

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

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**

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Independent Auditors' Report

Board of Directors  
Dove Valley Metropolitan District  
Arapahoe County, Colorado

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Dove Valley Metropolitan District (the "District") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Dove Valley Metropolitan District as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparisons for the general fund and special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

## **Other Matters**

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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.


## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplementary 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 financial statements or to the 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 financial statements as a whole.

## Other Information

Management is responsible for the other information and continuing disclosure annual financial information included in the annual report. The other information and continuing disclosure annual financial information comprises of debt service schedules, property tax schedules and continuing disclosure tables but does not include the basic financial statements and our auditor's report there on. Our opinions on the basic financial statements do not cover the other information and continuing disclosure annual financial information, and we do not express an opinion or any form of assurance thereon.

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



Englewood, CO  
August 30, 2022

## **BASIC FINANCIAL STATEMENTS**

**DOVE VALLEY METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

|                                        | Governmental<br>Activities |
|----------------------------------------|----------------------------|
| <b>ASSETS</b>                          |                            |
| Cash and Investments                   | \$ 7,388,669               |
| Cash and Investments - Restricted      | 2,295,877                  |
| Accounts Receivable - County Treasurer | 24,565                     |
| Property Tax Receivable                | 4,546,371                  |
| Prepaid Insurance                      | 450                        |
| Deposits                               | 79,595                     |
| Capital Assets, Not Being Depreciated  | 2,359,336                  |
| Capital Assets, Net                    | 1,136,439                  |
| Total Assets                           | 17,831,302                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  |                            |
| Deferred Cost on Refunding             | 1,601,797                  |
| Total Deferred Outflows of Resources   | 1,601,797                  |
| <b>LIABILITIES</b>                     |                            |
| Accounts Payable                       | 50,414                     |
| Retainage Payable                      | 59,226                     |
| Accrued Interest Payable               | 126,267                    |
| Noncurrent Liabilities:                |                            |
| Due Within One Year                    | 1,475,000                  |
| Due in More than One Year              | 41,256,266                 |
| Total Liabilities                      | 42,967,173                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                            |
| Deferred Property Tax Revenue          | 4,546,371                  |
| Total Deferred Outflows of Resources   | 4,546,371                  |
| <b>NET POSITION</b>                    |                            |
| Net Investment in Capital Assets       | (945,374)                  |
| Restricted For:                        |                            |
| Emergency Reserves                     | 41,400                     |
| Conservation Trust                     | 101,844                    |
| Debt Service                           | 1,829,624                  |
| Capital Projects                       | 233,852                    |
| Unrestricted                           | (29,341,791)               |
| Total Net Position                     | \$ (28,080,445)            |

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

|                                                 |              | Program Revenues           |                                          |                                        | Net Revenues<br>(Expenses) and<br>Change in<br>Net Position |
|-------------------------------------------------|--------------|----------------------------|------------------------------------------|----------------------------------------|-------------------------------------------------------------|
| FUNCTIONS/PROGRAMS                              | Expenses     | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                  |
| Primary Government:                             |              |                            |                                          |                                        |                                                             |
| Governmental Activities:                        |              |                            |                                          |                                        |                                                             |
| General Government                              | \$ 654,129   | \$ -                       | \$ 20,623                                | \$ -                                   | \$ (633,506)                                                |
| Interest and Related Costs<br>on Long-Term Debt | 1,600,656    | -                          | -                                        | -                                      | (1,600,656)                                                 |
| Total Governmental Activities                   | \$ 2,254,785 | \$ -                       | \$ 20,623                                | \$ -                                   | (2,234,162)                                                 |
| <br><b>GENERAL REVENUES</b>                     |              |                            |                                          |                                        |                                                             |
| Property Taxes                                  |              |                            |                                          |                                        | 4,318,460                                                   |
| Specific Ownership Taxes                        |              |                            |                                          |                                        | 299,575                                                     |
| Interest Income                                 |              |                            |                                          |                                        | 8,884                                                       |
| Total General Revenues                          |              |                            |                                          |                                        | 4,626,919                                                   |
| <br><b>CHANGE IN NET POSITION</b>               |              |                            |                                          |                                        |                                                             |
|                                                 |              |                            |                                          |                                        | 2,392,757                                                   |
| Net Position - Beginning of Year                |              |                            |                                          |                                        | (30,473,202)                                                |
| <br><b>NET POSITION - END OF YEAR</b>           |              |                            |                                          |                                        |                                                             |
|                                                 |              |                            |                                          |                                        | \$ (28,080,445)                                             |

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

| <b>ASSETS</b>                                                              | General                    | Debt Service               | Capital<br>Projects      | Special<br>Revenue       | Total<br>Governmental<br>Funds |
|----------------------------------------------------------------------------|----------------------------|----------------------------|--------------------------|--------------------------|--------------------------------|
| Cash and Investments                                                       | \$ 7,388,669               | \$ -                       | \$ -                     | \$ -                     | \$ 7,388,669                   |
| Cash and Investments - Restricted                                          | 41,500                     | 1,939,050                  | 213,483                  | 101,844                  | 2,295,877                      |
| Receivable from County Treasurer                                           | 7,324                      | 17,241                     | -                        | -                        | 24,565                         |
| Property Tax Receivable                                                    | 1,497,607                  | 3,048,764                  | -                        | -                        | 4,546,371                      |
| Prepaid Insurance                                                          | 450                        | -                          | -                        | -                        | 450                            |
| Deposits                                                                   | -                          | -                          | 79,595                   | -                        | 79,595                         |
| <b>Total Assets</b>                                                        | <b><u>\$ 8,935,550</u></b> | <b><u>\$ 5,005,055</u></b> | <b><u>\$ 293,078</u></b> | <b><u>\$ 101,844</u></b> | <b><u>\$ 14,335,527</u></b>    |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                            |                            |                          |                          |                                |
| <b>LIABILITIES</b>                                                         |                            |                            |                          |                          |                                |
| Accounts Payable                                                           | \$ 50,014                  | \$ 400                     | \$ -                     | \$ -                     | \$ 50,414                      |
| Retainage Payable                                                          | -                          | -                          | 59,226                   | -                        | 59,226                         |
| <b>Total Liabilities</b>                                                   | <b><u>50,014</u></b>       | <b><u>400</u></b>          | <b><u>59,226</u></b>     | <b><u>-</u></b>          | <b><u>109,640</u></b>          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                            |                            |                          |                          |                                |
| Property Tax Revenue                                                       | 1,497,607                  | 3,048,764                  | -                        | -                        | 4,546,371                      |
| <b>Total Deferred Inflows of Resources</b>                                 | <b><u>1,497,607</u></b>    | <b><u>3,048,764</u></b>    | <b><u>-</u></b>          | <b><u>-</u></b>          | <b><u>4,546,371</u></b>        |
| <b>FUND BALANCES</b>                                                       |                            |                            |                          |                          |                                |
| Nonspendable:                                                              |                            |                            |                          |                          |                                |
| Prepays                                                                    | 450                        | -                          | -                        | -                        | 450                            |
| Restricted For:                                                            |                            |                            |                          |                          |                                |
| Emergency Reserves                                                         | 41,400                     | -                          | -                        | -                        | 41,400                         |
| Debt Service                                                               | -                          | 1,955,891                  | -                        | -                        | 1,955,891                      |
| Capital Projects                                                           | -                          | -                          | 233,852                  | -                        | 233,852                        |
| Special Revenue                                                            | -                          | -                          | -                        | 101,844                  | 101,844                        |
| Unassigned:                                                                |                            |                            |                          |                          |                                |
| General Government                                                         | 7,346,079                  | -                          | -                        | -                        | 7,346,079                      |
| <b>Total Fund Balances</b>                                                 | <b><u>7,387,929</u></b>    | <b><u>1,955,891</u></b>    | <b><u>233,852</u></b>    | <b><u>101,844</u></b>    | <b><u>9,679,516</u></b>        |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b><u>\$ 8,935,550</u></b> | <b><u>\$ 5,005,055</u></b> | <b><u>\$ 293,078</u></b> | <b><u>\$ 101,844</u></b> | <b><u>\$ 14,335,527</u></b>    |

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, 2021**

|                                          |              |
|------------------------------------------|--------------|
| Fund Balances - Total Governmental Funds | \$ 9,679,516 |
|------------------------------------------|--------------|

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 | 2,359,336 |
| Capital Assets, Net                   | 1,136,439 |

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

|                        |           |
|------------------------|-----------|
| Cost of Bond Refunding | 1,601,797 |
|------------------------|-----------|

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

|                          |                  |
|--------------------------|------------------|
| Bond Payable             | (42,731,266)     |
| Accrued Interest Payable | <u>(126,267)</u> |

|                                         |                               |
|-----------------------------------------|-------------------------------|
| Net Position of Governmental Activities | <u><u>\$ (28,080,445)</u></u> |
|-----------------------------------------|-------------------------------|

**DOVE VALLEY METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

|                                                         | General             | Debt Service        | Capital<br>Projects | Special<br>Revenue | Total<br>Governmental<br>Funds |
|---------------------------------------------------------|---------------------|---------------------|---------------------|--------------------|--------------------------------|
| <b>REVENUES</b>                                         |                     |                     |                     |                    |                                |
| Property Taxes                                          | \$ 1,287,461        | \$ 3,030,999        | \$ -                | \$ -               | \$ 4,318,460                   |
| Specific Ownership Taxes                                | 89,316              | 210,259             | -                   | -                  | 299,575                        |
| Interest Income                                         | 4,574               | 4,186               | 72                  | 52                 | 8,884                          |
| CTF Proceeds                                            | -                   | -                   | -                   | 20,623             | 20,623                         |
| Total Revenues                                          | <u>1,381,351</u>    | <u>3,245,444</u>    | <u>72</u>           | <u>20,675</u>      | <u>4,647,542</u>               |
| <b>EXPENDITURES</b>                                     |                     |                     |                     |                    |                                |
| General:                                                |                     |                     |                     |                    |                                |
| Accounting                                              | 31,764              | -                   | -                   | -                  | 31,764                         |
| Audit                                                   | 4,800               | -                   | -                   | -                  | 4,800                          |
| County Treasurer's Fees                                 | 19,332              | 45,508              | -                   | -                  | 64,840                         |
| Directors' Fees                                         | 1,200               | -                   | -                   | -                  | 1,200                          |
| District Management                                     | 24,160              | -                   | -                   | -                  | 24,160                         |
| Dues and Licenses                                       | 1,238               | -                   | -                   | -                  | 1,238                          |
| Engineering                                             | 7,145               | -                   | -                   | -                  | 7,145                          |
| Insurance and Bonds                                     | 8,906               | -                   | -                   | -                  | 8,906                          |
| Irrigation                                              | 89,901              | -                   | -                   | -                  | 89,901                         |
| Landscaping Maintenance                                 | 166,526             | -                   | -                   | -                  | 166,526                        |
| Legal                                                   | 46,491              | -                   | 10,049              | -                  | 56,540                         |
| Miscellaneous                                           | 2,640               | -                   | -                   | -                  | 2,640                          |
| Payroll Taxes                                           | 92                  | -                   | -                   | -                  | 92                             |
| Repairs and Maintenance                                 | 7,795               | -                   | -                   | -                  | 7,795                          |
| Street Lights                                           | 100,312             | -                   | -                   | -                  | 100,312                        |
| Utility Locates                                         | 2,192               | -                   | -                   | -                  | 2,192                          |
| Project Management                                      | -                   | -                   | 7,464               | -                  | 7,464                          |
| District Identity and Website                           | -                   | -                   | 765                 | -                  | 765                            |
| Happy Canyon Trail Mowing                               | -                   | -                   | -                   | 8,000              | 8,000                          |
| Debt Service:                                           |                     |                     |                     |                    |                                |
| Paying Agent Fees                                       | -                   | 400                 | -                   | -                  | 400                            |
| Bond Interest                                           | -                   | 1,572,000           | -                   | -                  | 1,572,000                      |
| Bond Principal                                          | -                   | 1,420,000           | -                   | -                  | 1,420,000                      |
| Capital Outlay:                                         |                     |                     |                     |                    |                                |
| Street Expansion-Hannibal Circle                        | -                   | -                   | 250                 | -                  | 250                            |
| Street Lighting Projects                                | -                   | -                   | 897,270             | -                  | 897,270                        |
| Traffic Signalization-County                            | -                   | -                   | 332,002             | -                  | 332,002                        |
| Happy Canyon Trail and Bridge                           | -                   | -                   | 8,000               | -                  | 8,000                          |
| Contingency                                             | -                   | -                   | 14,765              | -                  | 14,765                         |
| Total Expenditures                                      | <u>514,494</u>      | <u>3,037,908</u>    | <u>1,270,565</u>    | <u>8,000</u>       | <u>4,830,967</u>               |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 866,857             | 207,536             | (1,270,493)         | 12,675             | (183,425)                      |
| <b>NET CHANGE IN FUND BALANCES</b>                      | 866,857             | 207,536             | (1,270,493)         | 12,675             | (183,425)                      |
| Fund Balances - Beginning 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>               |
| <b>FUND BALANCES - END OF YEAR</b>                      | <u>\$ 7,387,929</u> | <u>\$ 1,955,891</u> | <u>\$ 233,852</u>   | <u>\$ 101,844</u>  | <u>\$ 9,679,516</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, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ (183,425)

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 | 1,237,522 |
| 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              | 1,420,000 |
| Amortization of Cost on 2015/2019 Bond Refunding | (464,691) |
| Amortization of Bond Premium                     | 477,210   |

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 | 4,733 |
|-------------------------------------------------------|-------|

|                                                   |              |
|---------------------------------------------------|--------------|
| Change in Net Position of Governmental Activities | \$ 2,392,757 |
|---------------------------------------------------|--------------|

**DOVE VALLEY METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

|                                                         | Original<br>and Final<br>Budget | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------------|---------------------------------|---------------------|---------------------------------------------------------|
| <b>REVENUES</b>                                         |                                 |                     |                                                         |
| Property Taxes                                          | \$ 1,295,950                    | \$ 1,287,461        | \$ (8,489)                                              |
| Specific Ownership Taxes                                | 90,717                          | 89,316              | (1,401)                                                 |
| Interest Income                                         | 16,000                          | 4,574               | (11,426)                                                |
| Total Revenues                                          | <u>1,402,667</u>                | <u>1,381,351</u>    | <u>(21,316)</u>                                         |
| <b>EXPENDITURES</b>                                     |                                 |                     |                                                         |
| Accounting                                              | 60,000                          | 31,764              | 28,236                                                  |
| Audit                                                   | 5,000                           | 4,800               | 200                                                     |
| County Treasurer's Fees                                 | 19,439                          | 19,332              | 107                                                     |
| Directors' Fees                                         | 3,200                           | 1,200               | 2,000                                                   |
| District Management                                     | 40,000                          | 24,160              | 15,840                                                  |
| Dues and Licenses                                       | 1,500                           | 1,238               | 262                                                     |
| Engineering                                             | -                               | 7,145               | (7,145)                                                 |
| Insurance and Bonds                                     | 10,000                          | 8,906               | 1,094                                                   |
| Irrigation                                              | 110,000                         | 89,901              | 20,099                                                  |
| Landscaping Maintenance                                 | 100,000                         | 166,526             | (66,526)                                                |
| Legal                                                   | 50,000                          | 46,491              | 3,509                                                   |
| Miscellaneous                                           | 7,816                           | 2,640               | 5,176                                                   |
| Payroll Taxes                                           | 245                             | 92                  | 153                                                     |
| Repairs and Maintenance                                 | -                               | 7,795               | (7,795)                                                 |
| Street Lights                                           | 100,000                         | 100,312             | (312)                                                   |
| Utility Locates                                         | 1,800                           | 2,192               | (392)                                                   |
| Total Expenditures                                      | <u>509,000</u>                  | <u>514,494</u>      | <u>(5,494)</u>                                          |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 893,667                         | 866,857             | (26,810)                                                |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                                 |                     |                                                         |
| Transfers to Other Funds                                | <u>(2,000,000)</u>              | -                   | 2,000,000                                               |
| Total Other Financing Sources (Uses)                    | <u>(2,000,000)</u>              | -                   | 2,000,000                                               |
| <b>NET CHANGE IN FUND BALANCE</b>                       | (1,106,333)                     | 866,857             | 1,973,190                                               |
| Fund Balance - Beginning of Year                        | <u>6,691,015</u>                | <u>6,521,072</u>    | <u>(169,943)</u>                                        |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u>\$ 5,584,682</u>             | <u>\$ 7,387,929</u> | <u>\$ 1,803,247</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, 2021**

|                                   | Original<br>and Final<br>Budget | Actual<br>Amounts        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|---------------------------------|--------------------------|---------------------------------------------------------|
| <b>REVENUES</b>                   |                                 |                          |                                                         |
| CTF Proceeds                      | \$ 17,310                       | \$ 20,623                | \$ 3,313                                                |
| Interest Income                   | 300                             | 52                       | (248)                                                   |
| Total Revenues                    | <u>17,610</u>                   | <u>20,675</u>            | <u>3,065</u>                                            |
| <b>EXPENDITURES</b>               |                                 |                          |                                                         |
| Miscellaneous                     | 1,000                           | -                        | 1,000                                                   |
| Happy Canyon Trail Mowing         | 8,000                           | 8,000                    | -                                                       |
| Total Expenditures                | <u>9,000</u>                    | <u>8,000</u>             | <u>1,000</u>                                            |
| <b>NET CHANGE IN FUND BALANCE</b> | 8,610                           | 12,675                   | 4,065                                                   |
| Fund Balance - Beginning of Year  | <u>88,453</u>                   | <u>89,169</u>            | <u>716</u>                                              |
| <b>FUND BALANCE - END OF YEAR</b> | <u><u>\$ 97,063</u></u>         | <u><u>\$ 101,844</u></u> | <u><u>\$ 4,781</u></u>                                  |

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021**

**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, 2021**

**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.

**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, 2021**

**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 2019 Bond (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/Inflow 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, 2021**

**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, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

|                                   |                            |
|-----------------------------------|----------------------------|
| Cash and Investments              | \$ 7,388,669               |
| Cash and Investments - Restricted | <u>2,295,877</u>           |
| Total Cash and Investments        | <u><u>\$ 9,684,546</u></u> |

**DOVE VALLEY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments as of December 31, 2021, consist of the following:

|                                      |                            |
|--------------------------------------|----------------------------|
| Deposits with Financial Institutions | \$ 170,165                 |
| Investments                          | <u>9,514,381</u>           |
| Total Cash and Investments           | <u><u>\$ 9,684,546</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, 2021, the District's cash deposits had a bank balance of \$170,165 and a carrying balance of \$170,165.

**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, 2021**

**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, 2021, the District had the following investments:

| <u>Investment</u>                                           | <u>Maturity</u>                   | <u>Amount</u>       |
|-------------------------------------------------------------|-----------------------------------|---------------------|
| Colorado Local Government<br>Liquid Asset Trust (COLOTRUST) | Weighted-Average<br>Under 60 Days | \$ 9,514,325        |
| US Bank Commercial Paper                                    | Weighted-Average<br>Under 60 Days | 56                  |
| Total                                                       |                                   | <u>\$ 9,514,381</u> |

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**DOVE VALLEY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 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 at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**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, 2021, the District has \$56 in this investment, all of which was reserved for the repayment of bond/loan principal and interest or to be used for capital improvements.

**DOVE VALLEY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 CAPITAL ASSETS**

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2021:

|                                               | Balance at<br>December 31,<br>2020 | Increases           | Decreases   | Balance at<br>December 31,<br>2021 |
|-----------------------------------------------|------------------------------------|---------------------|-------------|------------------------------------|
| Capital Assets, Not Being Depreciated:        |                                    |                     |             |                                    |
| Construction in Progress/<br>Not Yet Conveyed |                                    |                     |             |                                    |
| Monumentation                                 |                                    |                     |             |                                    |
| Trails                                        | \$ 746,867                         | \$ 8,000            | \$ -        | \$ 754,867                         |
| Medians                                       | 86,671                             | -                   | -           | 86,671                             |
| Streets/Other                                 | <u>288,276</u>                     | <u>1,229,522</u>    | <u>-</u>    | <u>1,517,798</u>                   |
| Total Capital Assets, Not Being Depreciated   | 1,121,814                          | 1,237,522           | -           | 2,359,336                          |
| Capital Assets, Being Depreciated:            |                                    |                     |             |                                    |
| Street Lights                                 | 765,337                            | -                   | -           | 765,337                            |
| Monumentation                                 | <u>1,206,405</u>                   | <u>-</u>            | <u>-</u>    | <u>1,206,405</u>                   |
| Total Capital Assets, Being Depreciated       | 1,971,742                          | -                   | -           | 1,971,742                          |
| Less Accumulated Depreciation For:            |                                    |                     |             |                                    |
| Street Lights                                 | (257,336)                          | (38,268)            | -           | (295,604)                          |
| Monumentation                                 | <u>(479,375)</u>                   | <u>(60,324)</u>     | <u>-</u>    | <u>(539,699)</u>                   |
| Total Accumulated Depreciation                | <u>(736,711)</u>                   | <u>(98,592)</u>     | <u>-</u>    | <u>(835,303)</u>                   |
| Total Capital Assets, Being Depreciated, Net  | <u>1,235,031</u>                   | <u>(98,592)</u>     | <u>-</u>    | <u>1,136,439</u>                   |
| Governmental Activities Capital Assets, Net   | <u>\$ 2,356,845</u>                | <u>\$ 1,138,930</u> | <u>\$ -</u> | <u>\$ 3,495,775</u>                |

**DOVE VALLEY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

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

|                    |                  |
|--------------------|------------------|
| General Government | <u>\$ 98,592</u> |
|--------------------|------------------|

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, 2021:

|                       | <u>Balance at<br/>December 31,<br/>2020</u> | <u>Additions</u> | <u>Retirements</u>  | <u>Balance at<br/>December 31,<br/>2021</u> | <u>Current<br/>Portion</u> |
|-----------------------|---------------------------------------------|------------------|---------------------|---------------------------------------------|----------------------------|
| Bonds Payable:        |                                             |                  |                     |                                             |                            |
| G.O. Refunding Bonds: |                                             |                  |                     |                                             |                            |
| Series 2019           | \$ 39,300,000                               | \$ -             | \$ 1,420,000        | \$ 37,880,000                               | \$ 1,475,000               |
| Premium               | 5,328,476                                   | -                | 477,210             | 4,851,266                                   | -                          |
| Total                 | <u>\$ 44,628,476</u>                        | <u>\$ -</u>      | <u>\$ 1,897,210</u> | <u>\$ 42,731,266</u>                        | <u>\$ 1,475,000</u>        |

**\$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). BAM is rated AA by Standard and Poor's

**DOVE VALLEY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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>         |
|---------------------------------|----------------------|----------------------|----------------------|
| 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            |
| 2027-2031                       | 9,735,000            | 5,228,000            | 14,963,000           |
| 2032-2036                       | 11,845,000           | 3,118,800            | 14,963,800           |
| 2037-2039                       | 8,300,000            | 672,600              | 8,972,600            |
| Total                           | <u>\$ 37,880,000</u> | <u>\$ 15,980,800</u> | <u>\$ 53,860,800</u> |

**Authorized Debt**

On December 31, 2021, 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, 2021, the District had the following net investment in capital assets, calculated as follows:

|                                   |                                    |
|-----------------------------------|------------------------------------|
| Net Investment in Capital Assets: | <u>Governmental<br/>Activities</u> |
| Capital Assets, Net               | \$ 3,495,775                       |
| Less Capital Related Debt:        |                                    |
| Bonds Payable                     | (3,794,701)                        |
| Loss on Bond Refunding            | (160,463)                          |
| Bond Premium                      | (485,985)                          |
| Net Investment in Capital Assets  | <u>\$ (945,374)</u>                |

**DOVE VALLEY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021, as follows:

|                               | Governmental<br>Activities |
|-------------------------------|----------------------------|
| Restricted Net Position:      |                            |
| Emergencies                   | \$ 41,400                  |
| Conservation Trust            | 101,844                    |
| Debt Service                  | 1,829,624                  |
| Capital Projects              | 233,852                    |
| Total Restricted Net Position | \$ 2,206,720               |

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, 2021**

**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, 2021**

**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 right 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, 2021**

**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, 2021, the District had unexpended construction related contract commitments of \$14,610.

## **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, 2021**

|                                                         | Original<br>and Final<br>Budget | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------------|---------------------------------|---------------------|---------------------------------------------------------|
| <b>REVENUES</b>                                         |                                 |                     |                                                         |
| Property Taxes                                          | \$ 3,050,741                    | 3,030,999           | \$ (19,742)                                             |
| Specific Ownership Taxes                                | 213,552                         | 210,259             | (3,293)                                                 |
| Interest Income                                         | 15,000                          | 4,186               | (10,814)                                                |
| Total Revenues                                          | <u>3,279,293</u>                | <u>3,245,444</u>    | <u>(33,849)</u>                                         |
| <b>EXPENDITURES</b>                                     |                                 |                     |                                                         |
| County Treasurer's Fees                                 | 45,761                          | 45,508              | 253                                                     |
| Paying Agent Fees                                       | 5,000                           | 400                 | 4,600                                                   |
| Bond Interest - Series 2019                             | 1,572,000                       | 1,572,000           | -                                                       |
| Bond Principal - Series 2019                            | 1,420,000                       | 1,420,000           | -                                                       |
| Contingency                                             | 8,239                           | -                   | 8,239                                                   |
| Total Expenditures                                      | <u>3,051,000</u>                | <u>3,037,908</u>    | <u>13,092</u>                                           |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>228,293</u>                  | <u>207,536</u>      | <u>(20,757)</u>                                         |
| <b>NET CHANGE IN FUND BALANCE</b>                       | 228,293                         | 207,536             | (20,757)                                                |
| Fund Balance - Beginning of Year                        | <u>1,794,801</u>                | <u>1,748,355</u>    | <u>(46,446)</u>                                         |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u>\$ 2,023,094</u>             | <u>\$ 1,955,891</u> | <u>\$ (67,203)</u>                                      |

**DOVE VALLEY METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

|                                                         | Original<br>and Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------------|---------------------------------|-------------------|---------------------------------------------------------|
|                                                         | <u>          </u>               | <u>          </u> | <u>          </u>                                       |
| <b>REVENUES</b>                                         |                                 |                   |                                                         |
| Investment Income                                       | \$ 500                          | \$ 72             | \$ (428)                                                |
| Total Revenues                                          | <u>500</u>                      | <u>72</u>         | <u>(428)</u>                                            |
| <b>EXPENDITURES</b>                                     |                                 |                   |                                                         |
| District Management                                     | 5,000                           | -                 | 5,000                                                   |
| Project Management                                      | 25,000                          | 7,464             | 17,536                                                  |
| Legal                                                   | 10,000                          | 10,049            | (49)                                                    |
| District Identity and Website                           | -                               | 765               | (765)                                                   |
| Street Expansion-Hannibal Circle                        | -                               | 250               | (250)                                                   |
| Traffic Signalization-County                            | -                               | 332,002           | (332,002)                                               |
| Street Lighting Projects                                | 600,000                         | 897,270           | (297,270)                                               |
| Wayfinding and Renaming                                 | 50,000                          | -                 | 50,000                                                  |
| Street Lighting Alternatives                            | 500,000                         | -                 | 500,000                                                 |
| Happy Canyon Trail and Bridge                           | -                               | 8,000             | (8,000)                                                 |
| Fremont Ave. Urban Trail                                | 550,000                         | -                 | 550,000                                                 |
| Contingency                                             | 410,000                         | 14,765            | 395,235                                                 |
| Total Expenditures                                      | <u>2,150,000</u>                | <u>1,270,565</u>  | <u>879,435</u>                                          |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (2,149,500)                     | (1,270,493)       | 879,007                                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                                 |                   |                                                         |
| Transfers from Other Funds                              | <u>2,000,000</u>                | <u>-</u>          | <u>(2,000,000)</u>                                      |
| Total Other Financing Sources (Uses)                    | <u>2,000,000</u>                | <u>-</u>          | <u>(2,000,000)</u>                                      |
| <b>NET CHANGE IN FUND BALANCE</b>                       | (149,500)                       | (1,270,493)       | (1,120,993)                                             |
| Fund Balance - Beginning of Year                        | <u>1,077,555</u>                | <u>1,504,345</u>  | <u>426,790</u>                                          |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u>\$ 928,055</u>               | <u>\$ 233,852</u> | <u>\$ (694,203)</u>                                     |

## **OTHER INFORMATION**

**DOVE VALLEY METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2021**

| Bonds<br>and Interest<br>Maturing<br>in the<br>Year Ending<br>December 31, | \$40,625,000 General Obligation Refunding Bonds - Series 2019<br>Issued December 12, 2019<br>Stated Interest Rate at 4.00% (Yield 2.122%)<br>Interest Payable June 1 and December 1<br>Principal Due December 1 |                      |                      |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                            | Principal                                                                                                                                                                                                       | Interest             | Total                |
| 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>\$ 37,880,000</u>                                                                                                                                                                                            | <u>\$ 15,980,800</u> | <u>\$ 53,860,800</u> |

**DOVE VALLEY METROPOLITAN DISTRICT  
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2021**

| Year Ended<br>December 31,                            | Prior<br>Year Assessed<br>Valuation for<br>Current Year<br>Tax Levy | Mills<br>Levied | Total Property Taxes |              | Percentage<br>Collected<br>to Levied |
|-------------------------------------------------------|---------------------------------------------------------------------|-----------------|----------------------|--------------|--------------------------------------|
|                                                       |                                                                     |                 | Levied               | Collected    |                                      |
| 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                                |
| 2021                                                  | 281,872,209                                                         | 15.521          | 4,346,691            | 4,318,460    | 99.35                                |
| Estimated for the<br>Year Ending<br>December 31, 2022 | \$ 347,715,289                                                      | 13.147          | \$ 4,546,371         |              |                                      |

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**  
**2017-2021 (UNAUDITED)**

|                                                         | 2017                | 2018                | 2019                | 2020                | 2021                |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>REVENUES</b>                                         |                     |                     |                     |                     |                     |
| Property Taxes                                          | \$ 871,092          | \$ 969,982          | \$ 1,063,718        | \$ 1,100,146        | \$ 1,287,461        |
| Specific Ownership Taxes                                | 75,407              | 72,184              | 86,074              | 79,076              | 89,316              |
| Net Investment Income                                   | 6,247               | 54,463              | 106,668             | 45,588              | 4,574               |
| Miscellaneous                                           | 1,474               | 418                 | 6,830               | 16,333              | -                   |
| Total Revenue                                           | <u>954,220</u>      | <u>1,097,047</u>    | <u>1,263,290</u>    | <u>1,241,143</u>    | <u>1,381,351</u>    |
| <b>EXPENDITURES</b>                                     |                     |                     |                     |                     |                     |
| Accounting                                              | 18,752              | 25,880              | 55,719              | 65,086              | 31,764              |
| Audit                                                   | 7,367               | 7,970               | 4,014               | 4,400               | 4,800               |
| Consulting/Engineering                                  | -                   | -                   | 11,489              | 5,787               | 7,145               |
| County Treasurer's Fees                                 | 13,076              | 14,564              | 15,980              | 16,534              | 19,332              |
| Director Fees                                           | 1,600               | 1,300               | 1,800               | 2,000               | 1,200               |
| Dues and Subscriptions                                  | -                   | -                   | -                   | 1,238               | 1,238               |
| Insurance                                               | 8,796               | 9,621               | 9,798               | 8,825               | 8,906               |
| Irrigation                                              | 100,919             | 83,631              | 88,686              | 107,722             | 89,901              |
| Management Fees                                         | 32,636              | 29,698              | 28,875              | 28,462              | 24,160              |
| Legal                                                   | 32,787              | 21,470              | 44,493              | 17,816              | 46,491              |
| Street Lights                                           | 140,636             | 70,546              | 83,903              | 85,502              | 100,312             |
| Miscellaneous                                           | 4,455               | 8,783               | 7,707               | 5,520               | 2,640               |
| Payroll Taxes                                           | 122                 | 69                  | -                   | 252                 | 92                  |
| Election Expenses                                       | -                   | 854                 | -                   | 1,288               | -                   |
| Landscape Maintenance                                   | 92,969              | 94,395              | 93,262              | 122,896             | 166,526             |
| Utility Locates                                         | -                   | -                   | -                   | -                   | 2,192               |
| Repairs and Maintenance                                 | -                   | -                   | -                   | -                   | 7,795               |
| Total Expenditures                                      | <u>454,115</u>      | <u>368,781</u>      | <u>445,726</u>      | <u>473,328</u>      | <u>514,494</u>      |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 500,105             | 728,266             | 817,564             | 767,815             | 866,857             |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                     |                     |                     |                     |                     |
| Transfer to Other Funds                                 | -                   | -                   | -                   | (70,000)            | -                   |
| Total Other Financing Sources (Uses)                    | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>(70,000)</u>     | <u>-</u>            |
| <b>NET CHANGE IN FUND BALANCE</b>                       | 500,105             | 728,266             | 817,564             | 697,815             | 866,857             |
| Fund Balance - Beginning 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>    |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u>\$ 4,277,427</u> | <u>\$ 5,005,693</u> | <u>\$ 5,823,257</u> | <u>\$ 6,521,072</u> | <u>\$ 7,387,929</u> |

**DOVE VALLEY METROPOLITAN DISTRICT**  
**TABLE II**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGE IN FUND BALANCE**  
**DEBT SERVICE FUND**  
**2017-2021 (UNAUDITED)**

|                                        | 2017                | 2018                | 2019                | 2020                | 2021                |
|----------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>REVENUES</b>                        |                     |                     |                     |                     |                     |
| Property Taxes                         | \$ 2,440,227        | \$ 2,668,269        | \$ 2,738,575        | \$ 2,912,992        | \$ 3,030,999        |
| Specific Ownership Taxes               | 210,662             | 198,964             | 221,458             | 209,375             | 210,259             |
| Net Investment Income                  | 4,919               | 12,070              | 39,318              | 21,371              | 4,186               |
| Federal Direct Payment Subsidy         | 190,342             | 190,956             | 192,080             | -                   | -                   |
| Total Revenue                          | <u>2,846,150</u>    | <u>3,070,259</u>    | <u>3,191,431</u>    | <u>3,143,738</u>    | <u>3,245,444</u>    |
| <b>EXPENDITURES</b>                    |                     |                     |                     |                     |                     |
| Treasurer's Fees                       | 36,629              | 40,047              | 41,133              | 43,778              | 45,508              |
| Bond/Loan Principal                    | 900,000             | 925,000             | 965,000             | 1,325,000           | 1,420,000           |
| Bond/Loan Interest                     | 1,657,192           | 1,638,116           | 1,604,061           | 1,575,347           | 1,572,000           |
| Bond/Loan Issuance Costs               | -                   | -                   | 493,782             | -                   | -                   |
| Paying Agent Fees                      | 2,600               | 2,600               | 3,210               | 1,610               | 400                 |
| Total Expenditures                     | <u>2,596,421</u>    | <u>2,605,763</u>    | <u>3,107,186</u>    | <u>2,945,735</u>    | <u>3,037,908</u>    |
| <b>EXCESS OF REVENUES OVER (UNDER)</b> |                     |                     |                     |                     |                     |
| <b>EXPENDITURES</b>                    | 249,729             | 464,496             | 84,245              | 198,003             | 207,536             |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                     |                     |                     |                     |                     |
| 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>(43,960)</u>     | <u>-</u>            | <u>-</u>            |
| <b>NET CHANGE IN FUND BALANCE</b>      | 249,729             | 464,496             | 40,285              | 198,003             | 207,536             |
| Fund Balance - Beginning 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>    |
| <b>FUND BALANCE - END OF YEAR</b>      | <u>\$ 1,045,571</u> | <u>\$ 1,510,067</u> | <u>\$ 1,550,352</u> | <u>\$ 1,748,355</u> | <u>\$ 1,955,891</u> |

**DOVE VALLEY METROPOLITAN DISTRICT  
TABLE III  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE  
CAPITAL PROJECTS FUND  
2017-2021 (UNAUDITED)**

|                                                         | <u>2017</u>                | <u>2018</u>                | <u>2019</u>                | <u>2020</u>                | <u>2021</u>              |
|---------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| <b>REVENUES</b>                                         |                            |                            |                            |                            |                          |
| Interest Income                                         | \$ 8,854                   | \$ 7,440                   | \$ 3,934                   | \$ 1,035                   | \$ 72                    |
| Miscellaneous                                           | -                          | -                          | 4,700                      | 5,515                      | -                        |
| Total Revenue                                           | <u>8,854</u>               | <u>7,440</u>               | <u>8,634</u>               | <u>6,550</u>               | <u>72</u>                |
| <b>EXPENDITURES</b>                                     |                            |                            |                            |                            |                          |
| Legal                                                   | 10,197                     | 7,923                      | 11,056                     | 18,768                     | 10,049                   |
| District Management                                     | 6,210                      | 4,754                      | 2,027                      | -                          | -                        |
| District Identity and Website                           | 5,725                      | 3,436                      | 965                        | 765                        | 765                      |
| Project Management                                      | 7,268                      | 8,245                      | 51,690                     | 15,599                     | 7,464                    |
| Capital Improvements                                    | 512,626                    | 2,948,477                  | 139,287                    | 428,128                    | 1,252,287                |
| Total Expenditures                                      | <u>542,026</u>             | <u>2,972,835</u>           | <u>205,025</u>             | <u>463,260</u>             | <u>1,270,565</u>         |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> |                            |                            |                            |                            |                          |
|                                                         | (533,172)                  | (2,965,395)                | (196,391)                  | (456,710)                  | (1,270,493)              |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                            |                            |                            |                            |                          |
| Grant Proceeds                                          | -                          | -                          | 54,200                     | 24,500                     | -                        |
| Transfer to Other Funds                                 | -                          | -                          | -                          | 70,000                     | -                        |
| Total Other Financing Sources (Uses)                    | <u>-</u>                   | <u>-</u>                   | <u>54,200</u>              | <u>94,500</u>              | <u>-</u>                 |
| <b>NET CHANGE IN FUND BALANCE</b>                       |                            |                            |                            |                            |                          |
|                                                         | (533,172)                  | (2,965,395)                | (142,191)                  | (362,210)                  | (1,270,493)              |
| Fund Balance - Beginning 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>         |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u><u>\$ 4,974,141</u></u> | <u><u>\$ 2,008,746</u></u> | <u><u>\$ 1,866,555</u></u> | <u><u>\$ 1,504,345</u></u> | <u><u>\$ 233,852</u></u> |

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

|                                                         | Final<br>2021<br>Budget | 2021<br>Actual<br>Amounts | Adopted<br>2022<br>Budget |
|---------------------------------------------------------|-------------------------|---------------------------|---------------------------|
| <b>REVENUES</b>                                         |                         |                           |                           |
| Property Taxes                                          | \$ 1,295,950            | \$ 1,287,461              | \$ 1,497,607              |
| Specific Ownership Taxes                                | 90,717                  | 89,316                    | 104,832                   |
| Interest Income                                         | 16,000                  | 4,574                     | 2,500                     |
| Total Revenues                                          | <u>1,402,667</u>        | <u>1,381,351</u>          | <u>1,604,939</u>          |
| <b>EXPENDITURES</b>                                     |                         |                           |                           |
| General and Administration                              |                         |                           |                           |
| Accounting                                              | 60,000                  | 31,764                    | 40,000                    |
| Audit                                                   | 5,000                   | 4,800                     | 5,000                     |
| County Treasurer's Fees                                 | 19,439                  | 19,332                    | 22,464                    |
| District Management                                     | 40,000                  | 24,160                    | 40,000                    |
| Directors' Fees                                         | 3,200                   | 1,200                     | 3,200                     |
| Dues and Subscriptions                                  | 1,500                   | 1,238                     | 1,500                     |
| Election Expense                                        | -                       | -                         | 2,000                     |
| Insurance and Bonds                                     | 10,000                  | 8,906                     | 10,000                    |
| Irrigation                                              | 110,000                 | 89,901                    | 100,000                   |
| Legal                                                   | 50,000                  | 46,491                    | 50,000                    |
| Miscellaneous                                           | 7,816                   | 2,640                     | 8,591                     |
| Payroll Taxes                                           | 245                     | 92                        | 245                       |
| Operations and Maintenance                              |                         |                           |                           |
| Engineering                                             | -                       | 7,145                     | 5,000                     |
| Landscaping Maintenance                                 | 100,000                 | 166,526                   | 100,000                   |
| Street Lights                                           | 100,000                 | 100,312                   | 100,000                   |
| Utility Locates                                         | 1,800                   | 2,192                     | 2,000                     |
| Repairs and Maintenance                                 | -                       | 7,795                     | 10,000                    |
| Total Expenditures                                      | <u>509,000</u>          | <u>514,494</u>            | <u>500,000</u>            |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 893,667                 | 866,857                   | 1,104,939                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                         |                           |                           |
| Transfers to Other Funds                                | <u>(2,000,000)</u>      | -                         | <u>(1,000,000)</u>        |
| Total Other Financing Sources (Uses)                    | <u>(2,000,000)</u>      | -                         | <u>(1,000,000)</u>        |
| <b>NET CHANGE IN FUND BALANCE</b>                       | (1,106,333)             | 866,857                   | 104,939                   |
| Fund Balance - Beginning of Year                        | <u>6,691,015</u>        | <u>6,521,072</u>          | <u>5,477,297</u>          |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u>\$ 5,584,682</u>     | <u>\$ 7,387,929</u>       | <u>\$ 5,582,236</u>       |

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

|                                   | Final<br>2021<br>Budget    | 2021<br>Actual<br>Amounts  | Adopted<br>2022<br>Budget  |
|-----------------------------------|----------------------------|----------------------------|----------------------------|
| <b>REVENUES</b>                   |                            |                            |                            |
| Property Taxes                    | \$ 3,050,741               | \$ 3,030,999               | \$ 3,048,764               |
| Specific Ownership Taxes          | 213,552                    | 210,259                    | 213,413                    |
| Interest Income                   | 15,000                     | 4,186                      | 1,500                      |
| Total Revenues                    | <u>3,279,293</u>           | <u>3,245,444</u>           | <u>3,263,677</u>           |
| <b>EXPENDITURES</b>               |                            |                            |                            |
| General and Administrative:       |                            |                            |                            |
| County Treasurer's Fees           | 45,761                     | 45,508                     | 45,731                     |
| Paying Agent Fees                 | 5,000                      | 400                        | 5,000                      |
| Debt Service:                     |                            |                            |                            |
| Bond Interest - Series 2019       | 1,572,000                  | 1,572,000                  | 1,515,200                  |
| Bond Principal - Series 2019      | 1,420,000                  | 1,420,000                  | 1,475,000                  |
| Contingency                       | 8,239                      | -                          | 9,069                      |
| Total Expenditures                | <u>3,051,000</u>           | <u>3,037,908</u>           | <u>3,050,000</u>           |
| <b>NET CHANGE IN FUND BALANCE</b> | 228,293                    | 207,536                    | 213,677                    |
| Fund Balance - Beginning of Year  | <u>1,794,801</u>           | <u>1,748,355</u>           | <u>1,971,472</u>           |
| <b>FUND BALANCE - END OF YEAR</b> | <u><u>\$ 2,023,094</u></u> | <u><u>\$ 1,955,891</u></u> | <u><u>\$ 2,185,149</u></u> |

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

|                                                         | Final<br>2021<br>Budget | 2021<br>Actual<br>Amounts | Adopted<br>2022<br>Budget |
|---------------------------------------------------------|-------------------------|---------------------------|---------------------------|
| <b>REVENUES</b>                                         |                         |                           |                           |
| Investment Income                                       | \$ 500                  | \$ 72                     | \$ 100                    |
| Total Revenues                                          | <u>500</u>              | <u>72</u>                 | <u>100</u>                |
| <b>EXPENDITURES</b>                                     |                         |                           |                           |
| District Management                                     | 5,000                   | -                         | 5,000                     |
| Legal                                                   | 10,000                  | 10,049                    | 10,000                    |
| Project Management                                      | 25,000                  | 7,464                     | 10,000                    |
| District Identity and Website                           | -                       | 765                       | 1,000                     |
| Street Expansion-Hannibal Circle                        | -                       | 250                       | -                         |
| Traffic Signalization-County                            | -                       | 332,002                   | -                         |
| Street Lighting Alternative                             | 500,000                 | -                         | -                         |
| Street Lighting Projects                                | 600,000                 | 897,270                   | -                         |
| Wayfinding and Renaming                                 | 50,000                  | -                         | -                         |
| Medians-Potomac/Chambers/Broncos Pkwy                   | -                       | -                         | 25,000                    |
| Happy Canyon Trail and Bridge                           | -                       | 8,000                     | -                         |
| Fremont Ave. Urban Trail                                | 550,000                 | -                         | 550,000                   |
| Lone Tree Creek Trail                                   | -                       | -                         | 285,000                   |
| Trail Design                                            | -                       | -                         | 10,000                    |
| Contingency                                             | 410,000                 | 14,765                    | 500,000                   |
| Total Expenditures                                      | <u>2,150,000</u>        | <u>1,270,565</u>          | <u>1,396,000</u>          |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (2,149,500)             | (1,270,493)               | (1,395,900)               |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                         |                           |                           |
| Transfers from Other Funds                              | 2,000,000               | -                         | 1,000,000                 |
| Total Other Financing Sources (Uses)                    | <u>2,000,000</u>        | <u>-</u>                  | <u>1,000,000</u>          |
| <b>NET CHANGE IN FUND BALANCE</b>                       | (149,500)               | (1,270,493)               | (395,900)                 |
| Fund Balance - Beginning of Year                        | <u>1,077,555</u>        | <u>1,504,345</u>          | <u>1,862,965</u>          |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u>\$ 928,055</u>       | <u>\$ 233,852</u>         | <u>\$ 1,467,065</u>       |

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

History of Assessed Valuation by Area

| Levy/Collection<br>Year | District<br>Area | Exclusion<br>Area | Exclusion<br>Adjusted<br>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                          |
| 2021/2022               | 343,566,585      | 4,148,704         | 347,715,289                          |

History of Property Tax Collections - Exclusion Adjusted Taxing Area

| Levy/Collection<br>Year | Total Taxes<br>Levied | Total Taxes<br>Collected | Percent of Levy<br>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             | 4,318,460                | 99.35                        |
| 2021/2022               | 4,546,371             | -                        | -                            |

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

| History of Mill Levies by Area |                                          |                                          |                                          |                                          |                    |                                          |                                          |
|--------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|--------------------|------------------------------------------|------------------------------------------|
| Levy/<br>Collection<br>Year    | District Area<br>(Current Boundaries)    |                                          |                                          |                                          |                    | Excluded Territories                     |                                          |
|                                | Operations /<br>Maintenance<br>Mill Levy | Series 2010<br>Debt Service<br>Mill Levy | Series 2015<br>Debt Service<br>Mill Levy | Series 2019<br>Debt Service<br>Mill Levy | Total<br>Mill Levy | Series 2015<br>Debt Service<br>Mill Levy | Series 2019<br>Debt Service<br>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                                    |
| 2021/2022                      | 4.359                                    | -                                        | -                                        | 8.788                                    | 13.147             | -                                        | 7.111                                    |