

RIVER OAKS METROPOLITAN DISTRICT

**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.

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
ASSESSED VALUATION			
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	\$ 10,302,500	\$ 10,854,680	\$ 10,526,780
MILL LEVY			
General	17.000	17.000	17.000
Debt Service	35.000	35.000	35.000
Total mill levy	52.000	52.000	52.000
PROPERTY TAXES			
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	\$ 534,646	\$ 564,443	\$ 547,392
BUDGETED PROPERTY TAXES			
General	\$ 174,787	\$ 184,529	\$ 178,955
Debt Service	359,858	379,914	368,437
	\$ 534,645	\$ 564,444	\$ 547,392

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**

\$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			
<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.