

**RIVER OAKS METROPOLITAN DISTRICT**

**SUPPLEMENTAL ANNUAL REPORT  
TO  
THE CITY OF COMMERCE CITY**

**FISCAL YEAR ENDING DECEMBER 31, 2022**

**I. ANNUAL REPORT REQUIREMENT**

Pursuant to Section VI of the River Oaks Metropolitan District Service Plan, the District is required to provide an annual report to the City of Commerce City within one hundred twenty (120) days after conclusion of the District's fiscal year, commencing with fiscal year 2005. Such annual report shall include information concerning the following matters:

- A. Boundary changes made or proposed.
- B. Intergovernmental Agreements entered into or proposed.
- C. Changes or proposed changes in the District's policies.
- D. Changes or proposed changes in the District's operations.
- E. Any changes in the financial status of the District including revenue projections, or operating costs.
- F. A summary of any litigation involving the District.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of construction of public improvements.
- I. The current assessed valuation in the District.

**II. FOR THE YEAR ENDING DECEMBER 31, 2022 THE DISTRICT MAKES THE FOLLOWING REPORT:**

- A. Boundary changes made or proposed.

There were no changes made or proposed to the District's boundaries in 2022.

- B. Intergovernmental Agreements entered into or proposed.

There were no new Intergovernmental Agreements entered into or proposed in 2022.

- C. Changes or proposed changes in the District's policies.

There were no changes made or proposed to the District's policies in 2022.

D. Changes or proposed changes in the District's operations.

There were no changes made or proposed to the District's operations in 2022.

E. Any changes in the financial status of the District including revenue projections, or operating costs.

The current status of the financial condition of the District is reflected in the 2023 budget, attached as Exhibit A.

F. A summary of any litigation which involves the District.

There is no litigation, of which we are aware, currently pending or anticipated against the District.

G. Proposed plans for the year immediately following the year summarized in the annual report.

The District has no current plans for construction or acquisition of public improvements for 2023.

H. Status of District's public improvements.

The District did not construct or acquire any improvements in 2022.

I. The current assessed valuation in the District.

The District has received a certification of valuation from the Adams County Assessor that reports a taxable assessed valuation for the District for 2022 of \$10,526,780. The District has certified a mill levy of 52.000 mills to be assessed against the properties within the District, for collection in 2023.

**The following information is provided pursuant to the annual report requirements in § 32-1-207(3)(c), C.R.S.**

J. Boundary changes made.

See Section A.

K. Intergovernmental agreements entered into or terminated with other governmental entities.

See Section B.

L. Access information to obtain a copy of the rules and regulations adopted by the Board.

To date, the Board has not adopted any rules and regulations.

M. A summary of litigation involving public improvements owned by the special district.

The District is not aware of any litigation involving public improvements owned by the District.

N. The status of the construction of public improvements by the special district.

See Section H.

O. A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.

There were no facilities or improvements constructed, conveyed or dedicated by the District in 2022.

P. The final assessed valuation of the special district as of December 31 of the reporting year.

See Section I.

Q. A copy of the current year's budget.

See Section E and Exhibit A.

R. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

See Exhibit B.

S. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the district.

None.

T. Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

The District is able to pay its obligations as they come due.

**EXHIBIT A**  
**2023 BUDGET**

**RIVER OAKS METROPOLITAN DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

**RIVER OAKS METROPOLITAN DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/6/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,263,991	\$ 1,541,722	\$ 1,833,017
REVENUES			
Property taxes	534,645	564,443	547,392
Specific ownership tax	44,435	39,511	38,318
Interest income	842	10,500	28,000
Total revenues	<u>579,922</u>	<u>614,454</u>	<u>613,710</u>
Total funds available	<u>1,843,913</u>	<u>2,156,176</u>	<u>2,446,727</u>
EXPENDITURES			
General and administrative	28,240	38,810	78,000
Debt service	273,951	284,349	288,000
Total expenditures	<u>302,191</u>	<u>323,159</u>	<u>366,000</u>
Total expenditures and transfers out requiring appropriation	<u>302,191</u>	<u>323,159</u>	<u>366,000</u>
ENDING FUND BALANCES	<u>\$ 1,541,722</u>	<u>\$ 1,833,017</u>	<u>\$ 2,080,727</u>
EMERGENCY RESERVE	\$ 5,700	\$ 6,200	\$ 6,200
TOTAL RESERVE	<u>\$ 5,700</u>	<u>\$ 6,200</u>	<u>\$ 6,200</u>

No assurance provided. See summary of significant assumptions.

**RIVER OAKS METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/6/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential	\$ 10,112,570	\$ 10,634,380	\$ 10,337,060
State assessed	4,380	5,890	5,060
Vacant land	10	10	10
Personal property	185,540	214,400	184,650
Certified Assessed Value	<u>\$ 10,302,500</u>	<u>\$ 10,854,680</u>	<u>\$ 10,526,780</u>
<b>MILL LEVY</b>			
General	17.000	17.000	17.000
Debt Service	35.000	35.000	35.000
Total mill levy	<u>52.000</u>	<u>52.000</u>	<u>52.000</u>
<b>PROPERTY TAXES</b>			
General	\$ 175,143	\$ 184,529	\$ 178,955
Debt Service	360,588	379,914	368,437
Levied property taxes	535,731	564,443	547,392
Adjustments to actual/rounding	(1,085)	-	-
Budgeted property taxes	<u>\$ 534,646</u>	<u>\$ 564,443</u>	<u>\$ 547,392</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 174,787	\$ 184,529	\$ 178,955
Debt Service	359,858	379,914	368,437
	<u>\$ 534,645</u>	<u>\$ 564,444</u>	<u>\$ 547,392</u>

No assurance provided. See summary of significant assumptions.

**RIVER OAKS METROPOLITAN DISTRICT  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/6/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 876,389	\$ 1,037,903	\$ 1,204,039
REVENUES			
Property taxes	174,787	184,529	178,955
Specific ownership tax	14,527	12,917	12,527
Interest income	440	7,500	15,000
Total revenues	<u>189,754</u>	<u>204,946</u>	<u>206,482</u>
Total funds available	<u>1,066,143</u>	<u>1,242,849</u>	<u>1,410,521</u>
EXPENDITURES			
General and administrative			
Accounting	12,641	20,000	23,000
Auditing	4,500	4,500	5,500
County Treasurer's fee	2,623	2,768	2,684
Directors' fees	-	-	-
Dues and licenses	300	313	750
Insurance and bonds	2,479	2,479	4,000
Legal services	5,697	5,000	15,000
Miscellaneous	-	250	1,000
Election expense	-	3,500	15,000
Contingency	-	-	11,066
Total expenditures	<u>28,240</u>	<u>38,810</u>	<u>78,000</u>
Total expenditures and transfers out requiring appropriation	<u>28,240</u>	<u>38,810</u>	<u>78,000</u>
ENDING FUND BALANCE	<u>\$ 1,037,903</u>	<u>\$ 1,204,039</u>	<u>\$ 1,332,521</u>
EMERGENCY RESERVE	<u>\$ 5,700</u>	<u>\$ 6,200</u>	<u>\$ 6,200</u>
TOTAL RESERVE	<u>\$ 5,700</u>	<u>\$ 6,200</u>	<u>\$ 6,200</u>

No assurance provided. See summary of significant assumptions.

**RIVER OAKS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/6/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 387,602	\$ 503,819	\$ 628,978
REVENUES			
Property taxes	359,858	379,914	368,437
Specific ownership tax	29,908	26,594	25,791
Interest income	402	3,000	13,000
Total revenues	<u>390,168</u>	<u>409,508</u>	<u>407,228</u>
Total funds available	<u>777,770</u>	<u>913,327</u>	<u>1,036,206</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	5,401	5,699	5,527
Paying agent fees	2,500	3,000	3,000
Contingency	-	-	4,823
Debt Service			
Bond interest	131,050	125,650	119,650
Bond principal	135,000	150,000	155,000
Total expenditures	<u>273,951</u>	<u>284,349</u>	<u>288,000</u>
Total expenditures and transfers out requiring appropriation	<u>273,951</u>	<u>284,349</u>	<u>288,000</u>
ENDING FUND BALANCE	<u>\$ 503,819</u>	<u>\$ 628,978</u>	<u>\$ 748,206</u>

No assurance provided. See summary of significant assumptions.

**RIVER OAKS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by Order and Decree of the District Court of Adams County, Colorado on November 21, 2003, to provide financing for design, acquisition, construction and installation of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, and sewer and drainage facilities, and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of the City of Commerce City in Adams County, Colorado.

The budget is in accordance with the TABOR Amendment limitations, which were modified by the voters in an election held on November 4, 2003. Additionally, the election allows the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. On November 7, 2006, District voters approved authorization to increase property taxes up to \$750,000 annually to pay for the operations and maintenance expenditures of the District. Emergency reserves required under TABOR have been provided.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Pursuant to the Service Plan, the District is allowed to impose a maximum Required Mill Levy for debt service of 50.000 mills.

**RIVER OAKS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - Continued**

**Property Taxes (continued)**

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on average historical earnings.

**Expenditures**

**Administrative and Operating Expenditures**

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, and meeting costs.

**Debt Service**

Amounts budgeted for debt service are based on the amortization schedule for the 2016 Bonds which is attached.

**Debt and Leases**

On November 4, 2016, the District issued \$3,715,000 in General Obligation Refunding Bonds (Unlimited Tax) to refund its Series 2006 Bonds and Series 2010 Subordinate Bonds. The Bonds are due December 1, 2035, with an interest rate of 4.00% - 4.25%, paid semiannually on June 1 and December 1. The bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, on December 1, 2026, and on any date thereafter, upon payment of par and accrued interest, without redemption premium. The bonds are subject to mandatory sinking fund redemption on December 1, 2016, and on each December 1 thereafter in increasing

**RIVER OAKS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

amounts annually through maturity. The bonds are payable from the District's covenant to levy a mill levy on all taxable property within the District in an amount sufficient to pay for debt service payments as well as a portion of specific ownership taxes collected by the District as a result of the imposition of the mill levy.

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") issued its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy.

The District has no operating or capital leases.

**Reserve Funds**

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending as defined under TABOR.

**This information is an integral part of the accompanying budget.**

**RIVER OAKS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<b>\$3,715,000</b>			
<b>General Obligation Bonds</b>			
<b>Series 2016</b>			
<b>Dated November 4, 2016</b>			
<b>Principal Due December 1</b>			
<b>Interest Rate 4.00% - 4.25% Payable</b>			
<b>June 1 and December 1</b>			
<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 155,000	\$ 119,650	\$ 274,650
2024	165,000	113,450	278,450
2025	170,000	106,850	276,850
2026	185,000	100,050	285,050
2027	190,000	92,650	282,650
2028	205,000	84,575	289,575
2029	215,000	75,863	290,863
2030	230,000	66,723	296,723
2031	240,000	56,950	296,950
2032	255,000	46,750	301,750
2033	265,000	35,913	300,913
2034	285,000	24,650	309,650
2035	295,000	12,538	307,538
	<u>\$ 2,855,000</u>	<u>\$ 936,612</u>	<u>\$ 3,791,612</u>

The Series 2016 Bonds are subject to redemption prior to maturity, at the option of the District, beginning December 1, 2026, with no redemption premium.

No assurance provided. See summary of significant assumptions.

**EXHIBIT B**  
**2022 AUDITED FINANCIAL STATEMENTS**

**RIVER OAKS METROPOLITAN DISTRICT  
Adams County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**RIVER OAKS METROPOLITAN DISTRICT  
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Dazzio & Associates, PC

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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
River Oaks Metropolitan District  
Adams County, 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 River Oaks Metropolitan District (the District), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022, and the respective changes in financial position and the respective 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.

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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.

*Duzzio & Associates, P.C.*

June 26, 2023

## **BASIC FINANCIAL STATEMENTS**

**RIVER OAKS METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 1,222,992
Cash and Investments - Restricted	648,443
Receivable - County Treasurer	3,325
Prepaid Expense	2,521
Property Taxes Receivable	547,392
Capital Assets, Net	88,599
Total Assets	<u>2,513,272</u>
<b>LIABILITIES</b>	
Accounts Payable	12,530
Accrued Bond Interest Payable	9,971
Noncurrent Liabilities:	
Due Within One Year	179,884
Due in More Than One Year	<u>2,869,911</u>
Total Liabilities	<u>3,072,296</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	<u>547,392</u>
Total Deferred Inflows of Resources	<u>547,392</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	88,599
Restricted For:	
Emergency Reserves	6,600
Debt Service	631,610
Unrestricted	<u>(1,833,225)</u>
Total Net Position	<u>\$ (1,106,416)</u>

See accompanying Notes to Basic Financial Statements.

**RIVER OAKS METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

<b>FUNCTIONS/PROGRAMS</b>	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government, Including Depreciation	\$ 46,300	\$ -	\$ -	\$ -	\$ (46,300)
Interest on Long-Term Debt and Related Expenses	107,229	-	-	-	(107,229)
Total Government Activities	\$ 153,529	\$ -	\$ -	\$ -	(153,529)
 <b>GENERAL REVENUES</b>					
Property Taxes					565,244
Specific Ownership Taxes					41,335
Net Investment Income					33,956
Total General Revenues					640,535
 <b>CHANGE IN NET POSITION</b>					
					487,006
Net Position - Beginning of Year					(1,593,422)
 <b>NET POSITION - END OF YEAR</b>					
					\$ (1,106,416)

See accompanying Notes to Basic Financial Statements.

**RIVER OAKS METROPOLITAN DISTRICT  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 1,222,992	\$ -	\$ 1,222,992
Cash and Investments - Restricted	6,600	641,843	648,443
Receivable - County Treasurer	1,087	2,238	3,325
Prepaid Expenditure	2,521	-	2,521
Property Taxes Receivable	178,955	368,437	547,392
	<u>\$ 1,412,155</u>	<u>\$ 1,012,518</u>	<u>\$ 2,424,673</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 10,030	\$ 2,500	\$ 12,530
Total Liabilities	10,030	2,500	12,530
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenue	178,955	368,437	547,392
Total Deferred Inflows of Resources	178,955	368,437	547,392
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Expenditure	2,521	-	2,521
Restricted For:			
Emergency Reserves (TABOR)	6,600	-	6,600
Debt Service	-	641,581	641,581
Unassigned	1,214,049	-	1,214,049
Total Fund Balances	1,223,170	641,581	1,864,751
	<u>\$ 1,412,155</u>	<u>\$ 1,012,518</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,412,155</u>	<u>\$ 1,012,518</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital Assets, Net			88,599
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			(2,855,000)
Bond Premium			(194,795)
Accrued Bond Interest Payable			(9,971)
			<u>(3,149,766)</u>
Net Position of Governmental Activities			<u>\$ (1,106,416)</u>

See accompanying Notes to Basic Financial Statements.

**RIVER OAKS METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property Taxes	\$ 184,791	\$ 380,453	\$ 565,244
Specific Ownership Taxes	13,513	27,822	41,335
Net Investment Income	20,608	13,348	33,956
Total Revenues	<u>218,912</u>	<u>421,623</u>	<u>640,535</u>
<b>EXPENDITURES</b>			
Current:			
Accounting	15,128	-	15,128
Auditing	4,500	-	4,500
County Treasurer's Fee	2,774	5,711	8,485
Dues and Licenses	313	-	313
Insurance and Bonds	2,479	-	2,479
Legal Services	6,471	-	6,471
Election Expense	1,980	-	1,980
Debt Service:			
Bond Principal - 2016	-	150,000	150,000
Bond Interest - 2016	-	125,650	125,650
Paying Agent Fees	-	2,500	2,500
Total Expenditures	<u>33,645</u>	<u>283,861</u>	<u>317,506</u>
<b>NET CHANGE IN FUND BALANCES</b>	185,267	137,762	323,029
Fund Balances - Beginning of Year	<u>1,037,903</u>	<u>503,819</u>	<u>1,541,722</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,223,170</u>	<u>\$ 641,581</u>	<u>\$ 1,864,751</u>

See accompanying Notes to Basic Financial Statements.

**RIVER OAKS METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Changes in Fund Balances - Total Governmental Funds	\$	323,029
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.</p>		
Depreciation		(12,655)
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Principal Payment		150,000
<p>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.</p>		
Accrued Interest on Bonds Payable - Change in Liability		500
Amortization of Bond Premium		26,132
		487,006
Change in Net Position of Governmental Activities	\$	487,006

See accompanying Notes to Basic Financial Statements.

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

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 184,529	\$ 184,791	\$ 262
Specific Ownership Taxes	12,917	13,513	596
Net Investment Income	500	20,608	20,108
Total Revenues	<u>197,946</u>	<u>218,912</u>	<u>20,966</u>
<b>EXPENDITURES</b>			
Current:			
Accounting	20,000	15,128	4,872
Auditing	5,000	4,500	500
County Treasurer's Fee	2,768	2,774	(6)
Directors' Fees	500	-	500
Dues and Licenses	500	313	187
Insurance and Bonds	3,000	2,479	521
Legal Services	10,000	6,471	3,529
Miscellaneous	1,000	-	1,000
Election Expense	15,000	1,980	13,020
Contingency	5,732	-	5,732
Total Expenditures	<u>63,500</u>	<u>33,645</u>	<u>29,855</u>
<b>NET CHANGE IN FUND BALANCE</b>	134,446	185,267	50,821
Fund Balance - Beginning of Year	<u>1,033,386</u>	<u>1,037,903</u>	<u>4,517</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,167,832</u>	<u>\$ 1,223,170</u>	<u>\$ 55,338</u>

See accompanying Notes to Basic Financial Statements.

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

River Oaks 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 for Adams County on November 21, 2003, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a service plan approved by Commerce City (theCity) on September 15, 2003. The District's service area is located in Adams County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the design, acquisition, construction and installation of streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito control, water facilities, sanitary sewer, and storm drainage.

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 has no employees, and all operations and administrative functions are contracted.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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.

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

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

Separate financial statements are provided for 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District 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 debt of the governmental funds.

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

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

**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 unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets, which include roadway improvements, are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over 20 years for roadway improvements.

**Amortization**

**Original Issue Premium**

In the government-wide financial statements bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 assets 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.

**Equity**

**Net Position**

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component.

*Restricted* – This component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

*Unrestricted* – The component of net position that does not meet the definitions above.

**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.

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

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

If more than one classification of fund 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**

Investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 1,222,992
Cash and Investments - Restricted	648,443
Total Cash and Investments	\$ 1,871,435

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

Deposits with Financial Institution	\$ 3,617
Investments	1,867,818
Total Cash and Investments	\$ 1,871,435

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District had a bank and a carrying balance of \$3,617.

**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 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.

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

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Investments (Continued)**

As of December 31, 2022, 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>\$ 1,867,818</u>

**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 currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations 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, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, 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 CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 CAPITAL ASSETS**

An analysis of changes in capital assets for the year ended December 31, 2022, follows:

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
Capital Assets, Being Depreciated:				
Roadway Improvements	\$ 253,132	\$ -	\$ -	\$ 253,132
Less Accumulated Depreciation For:				
Roadway Improvements	(151,878)	(12,655)	-	(164,533)
Total Capital Assets, Being Depreciated, Net	101,254	(12,655)	-	88,599
Capital Assets, Net	<u>\$ 101,254</u>	<u>\$ (12,655)</u>	<u>\$ -</u>	<u>\$ 88,599</u>

Depreciation expense was charged to the general government function.

The District owns certain roadway improvements (Filing 2 Roadways) that will be maintained by the Homeowner's Association. The District will consider taking on maintenance costs for the roadways in the future.

**NOTE 5 LONG-TERM DEBT**

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

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
General Obligation Bonds:	-			-	
2016 G.O. Bonds	\$ 3,005,000	\$ -	\$ 150,000	\$ 2,855,000	\$ 155,000
2016 Bond Premium	220,927	-	26,132	194,795	24,884
Total	<u>\$ 3,225,927</u>	<u>\$ -</u>	<u>\$ 176,132</u>	<u>\$ 3,049,795</u>	<u>\$ 179,884</u>

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

**Series 2016 Bonds**

On November 4, 2016, the District issued \$3,715,000 in General Obligation Refunding Bonds (Unlimited Tax) to refund its Series 2006 Bonds and Series 2010 Subordinate Bonds. The Bonds are due December 1, 2035, with an interest rate of 4.00% - 4.25%, paid semiannually on June 1 and December 1. The yield on the Bonds is 2.931%. The bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, on December 1, 2026, and on any date thereafter, upon payment of par and accrued interest, without redemption premium. The bonds are subject to mandatory sinking fund redemption on December 1, 2016, and on each December 1 thereafter in increasing amounts annually through maturity. The bonds are payable from the District's covenant to levy a mill levy on all taxable property within the District in an amount sufficient to pay for debt service payments as well as a portion of specific ownership taxes collected by the District as a result of the imposition of the mill levy. Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. (AGM) issued its Municipal Bond Insurance Policy for the Bonds (the Policy). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy.

The District's bond obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 155,000	\$ 119,650	\$ 274,650
2024	165,000	113,450	278,450
2025	170,000	106,850	276,850
2026	185,000	100,050	285,050
2027	190,000	92,650	282,650
2028-2032	1,145,000	330,863	1,475,863
2033-2035	845,000	73,101	918,101
Total	<u>\$ 2,855,000</u>	<u>\$ 936,614</u>	<u>\$ 3,791,614</u>

**Events of Default**

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default.

- a) Payment of principal or redemption premium is not made when due;
- b) Payment of interest is not made when due;
- c) Defaults in the performance or observation of any of the other covenants, agreements, or conditions set forth in the Indenture or Bond Resolution, and failure to remedy after notice;
- d) Filing of petition under federal bankruptcy laws.

Acceleration of the bonds shall not be remedy for an Event of Default.

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

**Authorized Debt**

On November 4, 2003, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$24,592,200 at an interest rate not to exceed 18% per annum. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts for the following purposes:

	Authorized November 4, 2003 Election	Authorization Used, Series 2006	Authorization Used, Series 2010	Authorization Used, Series 2016	Remaining at December 31, 2021
Street Improvements	\$ 4,500,000	\$ 1,870,000	\$ 248,474	\$ -	\$ 2,381,526
Traffic and Safety Controls	500,000	20,000	-	-	480,000
Water Supply	1,546,000	905,000	133,093	-	507,907
Sanitary Sewer	3,330,000	1,120,000	118,433	-	2,091,567
Parks and Recreational Facilities	1,000,100	-	-	-	1,000,100
Public Transportation System	750,000	-	-	-	750,000
Television Relay and Translation System	520,000	-	-	-	520,000
Mosquito Control	100,000	-	-	-	100,000
Operations and Maintenance	100,000	-	-	-	100,000
Bond Refunding	12,246,100	-	-	3,715,000	8,531,100
Total	<u>\$ 24,592,200</u>	<u>\$ 3,915,000</u>	<u>\$ 500,000</u>	<u>\$ 3,715,000</u>	<u>\$ 16,462,200</u>

The service plan limits the District's debt service to a maximum mill levy of 50.000 mills provided, however, that in the event the method of calculating the assessed valuation is changed after the date of the approved service plan, the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**NOTE 6 NET POSITION**

The District has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investment in capital assets of \$88,599.

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 6 NET POSITION (CONTINUED)**

Restricted assets include net position 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's restricted net position as of December 31, 2022, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 6,600
Debt Service	<u>631,610</u>
Total Restricted Net Position	<u><u>\$ 638,210</u></u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**NOTE 7 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, public officials' liability, and worker's compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**RIVER OAKS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS**

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

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

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.

On November 7, 2006, District voters authorized the District to increase property taxes \$750,000 annually, without limitation to rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

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

## **SUPPLEMENTARY INFORMATION**

**RIVER OAKS METROPOLITAN DISTRICT  
DEBT SERVICE FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 379,914	\$ 380,453	\$ 539
Specific Ownership Taxes	26,594	27,822	1,228
Net Investment Income	200	13,348	13,148
Total Revenues	<u>406,708</u>	<u>421,623</u>	<u>14,915</u>
<b>EXPENDITURES</b>			
Current:			
County Treasurer's Fees	5,699	5,711	(12)
Contingency	3,651	-	3,651
Debt Service:			
Bond Principal - 2016	150,000	150,000	-
Bond Interest - 2016	125,650	125,650	-
Paying Agent Fees	3,000	2,500	500
Total Expenditures	<u>288,000</u>	<u>283,861</u>	<u>4,139</u>
<b>NET CHANGE IN FUND BALANCE</b>	118,708	137,762	19,054
Fund Balance - Beginning of Year	<u>499,246</u>	<u>503,819</u>	<u>4,573</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 617,954</u>	<u>\$ 641,581</u>	<u>\$ 23,627</u>

## **OTHER INFORMATION**

**RIVER OAKS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2022**

\$3,715,000 General Obligation Bonds Series 2016 Dated November 4, 2016 Principal Due December 1 Interest Rate 4.00% - 4.25% Payable June 1 and December 1			
Year Ended December 31,	Principal	Interest	Total
2023	\$ 155,000	\$ 119,650	\$ 274,650
2024	165,000	113,450	278,450
2025	170,000	106,850	276,850
2026	185,000	100,050	285,050
2027	190,000	92,650	282,650
2028	205,000	84,575	289,575
2029	215,000	75,863	290,863
2030	230,000	66,725	296,725
2031	240,000	56,950	296,950
2032	255,000	46,750	301,750
2033	265,000	35,913	300,913
2034	285,000	24,650	309,650
2035	295,000	12,538	307,538
Total	\$ 2,855,000	\$ 936,614	\$ 3,791,614

The Series 2016 Bonds are subject to redemption prior to maturity, at the option of the District, beginning December 1, 2026, with no redemption premium.

**RIVER OAKS METROPOLITAN DISTRICT  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt Service	Levied	Collected	
2018	\$ 8,819,980	17.000	35.000	\$ 458,639	\$ 458,639	100.00 %
2019	8,831,170	17.000	35.000	459,221	459,221	100.00
2020	10,248,660	17.000	35.000	532,930	532,930	100.00
2021	10,302,500	17.000	35.000	535,730	534,645	99.80
2022	10,854,680	17.000	35.000	564,443	565,244	100.14
Estimated for the Year Ending December 31, 2023	\$ 10,526,780	17.000	35.000	\$ 547,392		

**RIVER OAKS METROPOLITAN DISTRICT  
INDEX OF LIMITED OFFERING MEMORANDUM TABLES  
DECEMBER 31, 2022**

History of Assessed Valuations and Mill Levies for the District – see page 23

Property Tax Collections in the District – see page 23

Assessed Valuation of Classes of Property in the District

**2022 Assessed Valuation of Classes of Property in the District**

Property Class	Total Assessed Valuation	Percentage of Total Assessed Valuation
Residential	\$ 10,337,060	98.2 %
State Assessed	5,060	0.0
Personal Property	184,650	1.8
Vacant	10	0.0
Total	<u>\$ 10,526,780</u>	<u>100.0 %</u>

Statement of Revenue, Expenditures, and Changes in Fund Balance – General Fund – see page 6