE	485,407	500,105	728,266	817,564	697,815
Fund Balance - Beginning of Year	<u>3,291,915</u>	<u>3,777,322</u>	<u>4,277,427</u>	<u>5,005,693</u>	<u>5,823,257</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,777,322</u>	<u>\$ 4,277,427</u>	<u>\$ 5,005,693</u>	<u>\$ 5,823,257</u>	<u>\$ 6,521,072</u>

**DOVE VALLEY METROPOLITAN DISTRICT
TABLE II
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
DEBT SERVICE FUND
2016-2020 (UNAUDITED)**

	2016	2017	2018	2019	2020
REVENUES					
Property Taxes	\$ 2,350,442	\$ 2,440,227	\$ 2,668,269	\$ 2,738,575	\$ 2,912,992
Specific Ownership Taxes	186,505	210,662	198,964	221,458	209,375
Net Investment Income	838	4,919	12,070	39,318	21,371
Federal Direct Payment Subsidy	190,547	190,342	190,956	192,080	-
Total Revenue	<u>2,728,332</u>	<u>2,846,150</u>	<u>3,070,259</u>	<u>3,191,431</u>	<u>3,143,738</u>
EXPENDITURES					
Treasurer's Fees	35,231	36,629	40,047	41,133	43,778
Bond/Loan Principal	875,000	900,000	925,000	965,000	1,325,000
Bond/Loan Interest	1,684,329	1,657,192	1,638,116	1,604,061	1,575,347
Bond/Loan Issuance Costs	-	-	-	493,782	-
Paying Agent Fees	3,100	2,600	2,600	3,210	1,610
Total Expenditures	<u>2,597,660</u>	<u>2,596,421</u>	<u>2,605,763</u>	<u>3,107,186</u>	<u>2,945,735</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	130,672	249,729	464,496	84,245	198,003
OTHER FINANCING SOURCES (USES)					
Bond Premium	-	-	-	5,806,702	-
Refunding Loan Proceeds	-	-	-	40,625,000	-
Payment to Refunding Escrow	-	-	-	(46,475,662)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,960)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	130,672	249,729	464,496	40,285	198,003
Fund Balance - Beginning of Year	<u>665,170</u>	<u>795,842</u>	<u>1,045,571</u>	<u>1,510,067</u>	<u>1,550,352</u>
FUND BALANCE - END OF YEAR	<u>\$ 795,842</u>	<u>\$ 1,045,571</u>	<u>\$ 1,510,067</u>	<u>\$ 1,550,352</u>	<u>\$ 1,748,355</u>

**DOVE VALLEY METROPOLITAN DISTRICT
TABLE III
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
CAPITAL PROJECTS FUND
2016-2020 (UNAUDITED)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES					
Interest Income	\$ 4,619	\$ 8,854	\$ 7,440	\$ 3,934	\$ 1,035
Reimbursement - Projects					
Miscellaneous	15,000	-	-	4,700	5,515
Total Revenue	<u>19,619</u>	<u>8,854</u>	<u>7,440</u>	<u>8,634</u>	<u>6,550</u>
EXPENDITURES					
Contribution to City for Traffic Study	15,000	-	-	-	-
Legal	11,978	10,197	7,923	11,056	18,768
District Management	12,588	6,210	4,754	2,027	-
District Identity and Website	10,087	5,725	3,436	965	765
Project Management	17,302	7,268	8,245	51,690	15,599
Capital Improvements	874,588	512,626	2,948,477	139,287	428,128
Total Expenditures	<u>941,543</u>	<u>542,026</u>	<u>2,972,835</u>	<u>205,025</u>	<u>463,260</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	(921,924)	(533,172)	(2,965,395)	(196,391)	(456,710)
OTHER FINANCING SOURCES (USES)					
Grant Proceeds	284,149	-	-	54,200	24,500
Transfer to Other Funds	-	-	-	-	70,000
Total Other Financing Sources (Uses)	<u>284,149</u>	<u>-</u>	<u>-</u>	<u>54,200</u>	<u>94,500</u>
NET CHANGE IN FUND BALANCE					
	(637,775)	(533,172)	(2,965,395)	(142,191)	(362,210)
Fund Balance - Beginning of Year	<u>6,145,088</u>	<u>5,507,313</u>	<u>4,974,141</u>	<u>2,008,746</u>	<u>1,866,555</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,507,313</u>	<u>\$ 4,974,141</u>	<u>\$ 2,008,746</u>	<u>\$ 1,866,555</u>	<u>\$ 1,504,345</u>

**DOVE VALLEY METROPOLITAN DISTRICT
TABLE IV
BUDGET SUMMARY AND COMPARISON
GENERAL FUND
(UNAUDITED)**

	Final 2020 Budget	2020 Actual Amounts	Adopted 2021 Budget
REVENUES			
Property Taxes	\$ 1,115,868	\$ 1,100,146	\$ 1,295,950
Specific Ownership Taxes	66,952	79,076	90,717
Interest Income	35,000	45,588	16,000
Other Revenue	-	16,333	-
Total Revenues	<u>1,217,820</u>	<u>1,241,143</u>	<u>1,402,667</u>
EXPENDITURES			
General and Administration			
Accounting	50,000	65,086	60,000
Audit	5,000	4,400	5,000
County Treasurer's Fees	16,738	16,534	19,439
District Management	50,000	28,462	40,000
Directors' Fees	3,200	2,000	3,200
Dues and Subscriptions	-	1,238	1,500
Election Expense	1,000	1,288	-
Insurance and Bonds	12,000	8,825	10,000
Legal	50,000	17,816	50,000
Miscellaneous	6,817	5,520	7,816
Payroll Taxes	245	252	245
Operations and Maintenance			
Engineering	-	5,787	-
Irrigation	90,000	107,722	110,000
Landscaping Maintenance	110,000	122,896	100,000
Street Lights	100,000	85,502	100,000
Utility Locates	-	-	1,800
Total Expenditures	<u>495,000</u>	<u>473,328</u>	<u>509,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	722,820	767,815	893,667
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	<u>(2,000,000)</u>	<u>(70,000)</u>	<u>(2,000,000)</u>
Total Other Financing Sources (Uses)	<u>(2,000,000)</u>	<u>(70,000)</u>	<u>(2,000,000)</u>
NET CHANGE IN FUND BALANCE	(1,277,180)	697,815	(1,106,333)
Fund Balance - Beginning of Year	<u>5,784,712</u>	<u>5,823,257</u>	<u>6,691,015</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 4,507,532</u></u>	<u><u>\$ 6,521,072</u></u>	<u><u>\$ 5,584,682</u></u>

**DOVE VALLEY METROPOLITAN DISTRICT
TABLE V
BUDGET SUMMARY AND COMPARISON
DEBT SERVICE FUND
(UNAUDITED)**

	Final 2020 Budget	2020 Actual Amounts	Adopted 2021 Budget
REVENUES			
Property Taxes	\$ 2,954,566	\$ 2,912,992	\$ 3,050,741
Specific Ownership Taxes	177,274	209,375	213,552
Interest Income	25,000	21,371	15,000
Total Revenues	<u>3,156,840</u>	<u>3,143,738</u>	<u>3,279,293</u>
EXPENDITURES			
General and Administrative:			
County Treasurer's Fees	44,318	43,778	45,761
Paying Agent Fees	10,000	1,610	5,000
Debt Service:			
Bond Interest - Series 2019	1,575,347	1,575,347	1,572,000
Bond Principal - Series 2019	1,325,000	1,325,000	1,420,000
Contingency	5,000	-	8,239
Total Expenditures	<u>2,959,665</u>	<u>2,945,735</u>	<u>3,051,000</u>
NET CHANGE IN FUND BALANCE	197,175	198,003	228,293
Fund Balance - Beginning of Year	<u>3,139,092</u>	<u>1,550,352</u>	<u>1,794,801</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,336,267</u>	<u>\$ 1,748,355</u>	<u>\$ 2,023,094</u>

**DOVE VALLEY METROPOLITAN DISTRICT
TABLE VI
BUDGET SUMMARY AND COMPARISON
CAPITAL PROJECTS FUND
(UNAUDITED)**

	Final 2020 Budget	2020 Actual Amounts	Adopted 2021 Budget
REVENUES			
Investment Income	\$ 10,000	\$ 1,035	\$ 500
Other Revenue	-	5,515	-
Fremont Trail Grant	-	24,500	-
Total Revenues	<u>10,000</u>	<u>31,050</u>	<u>500</u>
EXPENDITURES			
District Management	10,000	-	5,000
Legal	10,000	18,768	10,000
Project Management	25,000	15,599	25,000
District Identity and Website	-	765	-
Street Expansion-Hannibal Circle	-	110,974	-
Street Lighting Alternative	500,000	-	500,000
Street Lighting Projects	1,200,000	288,276	600,000
Wayfinding and Renaming	50,000	-	50,000
Happy Canyon Trail and Bridge	-	16,969	-
Fremont Ave. Urban Trail	550,000	11,909	550,000
Contingency	15,000	-	410,000
Total Expenditures	<u>2,360,000</u>	<u>463,260</u>	<u>2,150,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,350,000)	(432,210)	(2,149,500)
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	2,000,000	70,000	2,000,000
Total Other Financing Sources (Uses)	<u>2,000,000</u>	<u>70,000</u>	<u>2,000,000</u>
NET CHANGE IN FUND BALANCE	(350,000)	(362,210)	(149,500)
Fund Balance - Beginning of Year	<u>1,879,946</u>	<u>1,866,555</u>	<u>1,077,555</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,529,946</u>	<u>\$ 1,504,345</u>	<u>\$ 928,055</u>

**DOVE VALLEY METROPOLITAN DISTRICT
HISTORY OF ASSESSED VALUATION BY AREA
(UNAUDITED)**

History of Assessed Valuation by Area

Levy/Collection Year	District Area	Exclusion Area	Exclusion Adjusted Taxing Area
2015/2016	\$ 182,302,194	\$ 1,777,806	\$ 184,080,000
2016/2017	184,801,437	3,010,539	187,811,976
2017/2018	223,466,510	3,371,999	226,838,509
2018/2019	230,654,445	3,364,503	234,018,948
2019/2020	271,500,673	4,132,270	275,632,943
2020/2021	277,683,650	4,188,559	281,872,209

History of Property Tax Collections - Exclusion Adjusted Taxing Area

Levy/Collection Year	Total Taxes Levied	Total Taxes Collected	Percent of Levy Collected
2015/2016	\$ 3,308,478	\$ 3,196,010	96.60%
2016/2017	3,340,767	3,311,319	99.12%
2017/2018	3,731,210	3,638,251	97.51%
2018/2019	3,922,715	3,802,293	96.93%
2019/2020	4,070,434	4,013,138	98.59%
2020/2021	4,346,691		

**DOVE VALLEY METROPOLITAN DISTRICT
HISTORY OF MILL LEVIES BY AREA
(UNAUDITED)**

History of Mill Levies by Area							
Levy/ Collection Year	District Area (Current Boundaries)					Excluded Territories	
	Operations / Maintenance Mill Levy	Series 2010 Debt Service Mill Levy	Series 2015 Debt Service Mill Levy	Series 2019 Debt Service Mill Levy	Total Mill Levy	Series 2015 Debt Service Mill Levy	Series 2019 Debt Service Mill Levy
	2015/2016	4.942	2.198	10.902	-	18.042	10.902
2016/2017	4.800	2.198	10.902	-	17.900	10.902	-
2017/2018	4.445	2.030	10.070	-	16.545	10.070	-
2018/2019	4.760	2.030	10.070	-	16.860	10.070	-
2019/2020	4.110	-	-	10.750	14.860	-	8.696
2020/2021	4.667	-	-	10.854	15.521	-	8.777