



COMMERCE CITY, COLORADO

ANNUAL FINANCIAL STATEMENTS

December 31, 2020

INDEPENDENT AUDITOR'S REPORT

July 25, 2021

To the Board of Directors
Riverdale Dunes Metropolitan District No 1

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of Riverdale Dunes Metropolitan District No 1 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 and 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 entity's preparation and fair appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express so such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and the major funds of Riverdale Dunes Metropolitan District No 1, as of December 31, 2020 and the respective changes in financial position and the budgetary comparison for the General Fund, Reserve Fund and Debt Fund 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 an opinion on the financial statements that collectively comprise Riverdale Dunes Metropolitan District No 1's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The Supplementary 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 it.

B F Boyer CPA PC

Certified Public Accountants
Lakewood, CO

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RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 61,890
Cash and investments – restricted	293,686
Accounts receivable – due from residents	59,577
Accounts receivable – specific ownership taxes	-
Property taxes receivable	410,000
Prepaid expenses	9,813
Property, structures and equipment, net	1,234,183
Land and non-depreciable assets	102,350
Total Assets	\$ 2,171,499
LIABILITIES	
Accounts payable and accrued liabilities	\$ 2,614
Accrued interest payable	7,110
Current portion of municipal bonds	110,000
Municipal bonds	2,250,000
Total Liabilities	2,369,724
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	410,000
Total Liabilities and Deferred Inflows of Resources	2,779,724
NET POSITION	
Restricted:	
Emergency reserves	7,700
Debt service	21,112
Capital projects	264,874
Non-spendable	9,813
Unassigned:	(911,724)
Total Net Position	(\$ 608,225)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
For the 12-Month Period Ended December 31, 2020

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General government activities	(\$ 170,643)	\$ -	\$ -	\$ -	(\$ 170,643)
Interest and related costs on long-term debt	(93,028)	-	-	-	(93,028)
Capital project activities	(86,182)	-	-	43,561	(42,621)
	(\$ 349,853)	\$ -	\$ -	\$ 43,561	(306,292)
General Revenues					
					\$ 391,672
					27,487
					15,420
					4,181
					494
					439,254
					132,962
					(741,187)
					(\$ 608,225)

These financial statements should be read only in connection with the accompanying notes to the financial statements.

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
BALANCE SHEET – GOVERNMENTAL FUNDS

December 31, 2020

	General	Debt Service	Capital Projects	Total Government Funds
ASSETS				
Cash and investments	\$ 61,890	\$ -	\$ -	\$ 61,890
Cash and investments - Restricted	7,700	21,112	264,874	293,686
Accounts receivable – due from residents	59,577	-	-	59,577
Accounts receivable – spec ownership taxes	-	-	-	-
Property taxes receivable	235,000	175,000	-	410,000
Prepaid expenses	9,813	-	-	9,813
TOTAL ASSETS	\$ 373,980	\$ 196,112	\$ 264,874	\$ 834,966
LIABILITIES				
Accounts payable and accrued liabilities	2,614	-	-	2,614
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	235,000	175,000	-	410,000
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	237,614	175,000	-	412,614
FUND BALANCES				
Restricted:				
Emergencies (TABOR)	7,700	-	-	7,700
Series 2016 Bonds	-	21,112	-	21,112
Capital projects	-	-	264,874	264,874
Non-spendable	9,813	-	-	9,813
Unassigned	118,853	-	-	118,853
Total Fund Balances	136,366	21,112	264,874	422,352
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 373,980	\$ 196,112	\$ 264,874	

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

Other long-term assets are not available or otherwise cannot be converted to cash to pay for current expenditures and, therefore, are recorded as expenditures in the funds	
Property, structures and equipment, net	1,234,183
Land, water rights and taps	102,350
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	
Bonds payable	(2,360,000)
Accrued interest payable	(7,110)
Net position of governmental activities	(\$ 608,225)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2020

	General	Debt Service	Capital Projects	Total Government Funds
REVENUES				
Property taxes	\$ 217,934	\$ 173,738	\$ -	\$ 391,672
Specific ownership taxes	15,925	11,562	-	27,487
Conservation trust fund contributions	-	-	5,561	5,561
Facility fees	-	-	38,000	38,000
Property violation fines	15,420	-	-	15,420
Net investment income	1,619	2,562	-	4,181
Other revenue	369	125	-	494
Total revenues	251,267	187,987	43,561	482,815
EXPENDITURES				
General and administration	30,717	15,709	-	46,426
Landscaping and maintenance	76,706	-	-	76,706
Capital asset maintenance	15,134	-	3,774	18,908
Pool maintenance and operations	6,030	-	-	6,030
Parking enforcement services	2,848	-	-	2,848
Other	39,208	-	-	39,208
Debt service				
Bond interest	-	77,319	-	77,319
Bond principal – Series 2016	-	105,000	-	105,000
Capital projects				
Major capital projects	-	-	-	-
Total Expenditures	170,643	198,028	3,774	372,445
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	80,624	(10,041)	39,787	110,370
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(46,600)	-	46,600	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	34,024	(10,041)	86,387	110,370
FIND BALANCES – BEGINNING OF YEAR	102,342	31,153	178,487	311,982
FUND BALANCES – END OF YEAR	\$ 136,366	\$ 21,112	\$ 264,874	422,352

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES**

Year Ended December 31, 2020

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

Net change in fund balances – Total government funds	\$	110,370
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal repayment on series 2016 bonds		105,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Depreciation expense on property, structures and equipment	(82,408)
Construction of property, structures, and equipment		-
Accrued interest on bonds – Decrease in liability		-

Changes in net position of governmental activities	\$	132,962
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These financial statements should be read only in connection with
the accompanying notes to the financial statements.

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
Year Ended December 31, 2020

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	\$ 217,000	\$ 217,934	\$ 934
Specific ownership taxes	15,200	15,925	725
Property violation fines	10,000	15,420	5,420
Net investment income	1,800	1,619	(181)
Other revenue	-	369	369
Total revenues	<u>244,000</u>	<u>251,267</u>	<u>7,267</u>
EXPENDITURES			
General and administration	49,708	30,717	18,991
Landscaping and maintenance	81,700	76,706	4,994
Capital asset maintenance	5,500	15,134	(9,634)
Pool maintenance and operation	51,500	6,030	45,470
Parking enforcement services	6,100	2,848	3,252
Other	38,992	39,208	(216)
Total expenditures	<u>233,500</u>	<u>170,643</u>	<u>62,857</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>10,500</u>	<u>80,624</u>	<u>70,124</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out) – Capital Project service fund	(46,600)	(46,600)	-
Total other financing sources (uses)	<u>(46,600)</u>	<u>(46,600)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(36,100)</u>	<u>34,024</u>	<u>70,124</u>
FUND BALANCE – BEGINNING OF YEAR	<u>86,100</u>	<u>102,342</u>	<u>16,242</u>
FUND BALANCE – END OF YEAR	<u>\$ 50,000</u>	<u>\$ 136,366</u>	<u>\$ 86,366</u>

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
GENERAL FUND EXPENDITURE DETAILS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL

Year Ended December 31, 2020

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
GENERAL AND ADMINISTRATION			
District management fees	\$ 22,008	\$ 22,008	\$ -
Administrative costs	4,100	3,958	15,332
Audit fees	5,500	5,940	(440)
Collection fees – County Treasurer	3,300	3,392	(92)
Board of Directors’ fees	3,000	2,200	800
Board training and conferences	3,000	50	2,950
Insurance	3,600	2,990	666
Legal fees	2,000	2,879	(879)
Newsletter publications	1,500	-	1,500
Indirect collection cost allocation to debt fund	-	(12,700)	12,700
Contingency	1,700	-	1,700
Total General and Administration	\$ 49,708	\$ 30,717	\$ 18,991
LANDSCAPING MAINTENANCE			
Ground maintenance fees	\$ 22,800	\$ 22,728	\$ 72
Tree maintenance & replacement	7,000	6,888	112
Sprinkler repairs	8,000	6,589	1,411
Sprinklers – water	33,000	33,812	(812)
Sprinklers – electricity	1,900	2,069	(169)
Grounds improvements	4,000	1,809	2,191
Property insurance	2,800	2,744	56
Miscellaneous landscape costs	2,200	67	2,133
Total Landscaping Maintenance	\$ 81,700	\$ 76,706	\$ 4,994
CAPITAL ASSET MAINTENANCE			
Perimeter fence maintenance	\$ 3,500	\$ 3,845	(\$ 345)
Playground maintenance	2,000	11,289	(9,289)
Total Capital Asset Maintenance	\$ 5,500	\$ 15,134	(\$ 9,634)
POOL MAINTENANCE AND OPERATION			
Maintenance fees	\$ 8,750	\$ 1,138	\$ 7,612
Chemicals	4,200	1,785	2,415
Repairs and supplies	4,450	355	4,095
Pool furniture maintenance	1,500	-	1,500
Electricity	2,300	1,055	1,245

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

Gas – pool heating	2,000	541	1,459
Water and sewer	2,800	1,156	1,644
Gate attendant services	24,000	-	24,000
Pool key administration	1,500	-	1,500
Total Pool Maintenance and Operation	\$ 51,500	\$ 6,030	\$ 45,470

PARKING ENFORCEMENT SERVICE EXPENSES

Contractor service fees	\$ 2,600	\$ 2,338	\$ 262
Signs and notices	3,500	510	2,990
Total Parking Enforcement Service Expenses	\$ 6,100	\$ 2,848	\$ 3,252

OTHER DISTRICT EXPENSES

Snow removal	\$ 4,000	\$ 1,960	\$ 2,040
Covenant enforcement and ARC services	19,992	20,917	(925)
Park & recreation activities	14,000	13,069	931
Vandalism	1,000	3,262	(2,262)
Total Other District Expenses	\$ 38,992	\$ 39,208	(\$ 216)

These financial statements should be read only in connection with the accompanying notes to the financial statements.

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2020

NOTE 1 – DEFINITION OF REPORTING ENTITY

Riverdale Dunes Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County on November 19, 1996 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under the amended service plan approved by Commerce City (City) in July 2000 and as modified on November 20, 2006. The District's service area is located in Adams County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the construction of streets and safety controls, park and recreation, water facilities, sanitary sewer, and storm drainage within the Dunes Park subdivision.

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 organizations 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 has no employees and all operations and administrative functions are contracted.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the District are 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. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. 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 (1) the acquisition and construction of capital equipment and facilities and (2) major repairs that extend the lives of the District's existing capital assets.

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

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 funds for the ensuing year. The appropriation is at the total fund expenditures 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.

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.

Investments are carried at fair value.

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 property taxes collected monthly to the District.

Property taxes are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. In 2020, the District's share of Specific ownership taxes was equal to approximately 7.0% of property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

Property Maintenance Fines

Covenant violation fines are assessed, in accordance with the District's covenant enforcement policy, against homeowners whom the District deems to be in violation of the restrictive covenants provided in the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for the Dunes Park Subdivision (Declaration). Covenant violation fines are recognized as income after the violation has been identified, the homeowner has been notified and the period has expired for the homeowner to request a hearing to dispute the violation. Pursuant to 32-1-1001(1)(j)(I) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien.

Reimbursable Costs

Legal fees and other costs incurred by the District related to covenant enforcement actions and other services provided to specific properties within the District are charged back to the respective property owners. The District presents reimbursable costs on a net basis. Factors considered by the District in determining whether to present reimbursable cost chargeback revenue on a gross or net basis include whether risks exist that the District will be unable to recover such costs from property owners. Pursuant to 32-1-1001(1)(j)(I) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien, which has priority over all other encumbrances on a property.

Facility Fees

Per an August 30, 2000 resolution of the District as amended on June 01, 2001 and as further amended on January 22, 2002, the District imposed a one-time facility fee, pursuant to 32-1-1001(1)(j)(I) CRS, payable to the District on all lots within the District (Facility Fee Resolution). The facility fee imposed on each lot is secured by a perpetual lien. The facility fee is \$3,500 per single-family home lot and \$1,000 per multi-family home lot and is payable to the

District upon issuance of a building permit by the City. As of December 31, 2020, the District has collected the one-time facility fee from all 250 single-family home lots and all 182 multi-family home lots.

Collection Costs

Collection costs incurred by the District related to the collection of property taxes includes all costs incurred by the District that enable and support the District's ability to collect property taxes revenue. Generally, such costs include (a) operating and reporting compliance costs that protect the District's right to collect property taxes (e.g. financial statement audit fees, fees paid to professionals to prepare mandatory periodic financial and operational reports to the City and State, etc), (b) professional fees related to applying and monitoring accounting controls over the collection of District revenues, (c) costs related to managing the District's annual property tax assessment process and (d) insurance protecting the District from liability exposure that potentially could arise from performing these activities.

The District allocates fixed fee collection costs between its general fund (67% cost allocation) and its debt fund (33% cost allocation). Variable collection costs such as county treasurer collection fees are proportionally allocated to each fund on the basis of each property tax revenue allocable to each fund proportion to total property tax revenue assessed by the District.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

When purchased or constructed, the District classifies newly acquired property, equipment and structures by functional area. The depreciable lives assigned to each functional area is as follows: pool cabana (20 years), pool equipment (7 years), pool furniture (3 years), park equipment (15 years), perimeter fencing (15 years), monument signage (10 years), sprinkler systems (20 years), sidewalks (40 years) and parking lot (20 years). The estimated depreciable lives assigned to each asset class are based on the assumption that such assets are reasonably and regularly maintained and used for their intended purpose.

Fund Equity

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 fund balance classifications: non-spendable, 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:

- ***Non-spendable fund balance*** – The portion of a 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 a 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 a 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 a 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 a fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy 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 – unassigned	\$ 61,890
Cash and investments – restricted	<u>293,686</u>
Total cash and investments	<u>\$ 355,576</u>

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

Deposits with financial institutions	\$ 21,247
Investments	<u>334,329</u>
Total cash and investments	<u>\$ 355,576</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 \$21,266 and a carrying balance of \$21,247.

Investments

The District has adopted a formal investment policy which requires the District to follow state statutes regarding investments.

The District generally limits its concentration of investments to those listed 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 disclosure requirements or subject to investment custodial risk 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.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest.

As of December 31, 2020, the District’s investments were comprised of the following:

Investment	Maturity	Fair Value
ColoTrust Plus+ (Colotrust)	Weighted average under 60 days	\$ 334,329

Colotrust

The District invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus finds. 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 repurchase agreements collateralized by certain obligations of U.S. government agencies. 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. No limitations exist on the District’s ability to withdraw funds invested in Colotrust. Colotrust is rated AAAM by Standard & Poor's.

NOTE 4 – PROPERTY, EQUIPMENT & STRUCTURES

Acquisitions and dispositions of District property, equipment and structures are as follows:

	<u>Balance at 12/31/19</u>	<u>Purchases</u>	<u>Disposals</u>	<u>Balance at 12/31/20</u>	<u>Accumulated Depreciation</u>
Pool cabana	\$ 40,000	\$ -	\$ -	\$ 40,000	(\$ 14,000)
Pool structure & fencing	252,344	-	-	252,344	(75,236)
Pool equipment	18,755	-	-	18,755	(17,010)
Pool furniture	16,797	-	-	16,797	(3,530)
Park equipment & drainage system	144,232	-	-	144,232	(64,358)
Detention pond landscaping	528,507	-	-	528,507	(74,932)
Detention pond – Pavilion, benches, light fixtures	86,762	-	-	86,762	(21,482)
Basketball court	60,973	-	-	60,973	(16,260)
Perimeter fencing	74,412	-	-	74,412	(30,442)
Monument signage	21,262	-	-	21,262	(13,004)
Sprinkler systems	101,278	-	-	101,278	(32,628)
Backflow valves	10,000	-	-	10,000	(4,668)
Sidewalks	292,527	-	-	292,527	(45,867)
Parking lot	15,000	-	-	15,000	(5,250)
	<u>\$ 1,662,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,662,849</u>	<u>(\$ 428,667)</u>

NOTE 5 – LAND AND NON-DEPRECIABLE ASSETS

The District owns and maintains approximately 303,500 square feet (i.e. 6.956 acres) of open space land in the Dunes Park subdivision. Per the plat map filed with the Adams County Clerk and Recorder's Office on April 12, 2001, District-owned tracts of land is comprised of Tracts A, B, C, D, F, G, H, J, K, and L. The land is recorded by the District at a nominal value of \$30,350. The District also owns certain water rights and taps that are used to irrigate the landscaping on these tracts of land. The District's water rights and taps are recorded at purchase cost of \$72,000.

On February 28, 2014, the District entered into a perpetual land license agreement with the City and County of Denver regarding the District's use and access to a portion of tract R as recorded on the Dunes Park plat map.

NOTE 6 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt:

Balance at December 31, 2019	\$ 2,465,000
Principal repayments on Series 2016 Bonds	<u>(105,000)</u>
Balance at December 31, 2020	<u>\$ 2,360,000</u>

Details regarding the District's long-term obligations are as follows:

Series 2016 Bonds

On October 13, 2016, the District issued \$2,760,000 in General Obligation Refunding Bonds for the purpose of (1) refunding of the Series 2006 Bonds, (2) upgrading the storm water drainage system within the District and (2) funding

the installation of new public park facilities and landscaping. The bonds are term bonds with interest of 4.000%. The bonds are subject to mandatory sinking fund redemption commencing on December 01, 2020 and on each December 1st thereafter in increasing amounts annually prior to the maturity of the bonds. Additionally, the bonds are subject to redemption prior to maturity, at the option of the District, beginning December 1, 2026 and on any date thereafter, without redemption premium. The principal and interest of these bonds are insured as to repayment by Assured Guaranty Municipal Corp. As of December 31, 2020, Assured Guaranty Municipal Corp. was rated "AA/Stable/--" by Standard & Poor Global Ratings.

The District's long-term obligation will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 110,000	\$ 75,481	\$ 185,481
2022	110,000	73,556	183,556
2023	115,000	70,944	185,944
2024	115,000	68,212	183,212
2025	120,000	65,481	185,481
2026 to 2030	650,000	269,031	919,031
2031 to 2035	785,000	132,100	917,100
2036 to 2037	355,000	16,719	371,719
	<u>\$ 2,360,000</u>	<u>\$ 771,524</u>	<u>\$ 3,131,524</u>

Authorized Debt

As of December 31, 2020, the District is prohibited from issuing any additional debt (other than refinancing existing debt that would generate a net cost saving to the homeowners) without first obtaining authorization from the District's voters in compliance with TABOR.

Purpose of Debt Issuance

All of the District's current outstanding debt was originally issued prior to 2003 and was used to fund the construction of various infrastructure assets within the Dunes Park subdivision including roads, sidewalks, storm drains, park, pool, open space landscaping, perimeter fencing, etc. Upon completion of the construction of these infrastructure assets, these assets were conveyed by the District to one of the following entities: City of Commerce City, South Adams County Water and Sanitation District and the Dunes Master Owners Association, Inc. (the Association). These entities accepted the maintenance and ownership responsibilities for these improvements.

In 2013, the Association dissolved and, consequently, returned all assets to the District that was originally conveyed by the District to the Association.

NOTE 7 – NET POSITION

The District has net position consisting of three components – restricted, non-spendable and unassigned.

Restricted Net Position

The District's restricted net position as of December 31, 2020 in the general fund, debt service and capital project fund totaled \$7,700, \$21,112 and \$264,874, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 10 for further details. The restricted net position within the

debt service fund is comprised of funds that are restricted to servicing the Series 2016 Bonds per debt mill levy and Series 2016 Bond agreement.

Non-Spendable Net Position

The District's non-spendable net position as of December 31, 2020 in the general fund, debt service fund and capital project fund totaled \$9,813, \$0 and \$0, respectively. These balances were created due to the District prepaying certain 2021 expenses in 2020.

Unassigned Net Position

The District's unassigned net position as of December 31, 2020 totaled (\$911,724). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to Commerce City, South Adams County Water and Sanitation District and the Dunes Master Owners Association, Inc.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Easement Agreements

The District is subject to the following easement agreements:

Water Well Easement Agreement: The District owns certain land within the District (Tract C) that is subject to an easement agreement with South Adams County Water and Sanitation District (SACWSD) which allows SACWSD to construct, maintain, repair and operate a water well on a parcel of land owned and maintained by the District.

Utility Easement Agreements: The District owns certain land within the District that is subject to easement agreements with the South Adams County Water and Sewer District (SACWSD) and United Power allowing utility line access across District-owned properties to District residents.

Landscaping Plan

The District owns certain land within the District that is subject to a landscaping plan that was filed by the Developer with Commerce City on November 2, 2001 (Landscaping Plan). Per the Landscaping Plan, the District must ensure (1) all land owned by the District conforms to the Commerce City Community Development Department, Public Works Department and Parks & Recreation Department standards and (2) all plant material on District-owned land conforms to Commerce City's approved plant list and planting specifications. The Landscaping Plan also requires a minimum number of trees and shrubs be maintained on the certain portions of District-owned open spaces.

The District continues to be subject to the Landscaping Plan, and any revisions to the Landscaping Plan must first be submitted and approved by Commerce City. If Commerce City deems the District to be in violation of the Landscaping Plan, Commerce City may assess monetary fines and/or other penalties on the District. As of December 31, 2020, the District believes it is in material compliance with the Landscaping Plan.

Storm Water Detention Pond

Per the PUD agreement, the District is responsible for the maintenance of the storm water detention area (located on the west side of Clinton Street). In the event such maintenance is not performed by the District, Commerce City has the right to enter the area and perform the necessary work, the cost of which will be billed to and the responsibility of the District.

Backflow Valve Certification

The Colorado Department of Public Health and Environment (CDPHE) and SACWSD require the District's six backflow valves be tested and certified annually. CDPHE may assess monetary and other penalties on the District if the District fails to comply with this requirement. All six backflow valves were tested and certified in 2020.

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss including (a) torts, thefts of, damage to, or destruction of assets, (b) errors or omissions and (c) acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2020. The Pool is an organization created by intergovernmental agreement to insure its member districts against various risks of loss. Settled claims have not exceeded this coverage in any of the past three 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 its members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to the Pool's distribution formula.

NOTE 10 – TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution—referred to as the Taxpayer's Bill of Rights (TABOR)—contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 7, 2000, District voters authorized the District to assess property taxes at no more than \$500,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
Year Ended December 31, 2020

	Original Budget	Amended Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES				
Property taxes	\$ 173,000	\$ 173,000	\$ 173,738	\$ 738
Specific ownership taxes	12,100	12,100	11,562	(538)
Net investment income	1,400	1,400	2,562	1,162
Other revenue	-	-	125	125
Total revenues	<u>186,500</u>	<u>186,500</u>	<u>187,987</u>	<u>1,487</u>
EXPENDITURES				
Direct and indirect collection costs	4,681	15,781	15,709	72
Debt service				
Bond interest – series 2016 bonds	77,319	77,319	77,319	-
Principal payments - series 2016 bonds	105,000	105,000	105,000	-
Total expenditures	<u>187,000</u>	<u>198,100</u>	<u>198,028</u>	<u>72</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(500)</u>	<u>(11,600)</u>	<u>(10,041)</u>	<u>1,559</u>
FUND BALANCE – BEGINNING OF YEAR	<u>30,500</u>	<u>30,500</u>	<u>31,153</u>	<u>653</u>
FUND BALANCE – END OF YEAR	<u>\$ 30,000</u>	<u>\$ 18,900</u>	<u>\$ 21,112</u>	<u>\$ 2,212</u>

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
Year Ended December 31, 2020

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Conservation trust fund contributions	\$ 6,000	5,561	(\$ 439)
Facility fees	32,000	38,000	6,000
Net investment income	3,300	-	(3,300)
Total revenues	<u>41,300</u>	<u>43,561</u>	<u>2,261</u>
EXPENDITURES			
Capital asset maintenance	50,000	3,774	46,226
Major capital projects	-	-	-
Total expenditures	<u>50,000</u>	<u>3,774</u>	<u>46,226</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,700)</u>	<u>39,787</u>	<u>48,487</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	46,600	46,600	-
Total other financing sources (uses)	<u>46,600</u>	<u>46,600</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>37,900</u>	<u>86,387</u>	<u>48,487</u>
FUND BALANCE – BEGINNING OF YEAR	<u>145,700</u>	<u>178,487</u>	<u>32,787</u>
FUND BALANCE – END OF YEAR	<u><u>\$ 183,600</u></u>	<u><u>\$ 264,874</u></u>	<u><u>\$ 81,274</u></u>

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
 December 31, 2020

The District's repayment schedule for its Series 2016 general obligation refunding bonds is as follows:

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2021	\$ 110,000	\$ 75,481	4.000%	\$ 185,481
2022	110,000	73,556	4.000%	183,556
2023	115,000	70,944	4.000%	185,944
2024	115,000	68,212	4.000%	183,212
2025	120,000	65,481	4.000%	185,481
2026	120,000	62,631	4.000%	182,631
2027	125,000	59,781	4.000%	184,781
2028	130,000	54,469	4.000%	184,469
2029	135,000	48,944	4.000%	183,944
2030	140,000	43,206	4.000%	183,206
2031	145,000	37,256	4.000%	182,256
2032	155,000	31,094	4.000%	186,094
2033	160,000	26,250	4.000%	186,250
2034	160,000	21,250	4.000%	181,250
2035	165,000	16,250	4.000%	181,250
2036	175,000	11,094	4.000%	186,094
2037	180,000	5,625	4.000%	185,625
	\$ 2,360,000	\$ 771,524		\$ 3,131,524

The original face value of these bonds totaled \$2,760,000. Interest is payable each year on June 1st and December 1st, and principal payments are due each year on December 1st. Beginning December 1, 2026, the District may redeem the outstanding bond balance at any time without paying a redemption premium to the bond holders.

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
**SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED**
December 31, 2020

Year Ended December 31,	Prior Year		Total Property Taxes		Percent Collected to Levied
	Assessed Valuation for Current Year tax Levy	Mills Levied	Levied	Collected (Note A)	
2016	\$ 5,278,900	64.062	\$ 367,000	\$ 367,005	100.00%
2017	5,730,910	64.039	367,000	367,002	100.00%
2018	6,950,770	56.683	394,000	393,990	99.99%
2019	7,295,370	57.763	421,400	421,368	99.99%
2020	9,421,400	41.395	390,000	391,672	100.40%
2021	9,932,620	41.278	410,000	[TBD]	[TBD]

NOTE A: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

OTHER SUPPLEMENTARY INFORMATION

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
CHANGE IN TOTAL OVERLAPPING MILL LEVY

December 31, 2020

	2021 Mill Levy *	2020 Mill Levy**	Change
Riverdale Dunes Metropolitan District No. 1	41.278	41.395	(0.117)
Brighton School District No. 27J	48.745	48.810	(0.065)
Commerce City North Infrastructure General Improvement District	20.000	20.000	-
Adams County	26.897	26.917	(0.020)
South Adams Fire District No. 4	14.750	14.750	-
Rangeview Library District	3.670	3.677	(0.007)
City of Commerce City	3.200	3.104	0.096
South Adams County Water and Sanitation District	2.490	2.449	0.041
Central Colorado Water Conservancy District	1.156	1.286	(0.130)
Urban Drainage and Flood Control	0.900	0.900	-
Urban Drainage and Flood Control – South Platte	0.100	0.097	0.003
Total Mill Levy	163.186	163.385	(0.199)

* -- For property tax collections in 2021

** -- For property tax collections in 2020

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1

HISTORICAL DEBT RATIOS

December 31, 2020

	2016	2017	2018	2019	2020
Debt outstanding	\$ 2,760,000	\$ 2,665,000	\$ 2,565,000	\$ 2,465,000	\$ 2,360,000
Combined assessed property values within the District	\$ 5,730,910	\$ 6,950,770	\$ 7,295,370	\$ 9,421,400	\$ 9,932,620
Ratio of debt to assessed property values	48.16%	38.34%	35.16%	26.16%	23.76%