

DOVE VALLEY METROPOLITAN DISTRICT
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

**DOVE VALLEY METROPOLITAN DISTRICT
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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, 2022, 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, 2022, 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.

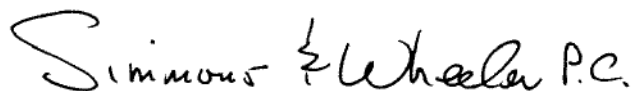
Supplementary Information

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 the introductory and statistical sections 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 and 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.

A handwritten signature in black ink that reads "Simmons & Wheeler P.C." The signature is written in a cursive, flowing style.

Englewood, CO
June 26, 2023

BASIC FINANCIAL STATEMENTS

**DOVE VALLEY METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 8,608,172
Cash and Investments - Restricted	2,576,917
Accounts Receivable - County Treasurer	20,947
Property Tax Receivable	4,554,030
Prepaid Insurance	450
Deposits	79,595
Capital Assets, Not Being Depreciated	2,372,854
Capital Assets, Net	<u>1,037,847</u>
Total Assets	<u>19,250,812</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Cost on Refunding	<u>1,152,917</u>
Total Deferred Outflows of Resources	<u>1,152,917</u>
LIABILITIES	
Accounts Payable	48,051
Retainage Payable	59,226
Accrued Interest Payable	121,350
Noncurrent Liabilities:	
Due Within One Year	1,535,000
Due in More than One Year	<u>39,261,299</u>
Total Liabilities	<u>41,024,926</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	<u>4,554,030</u>
Total Deferred Inflows of Resources	<u>4,554,030</u>
NET POSITION	
Net Investment in Capital Assets	(567,257)
Restricted For:	
Emergency Reserves	51,900
Conservation Trust	121,409
Debt Service	2,088,015
Capital Projects	222,255
Unrestricted	<u>(27,091,549)</u>
Total Net Position	<u><u>\$ (25,175,227)</u></u>

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS

Primary Government:
Governmental Activities:
General Government
Interest and Related Costs
on Long-Term Debt

Total Governmental Activities

	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
Expenses				Governmental Activities
\$ 596,577	\$ -	\$ 23,514	\$ -	\$ (573,063)
1,545,096	-	-	-	(1,545,096)
\$ 2,141,673	\$ -	\$ 23,514	\$ -	(2,118,159)
GENERAL REVENUES				
Property Taxes				4,497,346
Specific Ownership Taxes				299,451
Interest Income				226,554
Other Revenue				26
Total General Revenues				5,023,377
CHANGE IN NET POSITION				
				2,905,218
				(28,080,445)
				\$ (25,175,227)

Net Position - Beginning of Year

NET POSITION - END OF YEAR

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 8,608,172	\$ -	\$ -	\$ -	\$ 8,608,172
Cash and Investments - Restricted	51,900	127,409	2,195,722	201,886	2,576,917
Receivable from County Treasurer	6,904	-	14,043	-	20,947
Property Tax Receivable	1,502,507	-	3,051,523	-	4,554,030
Prepaid Insurance	450	-	-	-	450
Deposits	-	-	-	79,595	79,595
Total Assets	<u>\$ 10,169,933</u>	<u>\$ 127,409</u>	<u>\$ 5,261,288</u>	<u>\$ 281,481</u>	<u>\$ 15,840,111</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 41,651	\$ 6,000	\$ 400	\$ -	\$ 48,051
Retainage Payable	-	-	-	59,226	59,226
Total Liabilities	<u>41,651</u>	<u>6,000</u>	<u>400</u>	<u>59,226</u>	<u>107,277</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	1,502,507	-	3,051,523	-	4,554,030
Total Deferred Inflows of Resources	<u>1,502,507</u>	<u>-</u>	<u>3,051,523</u>	<u>-</u>	<u>4,554,030</u>
FUND BALANCES					
Nonspendable:					
Prepays	450	-	-	-	450
Restricted For:					
Emergency Reserves	51,900	-	-	-	51,900
Debt Service	-	-	2,209,365	-	2,209,365
Capital Projects	-	-	-	222,255	222,255
Special Revenue	-	121,409	-	-	121,409
Assigned for:					
Subsequent Year's Expenditures	352,445	-	-	-	352,445
Unassigned:					
General Government	8,220,980	-	-	-	8,220,980
Total Fund Balances	<u>8,625,775</u>	<u>121,409</u>	<u>2,209,365</u>	<u>222,255</u>	<u>11,178,804</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,169,933</u>	<u>\$ 127,409</u>	<u>\$ 5,261,288</u>	<u>\$ 281,481</u>	<u>\$ 15,840,111</u>

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022**

Fund Balances - Total Governmental Funds	\$ 11,178,804
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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	2,372,854
Capital Assets, Net	1,037,847

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

Cost of Bond Refunding	1,152,917
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bond Payable	(40,796,299)
Accrued Interest Payable	(121,350)

Net Position of Governmental Activities	<u>\$ (25,175,227)</u>
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**DOVE VALLEY METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	\$ 1,480,840	\$ -	\$ 3,016,506	\$ -	\$ 4,497,346
Specific Ownership Taxes	98,668	-	200,783	-	299,451
Interest Income	149,109	2,051	72,285	3,109	226,554
Other Revenue	26	-	-	-	26
CTF Proceeds	-	23,514	-	-	23,514
Total Revenues	<u>1,728,643</u>	<u>25,565</u>	<u>3,289,574</u>	<u>3,109</u>	<u>5,046,891</u>
EXPENDITURES					
General:					
Accounting	33,237	-	-	-	33,237
Audit	5,200	-	-	-	5,200
County Treasurer's Fees	22,332	-	45,500	-	67,832
Directors' Fees	400	-	-	-	400
District Management	21,291	-	-	-	21,291
Dues and Licenses	647	-	-	-	647
Election Expense	340	-	-	-	340
Engineering	2,500	-	-	-	2,500
Insurance and Bonds	10,261	-	-	-	10,261
Irrigation	130,130	-	-	-	130,130
Landscaping Maintenance	144,597	-	-	-	144,597
Legal	41,994	-	-	-	41,994
Miscellaneous	1,139	-	-	-	1,139
Payroll Taxes	31	-	-	-	31
Street Lights	63,553	-	-	-	63,553
Utility Locates	13,145	-	-	-	13,145
District Identity and Website	-	-	-	1,188	1,188
Happy Canyon Trail Mowing	-	6,000	-	-	6,000
Debt Service:					
Paying Agent Fees	-	-	400	-	400
Bond Interest	-	-	1,515,200	-	1,515,200
Bond Principal	-	-	1,475,000	-	1,475,000
Capital Outlay:					
Street Expansion-Hannibal Circle	-	-	-	250	250
Happy Canyon Trail and Bridge	-	-	-	13,268	13,268
Total Expenditures	<u>490,797</u>	<u>6,000</u>	<u>3,036,100</u>	<u>14,706</u>	<u>3,547,603</u>
NET CHANGE IN FUND BALANCES	1,237,846	19,565	253,474	(11,597)	1,499,288
Fund Balances - Beginning of Year	<u>7,387,929</u>	<u>101,844</u>	<u>1,955,891</u>	<u>233,852</u>	<u>9,679,516</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,625,775</u>	<u>\$ 121,409</u>	<u>\$ 2,209,365</u>	<u>\$ 222,255</u>	<u>\$ 11,178,804</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, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 1,499,288

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	13,518
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	1,475,000
Amortization of Cost on 2015/2019 Bond Refunding	(448,880)
Amortization of Bond Premium	459,967

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	4,917
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Change in Net Position of Governmental Activities \$ 2,905,218

**DOVE VALLEY METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,497,607	\$ 1,480,840	\$ (16,767)
Specific Ownership Taxes	104,832	98,668	(6,164)
Interest Income	2,500	149,109	146,609
Other Revenue	-	26	26
Total Revenues	<u>1,604,939</u>	<u>1,728,643</u>	<u>123,704</u>
EXPENDITURES			
Accounting	40,000	33,237	6,763
Audit	5,000	5,200	(200)
County Treasurer's Fees	22,464	22,332	132
Directors' Fees	3,200	400	2,800
District Management	40,000	21,291	18,709
Dues and Licenses	1,500	647	853
Election Expense	2,000	340	1,660
Engineering	5,000	2,500	2,500
Insurance and Bonds	10,000	10,261	(261)
Irrigation	100,000	130,130	(30,130)
Landscaping Maintenance	100,000	144,597	(44,597)
Legal	50,000	41,994	8,006
Miscellaneous	8,591	1,139	7,452
Payroll Taxes	245	31	214
Repairs and Maintenance	10,000	-	10,000
Street Lights	100,000	63,553	36,447
Utility Locates	2,000	13,145	(11,145)
Total Expenditures	<u>500,000</u>	<u>490,797</u>	<u>9,203</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,104,939	1,237,846	132,907
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	(1,000,000)	-	1,000,000
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>
NET CHANGE IN FUND BALANCE	104,939	1,237,846	1,132,907
Fund Balance - Beginning of Year	<u>5,477,297</u>	<u>7,387,929</u>	<u>1,910,632</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,582,236</u>	<u>\$ 8,625,775</u>	<u>\$ 3,043,539</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, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
CTF Proceeds	\$ 17,310	\$ 23,514	\$ 6,204
Interest Income	50	2,051	2,001
Total Revenues	<u>17,360</u>	<u>25,565</u>	<u>8,205</u>
EXPENDITURES			
Miscellaneous	1,000	-	1,000
Happy Canyon Trail Mowing	8,000	6,000	2,000
Total Expenditures	<u>9,000</u>	<u>6,000</u>	<u>3,000</u>
NET CHANGE IN FUND BALANCE	8,360	19,565	11,205
Fund Balance - Beginning of Year	<u>98,549</u>	<u>101,844</u>	<u>3,295</u>
FUND BALANCE - END OF YEAR	<u>\$ 106,909</u>	<u>\$ 121,409</u>	<u>\$ 14,500</u>

See accompanying Notes to Basic Financial Statements.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022**

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.

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

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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 of 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, 2022**

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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 8,608,172
Cash and Investments - Restricted	<u>2,576,917</u>
Total Cash and Investments	<u><u>\$ 11,185,089</u></u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 84,231
Investments	<u>11,100,858</u>
Total Cash and Investments	<u><u>\$ 11,185,089</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, 2022, the District's cash deposits had a bank and carrying balance of \$84,231.

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, 2022**

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, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government	Weighted-Average	
Liquid Asset Trust (COLOTRUST PRIME and PLUS+)	Under 60 Days	\$ 11,100,858
Total		<u>\$ 11,100,858</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.

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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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.

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2022:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
Capital Assets, Not Being Depreciated:				
Construction in Progress/ Not Yet Conveyed				
Monumentation				
Trails	\$ 754,867	\$ 13,268	\$ -	\$ 768,135
Medians	86,671	-	-	86,671
Streets/Other	<u>1,517,798</u>	<u>250</u>	<u>-</u>	<u>1,518,048</u>
Total Capital Assets, Not Being Depreciated	2,359,336	13,518	-	2,372,854
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	(295,604)	(38,268)	-	(333,872)
Monumentation	<u>(539,699)</u>	<u>(60,324)</u>	<u>-</u>	<u>(600,023)</u>
Total Accumulated Depreciation	<u>(835,303)</u>	<u>(98,592)</u>	<u>-</u>	<u>(933,895)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,136,439</u>	<u>(98,592)</u>	<u>-</u>	<u>1,037,847</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,495,775</u>	<u>\$ (85,074)</u>	<u>\$ -</u>	<u>\$ 3,410,701</u>

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

General Government	<u>\$ 98,592</u>
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It is the policy of Arapahoe County and the City of Centennial to accept the maintenance responsibility for improvements only after a probationary period following the completion of construction. Upon final acceptance of the streets by the County or the City, the District will remove the costs of construction from its capital assets. The District will maintain the ownership and maintenance of the District-owned street lighting and monumentation once those projects are completed.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions	Retirements	Balance at December 31, 2022	Current Portion
Bonds Payable:					
G.O. Refunding Bonds:					
Series 2019	\$ 37,880,000	\$ -	\$ 1,475,000	\$ 36,405,000	\$ 1,535,000
Premium	<u>4,851,266</u>	<u>-</u>	<u>459,967</u>	<u>4,391,299</u>	<u>-</u>
Total	<u>\$ 42,731,266</u>	<u>\$ -</u>	<u>\$ 1,934,967</u>	<u>\$ 40,796,299</u>	<u>\$ 1,535,000</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, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

Events of Default

The occurrence or existence of any one or more of the following events shall be an Event of Default:

- (a) Payment of the principal, redemption premium (if any) interest on any Bond is not made by the District when due;
- (b) The District defaults in the performance of any other of its covenants in the Bond Resolution and such default continues for sixty (60) days after written notice of the default;
- (c) The District files a petition for bankruptcy.

In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds.

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>
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
2028-2032	10,125,000	4,838,600	14,963,600
2033-2037	12,320,000	2,645,000	14,965,000
2038-2039	5,640,000	340,600	5,980,600
Total	<u>\$ 36,405,000</u>	<u>\$ 14,465,600</u>	<u>\$ 50,870,600</u>

Authorized Debt

On December 31, 2022, 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, 2022, the District had the following net investment in capital assets, calculated as follows:

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 NET POSITION (CONTINUED)

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 3,410,701
Less Capital Related Debt:	
Bonds Payable	(3,653,008)
Cost on Bond Refunding	115,688
Bond Premium	(440,639)
Net Investment in Capital Assets	\$ (567,257)

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, 2022, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 51,900
Conservation Trust	121,409
Debt Service	2,088,015
Capital Projects	222,255
Total Restricted Net Position	\$ 2,483,579

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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Traffic Signals – City of Centennial (Continued)

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

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

Traffic Signals – Arapahoe County

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

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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

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. In 2022, the District paid \$6,000 due to a \$2,000 credit given to the District by the County.

The District and the County are in the process of negotiating a new intergovernmental agreement 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

During 2022, a majority of members of the Board of Directors were employees, officers, or were otherwise associated with the developers within the District, and may have had conflicts of interest in dealing with the District. The Board of Directors believes that all potential conflicts, if any, have been disclosed.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (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.

**DOVE VALLEY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 RISK MANAGEMENT (CONTINUED)

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, 2022, 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, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 3,048,764	\$ 3,016,506	\$ (32,258)
Specific Ownership Taxes	213,413	200,783	(12,630)
Interest Income	1,500	72,285	70,785
Total Revenues	<u>3,263,677</u>	<u>3,289,574</u>	<u>25,897</u>
EXPENDITURES			
County Treasurer's Fees	45,731	45,500	231
Paying Agent Fees	5,000	400	4,600
Bond Interest - Series 2019	1,515,200	1,515,200	-
Bond Principal - Series 2019	1,475,000	1,475,000	-
Contingency	9,069	-	9,069
Total Expenditures	<u>3,050,000</u>	<u>3,036,100</u>	<u>13,900</u>
NET CHANGE IN FUND BALANCE	213,677	253,474	39,797
Fund Balance - Beginning of Year	<u>1,971,472</u>	<u>1,955,891</u>	<u>(15,581)</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,185,149</u>	<u>\$ 2,209,365</u>	<u>\$ 24,216</u>

**DOVE VALLEY METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Income	\$ 100	\$ 3,109	\$ 3,009
Total Revenues	100	3,109	3,009
EXPENDITURES			
District Management	5,000	-	5,000
Project Management	10,000	-	10,000
Legal	10,000	-	10,000
District Identity and Website	1,000	1,188	(188)
Street Expansion-Hannibal Circle	-	250	(250)
Medians-Potomac/Chambers/Broncos Pkwy	25,000	-	25,000
Happy Canyon Trail and Bridge	-	13,268	(13,268)
Fremont Ave. Urban Trail	550,000	-	550,000
Lone Tree Creek Trail	285,000	-	285,000
Trail Design	10,000	-	10,000
Contingency	500,000	-	500,000
Total Expenditures	1,396,000	14,706	1,381,294
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,395,900)	(11,597)	1,384,303
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	1,000,000	-	(1,000,000)
Total Other Financing Sources (Uses)	1,000,000	-	(1,000,000)
NET CHANGE IN FUND BALANCE	(395,900)	(11,597)	384,303
Fund Balance - Beginning of Year	1,862,965	233,852	(1,629,113)
FUND BALANCE - END OF YEAR	\$ 1,467,065	\$ 222,255	\$ (1,244,810)

OTHER INFORMATION

**DOVE VALLEY METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

Bonds and Interest Maturing in the Year Ending December 31,	\$40,625,000 General Obligation Refunding Bonds - Series 2019 Issued December 12, 2019 Stated Interest Rate at 4.00% (Yield 2.122%) Interest Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
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>\$ 36,405,000</u>	<u>\$ 14,465,600</u>	<u>\$ 50,870,600</u>

**DOVE VALLEY METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
			Levied	Collected	
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
2022	347,715,289	13.147	4,546,371	4,497,346	98.92
Estimated for the Year Ending 2023	\$ 348,768,840	13.128	\$ 4,554,030		

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
2018-2022 (UNAUDITED)

	2018	2019	2020	2021	2022
REVENUES					
Property Taxes	\$ 969,982	\$ 1,063,718	\$ 1,100,146	\$ 1,287,461	\$ 1,480,840
Specific Ownership Taxes	72,184	86,074	79,076	89,316	98,668
Net Investment Income	54,463	106,668	45,588	4,574	149,109
Miscellaneous	418	6,830	16,333	-	26
Total Revenues	1,097,047	1,263,290	1,241,143	1,381,351	1,728,643
EXPENDITURES					
Accounting	25,880	55,719	65,086	31,764	33,237
Audit	7,970	4,014	4,400	4,800	5,200
County Treasurer's Fees	14,564	15,980	16,534	19,332	22,332
Director Fees	1,300	1,800	2,000	1,200	400
District Management	29,698	28,875	28,462	24,160	21,291
Dues and Subscriptions	-	-	1,238	1,238	647
Election Expenses	854	-	1,288	-	340
Engineering	-	11,489	5,787	7,145	2,500
Insurance	9,621	9,798	8,825	8,906	10,261
Irrigation	83,631	88,686	107,722	89,901	130,130
Landscape Maintenance	94,395	93,262	122,896	166,526	144,597
Legal	21,470	44,493	17,816	46,491	41,994
Miscellaneous	8,783	7,707	5,520	2,640	1,139
Payroll Taxes	69	-	252	92	31
Repairs and Maintenance	-	-	-	7,795	-
Street Lights	70,546	83,903	85,502	100,312	63,553
Utility Locates	-	-	-	2,192	13,145
Total Expenditures	368,781	445,726	473,328	514,494	490,797
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	728,266	817,564	767,815	866,857	1,237,846
OTHER FINANCING SOURCES (USES)					
Transfer to Other Funds	-	-	(70,000)	-	-
Total Other Financing Sources (Uses)	-	-	(70,000)	-	-
NET CHANGE IN FUND BALANCE	728,266	817,564	697,815	866,857	1,237,846
Fund Balance - Beginning of Year	4,277,427	5,005,693	5,823,257	6,521,072	7,387,929
FUND BALANCE - END OF YEAR	\$ 5,005,693	\$ 5,823,257	\$ 6,521,072	\$ 7,387,929	\$ 8,625,775

DOVE VALLEY METROPOLITAN DISTRICT
TABLE II – COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE – DEBT SERVICE FUND
2018-2022 (UNAUDITED)

	2018	2019	2020	2021	2022
REVENUES					
Property Taxes	\$ 2,668,269	\$ 2,738,575	\$ 2,912,992	\$ 3,030,999	\$ 3,016,506
Specific Ownership Taxes	198,964	221,458	209,375	210,259	200,783
Net Investment Income	12,070	39,318	21,371	4,186	72,285
Federal Direct Payment Subsidy	190,956	192,080	-	-	-
Total Revenues	<u>3,070,259</u>	<u>3,191,431</u>	<u>3,143,738</u>	<u>3,245,444</u>	<u>3,289,574</u>
EXPENDITURES					
Treasurer's Fees	40,047	41,133	43,778	45,508	45,500
Bond/Loan Principal	925,000	965,000	1,325,000	1,420,000	1,475,000
Bond/Loan Interest	1,638,116	1,604,061	1,575,347	1,572,000	1,515,200
Bond/Loan Issuance Costs	-	493,782	-	-	-
Paying Agent Fees	2,600	3,210	1,610	400	400
Total Expenditures	<u>2,605,763</u>	<u>3,107,186</u>	<u>2,945,735</u>	<u>3,037,908</u>	<u>3,036,100</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	464,496	84,245	198,003	207,536	253,474
OTHER FINANCING SOURCES (USES)					
Bond Premium	-	5,806,702	-	-	-
Refunding Loan Proceeds	-	40,625,000	-	-	-
Payment to Refunding Escrow	-	(46,475,662)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(43,960)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	464,496	40,285	198,003	207,536	253,474
Fund Balance - Beginning of Year	<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>
FUND BALANCE - END OF YEAR	<u>\$ 1,510,067</u>	<u>\$ 1,550,352</u>	<u>\$ 1,748,355</u>	<u>\$ 1,955,891</u>	<u>\$ 2,209,365</u>

DOVE VALLEY METROPOLITAN DISTRICT
TABLE III – COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE – CAPITAL PROJECTS FUND
2018-2022 (UNAUDITED)

	2018	2019	2020	2021	2022
REVENUES					
Interest Income	\$ 7,440	\$ 3,934	\$ 1,035	\$ 72	\$ 3,109
Miscellaneous	-	4,700	5,515	-	-
Total Revenues	<u>7,440</u>	<u>8,634</u>	<u>6,550</u>	<u>72</u>	<u>3,109</u>
EXPENDITURES					
Legal	7,923	11,056	18,768	10,049	-
District Management	4,754	2,027	-	-	-
District Identity and Website	3,436	965	765	765	1,188
Project Management	8,245	51,690	15,599	7,464	-
Capital Improvements	2,948,477	139,287	428,128	1,252,287	13,518
Total Expenditures	<u>2,972,835</u>	<u>205,025</u>	<u>463,260</u>	<u>1,270,565</u>	<u>14,706</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,965,395)	(196,391)	(456,710)	(1,270,493)	(11,597)
OTHER FINANCING SOURCES (USES)					
Grant Proceeds	-	54,200	24,500	-	-
Transfer to Other Funds	-	-	70,000	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>54,200</u>	<u>94,500</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,965,395)	(142,191)	(362,210)	(1,270,493)	(11,597)
Fund Balance - Beginning of Year	<u>4,974,141</u>	<u>2,008,746</u>	<u>1,866,555</u>	<u>1,504,345</u>	<u>233,852</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,008,746</u>	<u>\$ 1,866,555</u>	<u>\$ 1,504,345</u>	<u>\$ 233,852</u>	<u>\$ 222,255</u>

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

	Final 2022 Budget	2022 Actual Amounts	Adopted 2023 Budget
REVENUES			
Property Taxes	\$ 1,497,607	\$ 1,480,840	\$ 1,502,507
Specific Ownership Taxes	104,832	98,668	90,150
Interest Income	2,500	149,109	75,000
Other Revenue	-	26	-
Total Revenues	<u>1,604,939</u>	<u>1,728,643</u>	<u>1,667,657</u>
EXPENDITURES			
General and Administration			
Accounting	40,000	33,237	35,650
Audit	5,000	5,200	5,200
Contingency	-	-	1,606
County Treasurer's Fees	22,464	22,332	22,538
Directors' Fees	3,200	400	3,200
District Management	40,000	21,291	35,000
Dues and Subscriptions	1,500	647	1,500
Election Expense	2,000	340	2,000
Insurance and Bonds	10,000	10,261	12,000
Legal	50,000	41,994	50,000
Miscellaneous	8,591	1,139	3,164
Payroll Taxes	245	31	245
Operations and Maintenance			-
Engineering	5,000	2,500	5,000
Irrigation	100,000	130,130	110,000
Landscaping Maintenance	100,000	144,597	110,000
Street Lights	100,000	63,553	110,000
Utility Locates	2,000	13,145	3,000
Repairs and Maintenance	10,000	-	10,000
Total Expenditures	<u>500,000</u>	<u>490,797</u>	<u>520,103</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,104,939	1,237,846	1,147,554
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	(1,000,000)	-	(1,500,000)
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>-</u>	<u>(1,500,000)</u>
NET CHANGE IN FUND BALANCE	104,939	1,237,846	(352,446)
Fund Balance - Beginning of Year	<u>5,477,297</u>	<u>7,387,929</u>	<u>8,546,438</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,582,236</u>	<u>\$ 8,625,775</u>	<u>\$ 8,193,992</u>

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

	Final 2022 Budget	2022 Actual Amounts	Adopted 2023 Budget
REVENUES			
Property Taxes	\$ 3,048,764	\$ 3,016,506	\$ 3,051,523
Specific Ownership Taxes	213,413	200,783	183,091
Interest Income	1,500	72,285	60,000
Total Revenues	<u>3,263,677</u>	<u>3,289,574</u>	<u>3,294,614</u>
EXPENDITURES			
General and Administrative:			
County Treasurer's Fees	45,731	45,500	45,773
Paying Agent Fees	5,000	400	5,000
Debt Service:			
Bond Interest - Series 2019	1,515,200	1,515,200	1,456,000
Bond Principal - Series 2019	1,475,000	1,475,000	1,535,000
Contingency	9,069	-	9,940
Total Expenditures	<u>3,050,000</u>	<u>3,036,100</u>	<u>3,051,713</u>
NET CHANGE IN FUND BALANCE	213,677	253,474	242,901
Fund Balance - Beginning of Year	<u>1,971,472</u>	<u>1,955,891</u>	<u>2,212,224</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,185,149</u>	<u>\$ 2,209,365</u>	<u>\$ 2,455,125</u>

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

	Final 2022 Budget	2022 Actual Amounts	Adopted 2023 Budget
REVENUES			
Investment Income	\$ 100	\$ 3,109	\$ 1,000
Total Revenues	<u>100</u>	<u>3,109</u>	<u>1,000</u>
EXPENDITURES			
District Management	5,000	-	5,000
Legal	10,000	-	10,000
Project Management	10,000	-	10,000
District Identity and Website	1,000	1,188	2,000
Street Expansion-Hannibal Circle	-	250	-
Medians-Potomac/Chambers/Broncos Pkwy	25,000	-	25,000
Happy Canyon Trail and Bridge	-	13,268	-
Fremont Ave. Urban Trail	550,000	-	550,000
Lone Tree Creek Trail	285,000	-	285,000
Trail Design	10,000	-	10,000
Contingency	500,000	-	500,000
Total Expenditures	<u>1,396,000</u>	<u>14,706</u>	<u>1,397,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,395,900)	(11,597)	(1,396,000)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	1,000,000	-	1,500,000
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>-</u>	<u>1,500,000</u>
NET CHANGE IN FUND BALANCE	(395,900)	(11,597)	104,000
Fund Balance - Beginning of Year	<u>1,862,965</u>	<u>233,852</u>	<u>225,039</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,467,065</u>	<u>\$ 222,255</u>	<u>\$ 329,039</u>

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

History of Assessed Valuation by Area

Levy/Collection Year	District Area	Exclusion Area	Exclusion Adjusted Taxing Area
2015/2016	\$ 182,302,194	\$ 1,777,806	\$ 184,080,000
2016/2017	184,801,437	3,010,539	187,811,976
2017/2018	223,466,510	3,371,999	226,838,509
2018/2019	230,654,445	3,364,503	234,018,948
2019/2020	271,500,673	4,132,270	275,632,943
2020/2021	277,683,650	4,188,559	281,872,209
2021/2022	343,566,585	4,148,704	347,715,289
2022/2023	344,690,821	4,078,019	348,768,840

History of Property Tax Collections - Exclusion Adjusted Taxing Area

Levy/Collection Year	Total Taxes Levied	Total Taxes Collected	Percent of Levy Collected
2015/2016	\$ 3,308,478	\$ 3,196,010	96.60 %
2016/2017	3,340,767	3,311,319	99.12
2017/2018	3,731,210	3,638,251	97.51
2018/2019	3,922,715	3,802,293	96.93
2019/2020	4,070,434	4,013,138	98.59
2020/2021	4,346,691	4,318,460	99.35
2021/2022	4,546,371	4,497,346	98.92
2022/2023	4,554,030	-	-

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

History of Mill Levies by Area							
Levy/ Collection Year	District Area (Current Boundaries)					Excluded Territories	
	Operations / Maintenance Mill Levy	Series 2010 Debt Service Mill Levy	Series 2015 Debt Service Mill Levy	Series 2019 Debt Service Mill Levy	Total Mill Levy	Series 2015 Debt Service Mill Levy	Series 2019 Debt Service Mill Levy
	2015/2016	4.942	2.198	10.902	-	18.042	10.902
2016/2017	4.800	2.198	10.902	-	17.900	10.902	-
2017/2018	4.445	2.030	10.070	-	16.545	10.070	-
2018/2019	4.760	2.030	10.070	-	16.860	10.070	-
2019/2020	4.110	-	-	10.750	14.860	-	8.696
2020/2021	4.667	-	-	10.854	15.521	-	8.777
2021/2022	4.359	-	-	8.788	13.147	-	7.111
2022/2023	4.359	-	-	8.769	13.128	-	7.094