



COMMERCE CITY, COLORADO

ANNUAL FINANCIAL STATEMENTS

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Riverdale Dunes Metro District

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Riverdale Dunes Metro District as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Riverdale Dunes Metro District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Riverdale Dunes Metro District as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof 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. 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 Riverdale Dunes Metro 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 opinions.

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 Riverdale Dunes Metro 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Riverdale Dunes Metro 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 Riverdale Dunes Metro 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.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Riverdale Dunes Metro District's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other 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 consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BF Borgers CPA PC

BF Borgers CPA PC

Lakewood, Colorado

October 19, 2022

RIVERDALE DUNES METROPOLITAN DISTRICT No. 1
STATEMENT OF NET POSITION
December 31, 2021

| | Governmental Activities |
|--|------------------------------------|
| ASSETS | |
| Cash and investments | \$ 34,336 |
| Cash and investments – restricted | 291,410 |
| Accounts receivable | 32,366 |
| Accounts receivable – specific ownership taxes | 2,429 |
| Accounts receivable - special assessments due from Treasurer | 23,965 |
| Property taxes receivable | 452,000 |
| Prepaid expenses | 26,212 |
| Capital assets, net | 1,293,411 |
| Total Assets | 2,156,129 |
| LIABILITIES | |
| Accounts payable and accrued liabilities | 11,141 |
| Accrued interest payable | 7,110 |
| Current portion of bonds | 110,000 |
| Series 2016 Bonds | 2,140,000 |
| Total Liabilities | 2,268,251 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred property tax revenue | 452,000 |
| NET POSITION (DEFICIT) | |
| Restricted: | |
| Emergency reserves | 7,500 |
| Debt service | 19,729 |
| Capital projects | 272,718 |
| Non-spendable | 26,212 |
| Unassigned: | (890,281) |
| Net Position (Deficit) | \$ (564,122) |

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

RIVERDALE DUNES METROPOLITAN DISTRICT No. 1
STATEMENT OF ACTIVITIES
For the 12-Month Period Ended
December 31, 2021

| Functions/Programs | Program Revenue | | | Net (Expense) Revenue and Changes in Net Position | |
|--|---------------------|-------------------------|--|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | | Capital Grants and Contributions |
| Primary Government: | | | | | |
| Government Activities: | | | | | |
| General government activities | \$ (244,844) | \$ 9,908 | \$ - | \$ - | \$ (234,936) |
| Interest and related costs on long-term debt | (78,478) | - | - | - | (78,478) |
| Capital project activities | (87,333) | - | - | 6,504 | (80,829) |
| | <u>\$ (410,655)</u> | <u>\$ 9,908</u> | <u>\$ -</u> | <u>\$ 6,504</u> | <u>(394,243)</u> |
| General Revenues | | | | | |
| | | | | | 405,278 |
| | | | | | 32,518 |
| | | | | | 550 |
| | | | | | <u>438,346</u> |
| | | | | | 44,103 |
| | | | | | <u>(608,225)</u> |
| | | | | | <u>\$ (564,122)</u> |

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

RIVERDALE DUNES METROPOLITAN DISTRICT No. 1
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2021

| | General Fund | Debt Service Fund | Capital Project Fund | Total Government Funds |
|---|-------------------|-------------------|----------------------|------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 34,336 | \$ - | \$ - | \$ 34,336 |
| Cash and investments - Restricted | - | 18,692 | 272,718 | 291,410 |
| Accounts receivable | 32,366 | - | - | 32,366 |
| Accounts receivable - specific ownership tax | 1,392 | 1,037 | - | 2,429 |
| Accounts receivable - special assessments due from Treasurer | 23,965 | - | - | 23,965 |
| Property taxes receivable | 248,900 | 203,100 | - | 452,000 |
| Prepaid expenses | 4,230 | - | 21,982 | 26,212 |
| TOTAL ASSETS | \$ 345,189 | \$ 222,829 | \$ 294,700 | \$ 862,718 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 11,141 | \$ - | \$ - | \$ 11,141 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred property tax revenue | 248,900 | 203,100 | - | 452,000 |
| FUND BALANCES | | | | |
| Restricted: | | | | |
| Emergencies (TABOR) | 7,500 | - | - | 7,500 |
| Debt service | - | 19,729 | - | 19,729 |
| Capital projects | - | - | 272,718 | 272,718 |
| Non-spendable | 4,230 | - | 21,982 | 26,212 |
| Unrestricted | 73,418 | - | - | 73,418 |
| TOTAL FUND BALANCES | 85,148 | 19,729 | 294,700 | 399,577 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 345,189 | \$ 222,829 | \$ 294,700 | |

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

| | |
|---|---------------------|
| Other long-term assets are not available or otherwise cannot be converted to cash to pay for current expenditures and, therefore, are recorded as expenditures in the funds | 1,293,411 |
| Land, property, structures and equipment, net | 1,293,411 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds: | |
| General obligation bonds | (2,250,000) |
| Accrued interest payable | (7,110) |
| Net position of governmental activities | \$ (564,122) |

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

RIVERDALE DUNES METROPOLITAN DISTRICT No. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
12-Month Period Ended
December 31, 2021

| | General Fund | Debt Service Fund | Capital Project Fund | Total Government Funds |
|--|------------------|-------------------|----------------------|------------------------|
| REVENUES | | | | |
| Property taxes | \$ 232,290 | \$ 172,988 | \$ - | \$ 405,278 |
| Specific ownership taxes | 18,638 | 13,880 | - | 32,518 |
| Covenant violation fine income | 7,103 | - | - | 7,103 |
| Reimb expenses - collection costs | 2,805 | - | - | 2,805 |
| Conservation trust fund revenue | - | - | 6,504 | 6,504 |
| Net investment income | 289 | 227 | 34 | 550 |
| Total Revenues | 261,125 | 187,095 | 6,538 | 454,758 |
| EXPENDITURES | | | | |
| General and administration | 39,826 | - | - | 39,826 |
| Landscaping maintenance | 74,440 | - | - | 74,440 |
| Capital asset maintenance | 28,145 | - | - | 28,145 |
| Pool maintenance and operation | 72,718 | - | - | 72,718 |
| Parking enforcement services | - | - | - | - |
| Other district expenses | 29,715 | - | - | 29,715 |
| Debt service | | | | |
| Direct and indirect collection costs | - | 2,997 | - | 2,997 |
| Interest | - | 75,481 | - | 75,481 |
| Principal - Series 2016 | - | 110,000 | - | 110,000 |
| Major capital projects | - | - | - | - |
| Total Expenditures | 244,844 | 188,478 | - | 433,322 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 16,281 | (1,383) | 6,538 | 21,436 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Fund Transfers In / (Out) | (67,500) | - | 67,500 | - |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (51,219) | (1,383) | 74,038 | 21,436 |
| FIND BALANCES – BEGINNING | 136,367 | 21,112 | 220,662 | 378,141 |
| FUND BALANCES – END OF YEAR | \$ 85,148 | \$ 19,729 | \$ 294,700 | \$ 399,577 |

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

**RIVERDALE DUNES METROPOLITAN DISTRICT No. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
12-Month Period Ended
December 31, 2021**

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

| | | |
|--|----|--------|
| Net change in fund balances – Total government funds | \$ | 21,436 |
|--|----|--------|

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

| | | |
|---------------------------|--|---------|
| Bonds - principal payment | | 110,000 |
|---------------------------|--|---------|

Governmental funds report capital outlays 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. Therefore, this is the net capital outlay activity for the year:

| | | |
|--|--|----------|
| Depreciation expense on property, structures and equipment | | (87,333) |
|--|--|----------|

| | | |
|---|-----------|---------------|
| Changes in net position of governmental activities | \$ | 44,103 |
|---|-----------|---------------|

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

RIVERDALE DUNES METROPOLITAN DISTRICT No. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2021

| | Original Budget | Actual Amounts | Positive / (Negative) Variance with Original Budget |
|--|------------------|------------------|--|
| REVENUES | | | |
| Property taxes | \$ 235,000 | \$ 232,290 | \$ (2,710) |
| Specific ownership taxes | 17,000 | 18,638 | 1,638 |
| Covenant violation fine income | - | 7,103 | 7,103 |
| Reimb expenses - collection costs | - | 2,805 | 2,805 |
| Net investment income | 500 | 289 | (211) |
| Total Revenues | <u>262,500</u> | <u>261,125</u> | <u>(1,375)</u> |
| EXPENDITURES | | | |
| General and administration | 72,200 | 39,826 | 32,374 |
| Landscaping maintenance | 96,600 | 74,440 | 22,160 |
| Capital asset maintenance | 10,000 | 28,145 | (18,145) |
| Pool maintenance and operation | 51,500 | 72,718 | (21,218) |
| Parking enforcement services | 3,600 | - | 3,600 |
| Other district expenses | 20,000 | 29,715 | (9,715) |
| Total Expenditures | <u>253,900</u> | <u>244,844</u> | <u>9,056</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>8,600</u> | <u>16,281</u> | <u>7,681</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out) | (82,500) | (67,500) | 15,000 |
| Total Other Financing Sources (Uses) | <u>(82,500)</u> | <u>(67,500)</u> | <u>15,000</u> |
| EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER | <u>(73,900)</u> | <u>(51,219)</u> | <u>22,681</u> |
| FUND BALANCE – BEGINNING OF YEAR | 123,900 | 136,367 | 12,467 |
| FUND BALANCE – END OF YEAR | <u>\$ 50,000</u> | <u>\$ 85,148</u> | <u>\$ 35,148</u> |

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

RIVERDALE DUNES METROPOLITAN DISTRICT No. 1
GENERAL FUND
EXPENDITURE DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2021

| | Original Budget | Actual Amounts | Positive / (Negative) Variance with Original Budget |
|---|-------------------------|-------------------------|--|
| GENERAL AND ADMINISTRATION | | | |
| District management and accounting fees | \$ 42,000 | \$ 22,000 | \$ 20,000 |
| Administrative costs | 3,000 | 2,220 | 780 |
| Audit fees | 6,000 | 5,940 | 60 |
| Collection fees – County Treasurer | 3,500 | 3,487 | 13 |
| Board of Directors’ fees | 3,000 | 2,200 | 800 |
| Board training and conferences | 2,500 | 300 | 2,200 |
| Insurance | 6,200 | 3,414 | 2,786 |
| Legal fees | 2,000 | 265 | 1,735 |
| Indirect Cost Allocation | - | - | - |
| Newsletter publication costs | 2,000 | - | 2,000 |
| Contingency | 2,000 | - | 2,000 |
| Total General and Administration | <u>\$ 72,200</u> | <u>\$ 39,826</u> | <u>\$ 32,374</u> |
| LANDSCAPING MAINTENANCE | | | |
| Ground maintenance fees | 23,400 | 23,412 | (12) |
| Tree maintenance & replacement | 7,000 | 6,361 | 639 |
| Sprinkler & backflow repairs | 7,000 | 5,418 | 1,582 |
| Sprinklers – water | 40,000 | 29,852 | 10,148 |
| Sprinklers – electricity | 2,200 | 2,213 | (13) |
| Landscaping projects | 15,000 | 3,164 | 11,836 |
| Monument sign maintenance | - | 838 | (838) |
| Insurance property | - | 2,903 | (2,903) |
| Miscellaneous landscape costs | 2,000 | 279 | 1,721 |
| Total Landscaping Maintenance | <u>\$ 96,600</u> | <u>\$ 74,440</u> | <u>\$ 22,160</u> |
| CAPITAL ASSET MAINTENANCE | | | |
| Perimeter fence maintenance | 6,000 | 27,635 | (21,635) |
| Playground maintenance | 4,000 | 510 | 3,490 |
| Total Capital Asset Maintenance | <u>\$ 10,000</u> | <u>\$ 28,145</u> | <u>\$ (18,145)</u> |

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

| POOL MAINTENANCE AND OPERATION | | | |
|---|------------------|------------------|--------------------|
| Pool maintenance fees | 8,400 | 18,775 | (10,375) |
| Pool chemicals | 4,000 | 1,935 | 2,065 |
| Repairs and supplies | 5,000 | 14,210 | (9,210) |
| Pool furniture maintenance | 1,500 | - | 1,500 |
| Electricity | 2,300 | 2,768 | (468) |
| Gas - pool heating | 2,000 | 1,744 | 256 |
| Water and sewer | 2,800 | 2,499 | 301 |
| Gate attendant services | 24,000 | 30,787 | (6,787) |
| Pool key administration | 1,500 | - | 1,500 |
| Miscellaneous | - | - | - |
| Total Pool Maintenance and Operation | \$ 51,500 | \$ 72,718 | \$ (21,218) |

PARKING ENFORCEMENT SERVICE EXPENSES

| | | | |
|---|-----------------|-------------|-----------------|
| Contractor service fees | 2,600 | - | 2,600 |
| Signs and notices | 1,000 | - | 1,000 |
| Total Parking Enforcement Service Expenses | \$ 3,600 | \$ - | \$ 3,600 |

OTHER DISTRICT EXPENSES

| | | | |
|--------------------------------------|------------------|------------------|-------------------|
| Snow removal | 5,000 | 897 | 4,103 |
| Vandalism | 1,000 | 75 | 925 |
| Park and recreation events | 14,000 | 8,743 | 5,257 |
| Covenant enforcement services | - | 20,000 | (20,000) |
| Total Other District Expenses | \$ 20,000 | \$ 29,715 | \$ (9,715) |

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

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 1 – DEFINITION OF REPORTING ENTITY

Riverdale Dunes Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County on November 19, 1996 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under the amended service plan approved by Commerce City (City) in July 2000 and as modified on November 20, 2006. The District's service area is located in Adams County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the construction of streets and safety controls, park and recreation, water facilities, sanitary sewer, and storm drainage within the Dunes Park subdivision, which is comprised of 250 single family homes and 182 townhomes. The District is fully built out.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organizations governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees and all operations and administrative functions are contracted.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the District are as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for (1) the acquisition and construction of capital equipment and facilities and (2) major repairs that extend the lives of the District's existing capital assets.

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

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

Investments are carried at fair value.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the property taxes collected monthly to the District.

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

Specific Ownership Taxes

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle's age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the County. In 2021, the District's share of Specific ownership taxes was equal to approximately 8.0% of property taxes collected.

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

Property Maintenance Fines

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

Reimbursable Costs

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

Collection Costs

Collection costs incurred by the District related to the collection of property taxes includes all costs incurred by the District that enable and support the District's ability to collect property taxes revenue. Generally, such costs include

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

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

Capital Assets

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

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

Fund Equity

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five fund balance classifications: non-spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- **Non-spendable fund balance** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- **Restricted fund balance** – The portion of a fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- **Committed fund balance** – The portion of a fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- **Assigned fund balance** – The portion of a fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

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

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

| | |
|-------------------------------------|-------------------|
| Statement of net position: | |
| Cash and investments – unrestricted | \$ 34,336 |
| Cash and investments – restricted | <u>291,410</u> |
| Total cash and investments | <u>\$ 325,746</u> |

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

| | |
|--------------------------------------|-------------------|
| Deposits with financial institutions | \$ 35,563 |
| Investments | <u>290,183</u> |
| Total cash and investments | <u>\$ 325,746</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 and a carrying balance of \$35,563.

Investments

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

The District generally limits its concentration of investments to those listed below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

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

As of December 31, 2021, the District's investments were comprised of the following:

| Investment | Maturity | Fair Value |
|---|--------------------------------|------------|
| ColoTrust Plus+ (Colostrust) | Weighted average under 60 days | \$ 287,458 |
| Colorado Surplus Asset Fund Trust (CSAFE) | Weighted average under 60 days | 2,725 |
| Total | | \$ 290,183 |

Colostrust

The District invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus finds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement.

The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. No limitations exist on the District's ability to withdraw funds invested in Colostrust. Colostrust is rated AAAM by Standard & Poor's.

CSAFE

The District holds investments in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. CSAFE measures its investments at amortized cost, which value is not materially different (less than 0.005% difference) than the fair value measurement of such investments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption period notice. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. No limitations exist on the District's ability to withdraw funds invested in CSAFE. CSAFE is rated AAAM by Standard & Poor's.

NOTE 4 – PROPERTY, EQUIPMENT & STRUCTURES

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

| | <u>Balance at 12/31/20</u> | <u>Purchases</u> | <u>Disposals</u> | <u>Balance at 12/31/21</u> | <u>Accumulated Depreciation</u> |
|---|--------------------------------|-------------------------|--------------------|--------------------------------|-------------------------------------|
| Pool cabana | \$ 40,000 | \$ - | \$ - | \$ 40,000 | (\$ 19,689) |
| Pool structure & fencing | 252,344 | - | - | 252,344 | (16,797) |
| Pool equipment | 18,755 | 14,225 | - | 32,980 | - |
| Pool furniture | 16,797 | - | - | 16,797 | (73,973) |
| Pool sump pump | - | 29,986 | - | 29,986 | (101,357) |
| Park equipment & drainage system | 144,232 | - | - | 144,232 | (27,266) |
| Detention pond landscaping | 528,507 | - | - | 528,507 | (20,325) |
| Detention pond – Pavilion, benches, light fixtures | 86,762 | - | - | 86,762 | (35,403) |
| Basketball court | 60,973 | - | - | 60,973 | (15,130) |
| Perimeter fencing | 74,412 | - | - | 74,412 | (37,692) |
| Monument signage | 21,262 | - | - | 21,262 | (5,335) |
| Sprinkler systems | 101,278 | - | - | 101,278 | (53,180) |
| Backflow valves | 10,000 | - | - | 10,000 | (6,000) |
| Sidewalks | 292,527 | - | - | 292,527 | (19,689) |
| Parking lot | 15,000 | - | - | 15,000 | (16,797) |
| Total | <u>\$ 1,662,849</u> | <u>\$ 44,211</u> | <u>\$ -</u> | <u>\$ 1,707,060</u> | <u>(\$ 516,000)</u> |

NOTE 5 – LAND AND NON-DEPRECIABLE ASSETS

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

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

NOTE 6 – LONG-TERM DEBT

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

| | |
|---|---------------------|
| Balance at December 31, 2020 | \$ 2,360,000 |
| Principal repayments on Series 2016 Bonds | <u>(110,000)</u> |
| Balance at December 31, 2021 | <u>\$ 2,250,000</u> |

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

Series 2016 Bonds

On October 13, 2016, the District issued \$2,760,000 in General Obligation Refunding Bonds for the purpose of (1) refunding of the Series 2006 Bonds, (2) upgrading the storm water drainage system within the District and (2) funding the installation of new public park facilities and landscaping. The bonds are term bonds with interest of 4.000%. The bonds are subject to mandatory sinking fund redemption commencing on December 01, 2020 and on each December 1st thereafter in increasing amounts annually prior to the maturity of the bonds. Additionally, the bonds are subject to redemption prior to maturity, at the option of the District, beginning December 1, 2026 and on any date thereafter, without redemption premium. The principal and interest of these bonds are insured as to repayment by Assured Guaranty Municipal Corp. As of December 31, 2020, Assured Guaranty Municipal Corp. was rated "AA/Stable/--" by Standard & Poor Global Ratings.

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

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|---------------------|-------------------|---------------------|
| 2022 | \$ 110,000 | \$ 73,556 | \$ 183,556 |
| 2023 | 115,000 | 70,944 | 185,944 |
| 2024 | 115,000 | 68,212 | 183,212 |
| 2025 | 120,000 | 65,481 | 185,481 |
| 2026 | 120,000 | 62,631 | 182,631 |
| 2027-2031 | 675,000 | 243,656 | 918,656 |
| 2032-2036 | 815,000 | 105,938 | 920,938 |
| 2037 | 180,000 | 5,625 | 185,625 |
| | <u>\$ 2,250,000</u> | <u>\$ 696,043</u> | <u>\$ 2,946,043</u> |

Authorized Debt

As of December 31, 2021, the District is prohibited from issuing any additional debt (other than refinancing existing debt that would generate a net cost saving to the homeowners) without first obtaining authorization from the District's voters in compliance with TABOR.

Purpose of Debt Issuance

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

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

NOTE 7 – NET POSITION

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

Restricted Net Position

The District's restricted net position as of December 31, 2021 in the general fund, debt service and capital project fund totaled \$7,500, \$19,729 and \$272,718, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 10 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2016 Bonds per debt mill levy and Series 2016 Bond agreement.

Non-Spendable Net Position

The District's non-spendable net position as of December 31, 2021 in the general fund, debt service fund and capital project fund totaled \$4,230, \$0 and \$21,982, respectively. These balances were created due to the District prepaying certain 2022 expenses in 2021.

Unassigned Net Position

The District's unassigned net position as of December 31, 2021 totaled (\$890,281). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to Commerce City, South Adams County Water and Sanitation District and the Dunes Master Owners Association, Inc.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Easement Agreements

The District is subject to the following easement agreements:

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

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

Landscaping Plan

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

The District continues to be subject to the Landscaping Plan, and any revisions to the Landscaping Plan must first be submitted and approved by Commerce City. If Commerce City deems the District to be in violation of the Landscaping Plan, Commerce City may assess monetary fines and/or other penalties on the District. As of December 31, 2021, the District believes it is in material compliance with the Landscaping Plan.

Storm Water Detention Pond

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

Backflow Valve Certification

The Colorado Department of Public Health and Environment (CDPHE) and SACWSD require the District's six backflow valves be tested and certified annually. CDPHE may assess monetary and other penalties on the District if the District fails to comply with this requirement. All six backflow valves were tested and certified in 2021.

NOTE 9 – RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2021. The Pool is an organization created by intergovernmental agreement to insure its member districts against various risks of loss. Settled claims have not exceeded this coverage in any of the past three years.

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

NOTE 10 – TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

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

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

SUPPLEMENTARY INFORMATION

RIVERDALE DUNES METROPOLITAN DISTRICT No. 1
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2021

| | Original Budget | Actual Amounts | Positive / (Negative) Variance with Original Budget |
|--|------------------|------------------|--|
| REVENUES | | | |
| Property taxes | \$ 175,000 | \$ 172,988 | \$ (2,012) |
| Specific ownership taxes | 12,600 | 13,880 | 1,280 |
| Net investment income | 1,200 | 227 | (973) |
| Total Revenues | 188,800 | 187,095 | (1,705) |
| EXPENDITURES | | | |
| Direct and indirect collection costs | 5,019 | 2,997 | 2,022 |
| Debt service | | | |
| Interest payments on Series 2016 Bonds | 75,481 | 75,481 | - |
| Principal payments on Series 2016 Bonds | 110,000 | 110,000 | - |
| Total Expenditures | 190,500 | 188,478 | 2,022 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,700) | (1,383) | 317 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out) | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (1,700) | (1,383) | 317 |
| FUND BALANCE – BEGINNING | 33,200 | 21,112 | (12,088) |
| FUND BALANCE – END OF YEAR | \$ 31,500 | \$ 19,729 | \$ (11,771) |

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

RIVERDALE DUNES METROPOLITAN DISTRICT No. 1
DEBT SERVICE FUND
COLLECTION COST DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2021

| | Original Budget | Actual Amounts | Positive / (Negative) Variance with Original Budget |
|---|-----------------|-----------------|--|
| DIRECT AND INDIRECT COLLECTION COSTS | | | |
| Collection fees – County Treasurer | \$ 2,600 | \$ 2,597 | \$ 3 |
| Indirect collection cost allocation | - | - | - |
| Legal fees | - | - | - |
| Bond paying agent fees | 400 | 400 | - |
| Miscellaneous | 2,019 | - | 2,019 |
| Total Direct and Indirect Collection Costs | \$ 5,019 | \$ 2,997 | \$ 2,022 |

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

RIVERDALE DUNES METROPOLITAN DISTRICT No. 1
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2021

| | Original Budget | Actual Amounts | Positive / (Negative) Variance with Original Budget |
|---|------------------|-------------------|--|
| REVENUES | | | |
| Conservation trust fund revenue | \$ 5,500 | \$ 6,504 | \$ 1,004 |
| Capital contributions | 11,000 | - | (11,000) |
| Net investment income | 3,000 | 34 | (2,966) |
| Total Revenues | <u>19,500</u> | <u>6,538</u> | <u>(12,962)</u> |
| EXPENDITURES | | | |
| General and administrative fees | - | - | - |
| Capital projects | | | |
| Major capital projects | 307,600 | - | 307,600 |
| Total Expenditures | <u>307,600</u> | <u>-</u> | <u>307,600</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(288,100)</u> | <u>6,538</u> | <u>294,638</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In (Out) | 82,500 | 67,500 | (15,000) |
| Fund Transfers Out | | | |
| Total Other Financing Sources (Uses) | <u>82,500</u> | <u>67,500</u> | <u>(15,000)</u> |
| EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES | <u>(205,600)</u> | <u>74,038</u> | <u>279,638</u> |
| FUND BALANCE – BEGINNING OF YEAR | <u>255,600</u> | <u>220,662</u> | <u>(34,938)</u> |
| FUND BALANCE – END OF YEAR | <u>\$ 50,000</u> | <u>\$ 294,700</u> | <u>\$ 244,700</u> |

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

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
 December 31, 2021

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

| Year Ended December 31, | Principal | Interest | Interest Rate | Total |
|----------------------------|---------------------|-------------------|------------------|---------------------|
| 2022 | \$ 110,000 | \$ 73,556 | 4.000% | \$ 183,556 |
| 2023 | 115,000 | 70,944 | 4.000% | 185,944 |
| 2024 | 115,000 | 68,212 | 4.000% | 183,212 |
| 2025 | 120,000 | 65,481 | 4.000% | 185,481 |
| 2026 | 120,000 | 62,631 | 4.000% | 182,631 |
| 2027 | 125,000 | 59,781 | 4.000% | 184,781 |
| 2028 | 130,000 | 54,469 | 4.000% | 184,469 |
| 2029 | 135,000 | 48,944 | 4.000% | 183,944 |
| 2030 | 140,000 | 43,206 | 4.000% | 183,206 |
| 2031 | 145,000 | 37,256 | 4.000% | 182,256 |
| 2032 | 155,000 | 31,094 | 4.000% | 186,094 |
| 2033 | 160,000 | 26,250 | 4.000% | 186,250 |
| 2034 | 160,000 | 21,250 | 4.000% | 181,250 |
| 2035 | 165,000 | 16,250 | 4.000% | 181,250 |
| 2036 | 175,000 | 11,094 | 4.000% | 186,094 |
| 2037 | 180,000 | 5,625 | 4.000% | 185,625 |
| | \$ 2,250,000 | \$ 696,043 | | \$ 2,946,043 |

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

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
**SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED**
December 31, 2021

| Year Ended December 31, | Prior Year Assessed Valuation for Current Year tax Levy | Mills Levied | Total Property Taxes | | Percent Collected to Levied |
|----------------------------|--|-----------------|----------------------|-----------------------|-----------------------------------|
| | | | Levied | Collected (Note A) | |
| 2016 | \$ 5,278,900 | 64.062 | \$ 367,000 | \$ 367,005 | 100.0% |
| 2017 | 5,730,910 | 64.039 | 367,000 | 367,002 | 100.0% |
| 2018 | 6,950,770 | 56.683 | 394,000 | 393,990 | 100.0% |
| 2019 | 7,295,370 | 57.763 | 421,400 | 421,368 | 100.0% |
| 2020 | 9,421,400 | 41.395 | 390,000 | 391,672 | 100.4% |
| 2021 | 9,932,620 | 41.278 | 410,000 | 405,278 | 98.8% |
| 2022 | 10,717,320 | 42.175 | 452,000 | [TBD] | [TBD] |

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

OTHER SUPPLEMENTARY INFORMATION

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1
CHANGE IN TOTAL OVERLAPPING MILL LEVY
 December 31, 2021

| | 2020 Mill Levy * | 2021 Mill Levy** | Change |
|---|---------------------|---------------------|--------------|
| Riverdale Dunes Metropolitan District No. 1 | 41.278 | 42.175 | 0.897 |
| Brighton School District No. 27J | 48.745 | 49.866 | 1.121 |
| Commerce City North Infrastructure General Improvement District | 20.000 | 20.000 | - |
| Adams County | 26.897 | 27.069 | 0.172 |
| South Adams Fire District No. 4 | 14.750 | 14.750 | - |
| Rangeview Library District | 3.670 | 3.689 | 0.019 |
| City of Commerce City | 3.200 | 2.920 | (0.280) |
| South Adams County Water and Sanitation District | 2.490 | 2.277 | (0.213) |
| Central Colorado Water Conservancy District | 1.156 | 1.404 | 0.248 |
| Urban Drainage and Flood Control | 0.900 | 0.900 | - |
| Urban Drainage and Flood Control – South Platte | 0.100 | 0.100 | - |
| Total Mill Levy | 163.186 | 165.150 | 1.964 |

* -- For property tax collections in 2021

** -- For property tax collections in 2022

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1

HISTORICAL DEBT RATIOS

December 31, 2021

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------------|--------------|--------------|--------------|---------------|
| Debt outstanding | \$ 2,665,000 | \$ 2,565,000 | \$ 2,465,000 | \$ 2,360,000 | \$ 2,250,000 |
| Restricted cash | (\$ 72,860) | (\$ 79,612) | (\$ 29,988) | (\$ 21,112) | (\$ 18,692) |
| Combined assessed property values within the District | \$ 6,950,770 | \$ 7,295,370 | \$ 9,421,400 | \$ 9,932,620 | \$ 10,717,320 |
| Ratio of debt to assessed property values | 37.3% | 34.1% | 25.8% | 23.5% | 20.8% |