

RIVER OAKS METROPOLITAN DISTRICT

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

FISCAL YEAR ENDING DECEMBER 31, 2020

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, 2020 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 2020.

- B. Intergovernmental Agreements entered into or proposed.

There were no new Intergovernmental Agreements entered into or proposed in 2020.

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

There were no changes made or proposed to the District's policies in 2020.

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

There were no changes made or proposed to the District's operations in 2020.

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 2021 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 2020.

H. Status of District's public improvements.

The District did not construct or acquire any improvements in 2020.

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 2020 of \$10,302,500. The District has certified a mill levy of 52.000 mills to be assessed against the properties within the District, for collection in 2021.

EXHIBIT A
2021 BUDGET

RIVER OAKS METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

**RIVER OAKS METROPOLITAN DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 765,579	\$ 989,596	\$ 1,260,668
REVENUES			
Property taxes	459,221	532,930	535,730
Specific ownership tax	37,297	37,150	37,500
Interest income	22,505	7,500	6,900
Total revenues	<u>519,023</u>	<u>577,580</u>	<u>580,130</u>
Total funds available	<u>1,284,602</u>	<u>1,567,176</u>	<u>1,840,798</u>
EXPENDITURES			
General and administrative	26,818	32,877	50,000
Debt service	268,188	273,631	278,000
Total expenditures	<u>295,006</u>	<u>306,508</u>	<u>328,000</u>
Total expenditures and transfers out requiring appropriation	<u>295,006</u>	<u>306,508</u>	<u>328,000</u>
ENDING FUND BALANCES	<u>\$ 989,596</u>	<u>\$ 1,260,668</u>	<u>\$ 1,512,798</u>
EMERGENCY RESERVE	<u>\$ 5,400</u>	<u>\$ 5,800</u>	<u>\$ 5,800</u>
TOTAL RESERVE	<u>\$ 5,400</u>	<u>\$ 5,800</u>	<u>\$ 5,800</u>

No assurance provided. See summary of significant assumptions.

**RIVER OAKS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION			
Residential	\$ 8,758,100	\$ 10,106,550	\$ 10,112,570
State assessed	290	3,030	4,380
Vacant land	10	10	10
Personal property	72,770	139,070	185,540
Certified Assessed Value	<u>\$ 8,831,170</u>	<u>\$ 10,248,660</u>	<u>\$ 10,302,500</u>
MILL LEVY			
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>
PROPERTY TAXES			
General	\$ 150,130	\$ 174,227	\$ 175,142
Debt Service	309,091	358,703	360,588
Budgeted property taxes	<u>\$ 459,221</u>	<u>\$ 532,930</u>	<u>\$ 535,730</u>
BUDGETED PROPERTY TAXES			
General	\$ 150,130	\$ 174,227	\$ 175,142
Debt Service	309,091	358,703	360,588
	<u>\$ 459,221</u>	<u>\$ 532,930</u>	<u>\$ 535,730</u>

No assurance provided. See summary of significant assumptions.

**RIVER OAKS METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 564,954	\$ 715,230	\$ 873,730
REVENUES			
Property taxes	150,130	174,227	175,142
Specific ownership tax	12,193	12,150	12,260
Interest income	14,771	5,000	4,700
Total revenues	<u>177,094</u>	<u>191,377</u>	<u>192,102</u>
Total funds available	<u>742,048</u>	<u>906,607</u>	<u>1,065,832</u>
EXPENDITURES			
General and administrative			
Accounting	12,377	16,000	20,000
Auditing	4,300	4,300	5,000
County Treasurer's fee	2,253	2,613	2,627
Directors' fees	200	500	500
Dues and licenses	309	347	500
Insurance and bonds	2,358	2,410	2,500
Legal services	5,006	5,000	10,000
Miscellaneous	15	300	1,000
Election expense	-	1,407	-
Contingency	-	-	7,873
Total expenditures	<u>26,818</u>	<u>32,877</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>26,818</u>	<u>32,877</u>	<u>50,000</u>
ENDING FUND BALANCE	<u>\$ 715,230</u>	<u>\$ 873,730</u>	<u>\$ 1,015,832</u>
EMERGENCY RESERVE	<u>\$ 5,400</u>	<u>\$ 5,800</u>	<u>\$ 5,800</u>
TOTAL RESERVE	<u>\$ 5,400</u>	<u>\$ 5,800</u>	<u>\$ 5,800</u>

No assurance provided. See summary of significant assumptions.

**RIVER OAKS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 200,625	\$ 274,366	\$ 386,938
REVENUES			
Property taxes	309,091	358,703	360,588
Specific ownership tax	25,104	25,000	25,240
Interest income	7,734	2,500	2,200
Total revenues	<u>341,929</u>	<u>386,203</u>	<u>388,028</u>
Total funds available	<u>542,554</u>	<u>660,569</u>	<u>774,966</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	4,638	5,381	5,409
Paying agent fees	2,500	3,000	3,000
Contingency	-	-	3,541
Debt Service			
Bond interest	141,050	135,250	131,050
Bond principal	120,000	130,000	135,000
Total expenditures	<u>268,188</u>	<u>273,631</u>	<u>278,000</u>
Total expenditures and transfers out requiring appropriation	<u>268,188</u>	<u>273,631</u>	<u>278,000</u>
ENDING FUND BALANCE	<u>\$ 274,366</u>	<u>\$ 386,938</u>	<u>\$ 496,966</u>

No assurance provided. See summary of significant assumptions.

**RIVER OAKS METROPOLITAN DISTRICT
2021 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.

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.

**RIVER OAKS METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - Continued

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of .50%.

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 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>	
2021	\$ 135,000	\$ 131,050	\$	266,050
2022	150,000	125,650		275,650
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><u>\$ 3,140,000</u></u>	<u><u>\$ 1,193,312</u></u>	<u><u>\$</u></u>	<u><u>4,333,312</u></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.