

DINOSAUR RIDGE METROPOLITAN DISTRICT
City of Golden, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

**DINOSAUR RIDGE METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	24
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	25
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	27
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	28



Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dinosaur Ridge Metropolitan District
City of Golden, Colorado

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2021, and the respective changes in financial position and the budgetary comparison for the General 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. 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 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 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 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.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 Supplementary Information is 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, as listed in the table of contents, 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.

Duggio & Associates, P.C.

August 19, 2022

BASIC FINANCIAL STATEMENTS

**DINOSAUR RIDGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 80,323
Cash and Investments - Restricted	2,050,991
Accounts Receivable - PIF	8,313
Accounts Receivable	16,661
Receivable from County Treasurer	1,842
Property Taxes Receivable	299,279
Capital Assets - Construction in Progress	<u>8,178,096</u>
Total Assets	<u>10,619,534</u>
LIABILITIES	
Accounts Payable	18,315
Accrued Interest Payable	54,146
Noncurrent Liabilities:	
Due Within One Year	585,000
Due in More than One Year	<u>13,674,296</u>
Total Liabilities	<u>14,315,786</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>299,279</u>
Total Deferred Inflows of Resources	<u>299,279</u>
NET POSITION	
Restricted for:	
Emergency Reserves	3,600
Debt Service	731,393
Unrestricted	<u>(4,730,524)</u>
Total Net Position	<u><u>\$ (3,995,531)</u></u>

See accompanying Notes to Basic Financial Statements.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 120,866	\$ -	\$ 38,576	\$ -	\$ (82,290)
Interest and Related Costs on Long-Term Debt	744,869	-	-	850,325	105,456
Total Governmental Activities	\$ 865,735	\$ -	\$ 38,576	\$ 850,325	23,166
GENERAL REVENUES					
Property Taxes					248,312
Specific Ownership Taxes					29,548
Interest Income					550
Total General Revenues					278,410
CHANGE IN NET POSITION					301,576
Net Position - Beginning of Year					(4,297,107)
NET POSITION - END OF YEAR					\$ (3,995,531)

See accompanying Notes to Basic Financial Statements.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 80,323	\$ -	\$ -	\$ 80,323
Cash and Investments - Restricted	3,600	1,986,453	60,938	2,050,991
Accounts Receivable - PIF	-	8,313	-	8,313
Accounts Receivable	5,433	11,228	-	16,661
Receivable from County Treasurer	526	1,316	-	1,842
Property Taxes Receivable	85,508	213,771	-	299,279
Total Assets	\$ 175,390	\$ 2,221,081	\$ 60,938	\$ 2,457,409
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 18,315	\$ -	\$ -	\$ 18,315
Total Liabilities	18,315	-	-	18,315
 DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	85,508	213,771	-	299,279
Total Deferred Inflows of Resources	85,508	213,771	-	299,279
 FUND BALANCES (DEFICITS)				
Restricted for:				
Emergency Reserves	3,600	-	-	3,600
Debt Service	-	2,007,310	-	2,007,310
Assigned to:				
Capital Projects	-	-	60,938	60,938
Subsequent Year's Expenditures	48,513	-	-	48,513
Total Fund Balances	71,567	2,007,310	60,938	2,139,815
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 175,390	\$ 2,221,081	\$ 60,938	

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

Capital assets are reported as assets on the statement of net position but are recorded as expenditures in the funds.

Capital Assets	8,178,096
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(13,855,000)
Accrued Interest Payable - Series 2019A Bonds	(54,146)
Accrued Interest Payable - Series 2019B Bonds	(157,309)
Bonds Premium	(36,481)
Developer Advance Payable	(175,701)
Accrued Interest Payable - Developer Advance	(34,805)

Net Position of Governmental Activities	\$ (3,995,531)
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See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 70,946	\$ 177,366	\$ -	\$ 248,312
Property Taxes - TIF (District Mill Levy)	38,576	96,452	-	135,028
Property Taxes - TIF (Incremental Project Area)	-	550,314	-	550,314
Specific Ownership Taxes	8,442	21,106	-	29,548
Public Improvement Fees	-	110,008	-	110,008
PILOT Revenues	-	93,551	-	93,551
Interest Income	-	528	22	550
Total Revenues	<u>117,964</u>	<u>1,049,325</u>	<u>22</u>	<u>1,167,311</u>
EXPENDITURES				
General and Administration:				
Accounting	21,609	-	-	21,609
Audit	4,900	-	-	4,900
County Treasurer's Fee	1,064	2,660	-	3,724
District Management	23,308	-	-	23,308
Dues and Membership	440	-	-	440
Insurance and Bonds	3,263	-	-	3,263
Legal	29,110	-	-	29,110
Miscellaneous	451	-	-	451
Operations and Maintenance:				
Landscape Maintenance	19,476	-	-	19,476
Snow Removal	14,585	-	-	14,585
Debt Service:				
Paying Agent Fees	-	7,000	-	7,000
Bond Interest - Series 2019A	-	658,000	-	658,000
Bond Principal - Series 2019A	-	165,000	-	165,000
Total Expenditures	<u>118,206</u>	<u>832,660</u>	<u>-</u>	<u>950,866</u>
NET CHANGE IN FUND BALANCES	(242)	216,665	22	216,445
Fund Balances - Beginning of Year	<u>71,809</u>	<u>1,790,645</u>	<u>60,916</u>	<u>1,923,370</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 71,567</u></u>	<u><u>\$ 2,007,310</u></u>	<u><u>\$ 60,938</u></u>	<u><u>\$ 2,139,815</u></u>

See accompanying Notes to Basic Financial Statements.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Governmental Funds \$ 216,445

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

The issuance of long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Principal Payment	165,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of Bond Premium	2,269
Accrued Interest on Developer Advance - Change in Liability	(14,056)
Accrued Interest on Bonds - Change in Liability	(68,082)
	(83,883)

Change in Net Position of Governmental Activities	\$ 301,576
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**DINOSAUR RIDGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance- Positive (Negative)
REVENUES			
Property Taxes	\$ 71,076	\$ 70,946	\$ (130)
Property Taxes - TIF	38,581	38,576	(5)
Specific Ownership Taxes	4,975	8,442	3,467
Total Revenues	<u>114,632</u>	<u>117,964</u>	<u>3,332</u>
EXPENDITURES			
General and Administration:			
Accounting	25,000	21,609	3,391
Audit	4,900	4,900	-
County Treasurer's Fee	1,066	1,064	2
District Management	25,000	23,308	1,692
Dues and Membership	500	440	60
Insurance and Bonds	5,000	3,263	1,737
Legal	25,000	29,110	(4,110)
Miscellaneous	2,000	451	1,549
Operations and Maintenance:			
Landscape Maintenance	19,476	19,476	-
Plant Replacement	30,000	-	30,000
Groundwater Drainage Repair	23,000	-	23,000
Snow Removal	20,000	14,585	5,415
Contingency	3,058	-	3,058
Total Expenditures	<u>184,000</u>	<u>118,206</u>	<u>65,794</u>
NET CHANGE IN FUND BALANCE	(69,368)	(242)	69,126
Fund Balance - Beginning of Year	<u>78,101</u>	<u>71,809</u>	<u>(6,292)</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,733</u>	<u>\$ 71,567</u>	<u>\$ 62,834</u>

See accompanying Notes to Basic Financial Statements.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

Dinosaur Ridge Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court of Jefferson County on December 2, 2008, and is governed pursuant to the provisions of the Special District Act, Title 32, Article I, Colorado Revised Statutes. The District operates under a Service Plan approved by the City of Golden, Colorado on September 11, 2008, which was amended and restated on February 28, 2019. The District's service area is located in Golden, Colorado. The District has the power and authority to provide certain public improvements within and without the boundaries of the District as such power and authority is described in the Special District Act, including, but not limited to, the financing, design, acquisition, installation, construction and, to the extent necessary, operation and maintenance of services and facilities for streets, safety protection, solid waste collection and transportation, water, sewer and sanitation, and transportation facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District. The District was also established to provide ongoing operations and maintenance for certain public improvements. The District is governed by an elected Board of Directors.

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 and intergovernmental revenues.

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

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

Pooled Cash and Investments

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

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.

Deferred Inflows of Resources

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 and so will not be recognized as an inflow of resources (revenue) until that time. The District has 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 amount becomes available.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns 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 the donation. Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investments in capital assets.

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.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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 balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash as of December 31, 2021, is classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 80,323
Cash and Investments - Restricted	2,050,991
Total Cash and Investments	\$ 2,131,314

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

Deposits with Financial Institution	\$ 116,790
Investments	2,014,524
Total Cash and Investments	\$ 2,131,314

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 a carrying balance of \$116,790.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, 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 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.

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

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	<u>\$ 2,014,524</u>

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), 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 the Trust. The Trust is similar to a money market fund, with each share valued at \$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. 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. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	Balance - December 31, 2020	Additions	Deletions	Balance - December 31, 2021
Governmental Type Activities:				
Capital Assets, Not Being				
Depreciated:				
Construction in Progress	\$ 8,178,096	\$ -	\$ -	\$ 8,178,096
Total Capital Assets, Not Being Depreciated	<u>\$ 8,178,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,178,096</u>

Upon completion and acceptance, certain fixed assets will be conveyed to other local governments.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Additions	Retirement of Long-Term Obligations	Balance - December 31, 2021	Due Within One Year
Bonds Payable:					
Series 2019A Bonds	\$ 13,160,000	\$ -	\$ 165,000	\$ 12,995,000	\$ 585,000
Series 2019B Bonds	860,000	-	-	860,000	-
Series 2019 Bonds Premium	38,750	-	2,269	36,481	-
Accrued Interest on:					
Series 2019B Bonds	88,540	68,769	-	157,309	-
Subtotal of Bonds Payable	<u>14,147,290</u>	<u>68,769</u>	<u>167,269</u>	<u>14,048,790</u>	<u>585,000</u>
Other Debts:					
Developer Advances - Operating	175,701	-	-	175,701	-
Accrued Interest on:					
Developer Advances - Operating	20,749	14,056	-	34,805	-
Subtotal of Other Debts	<u>196,450</u>	<u>14,056</u>	<u>-</u>	<u>210,506</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 14,343,740</u>	<u>\$ 82,825</u>	<u>\$ 167,269</u>	<u>\$ 14,259,296</u>	<u>\$ 585,000</u>

Special Revenue Refunding and Improvement Bonds, Series 2019A (the Senior Bonds) and **Subordinate Special Revenue Bonds, Series 2019B** (the Subordinate Bonds, and together with the Senior Bonds, the Bonds).

Senior Bond Details

The District issued the Bonds on July 24, 2019, in the amounts of \$13,285,000 and \$860,000 for the Senior Bonds and the Subordinate Bonds, respectively. Proceeds from the sale of the Senior Bonds were used to: (a) fund repayment of advances from the Landowner pursuant to the Acquisition Agreement and the Monument Agreement; (b) refund the District's outstanding Property Tax Increment Revenue Bonds, Series 2016; (c) fund the Senior Reserve Fund; (d) fund capitalized interest; and (e) pay the costs of issuance of the Senior Bonds. Proceeds from the sale of the Subordinate Bonds were used to: (a) fund repayment of advances from the Landowner pursuant to the Acquisition Agreement; and (b) pay the costs of issuance of the Subordinate Bonds.

The Senior Bonds bear interest at 5.00%, payable semi-annually on June 1 and December 1, beginning on December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2020. The Senior Bonds mature on June 1, 2049. To the extent the Senior Bonds are not paid when due, the unpaid principal will remain outstanding until paid and continue to bear interest and the unpaid interest will compound semi-annually on each June 1 and December 1 until the total repayment obligation of the District for the Senior Bonds equals the amount permitted by law.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bond Details (Continued)

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2024, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 1, 2024, to May 31, 2025	3.00%
June 1, 2025, to May 31, 2026	2.00
June 1, 2026, to May 31, 2027	1.00
June 1, 2027, and thereafter	0.00

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, which generally consists of: (a) all Senior Pledged Property Tax Revenues; (b) all PILOT (payment in lieu of taxes) Payments; (c) all Senior District Property Tax Revenues; and (d) all Sales PIF Pledged Revenue. Pledged Property Tax Revenues means 75% of the incremental property taxes from public bodies imposing property tax in the Project Area that are paid to the District pursuant to the Redevelopment Agreement.

Senior District Property Tax Revenues means the revenues received by the District from the imposition of the Senior Required Mill Levy, including the Senior Specific Ownership Tax attributable to the Senior Required Mill Levy pursuant to the Redevelopment Agreement and the Cooperation Agreement. Sales PIF Pledged Revenue are the amounts received by the District from a privately imposed public improvement fee (the Sales PIF) collected within the boundaries of the District and from the Hotel Property on PIF Sales (including transactions subject to the City Sales Tax and certain other transactions) in the amount of 1% of each retail sale. The Sales PIF is imposed pursuant to a Declaration of Covenants Imposing and Implementing Gateway Village at Dinosaur Ridge Subdivision Public Improvements Fee. The District has covenanted to impose a Senior Required Mill Levy upon all taxable property of the District of 50 mills (subject to adjustment for changes in the method of calculating assessed value occurring after January 1, 2008).

The Senior Bonds are also secured by the Senior Reserve Fund, which was funded from proceeds of the Senior Bonds, and by amounts, if any, in the Senior Surplus Fund. The Senior Surplus Fund was not funded on the date of issuance of the Bonds. The Senior Reserve Fund was funded from Senior Bond proceeds in the amount of the Reserve Requirement of \$1,064,462. If at any time the Senior Reserve Fund is drawn upon or valued so that the amount of the Senior Reserve Fund is less than the Reserve Requirement, the District shall include in the computation of its mill levy certification the amount necessary to replenish the Senior Reserve Fund to the Reserve Requirement, subject to the limitations of the Senior Required Mill Levy. The balance in the Senior Reserve Fund as of December 31, 2021, is \$1,073,397.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bond Details (Continued)

Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$1,280,000 until the Funding Obligation is satisfied. After the Funding Obligation is satisfied, the Maximum Surplus Amount from each December 1st thereafter is an amount equal to Maximum Annual Debt Service. Maximum Annual Debt Service means, as of any December 1st, the maximum amount of principal and interest due on the Senior Bonds in any year from such date until the maturity date of the Senior Bonds. Funding Obligation means the obligation of the Golden Urban Renewal Authority to pay the District an amount that will not exceed \$4,000,000 plus interest pursuant to the Redevelopment Agreement. The balance in the Senior Surplus Fund as of December 31, 2021, is \$16,617.

Subordinate Bond Details

The Subordinate Bonds bear interest at 7.25% and mature on June 15, 2049. The Subordinate Bonds constitute subordinate cash flow bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Subordinate Pledged Revenue is available for payment. Principal and interest payments are due on the Subordinate Bonds on each December 15 only to the extent Subordinate Pledged Revenue is available therefor. In the event that the Subordinate Pledged Revenue is insufficient to pay the Subordinate Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually until the total repayment obligation of the District for the Subordinate Bonds equals the amount permitted by law.

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on June 15, 2024, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 15, 2024, to June 14, 2025	3.00%
June 15, 2025, to June 14, 2026	2.00
June 15, 2026, to June 14, 2027	1.00
June 15, 2027, and thereafter	0.00

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Bond Details (Continued)

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, generally consisting of: (a) Subordinate Pledged Property Tax Revenues; (b) Subordinate PILOT Payments; (c) Subordinate District Property Tax Revenues; and (d) Subordinate Sales PIF Pledged Revenue. Subordinate Pledged Property Tax Revenues means the Pledged Property Tax Revenues after such amounts have been applied to the Senior Bonds. Subordinate PILOT Payments are all payments in lieu of taxes paid to the District pursuant to the PILOT Declaration to the extent such amounts are available for payment of the Subordinate Bonds under the Senior Indenture. Subordinate District Property Tax Revenues means the revenues received by the District from the imposition of the Subordinate Required Mill Levy, including the Subordinate Specific Ownership Tax attributable to the Subordinate Required Mill Levy pursuant to the Redevelopment Agreement. Subordinate Sales PIF Pledged Revenue means the amounts received by the District from the Sales PIF to the extent such amounts are available for payment of the Subordinate Bonds under the Senior Indenture. The District has covenanted to impose a Subordinate Required Mill Levy upon all taxable property of the District of 50 mills less the Senior Required Mill Levy, as adjusted.

Senior Bonds Debt Service

The outstanding principal and interest of the Senior Bonds are due as follows:

<u>Year Ending December 31,</u>	Governmental Activities		
	Bonded Debt		
	Principal	Interest	Total
2022	\$ 585,000	649,750	\$ 1,234,750
2023	635,000	620,500	1,255,500
2024	685,000	588,750	1,273,750
2025	720,000	554,500	1,274,500
2026	640,000	518,500	1,158,500
2027-2031	885,000	2,351,500	3,236,500
2032-2036	1,315,000	2,089,750	3,404,750
2037-2042	1,860,000	1,709,000	3,569,000
2043-2046	2,585,000	1,175,250	3,760,250
2047-2049	3,085,000	322,625	3,407,625
Total	<u>\$ 12,995,000</u>	<u>\$ 10,580,125</u>	<u>\$ 23,575,125</u>

The annual debt service requirements of the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

Debt Authorizations

On November 4, 2008, a majority of qualified electors of the District voted in the election, authorized the issuance of indebtedness in an amount not to exceed \$70,000,000. On May 6, 2014, a majority of qualified electors of the District voted in the election, authorized the issuance of indebtedness in an amount not to exceed \$91,000,000. On November 6, 2018, a majority qualified electors of the District voted in the election, authorized the issuance of indebtedness in an amount not to exceed \$560,000,000. Such authorization constitutes a restatement and replacement of all authorization for debt approved by the District's electorate at prior elections. However, the Service Plan, as amended on February 28, 2019, limits the ability of the District to issue debt to \$20,000,000. This limitation does not apply to refunding debt.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorizations (Continued)

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.

	Amount Authorized on November 6, 2018	Authorization Used for Series 2019 Bonds	Authorized But Unissued
Streets	\$ 40,000,000	\$ 4,397,939	\$ 40,000,000
Parks and Recreation	40,000,000	2,308,959	40,000,000
Water	40,000,000	5,087,638	40,000,000
Sanitation	40,000,000	2,350,464	40,000,000
Transportation	40,000,000	-	40,000,000
Traffic and Safety Control	40,000,000	-	40,000,000
Mosquito Control	40,000,000	-	40,000,000
Fire	40,000,000	-	40,000,000
Television Relay	40,000,000	-	40,000,000
Security	40,000,000	-	40,000,000
Telephone	40,000,000	-	40,000,000
Refunding	40,000,000	-	40,000,000
O&M Debt	40,000,000	-	40,000,000
IGAs as Debt	40,000,000	-	40,000,000
Total	<u>\$ 560,000,000</u>	<u>\$ 14,145,000 *</u>	<u>\$ 560,000,000</u>

* The District has estimated such allocation of the authorization used at the time of issuance of the Bonds and actual use of proceeds may vary from these estimates.

NOTE 6 NET POSITION

The District has net position consisting of two components: restricted and unrestricted.

The restricted component of net position consists of 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 as of December 31, 2021, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 3,600
Debt Service	731,393
Total Restricted Net Position	<u>\$ 734,993</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, which will be conveyed or were conveyed to other governmental entities.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Gateway Land Investments, LLC. For fiscal year 2021, one member of the Board of Directors is an employee, owner, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District; other members of the Board of Directors are employees or representatives of Confluence Builders, LLC, which performs certain construction-related services in and for the District, or are employees, representatives, or owners of entities affiliated with Confluence Builders, LLC, and may have conflicts.

The District has entered into Operation Funding Agreement(s) with the Developer as follows:

Operation Funding Agreement

On December 11, 2017 (effective January 1, 2018), the District and the Developer entered into the 2018 Operation Funding Agreement (2018 OFA), as amended on December 12, 2018 (effective January 1, 2019). The 2018 OFA acknowledges that, in order for Improvements to be constructed and/or acquired by the District, it is necessary for the District to be able to pay for its ongoing operations and maintenance expenses which enable it to provide certain services to benefit properties within its boundaries (District Services). In order to enable the District to provide District Services, the Developer agrees to advance funds to the District or to pay consultants directly for operations and maintenance expenses on a periodic basis as needed for fiscal year 2018, up to the shortfall in revenues available for operations and maintenance expenses the District anticipates to be incurred for fiscal year 2018 (Shortfall Amount).

Should the District require additional advances above the Shortfall Amount, the District will request such advances from the Developer in writing. The District agrees that it is its intention to repay the amounts the Developer has advanced or directly paid pursuant to the 2018 OFA, to the extent the District has funds available from the imposition of taxes, fees, rates, tools, penalties and charges, and from other revenue legally available, after the payment of its annual debt service obligations and annual operation and maintenance expenses. Such repayment to the Developer shall be made on December 2 of each year, subject to annual budget and appropriation. Simple interest shall accrue from the date of deposit of a Developer advance or from the date of direct payment by the Developer at the rate of 8% per annum. The 2018 OFA evidences the District's intent to reimburse the Developer, but does not constitute a debt or indebtedness of the District, nor does it constitute a multiple fiscal year financial obligation, and the making of any reimbursement to the Developer shall be subject at all times to annual appropriation by the District.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 RELATED PARTIES (CONTINUED)

Operation Funding Agreement (Continued)

The District previously entered into Operation Funding Agreements with the Developer for fiscal years 2013-2014, 2015, 2016, and 2017 (the 2013-2014 OFA, the 2015 OFA, the 2016 OFA, and the 2017 OFA, respectively). The priority of payments to reimburse the Developer shall be as follows: (a) first to the 2013-2014 OFA accrued and unpaid interest and then to the 2013-2014 OFA principal amount due; and then (b) first to the 2015 OFA accrued and unpaid interest and then to the 2015 OFA principal amount due; and then (c) first to the 2016 OFA accrued and unpaid interest and then to the 2016 OFA principal amount due; and then (d) first to the 2017 OFA accrued and unpaid interest and then to the 2017 OFA principal amount due, and then (e) first to the 2018 OFA accrued and unpaid interest and then to the 2018 OFA principal amount due. On June 14, 2019, the District and the Developer entered into a Termination Agreement, effective January 1, 2018, to terminate the 2013-2014 OFA, the 2015 OFA, the 2016 OFA, and the 2017 OFA.

On June 14, 2019, the District and the Developer entered into an Amended and Restated Operation Funding Agreement, effective January 1, 2018, whereby the Developer agreed to advance funds to the District for operations and maintenance expense in an amount not to exceed \$215,000. On December 5, 2019, the District and the Developer entered into a First Amendment to Amended and Restated Operation Funding Agreement to increase the amount to be advanced by the Developer for years 2019 through 2021 to \$286,000. On August 10, 2020, the District and the Developer entered into a Second Amended and Restated Operation Funding Agreement to acknowledge a credit in the amount of \$110,282.46 as a payment to the amounts outstanding to the Developer under the agreement.

Monument Funding and Acquisition Agreement

On July 17, 2019, effective as of July 24, 2019, the District and the Developer entered into a funding and acquisition agreement whereas the Developer will design, construct, and complete two monument signs as part District's capital improvement plan. Upon completion and successful certification of the construction costs, the District shall acquire the monument sign and will reimburse the Developer up to a maximum of \$35,000, together with interest thereon. Certified construction costs shall accrue interest from the date such costs are incurred by the Developer at the rate of 8% per annum. The agreement was amended by the First Amendment to the Monument Funding and Acquisition Agreement on July 6, 2020, effective as of July 24, 2019.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 AGREEMENTS

Public Finance and Redevelopment Agreement

On October 13, 2014, the District entered into a Public Finance and Redevelopment Agreement with Golden Urban Renewal Authority (Authority) and the Developer (collectively with the District and the Authority, the Parties) under which the Developer shall construct and operate a mixed-use development in an effort to positively contribute to the rehabilitation and elimination of blight within an urban renewal area. At its election, the Developer may self-finance, construct, and install the Public Improvements as approved by the City of Golden. The Developer may also elect to be reimbursed from pledged property tax revenues directly or from proceeds of Bonds issued by the District.

In the event that the Developer does not elect to construct the public improvements, the District shall take over and may issue bonds from time to time to finance the costs of these public improvements. The bonds and the payment of any bond requirement shall be special revenue obligations of the District.

The Parties entered into an Amended and Restated Public Finance and Redevelopment Agreement on January 21, 2017, and further into a Second Amended and Restated Public Finance and Redevelopment Agreement on June 14, 2019, to address changing costs and economic conditions. The Amended and Restated Public Finance and Redevelopment Agreement sets forth the Parties' intent to cooperate as to the provision of the public improvements financed by the Developer and the District, and to ensure that the ad valorem taxes levied by the District and the pledged property tax revenues paid by the Authority to the District are made available to the District for the purposes of implementing the Service Plan, as well as accomplishing the redevelopment of the Project Area.

Cooperation Agreement

On October 13, 2014, the District entered into a Cooperation Agreement with the Authority to state their intention to cooperate with one another in providing Public Improvements to serve the property encompassed by both the Service Area of the District and the Urban Renewal Plan. The Authority has agreed that the portion of revenues which it receives as a result of Tax Increment Revenues which are attributable to the District's current and future levy of ad valorem taxes on real property within the area encompassed by the Urban Renewal Plan, shall, upon receipt by the Authority, be segregated and paid to the District. All such funds shall be paid to the District on July 31st and January 31st of each year beginning on January 31, 2015. The Authority shall be entitled to retain .25% of all amounts remitted pursuant to this agreement as reimbursement of its costs and expenses in monitoring the County's activities and administering and executing the obligations set forth in this Agreement.

**DINOSAUR RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceeded amounts recoverable from reinsurance contracts and funds accumulated to 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.

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 6, 2018, the District's voters approved an annual increase in taxes of \$40,000,000 for general operations and maintenance without limitation of rate.

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 salary or benefit increases.

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

**DINOSAUR RIDGE METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 177,691	\$ 177,366	\$ (325)
Property Taxes - TIF (District Mill Levy)	96,452	96,452	-
Property Taxes - TIF (Incremental Project Area)	500,000	550,314	50,314
Specific Ownership Taxes	12,438	21,106	8,668
Public Improvement Fees	80,000	110,008	30,008
PILOT Revenues	93,550	93,551	1
Interest Income	9,400	528	(8,872)
Total Revenues	<u>969,531</u>	<u>1,049,325</u>	<u>79,794</u>
EXPENDITURES			
General and Administration:			
County Treasurer's Fee	2,665	2,660	5
Contingency	3,335	-	3,335
Debt Service:			
Paying Agent Fee	9,000	7,000	2,000
Bond Interest - Series 2019A	658,000	658,000	-
Bond Interest - Series 2019B	165,000	165,000	-
Total Expenditures	<u>838,000</u>	<u>832,660</u>	<u>5,340</u>
NET CHANGE IN FUND BALANCE	131,531	216,665	85,134
Fund Balance - Beginning of Year	<u>1,792,119</u>	<u>1,790,645</u>	<u>(1,474)</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,923,650</u>	<u>\$ 2,007,310</u>	<u>\$ 83,660</u>

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

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 500	\$ 22	\$ (478)
Total Revenues	<u>500</u>	<u>22</u>	<u>(478)</u>
EXPENDITURES			
Contingency	61,539	-	61,539
Total Expenditures	<u>61,539</u>	<u>-</u>	<u>61,539</u>
NET CHANGE IN FUND BALANCE	(61,039)	22	61,061
Fund Balance - Beginning of Year	<u>61,039</u>	<u>60,916</u>	<u>(123)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 60,938</u>	<u>\$ 60,938</u>

OTHER INFORMATION

**DINOSAUR RIDGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

\$13,285,000 General Obligation Bonds

Series 2019A

Interest 5.000%

Dated July 24, 2019

Interest Payable June 1 and December 1

Principal Payable December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 585,000	\$ 649,750	\$ 1,234,750
2023	635,000	620,500	1,255,500
2024	685,000	588,750	1,273,750
2025	720,000	554,500	1,274,500
2026	640,000	518,500	1,158,500
2027	145,000	486,500	631,500
2028	165,000	479,250	644,250
2029	175,000	471,000	646,000
2030	195,000	462,250	657,250
2031	205,000	452,500	657,500
2032	225,000	442,250	667,250
2033	240,000	431,000	671,000
2034	265,000	419,000	684,000
2035	280,000	405,750	685,750
2036	305,000	391,750	696,750
2037	320,000	376,500	696,500
2038	350,000	360,500	710,500
2039	370,000	343,000	713,000
2040	400,000	324,500	724,500
2041	420,000	304,500	724,500
2042	455,000	283,500	738,500
2043	480,000	260,750	740,750
2044	520,000	236,750	756,750
2045	545,000	210,750	755,750
2046	585,000	183,500	768,500
2047	620,000	154,250	774,250
2048	660,000	123,250	783,250
2049	1,805,000	45,125	1,850,125
Total	<u>\$ 12,995,000</u>	<u>\$ 10,580,125</u>	<u>\$ 23,575,125</u>

**DINOSAUR RIDGE METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021**

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2017	\$ 337,242	20.000	30.000	\$ 16,862	\$ 16,853	99.95 %
2018	264,037	20.000	30.000	13,202	13,202	100.00
2019	2,561,633	20.000	50.000	179,315	179,307	99.99
2020	3,504,198	20.000	50.000	245,294	250,333	102.05
2021	3,553,821	20.000	50.000	248,767	248,312	99.82
Estimated for the Year Ending December 31, 2022	\$ 4,262,636	20.060	50.150	\$ 299,279		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.