

ANNUAL REPORT
for the year ended December 31, 2022

RIVERWALK METROPOLITAN DISTRICT NOS. 1-3
(the “Districts”)

<https://riverwalkmetrodistrict.specialdistrict.net/>

As required by Section 32-1-207(3)(c), C.R.S. and Section VII of the Districts’ Consolidated Service Plan, as approved by the City of Glendale (“City”) on September 4, 2012, the Districts submit the following documents and information to the City for report year 2022:

1. Boundary changes made or proposed to each Districts’ boundary as of December 31 of the prior year:

0.955 acres of land were included into the boundaries of District No. 2 by that certain Order for Inclusion recorded on February 7, 2022, at Reception Number E2014678, in the Office of the Arapahoe County Clerk and Recorder.

2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year:

The Districts entered into an Amended and Restated Intergovernmental Agreement with the City, dated February 17, 2022.

District No. 2 entered into an Amended and Restated Reimbursement Agreement with the Glendale Downtown Development Authority, the City, and Glendale Development Partners LLC (the “Developer”), dated February 17, 2022.

District No. 2 entered into an Agreement for PIF Collection with the City, dated April 5, 2022.

3. Copies of the Districts’ Rules and Regulations, if any, as of December 31 of the prior year / Access information to obtain a copy of rules and regulations adopted:

The Districts have not adopted any rules and regulations to date. In the event the Districts adopt rules and regulations, it will be noted in a future annual report and copies will be accessible at the offices of the Districts’ General Counsel, McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado 80203, or on the Districts’ website: <https://riverwalkmetrodistrict.specialdistrict.net/>.

4. A summary of any litigation involving the Public Improvements as of December 31 of the prior year:

The Districts were not involved in any litigation in 2022.

5. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year:

6. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year:

As of December 31, 2022, the Developer has commenced demolition of the building located on the Gamma property.

The assessed valuation of the Districts for the report year:

District No. 1: \$725

District No. 2: \$232,097

District No. 3: \$1,450

7. Current year budget including a description of the Public Improvements to be constructed in such year:

A copy of the 2023 budget for District No. 2 is attached hereto as **Exhibit A**.

District No. 1 and District No. 3 are inactive.

District No. 2 entered into a Project Management Agreement with the Developer, dated May 25, 2022, relating to the construction and installation of public infrastructure improvements. The Developer commenced demolition of the building located on the Gamma property. No other construction activities occurred during 2022.

8. Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable:

District No. 1 and District No. 3 were exempt from Audit, pursuant to § 29-1-604, C.R.S. Copies of the 2022 Applications for Exemption from Audit are attached hereto as **Exhibit B**.

A copy of the 2022 Audit for District No. 2 is attached hereto as **Exhibit C**.

9. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument:

None.

10. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period:

None.

11. Conveyances or dedications of facilities or improvements, constructed by the District, to the City:

None.

EXHIBIT A
DISTRICT NO. 2 - 2023 BUDGET

RESOLUTION NO. 2022-11-02

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF RIVERWALK
METROPOLITAN DISTRICT NO. 2, CITY OF GLENDALE, ARAPAHOE COUNTY,
COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING
EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND
APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2023**

A. The Board of Directors of Riverwalk Metropolitan District No. 2 (the “**District**”) has appointed Marchetti & Weaver, LLC to prepare and submit a proposed budget to said governing body at the proper time.

B. Marchetti & Weaver, LLC has submitted a proposed budget to this governing body by October 15, 2022 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 9, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RIVERWALK METROPOLITAN DISTRICT NO. 2, ARAPAHOE COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT
BUDGET AND APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on November 9, 2022.

**RIVERWALK METROPOLITAN
DISTRICT NO. 2**

By: Michael Francone
President

Attest:

By: Catherine V. Weir
Secretary

EXHIBIT A

Budget

RIVERWALK METROPOLITAN DISTRICT NO. 2

2023

BUDGET MESSAGE

Riverwalk Metropolitan Districts 1-3 are quasi-municipal corporations organized and operated pursuant to provisions set forth in the Colorado Special District Act. The districts were formed with the primary purposes of financing construction of public improvements as defined in the Service Plan and to undertake ongoing operations and maintenance services for public improvements to the extent authorized pursuant to an intergovernmental agreement with the City of Glendale, Colorado.

The districts have no employees and all operations and administrative functions are contracted.

The following budget is prepared using the modified accrual basis of accounting and has been adopted after proper postings, publications and public hearing.

BUDGET STRATEGY

The districts were formed to perform and provide the activities defined in the Consolidated Service Plan in a cost-effective manner. The Riverwalk Metropolitan District 2 (“District”) has adopted a budget for a general fund, debt service fund, and capital fund.

REVENUE

General fund revenue is budgeted to be provided by advances from the developer. Debt fund revenue is budgeted to be provided reserves set aside at the time of the issuance of the bonds. Capital fund revenue is budgeted to be primarily from funds previously transferred from the debt service fund at the time the bonds were issued..

EXPENDITURES

General fund expenditures relate to administrative and insurance costs necessary to maintain the district. Debt fund expenditures are debt service payments on bonds issued in 2022. Capital fund expenditures relate to the commencement of design and construction of public improvements.

Riverwalk Metropolitan District No. 2

Statement of Net Position

September 30, 2022

	Capital Projects				Total
	General Fund	Debt Service Fund	Fund	Fixed Assets & LTD	
ASSETS					
CASH					
Cash- Checking	44,808				44,808
Series 2022A - Bond Payment		7,990			7,990
Series 2022A - Capitalized Interest		8,218,551			8,218,551
Series 2022A - Surplus		4,694,024			4,694,024
Series 2022A - Cost of Issuance		-			-
Series 2022A - Project			44,007,592		44,007,592
Series 2022B - Project			10,654,437		10,654,437
Pooled Cash	29,819	(5,000)	(24,819)		-
TOTAL CASH	74,627	12,915,565	54,637,211	-	67,627,403
OTHER CURRENT ASSETS					
Due From County Treasurer	-		-		-
Property Tax Receivable	-		-		-
Prepaid Expense	4,304				4,304
TOTAL OTHER CURRENT ASSETS	4,304	-	-	-	4,304
FIXED ASSETS					
Land- Gamma Property				2,850,000	2,850,000
Construction in Progress				-	-
Accumulated Depreciation				-	-
TOTAL FIXED ASSETS	-	-	-	2,850,000	2,850,000
TOTAL ASSETS	78,931	12,915,565	54,637,211	2,850,000	70,481,707
LIABILITIES & DEFERRED INFLOWS					
CURRENT LIABILITIES					
Accounts Payable	82,118		-		82,118
TOTAL CURRENT LIABILITIES	82,118	-	-	-	82,118
DEFERRED INFLOWS					
Deferred Property Taxes	-		-		-
TOTAL DEFERRED INFLOWS	-	-	-	-	-
LONG-TERM LIABILITIES					
Developer Payable- Operations				79,544	79,544
Developer Payable- Capital				2,850,000	2,850,000
Bonds Payable - Series 2022A				59,035,000	59,035,000
Bonds Payable - Series 2022B				10,902,000	10,902,000
Bond Premium Series 2022A (Net of Amort)				439,628	439,628
Accd Int on Dev Payable- Ops				-	-
Accd Int on Dev Payable- Cap				-	-
Accrued Interest- 2020A Bonds				-	-
Accrued Interest- 2020 B Bonds				-	-
Accrued But Unpaid Int- 2020B				-	-
TOTAL LONG-TERM LIABILITIES	-	-	-	73,306,171	73,306,171
TOTAL LIAB & DEF INFLOWS	82,118	-	-	73,306,171	73,388,289
NET POSITION					
Inv in Capital Assets, Net of Debt				(70,456,171)	(70,456,171)
Fund Balance- Non-Spendable	4,304				4,304
Fund Balance- Restricted	4,500	12,915,565	54,637,211		67,557,276
Fund Balance- Unassigned	(11,991)				(11,991)
TOTAL NET POSITION	(3,187)	12,915,565	54,637,211	(70,456,171)	(2,906,583)

Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

	2021 Unaudited Actual	2022 Adopted Budget	Variance Positive (Negative)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
PROPERTY TAXES									
Total Assessed Valuation	725	725	-	725				232,097	Nov. 2022 Final AV
Mill Levy - General Fund	-	-	-	-				-	Assume No Levy For 2023
Mill Levy - Debt Service Fund	-	-	-	-				-	No Debt Service Levy Anticipated
Total	-	-	-	-				-	
Property Tax Revenue - General Fund	-	-	-	-				-	AV * Mills / 1,000
Property Tax Revenue - Debt Service Fund	-	-	-	-				-	AV * Mills / 1,000
Total	-	-	-	-				-	
GENERAL FUND									
REVENUE									
Property taxes	-	-	-	-	-	-	-	-	Assume No Levy For 2023
Specific Ownership Taxes	-	-	-	-	-	-	-	-	6% of Property Taxes
Interest Income	-	-	-	-	-	-	-	-	
TOTAL REVENUE	-	-	-	-	-	-	-	-	
EXPENDITURES									
Accounting	2,933	35,000	-	35,000	17,161	26,250	9,089	35,000	Based on 2022 Forecast
Audit	-	-	-	-	-	-	-	8,000	Audit Required By Bonds
Legal	7,678	75,000	-	75,000	41,701	56,250	14,549	75,000	Based on 2022 Forecast
Engineering	2,797	-	-	-	-	-	-	-	In Capital Fund
Insurance & SDA Dues	-	4,000	(2,453)	6,453	6,453	4,000	(2,453)	4,000	District No. 2 Only
Elections	-	-	(2,500)	2,500	2,391	-	(2,391)	3,000	Assumes election is cancelled
Treasurer's Fees	-	-	-	-	-	-	-	-	1.5 % of property taxes
Office Supplies, Bank & Biil.com Fees, Other	-	2,000	-	2,000	846	1,500	654	2,000	Checks, bill.com fees, misc other
Website	-	-	(771)	771	771	-	(771)	500	Assumes hosting & maintenance only
Contingency	-	75,000	75,000	-	-	-	-	50,000	Unforeseen needs
TOTAL EXPENDITURES	13,408	191,000	69,276	121,724	69,323	88,000	18,677	177,500	
REVENUE OVER / (UNDER) EXPENDITURES	(13,408)	(191,000)	69,276	(121,724)	(69,323)	(88,000)	18,677	(177,500)	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	-	-	-	-	-	-	-	
Developer Advances	-	200,000	(50,000)	150,000	79,544	150,000	(70,457)	178,000	To cover shortfall and fund small reserve
TOTAL OTHER SOURCES / (USES)	-	200,000	(50,000)	150,000	79,544	150,000	(70,457)	178,000	
CHANGE IN FUND BALANCE	(13,408)	9,000	19,276	28,276	10,220	62,000	(51,780)	500	
BEGINNING FUND BALANCE	-	-	(13,408)	(13,408)	(13,408)	-	(13,408)	14,868	
ENDING FUND BALANCE	(13,408)	9,000	5,868	14,868	(3,187)	62,000	(65,187)	15,368	
	=	=	=	=	=	=	=	=	

Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

	2021 Unaudited Actual	2022 Adopted Budget	Variance Positive (Negative)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
DEBT SERVICE FUND									
REVENUE									
Property Taxes	-	-	-	-	-	-	-	-	No Debt Service Levy Anticipated
Specific Ownership Taxes	-	-	-	-	-	-	-	-	6% of Property Taxes
Increment Revenue- Property Taxes	-	-	-	-	-	-	-	-	Per Series 2022 financial plan
Increment Revenue- Sales Taxes	-	-	-	-	-	-	-	-	Per Series 2022 financial plan
Increment Revenue- Lodging Taxes	-	-	-	-	-	-	-	-	Per Series 2022 financial plan
Add On Sales PIF Revenue	-	-	-	-	-	-	-	-	Per Series 2022 financial plan
Add On Lodging PIF Revenue	-	-	-	-	-	-	-	-	Per Series 2022 financial plan
Interest Income	-	10,000	165,000	175,000	97,107	7,500	89,607	359,000	3.5% on Cap I and Surplus Fund Balance
TOTAL REVENUE	-	10,000	165,000	175,000	97,107	7,500	89,607	359,000	
EXPENDITURES									
Treasurer's Fees	-	-	-	-	-	-	-	-	
PIF Collection Agent Fee	-	-	(5,000)	5,000	5,000	-	(5,000)	-	Assume \$0 Since No Revenue
Series 2021A Interest	-	2,701,338	692,444	2,008,894	556,681	1,350,669	793,987	2,904,425	Per Amortization Schedule
Series 2021A Principal	-	-	-	-	-	-	-	-	Per Amortization Schedule
Series 2021B Interest	-	-	-	-	-	-	-	-	Cash flow bonds- No Funds Available
Series 2021B Principal	-	-	-	-	-	-	-	-	Cash flow bonds- No Funds Available
Cost of Debt Issuance	-	1,965,430	(31,058)	1,996,488	1,996,488	1,965,430	(31,058)	-	
Trustee Fees	-	-	-	-	-	-	-	-	\$7K Annual Fee- Prepaid for 2023
Contingency	-	500,000	500,000	-	-	500,000	500,000	25,000	Unforeseen Needs
TOTAL EXPENDITURES	-	5,166,768	1,156,386	4,010,382	2,558,169	3,816,099	1,257,929	2,929,425	
REVENUE OVER / (UNDER) EXPENDITURES	-	(5,156,768)	1,321,386	(3,835,382)	(2,461,063)	(3,808,599)	1,347,536	(2,570,425)	
OTHER SOURCES / (USES)									
Transfers In/(Out) Capital & General	-	(55,000,558)	558	(55,000,000)	(55,000,000)	(55,000,558)	558	-	
Bond Proceeds	-	69,781,000	156,000	69,937,000	69,937,000	69,781,000	156,000	-	
Bond Premium	-	-	439,628	439,628	439,628	-	439,628	-	
TOTAL OTHER SOURCES / (USES)	-	14,780,443	596,186	15,376,628	15,376,628	14,780,443	596,185	-	
CHANGE IN FUND BALANCE	-	9,623,675	1,917,571	11,541,246	12,915,565	10,971,844	1,943,721	(2,570,425)	
BEGINNING FUND BALANCE	-	-	-	-	-	-	-	11,541,246	
ENDING FUND BALANCE	-	9,623,675	1,917,571	11,541,246	12,915,565	10,971,844	1,943,721	8,970,821	
COMPONENTS OF FUND BALANCE									
Capitalized Interest	-	5,402,675	-	6,879,381	8,218,551	-	-	4,308,956	Net after Interest Payment & Contingency
Bond Fund	-	-	-	-	7,990	-	-	-	
Surplus Deposit	-	4,211,000	-	4,659,000	4,694,024	-	-	4,659,000	Fill to \$12,560,000 Max
Cost of Issuance	-	-	-	-	-	-	-	-	
Internal Balances/ Other Debt Service	-	10,000	-	2,865	(5,000)	-	-	2,865	
TOTAL FUND BALANCE	-	9,623,675	1,917,571	11,541,246	12,915,565	10,971,844	1,943,721	8,970,821	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

	2021 Unaudited Actual	2022 Adopted Budget	Variance Positive (Negative)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
CAPITAL FUND									
REVENUE									
Interest Income		27,500	705,500	733,000	409,552	18,333	391,219	1,585,000	3.5% on Average Fund Balance
TOTAL REVENUE	-	27,500	705,500	733,000	409,552	18,333	391,219	1,585,000	
EXPENDITURES									
Capital:									
Capital Improvements		55,028,058	54,278,058	750,000	575,994	27,514,029	26,938,035	20,000,000	
Gamma Property Purchase			(2,850,000)	2,850,000	2,850,000	-	(2,850,000)		
Cost Certification Services		-	(20,000)	20,000	16,418	-	(16,418)	40,000	
Accounting		-	(10,000)	10,000	5,302	-	(5,302)	20,000	
Legal		-	(6,000)	6,000	2,338	-	(2,338)	20,000	
Other Professional Fees		-	(23,361)	23,361	23,361	-	(23,361)		
Bank Fees		-	-	-	-	-	-		
Contingency								35,836,327	Remaining Funds Budgeted As Contingency
Debt Service:									
Developer Repayment- Interest		-	(307,313)	307,313	148,928	-	(148,928)	285,000	Gamma Interest at Estimated 10% Rate
Developer Repayment- Principal		-	-	-	-	-	-	-	Gamma Target Likely Not Reached in 2023
TOTAL EXPENDITURES	-	55,028,058	51,061,384	3,966,674	3,622,341	27,514,029	23,891,687	56,201,327	
REVENUE OVER / (UNDER) EXPENDITURES	-	(55,000,558)	51,766,884	(3,233,674)	(3,212,789)	(27,495,695)	24,282,906	(54,616,327)	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	55,000,558	(558)	55,000,000	55,000,000	55,000,558	(558)	-	
Developer Advances		-	2,850,000	2,850,000	2,850,000	-	2,850,000	-	Gamma Property Advance in 2022
TOTAL OTHER SOURCES / (USES)	-	55,000,558	2,849,443	57,850,000	57,850,000	55,000,558	2,849,443	-	
CHANGE IN FUND BALANCE	-	-	54,616,327	54,616,327	54,637,211	27,504,862	27,132,349	(54,616,327)	
BEGINNING FUND BALANCE	-	-	-	-	-	-	-	54,616,327	
ENDING FUND BALANCE	-	-	54,616,327	54,616,327	54,637,211	27,504,862	27,132,349	-	
	=	=	=	=	=	=	=	=	

I, Catherine V. Will, hereby certify that I am the duly appointed Secretary of the Riverwalk Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Riverwalk Metropolitan District No. 2 held on November 9, 2022.



Secretary

EXHIBIT B

DISTRICT NO. 1 AND DISTRICT NO. 3 - 2022 AUDIT EXEMPTION APPLICATIONS

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

**NAME OF GOVERNMENT
ADDRESS**

Riverwalk Metropolitan District No. 1
245 Century Circle
Suite 103
Louisville, CO 80027
Eric Weaver
970-926-6060

**For the Year Ended
12/31/22
or fiscal year ended:**

**CONTACT PERSON
PHONE
EMAIL**

Eric@mwcpaa.com

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

**NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED**

Eric Weaver
Accountant/CPA
Marchetti & Weaver, LLC
28 2nd St, Unit 213, Edwards, CO 81632
(970) 926-6060
3/24/2023

PREPARER (SIGNATURE REQUIRED)



Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ -	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ -	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

- | | | Yes | No |
|-----|---|-------------------------------------|-------------------------------------|
| 4-1 | Does the entity have outstanding debt?
If Yes, please attach a copy of the entity's Debt Repayment Schedule. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-2 | Is the debt repayment schedule attached? If no, MUST explain:
<div style="border: 1px solid black; padding: 2px; margin-top: 5px;">The entity has no outstanding debt.</div> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-3 | Is the entity current in its debt service payments? If no, MUST explain:
<div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease Liabilities	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

- | | | Yes | No |
|-----|--|-------------------------------------|-------------------------------------|
| 4-5 | Does the entity have any authorized, but unissued, debt?
If yes: How much? \$ 2,240,000,000.00 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Date the debt was authorized: 11/6/2012 | | |
| 4-6 | Does the entity intend to issue debt within the next calendar year?
If yes: How much? \$ - | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-7 | Does the entity have debt that has been refinanced that it is still responsible for?
If yes: What is the amount outstanding? \$ - | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-8 | Does the entity have any lease agreements?
If yes: What is being leased?
What is the original date of the lease?
Number of years of lease?
Is the lease subject to annual appropriation?
What are the annual lease payments? \$ - | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
5-3		\$ -	
		\$ -	
		\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

- | | | Yes | No | N/A |
|-----|---|--------------------------|--------------------------|-------------------------------------|
| 5-4 | Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5-5 | Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: Yes No

The entity has no capital assets.

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 191,000
Debt Service Fund	\$ 60,167,326
Capital Fund	\$ 55,028,058

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

10-1 Is this application for a newly formed governmental entity?

10-1

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

Operation & Construction of Public Improvements as defined in the Service Plan

10-4 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

1/6/2023

10-6 Does the entity have a certified Mill Levy?

If yes:

Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills	-
General/Other mills	-
Total mills	-

	-
	-
	-

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Michael Francone	I <u>Michael Francone</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Michael Francone</u> Date: <u>3/28/2023</u> My term Expires: <u>May 2025</u>
Board Member 2	Isiah Salazar	I <u>Isiah Salazar</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Isiah Salazar</u> Date: <u>3/28/2023</u> My term Expires: <u>May 2025</u>
Board Member 3	Leonard Martinez	I <u>Leonard Martinez</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Leonard Martinez</u> Date: <u>3/28/2023</u> My term Expires: <u>May 2023</u>
Board Member 4	Bradford Colling	I <u>Bradford Colling</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Bradford Colling</u> Date: <u>3/28/2023</u> My term Expires: <u>May 2023</u>
Board Member 5	Robert Salazar	I <u>Robert Salazar</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Robert Salazar</u> Date: <u>3/24/2023</u> My term Expires: <u>May 2023</u>
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

**NAME OF GOVERNMENT
ADDRESS**

Riverwalk Metropolitan District No. 3
245 Century Circle
Suite 103
Louisville, CO 80027
Eric Weaver
970-926-6060

**For the Year Ended
12/31/22
or fiscal year ended:**

**CONTACT PERSON
PHONE
EMAIL**

eric@mwcpsaa.com

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

**NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED**

Eric Weaver
Accountant/CPA
Marchetti & Weaver, LLC
28 2nd St, Unit 213, Edwards, CO 81632
(970) 926-6060
3/24/2023

PREPARER (SIGNATURE REQUIRED)



Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ -	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ -	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">The entity has no outstanding debt.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease Liabilities	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Date the debt was authorized:		
4-6	Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7	Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8	Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
5-3		\$ -	
		\$ -	
		\$ -	
		\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: Yes No

The entity has no capital assets.

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ -
Debt Service Fund	\$ -
Capital Fund	\$ -

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

10-1 Is this application for a newly formed governmental entity?

10-1

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

Operation & Construction of Public Improvements as defined in the Service Plan

10-4 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

1/6/2023

10-6 Does the entity have a certified Mill Levy?

If yes:

Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills	-
General/Other mills	-
Total mills	-

	-
	-
	-

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Michael Francone	I <u>Michael Francone</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. <small>DocuSigned by:</small> Signed: <u>Michael Francone</u> Date: <u>3/27/2023</u> <small>3305C9079CE941C...</small> My term Expires: <u>May, 2025</u>
Board Member 2	Isiah Salazar	I <u>Isiah Salazar</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. <small>DocuSigned by:</small> Signed: <u>Isiah Salazar</u> Date: <u>3/28/2023</u> <small>3178653D27964C8...</small> My term Expires: <u>May 2025</u>
Board Member 3	Leonard Martinez	I <u>Leonard Martinez</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. <small>DocuSigned by:</small> Signed: <u>Leonard Martinez</u> Date: <u>3/28/2023</u> <small>4F58956AB4381472...</small> My term Expires: <u>May 2023</u>
Board Member 4	Bradford Colling	I <u>Bradford Colling</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. <small>DocuSigned by:</small> Signed: <u>Bradford Colling</u> Date: <u>3/28/2023</u> <small>CCD477DDE0AF46F...</small> My term Expires: <u>May 2023</u>
Board Member 5	Robert Salazar	I <u>Robert Salazar</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. <small>DocuSigned by:</small> Signed: <u>Robert Salazar</u> Date: <u>3/24/2023</u> <small>CCBC01CDE4CB41A...</small> My term Expires: <u>May 2023</u>
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____

EXHIBIT C
DISTRICT NO. 2 – 2022 AUDIT

RIVERWALK METROPOLITAN DISTRICT NO. 2
City of Glendale, Colorado

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2022

RIVERWALK METROPOLITAN DISTRICT NO. 2

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Riverwalk Metropolitan District No. 2
City of Glendale, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of Riverwalk Metropolitan District No. 2 (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2022, and the respective changes in financial position thereof, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to 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 opinions on the basic financial statements are 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 identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners

Arvada, Colorado
July 25, 2023

BASIC FINANCIAL STATEMENTS

RIVERWALK METROPOLITAN DISTRICT NO. 2

STATEMENT OF NET POSITION

December 31, 2022

	Governmental Activities
Assets	
Cash and investments	\$ 19,069
Cash and investments - restricted	66,418,004
Capital assets, not being depreciated	3,607,802
Total Assets	70,044,875
Liabilities	
Accounts payable	35,978
Accrued interest payable	242,035
Noncurrent liabilities:	
Due in more than one year	74,043,645
Total Liabilities	74,321,658
Net Position	
Restricted for:	
Emergencies	2,419
Debt service	11,578,912
Capital projects	54,836,673
Unrestricted	(70,694,787)
Total Net Position	\$ (4,276,783)

The accompanying Notes to Financial Statements are an integral part of these statements.

RIVERWALK METROPOLITAN DISTRICT NO. 2

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

Functions/Programs:	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Primary government					
General government	\$ 173,117	\$ -	\$ -	\$ -	\$ (173,117)
Interest on long-term debt and related costs	5,224,515	-	-	-	(5,224,515)
Total primary government	<u>\$ 5,397,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,397,632)</u>
		General Revenues:			
					Interest income
					1,134,257
					Total general revenues
					<u>1,134,257</u>
					Change in net position
					(4,263,375)
					Net position - beginning
					<u>(13,408)</u>
					Net position - ending
					<u>\$ (4,276,783)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

RIVERWALK METROPOLITAN DISTRICT NO. 2

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and investments	\$ 19,069	\$ -	\$ -	\$ 19,069
Cash and investments - restricted	2,419	11,578,912	54,836,673	66,418,004
Total Assets	21,488	11,578,912	54,836,673	66,437,073
Liabilities, Deferred Inflow of Resources and Fund Balances				
Liabilities				
Accounts Payable	35,978	-	-	35,978
Total Liabilities	35,978	-	-	35,978
Fund Balances				
Restricted for:				
Emergencies	2,419	-	-	2,419
Debt service	-	11,578,912	-	11,578,912
Capital projects	-	-	54,836,673	54,836,673
Unassigned	(16,909)	-	-	(16,909)
Total Fund Balances	(14,490)	11,578,912	54,836,673	66,401,095
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 21,488	\$ 11,578,912	\$ 54,836,673	

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

Long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:

Capital assets 3,607,802

Long-term liabilities, including developer advances and accrued interest, are not due and payable in the current period and therefore are not reported in the funds:

Bond payable	(69,937,000)
Developer advance payable - operations	(79,544)
Developer advance payable - capital	(2,850,000)
Bond premium, net of accumulated amortization	(423,675)
Accrued interest, developer advances - operations	(3,324)
Accrued interest, developer advances - capital	(97,648)
Accrued interest, bonds	(894,489)

Net position of governmental activities	\$ (4,276,783)
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RIVERWALK METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Investment income	\$ -	\$ 213,597	\$ 920,660	\$ 1,134,257
Total revenues	<u>-</u>	<u>213,597</u>	<u>920,660</u>	<u>1,134,257</u>
Expenditures				
General government				
Collection fees	-	5,000	-	5,000
Cost of certification	-	-	16,971	16,971
Accounting	24,270	-	6,620	30,890
Other professional fees	-	-	23,361	23,361
Insurance and dues	6,453	-	-	6,453
Legal	40,571	-	14,608	55,179
Elections	2,472	-	-	2,472
Bank and cash management fees	1,089	5,931	25,000	32,020
Miscellaneous	771	-	-	771
Debt Service				
Interest	-	2,008,894	239,625	2,248,519
Cost of issuance	-	1,996,488	-	1,996,488
Capital				
Capital outlay	-	-	3,607,802	3,607,802
Total expenditures	<u>75,626</u>	<u>4,016,313</u>	<u>3,933,987</u>	<u>8,025,926</u>
Excess of revenue over (under) expenditures	(75,626)	(3,802,716)	(3,013,327)	(6,891,669)
Other financing sources (uses)				
Developer advances	79,544	-	2,850,000	2,929,544
Bond proceeds	-	69,937,000	-	69,937,000
Bond premium	-	439,628	-	439,628
Transfers in/(out)	(5,000)	(54,995,000)	55,000,000	-
Total other financing sources (uses)	<u>74,544</u>	<u>15,381,628</u>	<u>57,850,000</u>	<u>73,306,172</u>
Net change in fund balances	<u>(1,082)</u>	<u>11,578,912</u>	<u>54,836,673</u>	<u>66,414,503</u>
Fund balances - beginning	<u>(13,408)</u>	<u>-</u>	<u>-</u>	<u>(13,408)</u>
Fund balances - ending	<u>\$ (14,490)</u>	<u>11,578,912</u>	<u>\$ 54,836,673</u>	<u>\$ 66,401,095</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

RIVERWALK METROPOLITAN DISTRICT NO. 2

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2022

Net change in fund balances - total governmental funds	\$ 66,414,503
Amounts reported for governmental activities in the statement of activities are different because:	
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 assets over the estimated useful life of the asset.	
Capital outlay	3,607,802
Long-term debt (e.g. loans) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Developer advances	(2,929,544)
Bond proceeds	(69,937,000)
Bond premium	(439,628)
Some revenues and 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.	
Developer advance accrued interest payable - change in liability	(100,972)
Bond accrued interest payable - change in liability	(894,489)
Amortization of bond premium	15,953
Change in net position of governmental activities	<u><u>\$ (4,263,375)</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

RIVERWALK METROPOLITAN DISTRICT NO. 2

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
Expenditures			
General government			
Accounting	\$ 35,000	\$ 24,270	\$ 10,730
Insurance and dues	4,000	6,453	(2,453)
Legal	75,000	40,571	34,429
Elections	-	2,472	(2,472)
Bank and cash management fees	-	1,089	(1,089)
Miscellaneous	2,000	771	1,229
Contingency	75,000	-	75,000
Total expenditures	<u>191,000</u>	<u>75,626</u>	<u>115,374</u>
Excess of revenue over (under) expenditures	<u>(191,000)</u>	<u>(75,626)</u>	<u>115,374</u>
Other financing sources (uses)			
Developer advances	200,000	79,544	(120,456)
Transfers in/(out)	-	(5,000)	(5,000)
Total other financing sources (uses)	<u>200,000</u>	<u>74,544</u>	<u>(125,456)</u>
Net change in fund balances	<u>9,000</u>	<u>(1,082)</u>	<u>(10,082)</u>
Fund balances - beginning	<u>-</u>	<u>(13,408)</u>	<u>(13,408)</u>
Fund balances - ending	<u>\$ 9,000</u>	<u>\$ (14,490)</u>	<u>\$ (23,490)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

RIVERWALK METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2022

Note 1 – Reporting Entity

Riverwalk Metropolitan District No. 2 (the District) was organized on January 9, 2013, as a quasi-municipal organization established under the State of Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City of Glendale, Colorado (the City).

The District was organized in conjunction with two other districts, Riverwalk Metropolitan District No. 1 (District No. 1) and Riverwalk Metropolitan District No. 3 (District No. 3), collectively with the District, the Districts. The City approved a Consolidated Service Plan for the Districts on September 4, 2012, as may be amended or restated from time to time, (the Service Plan). The Districts are located wholly within the TIF area of the Glendale Downtown Development Authority's Plan of Development (the Plan), as may be amended from time to time, within which the tax increment provisions of Part 8 of Article 25 of Title 31, C.R.S. apply. The Districts were established to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of public improvements from proceeds of debt issued by the Districts. All debt is expected to be repaid by taxes imposed and collected and with other sources of revenue that may be legally available to the Districts. Absent any ongoing operations responsibilities, it is required for the Districts to dissolve upon payment of all Debt incurred. If any of the Districts have ongoing operating functions, such District shall retain only the power necessary to impose and collect taxes and other revenues to pay for operational costs.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

Note 2 – Summary of Significant Accounting Policies

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

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

RIVERWALK METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2022

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

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is 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 for 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 obligation debt of the governmental funds.

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

RIVERWALK METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2022

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 by fund without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

Pooled Cash

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification of 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 remits 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 open space, landscape and parks, are reported in the applicable governmental activities column of the government-wide financial statements. Capital assets are defined by the District as those assets with a 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.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

RIVERWALK METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2022

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements for which the District retains title are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Amortization

Original issue premium

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

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, 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:

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaids) or is legally or contractually required to be maintained intact.

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

RIVERWALK METROPOLITAN DISTRICT NO. 2

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2022

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 above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s policy to use the most restrictive classification first.

The general fund reported a deficit fund balance for the year ended December 31, 2022. The District anticipates this will be funded through developer advances in 2023.

Note 3 – Cash and Investments

Cash and investments are reflected on the December 31, 2022 Statement of net position as follows:

Statement of net position:	
Cash and investments – unrestricted	\$ 21,488
Cash and investments – restricted	66,415,585
Total cash and investments	<u>\$ 66,437,073</u>

Cash and investments as of December 31, 2022 consist of the following:	
Deposits with financial institutions	\$ 21,488
Investments	66,415,585
Total cash and investments	<u>\$ 66,437,073</u>

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. As of December 31, 2022, the federal insurance limit was \$250,000. 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 equal to 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's cash deposits had a bank and carrying balance of \$ 21,488.

RIVERWALK METROPOLITAN DISTRICT NO. 2

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2022

Investments

The District has not adopted a formal investment policy, but follows state statutes regarding investments. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- 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

The District generally limits its investments to those 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 year or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. As of December 31, 2022, the District had the following investment:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average maturity less than 60 days	<u>\$ 66,415,585</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. The District holds all its investments in the COLOTRUST PLUS+ portfolio.

COLOTRUST PLUS+, which operates similarly to a money market fund and each share is equal in value to \$1.00, offers daily liquidity. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

RIVERWALK METROPOLITAN DISTRICT NO. 2

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2022

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PLUS+ is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

Note 4 – Capital Assets

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

	Balance at December 31, 2021	Additions	Deletions	Balance at December 31, 2022
Governmental activities				
Capital assets not being depreciated:				
Land	\$ -	\$ 2,850,000	\$ -	\$ 2,850,000
Construction in progress	-	757,802	-	757,802
Total capital assets, not being depreciated	\$ -	\$ 3,607,802	\$ -	\$ 3,607,802

Note 5 – Long-Term Obligations

The District's outstanding long-term obligations at December 31, 2022, are as follows:

	Balance at December 31, 2021	Additions	Deletions	Balance at December 31, 2022	Due within one year
Governmental Activities					
Special Revenue Bonds:					
Series 2022A	\$ -	\$ 59,035,000	\$ -	\$ 59,035,000	\$ -
Subordinate Series 2022B	-	10,902,000	-	10,902,000	-
Accrued interest, Series 2022B	-	652,454	-	652,454	-
Bond premium, Series 2022A	-	439,628	(15,953)	423,675	-
Developer Advances					
Developer Advances – Capital	-	2,850,000	-	2,850,000	-
Developer Advances – Operations	-	79,544	-	79,544	-
Accrued interest - capital	-	337,273	(239,625)	97,648	-
Accrued interest - operations	-	3,324	-	3,324	-
Total	\$ -	\$ 74,299,223	\$ (255,578)	\$ 74,043,645	\$ -

RIVERWALK METROPOLITAN DISTRICT NO. 2

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2022

Special Revenue Bonds – Series 2022A

On March 22, 2022 the District issued Special Revenue Bonds Series 2022A (the 2022A Bonds) in the amount of \$59,035,000. The bonds bear interest as follows:

<u>Maturity</u>	<u>Interest rate</u>
\$9,465,000 due December 1, 2032	4.50%
\$26,905,000 due December 1, 2042	5.00
\$22,665,000 due December 1, 2052	5.00

Interest payments are due on June 1 and December 1, commencing June 1, 2022. Principal payments are due on December 1.

In connection with the bonds, the District created the following funds to be maintained by a Trustee: Senior Project Fund, Senior Bond Fund, Surplus Fund and Cost of Issuance Fund. Funds are released from the Senior Project Fund by the Trustee to the District in accordance with requisitions in the form set forth in the Senior Indenture.

The 2022A Bonds are secured by amounts on deposit in the Surplus Fund. An initial deposit of \$4,659,000 was funded to the Surplus Fund from the bond proceeds (Surplus Fund), which must reach the maximum amount of \$9,000,000 before any pledged revenue can be released as Subordinate Pledged Revenue. The Bonds are further secured by the Senior Pledged Revenue. Senior Pledged Revenue is defined as a) all City Pledged Revenue, less the Districts Property Tax Increment Revenue, b) all PILOT revenue, if any, c) all Pledged PIF Revenue and d) any other legally available money which the District determines to credit to the Senior Bond Fund (the Senior Pledged Revenue). The City Pledged Revenue is defined as revenue pledged by the City in excess of base amounts for the payment of the reimbursement obligation (see Note 8) less the District's property tax increment (TIF) revenue. PILOT revenue is defined as revenues resulting from a tax equivalency payment in lieu of taxes (PILOT) payable to the District pursuant to a PILOT Covenant (the PILOT revenue). PIF Revenue is a public improvement fee privately imposed by the Developer (the PIF Revenue). The Pledged PIF revenue is defined as revenues derived from the imposition of a PIF pursuant to the PIF covenant at the rate of 2.25% (the Pledged PIF Revenue). The rate may be increased to a maximum of 3%.

The District may redeem the 2022A Bonds prior to maturity, beginning on March 1, 2027, and any day thereafter, upon payment of par, accrued interest, and subject to the following premium:

<u>Date of redemption</u>	<u>Redemption Premium</u>
March 1, 2027 to February 29, 2028	3.00%
March 1, 2028 to February 29, 2029	2.00
March 1, 2029 to February 28, 2030	1.00
March 1, 2030 and thereafter	0.00

RIVERWALK METROPOLITAN DISTRICT NO. 2

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2022

The 2022A Bonds maturing on December 1, 2032 are subject to mandatory sinking fund redemption, beginning on December 1, 2026, and on each December 1 thereafter prior to the maturity date, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

<u>Year of Redemption (December 1)</u>	<u>Redemption Amount</u>
2026	\$ 420,000
2027	1,215,000
2028	1,340,000
2029	1,435,000
2030	1,565,000
2031	1,675,000
2032*	1,815,000

* final maturity, not a sinking fund redemption

The 2022A Bonds maturing on December 1, 2042 are subject to mandatory sinking fund redemption, beginning on December 1, 2033, and on each December 1 thereafter prior to the maturity date, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

<u>Year of Redemption (December 1)</u>	<u>Redemption Amount</u>
2033	\$ 1,935,000
2034	2,090,000
2035	2,230,000
2036	2,405,000
2037	2,560,000
2038	2,750,000
2039	2,925,000
2040	3,130,000
2041	3,325,000
2042*	3,555,000

* final maturity, not a sinking fund redemption

The 2022A Bonds maturing on December 1, 2052 are subject to mandatory sinking fund redemption, beginning on December 1, 2043, and on each December 1 thereafter prior to the maturity date, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

RIVERWALK METROPOLITAN DISTRICT NO. 2

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2022

<u>Year of Redemption (December 1)</u>	<u>Redemption Amount</u>
2043	\$ 3,770,000
2044	4,025,000
2045	3,505,000
2046	785,000
2047	835,000
2048	895,000
2049	950,000
2050	1,015,000
2051	1,080,000
2052*	5,805,000

* final maturity, not a sinking fund redemption

The 2022A Bonds are subject to a special mandatory redemption, pursuant to the Senior Indenture.

Subordinate Special Revenue Bonds – Series 2022B

On March 22, 2022 the District issued Subordinate Special Revenue Bonds Series 2022B (the 2022B Bonds) in the amount of \$10,902,000. The 2022B Bonds are cash flow subordinate special revenue obligations payable solely from and to the extent of Subordinate Pledged Revenue (defined below). The Subordinate Pledged Revenue may not be sufficient to pay the principal and interest on the 2022B Bonds. The Subordinate Pledged Revenue is defined as the remaining funds available from the Senior Pledged Revenue and Surplus Fund after the deduction of amounts paid, pledged or otherwise applied to the payment of any senior obligations (the Subordinate Pledged Revenue).

The 2022B Bonds bear an interest rate of 7.75%. There are no scheduled payments of principal prior to the final scheduled maturity date of December 15, 2052. Principal and interest is payable annually each December 15, commencing on December 15, 2022, to the extent Subordinate Pledged Revenue is available. To the extent interest is not paid when due, interest will compound annually on each payment date.

The District may redeem the 2022B Bonds prior to maturity, beginning on March 1, 2027, and any day thereafter, upon payment of par, accrued interest, and subject to the following premium:

<u>Date of redemption</u>	<u>Redemption Premium</u>
March 1, 2027 to February 29, 2028	3.00%
March 1, 2028 to February 29, 2029	2.00
March 1, 2029 to February 28, 2030	1.00
March 1, 2030 and thereafter	0.00

The 2022B Bonds are subject to mandatory redemption, beginning on December 15, 2022, pursuant to the Subordinate Indenture.

RIVERWALK METROPOLITAN DISTRICT NO. 2

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2022

The District's long-term obligations will mature as follows:

Year ending December 31,	Series 2022A		
	Principal	Interest	Total
2023	\$ -	\$ 2,904,425	\$ 2,904,425
2024	-	2,904,425	2,904,425
2025	-	2,904,425	2,904,425
2026	420,000	2,904,425	3,324,425
2027	1,215,000	2,885,525	4,100,525
2028-2032	7,830,000	13,503,100	21,333,100
2033-2037	11,220,000	11,348,750	22,568,750
2038-2042	15,685,000	8,119,500	23,804,500
2043-2047	12,920,000	3,918,750	16,838,750
2048-2052	9,745,000	1,959,250	11,704,250
Total	\$ 59,035,000	\$ 53,352,575	\$ 112,387,575

The 2022B Bonds are not included in the table as these bonds are “cash flow” bonds and payments are subject to available subordinate pledged revenue in future years.

Authorized Debt

On November 6, 2012, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$2,240,000,000. After the issuance of the 2022A and 2022B Bonds, which totaled \$69,937,000, the District has \$2,170,063,000 of remaining authorized but unissued debt. However, the Districts' Service Plan limits debt issuance to a combined total of \$100,000,000 for the Districts, exclusive of costs of issuance and increases necessary for the purposes of refunding. After the issuance of the 2022A and 2022B Bonds, \$30,063,000 of the Service Plan authorization remains as of December 31, 2022. Any District proposed debt is subject to prior approval by the City.

Note 6 – Net Position

The District reports net position consisting of two components – restricted and unrestricted.

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. At December 31, 2022 the District had restricted net position as follows:

	Governmental Activities
Emergencies	\$ 2,419
Debt service	11,578,912
Capital projects	54,836,673
Total restricted net position	\$ 66,418,004

The District has unrestricted net deficit of (\$70,694,787) as of December 31, 2022.

RIVERWALK METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2022

Note 7 – Related Parties

All members of the Board of Directors are associated with the Developer and related companies and may have conflicts of interest with respect to certain transactions which come before the Board.

Note 8 – District Agreements

Developer Advances Operation Funding Agreement

On December 22, 2021, the District and Glendale Development Partners LLC (the Developer) entered into the 2021-2022 Operation Funding Agreement, as amended by the First Amendment to 2021-2022 Operation Funding Agreement entered into on November 9, 2022 (Operation Agreement). The Operation Agreement provided for the Developer to advance to the District up to \$335,000 for the District's operations, maintenance and administrative expenses for fiscal years 2021-2023. Advances will bear simple interest of 8% per annum. The District's obligation to repay the Developer expires on December 31, 2062.

Facilities Funding and Reimbursement Agreement

On December 22, 2021, the District and Developer entered into a Facilities Funding and Reimbursement Agreement as superseded by the Amended and Restated Facilities Funding and Reimbursement Agreement entered into on May 4, 2022 and made effective December 2, 2021 (Facilities Agreement). Under the terms of the Facilities Agreement, the District agreed to reimburse the Developer for Verified Costs (as defined therein) up to a maximum of \$55,000,000, together with interest. Simple interest accrues at a rate of prime plus 4% not to exceed 9%. If the Developer finances construction or advances from borrowed money, interest accrues at the rate of interest that the Developer is paying, not to exceed 10%. Interest accrues from the date costs are incurred by the Developer. The District shall not be obligated to make payments to the Developer for costs incurred but no invoiced to the District within three years of the date incurred. The District's obligation to repay the Developer expires on December 31, 2061.

Reimbursement Agreement

The Glendale Downtown Development Authority (the Authority), the City, and the Developer entered into a reimbursement agreement dated May 26, 2021 (the Original Agreement). The parties entered into the Amended and Restated Reimbursement Agreement, which amended and restated the Original Agreement in its entirety and added the District as a party, effective February 17, 2022 (the Reimbursement Agreement). The City and the Authority selected the Developer to construct improvements on City owned property located within the District. In order to ensure financial feasibility and success for the development, the parties to the Reimbursement Agreement agreed to various forms of incentives and financial assistance as set forth therein.

RIVERWALK METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2022

Unless earlier terminated as expressly provided for in the Reimbursement Agreement, the term of the Reimbursement Agreement shall commence on February 17, 2022 (Term) and terminates upon the earlier of: 1) payment of the Reimbursement Obligation (as defined therein), subject to certain provisions or 2) expiration of the TIF under the Plan and distribution of all Pledged Revenues (defined below) received prior to such expiration. Nothing in the Reimbursement Agreement limits the ability of the parties thereto to enter into future amendments to the Reimbursement Agreement that have the effect of extending the Term. After expiration of the Term, the Reimbursement Agreement will be deemed terminated and of no further force and effect.

Under the terms of the Reimbursement Agreement, the District shall fund eligible costs and reimburse the Developer from the issuance of bonds. It is the City's obligation to pay the Pledged Revenues deposited in a Special Fund (as defined in the Senior and Subordinate Indentures) equal to the maximum reimbursement obligation of \$55,000,000 plus developer advance interest and bond financing costs.

The Pledged Revenues include 1) Lodging Tax Revenue, 2) Property Tax Increment Revenue and 3) Sales Tax Increment Revenue, allocated for the project by the City, after the Administrative Fee and City Reimbursement (as defined therein) (the Pledged Revenues). The Administrative Fee is an annual fee in the amount of 0.5% of the Pledged Revenues deducted by the City from the Pledged Revenues prior to remitting such revenue to the District. The City receives a reimbursement fee of 15% of the Pledged Revenues after deduction of the Administrative Fee or \$800,000 annually, whichever is greater.

Lodging Tax is imposed at a rate of 6.5% on the purchase price of the lease, rental of other transaction furnishing rooms or accommodations. The Lodging Tax Revenue is lodging tax collected by the City in excess of the lodging tax base of \$290,056.

Property Tax Increment Revenue is property tax revenue in excess of the amount equal to the property taxes produced by the levy of those taxing bodies that levy property tax against the Property Tax Base Amount in the TIF area. Property tax base amount was defined as \$2,874,570 at the time of the Amended Reimbursement Agreement. The base amount will be adjusted from time to time by the Arapahoe County Assessor.

Sales Tax Increment Revenue is the sales tax collected at a rate of 3.75% on the sales of goods and services that are subject to the City's sales tax in excess of the sales tax base amount during the period in which taxes are divided in the TIF area. The sales tax base amount was defined as \$168,404 as of the effective date of the Reimbursement Agreement.

Master Redevelopment and Disposition Agreement

Concurrent with the execution of the Reimbursement Agreement, the City and the Developer entered into the Amended and Restated Master Redevelopment and Disposition Agreement for the purpose of redeveloping the City's property (MRDA). The term of the MRDA is the period commencing on February 17, 2022 and terminating on the later of 1) the conveyance of all the property to the Developer, or 2) the full performance of the covenants of the MRDA.

RIVERWALK METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2022

The MRDA outlines the phased redevelopment of approximately 10 acres located at South Clermont Street and East Virginia Avenue. The improvements consist of a commercial development of not less than 150,000 square feet made up of restaurants, bars, retail, boutique/specialty retail shops, hotel, boutique office and entertainment venues, together with accessory structure parking and related amenities, open space, and uses. The project is required to include at least 90,000 square feet of sales tax generating uses.

Both the MRDA and Reimbursement Agreement stipulate that the Developer will purchase the Gamma Property (consisting of approximately one acre) from the City for the amount of \$2,850,000 and such costs have also been recorded as developer advances to the District (Gamma Property). The Developer purchased the Gamma Property on October 12, 2021. The Developer may exercise options to purchase additional parcels as sufficient construction phases are completed.

The Developer is not eligible to be reimbursed for the Gamma Property until the Vertical Construction Milestone is met. The Reimbursement Agreement and MRDA define the Vertical Construction Milestone as the completion of all Eligible Improvements necessary for Phase 1 of the Project (as defined in the MRDA) and the issuance of a temporary certificate of occupancy by the City so that no less than 75% of the leasable area within Phase 1 of the Project may open for permanent occupancy and utilization for its intended purposes; provided, however, the issuance of a temporary certificate of occupancy shall be for the core and shell of the building only, also referred to as the white box building only, and shall not apply to installation of specific tenant space finish (the Vertical Construction Milestone). Eligible Improvements are defined in the Reimbursement Agreement as the public improvements and facilities identified to be acquired, constructed or installed as agreed to by the parties (the Eligible Improvements).

Project Management Agreement

On May 25, 2022, the District and the Developer entered into the Project Management Agreement. Under the terms of the Project Management Agreement, the District retained the Developer as the Project Manager to plan and coordinate the construction and installation of improvements. The Developer will provide all management services relating to the planning, design, construction and installation of improvements and obtain municipal approvals for all improvements. In exchange for these services the District will compensate the Developer 3% of eligible costs as defined in the Reimbursement Agreement.

Note 9 – Economic Dependency

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

Note 10 – 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.

RIVERWALK METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

The District is a member of the Colorado Special District Property and Liability Pool (the Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool 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.

Note 11 – Tax, Spending and Debt Limitations

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

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

On November 6, 2012, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District for 2013 and any year thereafter, without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

SUPPLEMENTARY INFORMATION

RIVERWALK METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Investment income	\$ 10,000	\$ 213,597	\$ 203,597
Total revenues	<u>10,000</u>	<u>213,597</u>	<u>203,597</u>
Expenditures			
General government			
Collection fees	-	5,000	(5,000)
Bank and cash management fees	-	5,931	(5,931)
Contingency	500,000	-	500,000
Debt Service			
Interest	2,701,338	2,008,894	692,444
Cost of issuance	1,965,430	1,996,488	(31,058)
Total expenditures	<u>5,166,768</u>	<u>4,016,313</u>	<u>1,150,455</u>
Excess of revenue over (under) expenditures	<u>(5,156,768)</u>	<u>(3,802,716)</u>	<u>1,354,052</u>
Other financing sources (uses)			
Bond proceeds	69,781,000	69,937,000	156,000
Bond premium	-	439,628	439,628
Transfers in/(out)	(55,000,558)	(54,995,000)	5,558
Total other financing sources (uses)	<u>14,780,442</u>	<u>15,381,628</u>	<u>601,186</u>
Net change in fund balances	<u>9,623,674</u>	<u>11,578,912</u>	<u>1,955,238</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 9,623,674</u>	<u>\$ 11,578,912</u>	<u>\$ 1,955,238</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

RIVERWALK METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Investment income	\$ 27,500	\$ 920,660	\$ 893,160
Total revenues	<u>27,500</u>	<u>920,660</u>	<u>893,160</u>
Expenditures			
General government			
Engineering	-	16,971	(16,971)
Accounting	-	6,620	(6,620)
Other professional fees	-	23,361	(23,361)
Legal	-	14,608	(14,608)
Bank and cash management fees	-	25,000	(25,000)
Interest	-	239,625	(239,625)
Capital Outlay	55,028,058	3,607,802	51,420,256
Total expenditures	<u>55,028,058</u>	<u>3,933,987</u>	<u>51,094,071</u>
Excess of revenue over (under) expenditures	<u>(55,000,558)</u>	<u>(3,013,327)</u>	<u>51,987,231</u>
Other financing sources (uses)			
Developer advances	-	2,850,000	2,850,000
Transfers in/(out)	55,000,558	55,000,000	(558)
Total other financing sources (uses)	<u>55,000,558</u>	<u>57,850,000</u>	<u>2,849,442</u>
Net change in fund balances	<u>-</u>	<u>54,836,673</u>	<u>54,836,673</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 54,836,673</u>	<u>\$ 54,836,673</u>

The accompanying Notes to Financial Statements are an integral part of these statements.