

**INVERNESS METROPOLITAN
IMPROVEMENT DISTRICT**

FINANCIAL STATEMENTS

December 31, 2021



Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Inverness Metropolitan Improvement District
Arapahoe and Douglas Counties, Colorado

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Inverness Metropolitan Improvement District as of December 31, 2021, and the respective changes in financial position 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 Inverness Metropolitan Improvement District, and to meet our 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 the 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i – iv and the budgetary comparison schedule – general fund on pages 18 - 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Inverness Metropolitan Improvement District's basic financial statements. The accompanying budgetary comparison schedules for the debt service and capital projects funds and schedule of assessed valuation, mill levy and property taxes collected are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules of the debt service and capital projects funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 budgetary comparison schedules of the debt service and capital projects funds are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Logan and Associates, LLC

Aurora, Colorado
September 29, 2022

**Inverness Metropolitan Improvement District
Management Discussion and Analysis
December 31, 2021**

This management's discussion and analysis of the Inverness Metropolitan Improvement District (the "District") financial statements provides an overview of the District's financial activities for the fiscal year ended December 31, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial and operational performance.

Almost all of the District's annual revenues are from property taxes, specific ownership taxes, and excluded property fees. The District's 2021 tax revenues were comparable to 2020. The District generally sets mill levies at levels that generate a consistent revenue stream for the district operations and debt service. The mill levies also create a steady property tax expense for District property owners. The Other Information schedule at the end of the financial statements provides a history of assessed values and mill levies for the District.

The District experienced \$606,478 increase in net position in 2021. The District repaid \$615,000 of its long-term debt and is scheduled to repay an additional \$630,000 in 2022. After fiscal year 2022, the district will have no outstanding long-term debt. The District has strong liquidity. Current assets at December 31, 2021, exceed current liabilities (other than the current portion of long-term debt) by over \$3,000,000.

The District's improvements in liquidity and net position should enable it to continue to pursue capital projects necessary to improve the functionality of the District and replace aging infrastructure as needed.

Financial Highlights

The Statement of Net Position describes the District's financial condition as of December 31, 2021, the close of the most recent fiscal year. The assets of the District exceeded its liabilities and deferred inflows of resources by \$18,576,969. As described in Note 3 of the financial statements, the District has \$15,923,251 of capital assets net of depreciation at year-end 2021. These assets include landscaping, buildings, parks and recreational facilities, sidewalks, traffic signals, signage and other public infrastructure.

As described in Note 4 of the financial statements, the District has \$630,000 in general obligation bonds outstanding at the end of 2021. Scheduled bond principal payments of \$630,000 in 2022 will fully amortize the remaining balance of the District's bonds. The debt service payments are funded by property taxes assessed by the District.

The District's general operating results for 2021 were generally comparable to 2020. 2021 general revenues of \$2,637,961 were \$100,314 greater than 2020 revenues. The District's 2021 operating expenses were \$81,173 lower than 2020. The District experienced an offset to expense line items Recreation Programs and Covenant Control due to their respective related service charges, netting the district \$5,958 in additional revenue. The District had higher than normal street repairs and maintenance expenses but over-all expenditures were well within budget.

Overview of the Financial Statements

This annual report consists of five parts; 1) Management's discussion and analysis (this section), 2) the Basic Financial Statements including the accompanying footnotes, 3) the Required Supplementary Information, 4) the Supplementary Information and 5) the Other Information.

The Basic Financial Statements include 1) the government-wide financial statements and 2) the fund financial statements and 3) the notes to the financial statements.

Government-wide Financial Statements

The *government-wide financial statements* include the provide information integral Statement of Net Position, and the Statement of Activities which to the Basic Financial Statements. These statements report information about the District as a whole and include all assets and liabilities using the *accrual basis of*

**Inverness Metropolitan Improvement District
Management Discussion and Analysis
December 31, 2021**

accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as Net Position. Over time, *increases or decreases* in the District's Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base and the condition of the infrastructure, are needed to assess the *overall health* of the District. The District operated with an increase in Net Position in both 2021 and 2020.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods such as 'deferred property taxes'.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the District's funds are included in one category: governmental funds.

Governmental funds – Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds' statements provide a detailed short-term view of cash, the governmental funds' operations and the basic services it provides.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$18,576,969. Of the District's net position, \$3,114,107 is unrestricted and may be used to meet the District's ongoing financial obligations. This unrestricted net position is not restricted by external requirements nor invested in capital assets.

Of the District's \$21,656,125 in assets, \$15,923,251 reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment). This amount less related debt used to acquire those assets still outstanding (\$630,000) is reported as net investment in capital assets (\$15,293,251) in the District's net position. The District uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resource used to repay this debt will be property taxes generated from the District's debt service mill levy.

Following are summary comparative financial statement information for the most recent two fiscal year-ends:

**Inverness Metropolitan Improvement District
Management Discussion and Analysis
December 31, 2021**

Comparative Statements of Net Position as of December 31:

ASSETS	2021	2020
Total current assets	\$ 3,524,319	\$ 3,479,361
Property tax receivables	2,208,555	2,154,294
Capital assets, net	15,923,251	16,010,762
Total Assets	\$ 21,656,125	\$ 21,644,417
LIABILITIES		
Current liabilities	240,601	438,900
Current portion of long-term debt	630,000	615,000
Long-term debt	0	630,000
Total Liabilities	\$ 870,601	\$ 1,683,900
DEFERRED INFLOWS OF RESOURCES		
Property tax revenue	\$ 2,208,555	\$ 2,154,294
NET POSITION		
Net investment in capital assets	15,293,251	14,765,762
Restricted for Emergencies	60,000	63,000
Restricted for debt services	109,611	73,255
Unrestricted fund balances	3,114,107	2,904,206
Total Net Position	\$ 18,576,969	\$ 17,806,223

Comparative Statements of Activities for the years ended:

	12/31/2021	12/31/2020
<i>Program Revenues</i>		
Charges for services	\$ 45,380	\$ 14,049
Grants	0	408,875
<i>General Revenues</i>		
Property taxes	2,586,291	2,470,907
Other revenues	51,670	66,740
Total Revenues	\$ 2,683,341	\$ 2,960,571
<i>Expenses (revenues)</i>		
General government	326,952	336,321
Public works	1,681,738	1,711,115
Recreation programs	11,245	12,022
Covenant control	28,177	55,369
Interest on long-term debt	28,751	43,209
Total Expenses	\$ 2,076,863	\$ 2,158,036
 Increase in net assets	 \$ 606,478	 \$ 802,535

**Inverness Metropolitan Improvement District
Management Discussion and Analysis
December 31, 2021**

Budgetary Highlights

The Required Supplementary Information section of the financial statements provides 2021 budget to actual line item comparisons for the District's General Fund as well as a footnote explaining the District's budgetary accounting. The District's total expenditures for 2021 were \$129,500 under the 2021 final budget.

Contacting the District's Financial Management

This financial report is designed to provide our residents, customers, taxpayers, and creditors with a general overview of the District's financials and to show the District's accountability for the income it receives. If you have any questions regarding this report or need additional financial information, please contact District management per the following:

Mulhern MRE, Inc., District Manager
Inverness Metropolitan Improvement District
188 Inverness Drive West, Suite 150
Englewood, CO 80112

Phone: (303) 649-9857

BASIC FINANCIAL STATEMENTS

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION December 31, 2021

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 3,370,134
Cash and Investments - Restricted	112,091
Accounts Receivable	
County Treasurer	11,478
Other	9,397
Prepayments	21,219
Property Taxes Receivable	2,208,555
Capital Assets, Not Being Depreciated	10,480,010
Capital Assets, Net of Accumulated Depreciation	<u>5,443,241</u>
TOTAL ASSETS	<u>21,656,125</u>
LIABILITIES	
Accounts Payable	203,896
Accrued Interest Payable	2,480
Deposits Payable	34,225
Bonds Payable	
Due Within One Year	<u>630,000</u>
TOTAL LIABILITIES	<u>870,601</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Taxes	<u>2,208,555</u>
NET POSITION	
Net Investment in Capital Assets	15,293,251
Restricted for Emergencies	60,000
Restricted for Debt Service	109,611
Unrestricted	<u>3,114,107</u>
TOTAL NET POSITION	<u><u>\$ 18,576,969</u></u>

The accompanying notes are an integral part of the financial statements.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
		CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 326,952	\$ -	\$ -	\$ (326,952)
Public Works	1,681,738	-	-	(1,681,738)
Recreation Program	11,245	13,695	-	2,450
Convenant Control	28,177	31,685	-	3,508
Interest on Long-Term Debt	28,751	-	-	(28,751)
Total Governmental Activities	2,076,863	45,380	-	(2,031,483)
		GENERAL REVENUES		
				2,040,840
				182,872
				362,579
				49,936
				1,734
			TOTAL GENERAL REVENUES	2,637,961
			CHANGE IN NET POSITION	606,478
			NET POSITION, Beginning, As Restated	17,970,491
			NET POSITION, Ending	\$ 18,576,969

The accompanying notes are an integral part of the financial statements.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	TOTALS
ASSETS				
Cash and Investments	\$ 3,190,597	\$ -	\$ 179,537	\$ 3,370,134
Cash and Investments - Restricted	-	112,091	-	112,091
Accounts Receivable				
County Treasurer	11,478	-	-	11,478
Other	9,397	-	-	9,397
Prepayments	21,219	-	-	21,219
Property Taxes Receivable	1,616,015	592,540	-	2,208,555
TOTAL ASSETS	\$ 4,848,706	\$ 704,631	\$ 179,537	\$ 5,732,874
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts and Retainage Payable	\$ 104,846	\$ -	\$ 99,050	\$ 203,896
Deposits Payable	34,225	-	-	34,225
TOTAL LIABILITIES	139,071	-	99,050	238,121
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	1,616,015	592,540	-	2,208,555
FUND BALANCES				
Nonspendable	21,219	-	-	21,219
Restricted for Emergencies	60,000	-	-	60,000
Restricted for Debt Service	-	112,091	-	112,091
Assigned for Capital Projects	-	-	80,487	80,487
Unassigned	3,012,401	-	-	3,012,401
TOTAL FUND BALANCES	3,093,620	112,091	80,487	3,286,198
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,848,706	\$ 704,631	\$ 179,537	\$ 5,732,874

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 3,286,198
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,923,251
Long-term liabilities, including bonds payable (\$630,000) and accrued interest payable (\$2,480) are not due and payable in the current year and, therefore, are not reported in the funds.	(632,480)
Total Net Position of Governmental Activities	\$ 18,576,969

The accompanying notes are an integral part of the financial statements.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	TOTALS
REVENUES				
Property Taxes	\$ 1,493,286	\$ 547,554	\$ -	\$ 2,040,840
Specific Ownership Taxes	182,872	-	-	182,872
Excluded Property Fees	263,650	98,929	-	362,579
Recreation Fees	13,695	-	-	13,695
Review & Permit Fees	31,685	-	-	31,685
Investment Income	1,734	-	-	1,734
Miscellaneous Revenue	49,936	-	-	49,936
TOTAL REVENUES	<u>2,036,858</u>	<u>646,483</u>	<u>-</u>	<u>2,683,341</u>
EXPENDITURES				
General Government	317,386	9,566	-	326,952
Public Works	1,217,992	-	-	1,217,992
Recreation Program	11,245	-	-	11,245
Covenant Control	28,177	-	-	28,177
Capital Outlay	-	-	376,235	376,235
Debt Service				
Principal	-	615,000	-	615,000
Interest and Fiscal Charges	-	29,956	-	29,956
TOTAL EXPENDITURES	<u>1,574,800</u>	<u>654,522</u>	<u>376,235</u>	<u>2,605,557</u>
NET CHANGE IN FUND BALANCES	462,058	(8,039)	(376,235)	77,784
FUND BALANCES, Beginning, As Restated	<u>2,631,562</u>	<u>120,130</u>	<u>456,722</u>	<u>3,208,414</u>
FUND BALANCES, Ending	<u>\$ 3,093,620</u>	<u>\$ 112,091</u>	<u>\$ 80,487</u>	<u>\$ 3,286,198</u>

The accompanying notes are an integral part of the financial statements.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 77,784
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures and disposal proceeds from the sale of capital assets are reported as revenues. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities and the net proceeds from disposal are netted against cost less accumulated depreciation. This is the amount of depreciation expense (\$651,326), that exceeded capital asset additions \$563,815.	(87,511)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal are expenditures in the governmental funds, but reduce long-term liabilities in the statement of net position and do not affect the statement of activities. This is the amount of the repayments of principal in the current year.	615,000
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. This amount represents the change in accrued interest payable.	<u>1,205</u>
Change in Net Position of Governmental Activities	<u>\$ 606,478</u>

The accompanying notes are an integral part of the financial statements.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Inverness Metropolitan Improvement District (the "District") was formed on October 30, 1980 under the Colorado Special District Act, to provide for the acquisition, construction, completion, installation of public improvements, including open space, park and recreational facilities and programs, and to improve the transportation system, including roads and a possible mass transit system. The District also administers, enforces and interprets the Inverness Protective Covenants. The District is governed by a five-member Board of Directors elected by the residents. The District is located wholly within Arapahoe and Douglas Counties in Colorado.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of this criteria, the District does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of net position reports all financial, capital and debt resources of the District. The difference between the assets plus deferred outflows, and liabilities plus deferred inflows of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and used. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year.

Property taxes, specific ownership taxes, intergovernmental revenues, and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

In the fund financial statements, the District reports the following major governmental funds:

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

Debt Service Fund accounts for resources accumulated for, and payments made on, long-term debt obligations of the District.

Capital Projects Fund accounts for the acquisition or construction of capital assets.

Assets, Liabilities and Net Position/Fund Balances

Cash and Investments - Investments are reported at fair value. The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. All cash is deposited to and disbursed from a minimum number of bank and investment accounts, except when required by trust or other agreements. 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.

Due to/from Other Funds - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as due to/from other funds.

Capital Assets - Capital assets, which include primarily land, infrastructure, and related improvements, 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 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Landscaping and parks are not depreciated.

Upon completion of construction, certain infrastructure projects are conveyed to Arapahoe and Douglas Counties, Colorado or recorded in the District's general fixed assets. Depreciation expense is computed using the straight-line method over the assets' estimated economic lives as follows:

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Sidewalks and Bridges	20 years
Median Improvements	30 years
Signage, Traffic Signals and Street Lights	10 years
Fiber Optics	7 years
Other	5-10 years

Long-Term Debt - In the government-wide financial statements, long-term debt is reported as a liability. Bond premium/discount and cost of refunding are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement classification represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditures) until then. The District had no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until then. The District has an item related to property taxes levied in the current year for collection in the following year that is reported as deferred inflows of resources at December 31, 2021.

Net Position - The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- Net Investment in Capital Assets - This classification reflects the portion of net position that is associated with non-liquid, capital assets less outstanding capital asset related debt.
- Restricted Net Position - This classification includes amounts for which constraints have been placed on net position either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

- Unrestricted Net Position – This classification includes the remaining net position that is not restricted or part of the net investment in capital assets.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District classified emergency reserves as being restricted because State Statute requires this restriction. In addition, the District classified the Debt Service Fund's fund balance as restricted for future debt service.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District'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 – This classification includes amounts that are constrained by the District'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 changed than those imposed on committed amounts.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The District has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both the restricted and unrestricted fund balances are available the District uses restricted fund balance first.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the District on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

The District has evaluated events subsequent to the year ended December 31, 2021 through September 29, 2022, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: CASH AND INVESTMENTS

At December 31, 2021, the District had the following cash and investments.

Deposits	\$ 529,715
Investments	<u>2,952,510</u>
Total	<u>\$ 3,482,225</u>

At December 31, 2021, the District had the following cash and investments.

Cash and Investments	\$ 3,370,134
Cash and Investments – Restricted	<u>112,091</u>
Total	<u>\$ 3,482,225</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 2: CASH AND INVESTMENTS (Continued)

The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2021, the District had deposits totaling \$567,919 of which \$250,000 were insured by FDIC and \$317,919 were collateralized with securities held by the financial institution's agents but not in their name.

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 Local Government Investment Pools, obligation of the United States and certain U.S. government agency securities, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

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

State statutes specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest which include the following.

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

At December 31, 2021, the District had the following investments:

	<u>Maturity</u>	<u>2021</u>
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	<u>\$ 2,952,510</u>

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS +. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rates commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian 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 using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments

Restricted cash and investments consist of amounts restricted for debt service reserves at December 31, 2021.

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INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, is summarized below:

	<u>Balances 12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 12/31/2021</u>
Governmental Activities:				
Capital Assets, not being depreciated				
Construction In Progress	\$ 1,301,223	\$ 563,815	\$ 761,208	\$ 1,103,830
Water Tap Fees	66,856	-	-	66,856
Land and Easements	6,701	-	-	6,701
Landscaping	4,804,855	-	-	4,804,855
Parks and Recreational Facilities	3,239,016	558,607	-	3,797,623
Roads	589,233	110,912	-	700,145
Total Capital Assets, not being depreciated	<u>10,007,884</u>	<u>1,233,334</u>	<u>761,208</u>	<u>10,480,010</u>
Capital Assets, being depreciated				
Sidewalks	4,224,561	73,472	-	4,298,033
Median Improvements	341,119	-	-	341,119
Bridges	2,311,166	-	-	2,311,166
Fiber Optics	68,351	-	-	68,351
Signage	3,784,764	18,217	-	3,802,981
Traffic Signals/Street Lights	2,574,827	-	-	2,574,827
Other	424,453	-	-	424,453
Total Capital Assets, being depreciated	<u>13,729,241</u>	<u>91,689</u>	<u>-</u>	<u>13,820,930</u>
Less accumulated depreciation				
Sidewalks	(1,795,640)	(176,313)	-	(1,971,953)
Median Improvements	(243,932)	(11,371)	-	(255,303)
Bridges	(629,024)	(69,633)	-	(698,657)
Fiber Optics	(68,352)	-	-	(68,352)
Signage	(2,283,025)	(328,604)	-	(2,611,629)
Traffic Signals/Street Lights	(2,308,798)	(44,584)	-	(2,353,382)
Building	(397,592)	(20,821)	-	(418,413)
Total accumulated depreciation	<u>(7,726,363)</u>	<u>(651,326)</u>	<u>-</u>	<u>(8,377,689)</u>
Total Capital Assets, being depreciated, net	<u>6,002,878</u>	<u>(559,637)</u>	<u>-</u>	<u>5,443,241</u>
Governmental Activities Capital Assets, net	<u>\$ 16,010,762</u>	<u>\$ 673,697</u>	<u>\$ 761,208</u>	<u>\$ 15,923,251</u>

Depreciation expense was charged to the public works program of the District.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2021.

	<u>Balances</u> <u>12/31/2020</u>	<u>Borrowings</u>	<u>Repayments</u>	<u>Balances</u> <u>12/31/2021</u>	<u>Due Within</u> <u>One Year</u>
2012 GO Refunding and Improvement Bonds	<u>\$ 1,245,000</u>	<u>\$ -</u>	<u>\$ 615,000</u>	<u>\$ 630,000</u>	<u>\$ 630,000</u>

General Obligation Refunding and Improvement Bonds

\$5,995,000 General Obligation Improvement Bonds, Series 2012, were issued by the District to refund the District's Limited Tax General Obligation Bonds Series 1999B and to provide \$3,979,000 of new funds for capital improvements. Principal payments are due annually on December 1, through 2022. Interest payments are due semi-annually on June 1 and December 1, accruing at 2.39%. The bonds are subject to mandatory sinking fund redemption commencing on December 31, 2012.

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2021, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	<u>\$ 630,000</u>	<u>\$ 15,057</u>	<u>\$ 645,057</u>

Authorized But Unissued Debt

At the November 3, 1998 election, a majority of the District's qualified voters authorized the issuance of general obligation indebtedness in an amount not to exceed \$7,000,000 for public improvements. After the issuance of the Series 1999B Bonds, \$1,250,000 of new improvements remained unissued. At the November 3, 2015 election, a majority of the District's qualified voters authorized an additional amount not to exceed \$10,000,000 for public improvements. At December 31, 2021, the District had total authorized but unissued debt of \$11,250,000 for public improvements.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: EXCLUDED PROPERTIES

The District has excluded approximately 80 acres under various agreements dated between 2005 and 2021. The District will continue to provide facilities, services and programs to these properties in the same manner and to the same extent as prior to the exclusions. These property owners are obligated to pay debt service property taxes for the debt existing prior to the exclusion and also pay a tax equivalency fee for general fund services and debt services on bonds issued after the exclusion. During the year ended December 31, 2021, the District determined that revenue related to the excluded properties received in 2021 should have been reported for the year ended December 31, 2020. Therefore, the beginning net position was restated by an increase of \$165,473. The General Fund and Debt Service Fund beginning fund balances were restated by an increase of \$121,078 and \$44,395, respectively.

NOTE 6: PUBLIC ENTITY RISK POOL

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For these risks of loss, the District participates in the Colorado Special Districts Property and Liability Pool (the "Pool"), a separate and independent governmental and legal entity formed by intergovernmental agreement.

The purposes of the Pool are to provide members defined liability, property, and workers' compensation coverages and to assist members in preventing and reducing losses and injuries to property and to persons or property which might result in claims being made against members of the Pool, their employees and officers.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool.

It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the Pool.

NOTE 7: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 7: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment (Continued)

20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation.

On November 3, 1998, the District voters authorized the District to impose new taxes, increase the tax rate, and increase the present and future mill levies above those of the prior year, not to exceed a total of 6 mills, in addition to the mill levies for general obligation bonds or other multiple fiscal year obligations and change District tax policies whether or not the change would directly cause a net revenue gain to the District, to the extent necessary or desirable to provide for District capital improvements.

In addition, on May 2, 2000, the District voters authorized the District to operate without regard to any revenue limitations under TABOR or any other law or the emergency reserve requirement under TABOR.

The District believes it is in compliance with the requirements of the Amendment.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2021, the emergency reserve of \$60,000 was reported as a restriction of fund balance in the General Fund and restricted net position in the statement of net position.

Uncertainty – Coronavirus Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken by government and public health officials to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets in many countries, including the geographical area in which the District is located. It is unknown how long these conditions will last and what the complete financial impact will be to the District.

REQUIRED SUPPLEMENTARY INFORMATION

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended December 31, 2021

(With Comparative Actual Totals for the Year Ended December 31, 2020)

	2021		VARIANCE Positive (Negative)	2020
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Property Taxes	\$ 1,576,000	\$ 1,493,286	\$ (82,714)	\$ 1,444,144
Specific Ownership Taxes	180,000	182,872	2,872	175,682
Excluded Property Fees	262,000	263,650	1,650	236,546
Recreation Fees	22,000	13,695	(8,305)	10,765
Review and Permit Fees	-	31,685	31,685	3,284
Interest Income	20,000	1,734	(18,266)	28,170
Miscellaneous Revenue	51,000	49,936	(1,064)	38,570
TOTAL REVENUES	<u>2,111,000</u>	<u>2,036,858</u>	<u>(74,142)</u>	<u>1,937,161</u>
EXPENDITURES				
General Government				
District Management	197,900	197,789	111	196,270
Accounting and Audit	56,400	55,400	1,000	55,400
Legal	30,000	6,546	23,454	9,670
Director's Fees	3,000	3,100	(100)	2,900
Professional Services	10,000	3,435	6,565	15,228
Office Operating	5,000	5,533	(533)	1,906
Insurance	22,000	19,494	2,506	20,724
Treasurer's Fees	27,600	26,089	1,511	25,007
Miscellaneous	-	949	(949)	-
Total General Government	<u>351,900</u>	<u>317,386</u>	<u>34,514</u>	<u>327,105</u>
Public Works				
Landscape Maintenance	513,400	446,958	66,442	488,061
Street Maintenance and Repairs	50,000	253,311	(203,311)	46,784
Sidewalk Maintenance and Repairs	100,000	105,511	(5,511)	96,076
Lighting	120,000	64,637	55,363	70,208
Snow Plowing	250,000	241,971	8,029	220,348
Irrigation	80,000	51,734	28,266	82,928
Trash Patrol	54,000	53,870	130	51,744
Total Public Works	<u>1,167,400</u>	<u>1,217,992</u>	<u>(50,592)</u>	<u>1,056,149</u>
Recreation Program	15,000	11,245	3,755	12,022
Convenant Control	70,000	28,177	41,823	55,369
Contingency	100,000	-	100,000	-
TOTAL EXPENDITURES	<u>1,704,300</u>	<u>1,574,800</u>	<u>129,500</u>	<u>1,450,645</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	406,700	462,058	55,358	486,516
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,672,528)</u>	-	1,672,528	-
NET CHANGE IN FUND BALANCE	(1,265,828)	462,058	1,727,886	486,516
FUND BALANCE, Beginning, As Restated	<u>2,089,984</u>	<u>2,631,562</u>	<u>541,578</u>	<u>2,023,968</u>
FUND BALANCE, Ending	<u>\$ 824,156</u>	<u>\$ 3,093,620</u>	<u>\$ 2,269,464</u>	<u>\$ 2,510,484</u>

See the accompanying Independent Auditor's Report.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021

NOTE 1: BUDGETARY INFORMATION

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to October 15th, management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

SUPPLEMENTARY INFORMATION

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

Year Ended December 31, 2021

(With Comparative Actual Totals for the Year Ended December 31, 2020)

	2021		VARIANCE Positive (Negative)	2020
	ORIGINAL AND FINAL BUDGET	ACTUAL		ACTUAL
REVENUES				
Property Taxes	\$ 572,000	\$ 547,554	\$ (24,446)	\$ 527,801
Specific Ownership Taxes	-	-	-	-
Excluded Property Fees	96,000	98,929	2,929	86,734
TOTAL REVENUES	668,000	646,483	(21,517)	614,535
EXPENDITURES				
General Government				
Treasurer's Fees	10,100	9,566	534	9,175
Debt Service				
Principal	615,000	615,000	-	605,000
Interest and Fiscal Charges	34,955	29,956	4,999	44,414
Contingency	20,000	-	20,000	-
TOTAL EXPENDITURES	680,055	654,522	25,533	658,589
NET CHANGE IN FUND BALANCE	(12,055)	(8,039)	4,016	(44,054)
FUND BALANCE, Beginning, As Restated	113,472	120,130	6,658	119,789
FUND BALANCE, Ending	\$ 101,417	\$ 112,091	\$ 10,674	\$ 75,735

See the accompanying Independent Auditor's Report.

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

BUDGETARY COMPARISON SCHEDULE

CAPITAL PROJECTS FUND

Year Ended December 31, 2021

(With Comparative Actual Totals for the Year Ended December 31, 2020)

	2021			2020
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
System Development Fees	\$ 20,000	\$ -	\$ (20,000)	\$ 13,281
TOTAL REVENUES	20,000	-	(20,000)	13,281
EXPENDITURES				
Public Works				
Building & Bridge Maintenance	200,000	-	200,000	-
Capital Outlay	1,725,000	376,235	1,348,765	459,692
Contingency	75,000	-	75,000	-
TOTAL EXPENDITURES	2,000,000	376,235	1,623,765	459,692
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,980,000)	(376,235)	1,603,765	(446,411)
OTHER FINANCING SOURCES				
Transfers In	1,672,528	-	(1,672,528)	-
NET CHANGE IN FUND BALANCE	(307,472)	(376,235)	(68,763)	(446,411)
FUND BALANCE (DEFICIT), Beginning	307,472	456,722	149,250	903,133
FUND BALANCE (DEFICIT), Ending	\$ -	\$ 80,487	\$ 80,487	\$ 456,722

See the accompanying Independent Auditor's Report.

OTHER INFORMATION

INVERNESS METROPOLITAN IMPROVEMENT DISTRICT

SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND
PROPERTY TAXES COLLECTED

December 31, 2021

Year Ended December 31, (By County)	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mill Levy		Total Property Taxes		Collection Rate
		General	Debt	Levied	Collected	
2015						
Arapahoe County	\$ 181,381,390	4.300	2.350	\$ 1,170,845		
Arapahoe County (2)	15,029,819		0.782	11,754		
Arapahoe County (3)	2,153,180		0.782	1,684		
Douglas County	90,908,250	4.300	2.350	639,880		
Douglas County (4)	1,308,500		0.782	1,023		
Douglas County (5)	531,730		2.350	1,250		
	<u>\$ 291,312,869</u>			<u>\$ 1,826,436</u>	<u>\$ 1,731,176</u>	94.78%
2016						
Arapahoe County	\$ 189,289,580	4.440	2.060	\$ 1,230,370		
Arapahoe County (2)	21,103,110		0.686	14,477		
Arapahoe County (3)	2,201,769		0.686	1,510		
Arapahoe County (4)	1,358,804		0.686	2,799		
Arapahoe County (5)	868,865		0.686	1,790		
Arapahoe County (6)	1,059,612		0.686	2,183		
Douglas County	102,872,540	4.440	2.060	668,672		
Douglas County (7)	1,961,540		0.686	1,346		
Douglas County (8)	1,803,590		2.060	3,715		
	<u>\$ 322,519,410</u>			<u>\$ 1,926,862</u>	<u>\$ 1,960,852</u>	101.76%
2017						
Arapahoe County	\$ 190,273,151	4.650	2.100	\$ 1,284,344		
Douglas County	103,973,770	4.650	2.100	701,823		
	<u>\$ 294,246,921</u>			<u>\$ 1,986,167</u>	<u>\$ 1,960,385</u>	98.70%
2018						
Arapahoe County	\$ 219,464,736	4.250	1.800	\$ 1,327,762		
Douglas County	115,485,070	4.250	1.800	698,685		
	<u>\$ 334,949,806</u>			<u>\$ 2,026,447</u>	<u>\$ 2,014,771</u>	99.42%
2019						
Arapahoe County	\$ 220,608,994	4.350	1.800	\$ 1,356,745		
Douglas County	110,208,860	4.350	1.800	677,785		
	<u>\$ 330,817,854</u>			<u>\$ 2,034,530</u>	<u>\$ 1,996,639</u>	98.14%
2020						
Arapahoe County	\$ 244,573,411	4.500	1.650	\$ 1,504,126		
Douglas County	\$ 107,873,670	4.500	1.650	\$ 663,424		
	<u>\$ 352,447,081</u>			<u>\$ 2,167,550</u>	<u>\$ 1,971,945</u>	90.98%
2021						
Arapahoe County	\$ 242,403,217	4.500	1.650	\$ 1,490,780		
Douglas County	\$ 107,888,480	4.500	1.650	\$ 663,514		
	<u>\$ 350,291,697</u>			<u>\$ 2,154,294</u>	<u>\$ 2,040,840</u>	94.73%
2022 (Estimated)						
Arapahoe County	\$ 255,474,215	4.500	1.650	\$ 1,616,016		
Douglas County	\$ 103,640,490	4.500	1.650	\$ 592,540		
	<u>\$ 359,114,705</u>			<u>\$ 2,208,556</u>		

Note: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurers does not permit identification of specific year of levy.

- (2) - Includes the Inverness North Metropolitan District for debt services payments existing prior to the exclusion.
- (3) - Includes the Fairfield Dry Creek Village properties for debt services payments existing prior to the exclusion.
- (4) - Includes the V3 Golf Villas properties for debt services payments existing prior to the exclusion.
- (5) - Includes the community called AMLI for debt services payments existing prior to the exclusion.
- (6) - Includes the community called Golf Villas for debt services payments existing prior to the exclusion.
- (7) - Includes the community called Avalon at Inverness for debt services payments existing prior to the exclusion.
- (8) - Includes the community called County Line Apartments for debt services payments existing prior to the exclusion.

Source: Arapahoe and Douglas County Assessors and Treasurers.