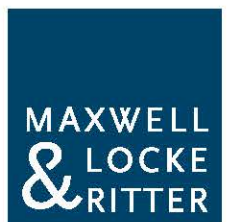


River Place Limited District

**Financial Statements and
Supplemental Information
for the Year Ended
September 30, 2020 and
Independent Auditors' Report**



River Place Limited District

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Annual Filing Affidavit

The State of Texas

County of Travis

I, Jennifer Mushtaler
(Name of Duly Authorized District Representative)

of the River Place Limited District

hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the 21st day of January, 20 21, its annual audit report for the year ended September 30, 2020 and that copies of the annual audit report have been filed in the District office, located at 600 Congress Avenue, Ste. 2100, Austin, TX 78701.

The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code and to the Texas Comptroller of Public Accounts in satisfaction of the annual filing requirements of Section 140.008 of the Texas Local Government Code.

Date: 2/3/21, 20 By: [Signature]
(Signature of District Representative)

Jennifer Mushtaler, Board President
(Typed Name and Title of above District Representative)

Sworn to and subscribed to before me this 3rd day of February, 20 21.



Charlotte Suzanne McCalla
(Signature of Notary)

Charlotte Suzanne McCalla
(Printed Name of Notary)

My Commission Expires On: 8/24/21
Notary Public in and for the State of Texas.



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Austin, TX 78701

Round Rock: 411 West Main Street, Suite 300

Round Rock, TX 78664

Independent Auditors' Report

To the Board of Directors of
River Place Limited District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of River Place Limited District (the "District"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 supplemental information required by the Texas Commission on Environmental Quality (the "TCEQ") and the other supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information required by the TCEQ listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information required by the TCEQ listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Maxwell Locke & Ritter LLP

Austin, Texas
January 26, 2021

River Place Limited District

Management's Discussion and Analysis For the Year Ended September 30, 2020

River Place Limited District (the "District") was created pursuant to the annexation of River Place Municipal Utility District ("River Place MUD") by the City of Austin. The City of Austin annexed River Place MUD on December 15, 2017, at which time River Place MUD was automatically converted to a limited district and the conversion was subsequently confirmed through an election on May 5, 2018.

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, the management of the District offers the following narrative on the financial performance of the District for the year ended September 30, 2020. Please read it in connection with the District's financial statements that follow.

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "General Fund" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

Overview of the Basic Financial Statements

The District's reporting is comprised of two parts:

- *Management's Discussion and Analysis* (this section)
- *Basic Financial Statements*
 - *Statement of Net Position and Governmental Fund Balance Sheet*
 - *Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance*
 - *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund*
 - *Notes to Basic Financial Statements*

Other supplementary information is also included.

The *Statement of Net Position and Governmental Fund Balance Sheet* includes a column (titled "General Fund") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

The *Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance* includes a column (titled "General Fund") that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund* presents a comparison statement between the District's adopted budget to its actual results.

The *Notes to Basic Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Fund Balance Sheet* and the *Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance*.

Schedules required by the Texas Commission on Environmental Quality and other supplemental information are presented immediately following the *Notes to Basic Financial Statements*.

Financial Statements

Statement of Net Position

	Governmental Activities		
	2020	2019	% Change
Current assets	\$ 854,569	\$ 890,436	(4%)
Capital assets	1,309,910	1,392,025	(6%)
Total assets	<u>\$ 2,164,479</u>	<u>\$ 2,282,461</u>	<u>(5%)</u>
Current liabilities	<u>\$ 47,228</u>	<u>\$ 51,958</u>	<u>(9%)</u>
Net investment in capital assets	\$ 1,309,910	\$ 1,392,025	(6%)
Unrestricted	807,341	838,478	(4%)
Total net position	<u>\$ 2,117,251</u>	<u>\$ 2,230,503</u>	<u>(5%)</u>

The District's total assets were approximately \$2.2 million as of September 30, 2020. Of this amount, approximately \$1.3 million is accounted for by capital assets. The District had outstanding liabilities of approximately \$47,000.

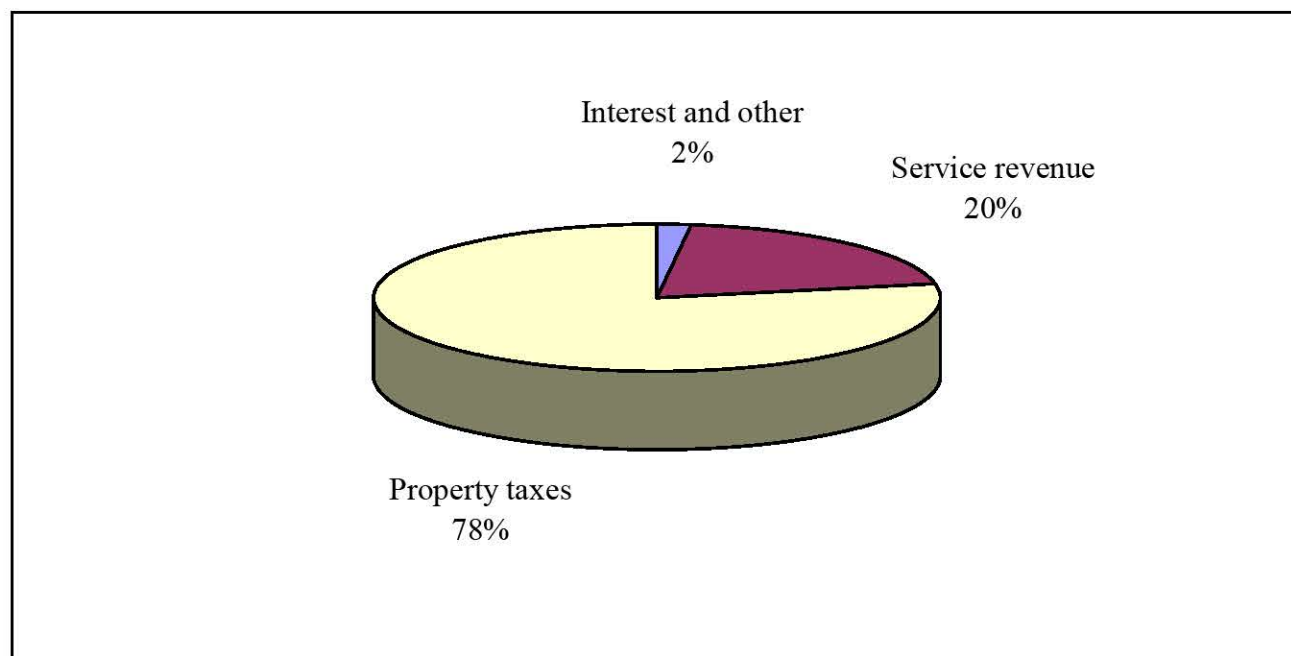
Statement of Activities

	Governmental Activities		
	2020	2019	% Change
Service revenue	\$ 136,315	\$ 75,618	80%
Property taxes, including penalties and interest	529,827	484,338	9%
Interest and other	10,557	23,575	(55%)
Total revenues	676,699	583,531	16%
Service expenses	707,836	650,476	9%
Depreciation	82,115	83,699	(2%)
Total expenses	<u>789,951</u>	<u>734,175</u>	<u>8%</u>
Change in net position	(113,252)	(150,644)	25%
Beginning net position	2,230,503	2,381,147	(6%)
Ending net position	<u>\$ 2,117,251</u>	<u>\$ 2,230,503</u>	<u>(5%)</u>

Operating revenues increased by approximately \$93,000 to approximately \$677,000 for the fiscal year ended September 30, 2020 primarily due to an increase in property tax revenue due to an increased assessed value and an increase in service revenue. Property taxes generated approximately \$530,000 in revenues in the current year. Total expenses increased approximately \$56,000 to approximately \$790,000 for the fiscal year ended September 30, 2020, primarily due to increases in service expenses in the current year. Net position decreased approximately \$113,000 for the fiscal year ended September 30, 2020 compared to a decrease of approximately \$151,000 for the fiscal year ended September 30, 2019.

The District's property tax assessed value in fiscal year 2020 (which is based on the 2019 tax levy) was approximately \$670.4 million compared to approximately \$645.8 million in 2019. The tax rate is set after modeling revenue and expenses for the upcoming five year period. The District's primary revenue source is property taxes.

Sources of Revenue



Analysis of Governmental Fund

	2020	2019
Cash and temporary investments	\$ 808,867	\$ 825,091
Receivables and other assets	45,702	65,345
Total assets	<u>\$ 854,569</u>	<u>\$ 890,436</u>
Accounts payable	\$ 44,928	\$ 50,758
Refundable deposits	450	700
Other liabilities	1,850	500
Total liabilities	<u>47,228</u>	<u>51,958</u>
Total deferred inflows of resources	<u>22,755</u>	<u>20,462</u>
Nonspendable	22,064	40,340
Assigned	76,125	75,404
Unassigned	686,397	702,272
Total fund balance	<u>784,586</u>	<u>818,016</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 854,569</u>	<u>\$ 890,436</u>

The *General Fund* pays for daily operating expenditures and for improvements and operations of the District's parks and tennis courts through tennis court membership fees. When comparing actual to budget, revenues were higher due to revenue derived from nature trail fees included in service revenue that were higher than budgeted and higher than budgeted property taxes. Expenditures were less than budgeted due to lower repairs and maintenance, engineering, and other expenditures as well as no capital outlay expenditures in the current year. This was offset partially by higher legal and park expenditures compared to budget. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. While the disruption is expected to be temporary, there is uncertainty around the duration. Due to the nature of the District's services, the pandemic may negatively impact the District's business, results of operations, and financial position; however, the related financial impact cannot be reasonably estimated at this time.

Capital Assets

	2020	2019
Land	\$ 916,086	\$ 916,086
Park improvements	3,480,714	3,480,714
Subtotal	4,396,800	4,396,800
Accumulated depreciation	(3,086,890)	(3,004,775)
Total	<u>\$ 1,309,910</u>	<u>\$ 1,392,025</u>

More detailed information about the District's capital assets is presented in the *Notes to Basic Financial Statements*.

Currently Known Facts, Decisions, or Conditions

For fiscal year 2021, which is tax year 2020, the tax rate has been set at \$0.0800 per \$100 of assessed valuation for maintenance expenditures. The adopted budget for 2021 projects a decrease in the fund balance of approximately \$76,000.

Requests for Information

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of McGinnis Lochridge & Kilgore LLP, 600 Congress Avenue, Suite 2100, Austin, TX 78701.

River Place Limited District

Statement of Net Position and Governmental Fund Balance Sheet September 30, 2020

	General Fund	Adjustments (Note 2)	Statement of Net Position
Assets:			
Cash and temporary investments	\$ 808,867	-	808,867
Receivables:			
Taxes	22,755	-	22,755
Interest	431	-	431
Other	452	-	452
Prepaid items	22,064	-	22,064
Capital assets (net of accumulated depreciation):			
Land	-	916,086	916,086
Park improvements	-	393,824	393,824
Total assets	<u>\$ 854,569</u>	<u>1,309,910</u>	<u>2,164,479</u>
Liabilities:			
Accounts payable	\$ 44,928	-	44,928
Refundable deposits	450	-	450
Unearned revenue	1,850	-	1,850
Total liabilities	<u>47,228</u>	<u>-</u>	<u>47,228</u>
Deferred inflows of resources-			
Property taxes	<u>22,755</u>	<u>(22,755)</u>	<u>-</u>
Fund balance/net position:			
Fund balance:			
Nonspendable	22,064	(22,064)	-
Assigned for subsequent year's budget deficit	76,125	(76,125)	-
Unassigned	686,397	(686,397)	-
Total fund balance	<u>784,586</u>	<u>(784,586)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 854,569</u>		
Net position:			
Net investment in capital assets		1,309,910	1,309,910
Unrestricted		<u>807,341</u>	<u>807,341</u>
Total net position		<u>\$ 2,117,251</u>	<u>2,117,251</u>

The notes to the financial statements are an integral part of this statement.

River Place Limited District

Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance Year Ended September 30, 2020

	General Fund	Adjustments (Note 2)	Statement of Activities
Expenditures/expenses:			
Service operations:			
Garbage collection	\$ 193,682	-	193,682
Park	281,970		281,970
Operations/management fees	85,920	-	85,920
Repairs and maintenance	65,196	-	65,196
Legal fees	51,134	-	51,134
Engineering fees	570	-	570
Directors' fees	7,751	-	7,751
Audit fees	10,500	-	10,500
Tax appraisal/collection fees	4,230	-	4,230
Other	6,883	-	6,883
Depreciation	-	82,115	82,115
Total expenditures/expenses	707,836	82,115	789,951
Revenues:			
Program revenues-			
Service revenue	136,315	-	136,315
Net program expense			(653,636)
General revenues:			
Property taxes, including penalties and interest	527,534	2,293	529,827
Interest and other	10,557	-	10,557
Total general revenues	538,091	2,293	540,384
Total revenues	674,406	2,293	676,699
Deficiency of revenues under expenditures	(33,430)	(79,822)	(113,252)
Fund balance/net position:			
Beginning of year	818,016	1,412,487	2,230,503
End of year	\$ 784,586	1,332,665	2,117,251

The notes to the financial statements are an integral part of this statement.

River Place Limited District

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Year Ended September 30, 2020

	Original and Final Budget	Actual	Variance
Revenues:			
Service revenue	\$ 110,800	136,315	25,515
Property taxes, including penalties and interest	514,381	527,534	13,153
Interest	12,650	10,557	(2,093)
Total revenues	637,831	674,406	36,575
Expenditures:			
Service operations:			
Garbage collection	193,500	193,682	(182)
Park	266,310	281,970	(15,660)
Operations/management fees	87,000	85,920	1,080
Repairs and maintenance	70,575	65,196	5,379
Legal fees	30,000	51,134	(21,134)
Engineering fees	5,000	570	4,430
Directors' fees	7,750	7,751	(1)
Audit fees	10,500	10,500	-
Tax appraisal/collection fees	3,950	4,230	(280)
Other	11,650	6,883	4,767
Capital outlay	27,000	-	27,000
Total expenditures	713,235	707,836	5,399
Deficiency of revenues under expenditures	(75,404)	(33,430)	41,974
Fund balance:			
Beginning of year	818,016	818,016	-
End of year	\$ 742,612	784,586	41,974

The notes to the financial statements are an integral part of this statement.

River Place Limited District

Notes to Basic Financial Statements Year Ended September 30, 2020

1. Summary of Significant Accounting Policies

River Place Limited District (the “District”) was created pursuant to the annexation of River Place Municipal Utility District (“River Place MUD”) by the City of Austin. River Place MUD was initially created, organized and established on February 24, 1984, by the Texas Commission on Environmental Quality (formerly known as the Texas Water Commission) pursuant to the provisions of Chapter 54 of the Texas Water Code. The City of Austin annexed River Place MUD on December 15, 2017, at which time River Place MUD was automatically converted to a limited district and the conversion was subsequently confirmed through an election on May 5, 2018. The District will have an initial term of not more than ten years and will own and operate the park and recreational facilities within the former district. The term of the limited district can be renewed successively by mutual agreement of the City of Austin and the District. The District is a political subdivision of the State of Texas and operates under an elected Board of Directors (the “Board”).

The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board which has been elected by District residents or appointed by the Board. The District is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board (“GASB”) since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. In addition, there are no component units which are included in the District’s reporting entity.

Government-Wide and Fund Financial Statements

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the “General Fund” column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the statement of net position and the statement of activities.

The government-wide financial statements report information on all of the activities of the District.

The statement of activities demonstrates the degree to which the expenses are offset by program revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Property taxes are recognized as revenues in the year for which they are levied. Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Major revenue sources considered susceptible to accrual include interest income. No accrual for property taxes collected within sixty days after year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred inflows of resources.

The District reports the following major governmental fund-

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balance is considered resources available for current operations.

Budgets and Budgetary Accounting

Formal budgetary integration is employed as a management control device for the General Fund. The budget is proposed by the District Manager for the fiscal year commencing the following October 1, and is adopted on the modified accrual basis, which is consistent with generally accepted accounting principles.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Investments - Temporary investments throughout the year consisted of investments in an external local government investment pool and a certificate of deposit. The external local government investment pool is recognized at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District is entitled to invest any and all of its funds in certificates of deposit, direct debt securities of the United States of America or the State of Texas, certain Federal agency securities and other types of municipal bonds, fully collateralized repurchase agreements, commercial paper and local government investment pools. The District's investment policies and types of investments are governed by Section 2256 of the Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Ad Valorem Property Taxes - Property taxes, penalties and interest are reported as revenue in the fiscal year in which they become available to finance expenditures of the District. Allowances for uncollectibles are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Prepaid Items - Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid assets in both the government-wide and fund financial statements. Prepaid assets are charged to expenditures when consumed.

Capital Assets - Capital assets, which include land and park improvements, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets (or projects) with an initial, individual cost of at least \$15,000. Such assets are recorded at historical cost if purchased or estimated acquisition value at the date of donation if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Capital assets (other than land) are depreciated using the straight line method over the following estimated useful lives: park improvements - five to thirty years.

Fund Equity - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 6 for additional information on those fund balance classifications.

Deferred Outflows and Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represents the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Fair Value Measurements - The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Use of Estimates - The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of GASB No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on the financial statements of the limited district for the year ended September 30, 2022.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

Governmental fund total fund balance	\$ 784,586
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	1,309,910
Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the fund.	<u>22,755</u>
Total net position	<u>\$ 2,117,251</u>

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

Net change in fund balance	\$ (33,430)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Depreciation expense	(82,115)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred tax revenue	<u>2,293</u>
Change in net position	<u>\$ (113,252)</u>

3. Cash and Temporary Investments

The District's deposits are required to be secured in the manner provided by law for the security of the funds. At September 30, 2020, such deposits were entirely covered by Federal Deposit Insurance Corporation ("FDIC") insurance or secured by collateral pledged by the depository.

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy, in order of priority, are safety, liquidity, and yield.

The District is entitled to invest in obligations of the United States Government and/or its agencies and instrumentalities, money market mutual funds with investment objectives or that maintain a stable net asset value of \$1 per share, mutual funds in one of the three highest categories by a nationally recognized rating agency, securities issued by a state or local government or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency, and public funds investment pools rated AAA or AAAM by a nationally recognized rating agency.

Temporary investments held at September 30, 2020 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Public funds investment pool - TexPool	\$ 523,527	1	AAAM
Certificate of deposit	240,000	155	N/A
Total Investments	<u>\$ 763,527</u>		

At September 30, 2020, the District had investments in one external local governmental investment pool, Texas Local Governmental Investment Pool ("TexPool"). Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. These investments are stated at amortized cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. TexPool also has an advisory board to advise on TexPool's investment policy. This board is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors manage daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool's investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

In accordance with GASB Statement No. 79, the external local government investment pool does not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. This pool does not impose any liquidity fees or redemption gates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At September 30, 2020, investments were included in an external local governmental investment pool and a certificate of deposit with a rating from Standard and Poor's in compliance with the District's investment policy. The District's investment policy requires that certificates of deposit be either federally insured or collateralized. At September 30, 2020, the certificate of deposit was collateralized in compliance with the District's investment policy.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At September 30, 2020, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government.

Interest Rate Risk - The District's investment policy requires that the District manage its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to short-term investments with necessary liquidity to ensure that sufficient funds are available for the continued operations of the District. The District considers the holdings in the external local governmental investment pool to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. The certificate of deposit held by the District has set interest rates. At September 30, 2020, the District was not exposed to significant interest rate risk.

4. Capital Assets

Capital assets activity for the year ended September 30, 2020, was as follows:

	Balance September 30, 2019	Additions	Retirements and Transfers	Balance September 30, 2020
Capital assets, not being depreciated-				
Land	\$ 916,086	-	-	916,086
Capital assets, being depreciated-				
Park improvements	3,480,714	-	-	3,480,714
Less accumulated depreciation for-				
Park improvements	(3,004,775)	(82,115)	-	(3,086,890)
Total capital assets, being depreciated, net	475,939	(82,115)	-	393,824
Capital assets, net	\$ 1,392,025	(82,115)	-	1,309,910

5. Property Taxes

The Texas Water Code authorizes the District to levy a tax each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within its boundaries. Assessed values are established annually by the Travis Central Appraisal District. District property tax revenues are recognized when levied to the extent that they are collected in the current year. The uncollected balance is reported as deferred revenue. Taxes receivable are due January 1 and are delinquent if received after January 31 and are subject to penalty and interest charges.

In September 2019, the District levied a maintenance tax rate of \$0.0775 per \$100 of assessed valuation to finance operating expenditures. The total 2019 tax levy was \$519,364 based on a taxable valuation of \$670,422,243.

6. Fund Balances

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, amounts that are appropriated by the Board that are to be used for specific purposes.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balances are included in the Governmental Fund Balance Sheet on page 9.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board may also assign fund balance for a specific purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

7. Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies and the Texas Municipal League Intergovernmental Risk Pool (“TML Pool”) to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. During the year ended September 30, 2020, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

8. Commitments and Contingencies

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. While the disruption is expected to be temporary, there is uncertainty around the duration. Due to the nature of the District’s services, the pandemic may negatively impact the District’s business, results of operations, and financial position; however, the related financial impact cannot be reasonably estimated at this time.

River Place Limited District

Index of Supplemental Schedules Required by Texas Commission on Environmental Quality Year Ended September 30, 2020

Schedule Included			
Yes	No		
<u>X</u>	<u> </u>	TSI-0	Notes Required by the Water District Accounting Manual
<u>X</u>	<u> </u>	TSI-1	Schedule of Services and Rates
<u>X</u>	<u> </u>	TSI-2	Schedule of General Fund Expenditures
<u>X</u>	<u> </u>	TSI-3	Schedule of Temporary Investments
<u>X</u>	<u> </u>	TSI-4	Analysis of Taxes Levied and Receivable
<u> </u>	<u>X</u>	TSI-5	Long-Term Debt Service Requirements by Years
<u> </u>	<u>X</u>	TSI-6	Analysis of Changes in Long-Term Bonded Debt
<u>X</u>	<u> </u>	TSI-7	Comparative Schedule of Revenues and Expenditures - General Fund Three Fiscal Years
<u>X</u>	<u> </u>	TSI-8	Board Members, Key Personnel and Consultants

River Place Limited District

TSI-0 Notes Required by the Water District Accounting Manual Year Ended September 30, 2020

The notes which follow are not necessarily required for fair presentation of the audited basic financial statements of the District which are contained in the preceding section of this report. They are presented in conformity with requirements of the Texas Commission on Environmental Quality to assure disclosure of specifically required facts.

(A) Creation of District

See Note 1 to basic financial statements.

(B) Contingent Liabilities

Not applicable.

(C) Pension Coverage

Not applicable.

(D) Pledge of Revenues

Not applicable.

(E) Compliance with Debt Service Requirements

Not applicable.

(F) Redemption of Bonds

Not applicable.

River Place Limited District

TSI-1 Schedule of Services and Rates Year Ended September 30, 2020

1. Services Provided by the District:

- | | | |
|---|---|-------------------------------------|
| <input type="checkbox"/> Retail water | <input type="checkbox"/> Wholesale water | <input type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail wastewater | <input type="checkbox"/> Wholesale wastewater | <input type="checkbox"/> Irrigation |
| <input checked="" type="checkbox"/> Parks/recreation | <input type="checkbox"/> Fire protection | <input type="checkbox"/> Security |
| <input checked="" type="checkbox"/> Solid waste/garbage | <input type="checkbox"/> Flood control | <input type="checkbox"/> Roads |

Participates in joint venture, regional system and or wastewater service
(other than emergency interconnect)

☐ Other (specify): _____

2. Retail Service Providers:

a. Retail Rates for a 5/8" Meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum	Usage Levels
Water	\$ (1)	-	-	\$ -	-
Wastewater	\$ (1)	-	-	\$ -	-
Surcharge	\$ (1)				

District employs winter averaging for wastewater usage? ☐ Yes ☐ No

Total charges per 10,000 gallons usage: Water: \$ (1) Wastewater: \$ (1)

(1) The District is serviced by the City of Austin.

(continued)

River Place Limited District

TSI-1 Schedule of Services and Rates (continued)

Year Ended September 30, 2020

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
unmetered	-	-	x 1.0	-
<=3/4"	-	-	x 1.0	-
1"	-	-	x 2.5	-
1 1/2"	-	-	x 5.0	-
2"	-	-	x 8.0	-
3"	-	-	x 15.0	-
4"	-	-	x 25.0	-
6"	-	-	x 50.0	-
8"	-	-	x 80.0	-
10"	-	-	x 115.0	-
Total water	(1)	-		-
Total wastewater	(1)	-	x 1.0	-

(1) The District is serviced by the City of Austin.

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system:	(1)	Water accountability ratio:
		(Gallons billed/gallons pumped)
Gallons billed to customers:	(1)	N/A

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? ☐ Yes ☒ No

If yes, Date of the most recent Commission Order: _____

Does the District have Operation and Maintenance standby fees? ☐ Yes ☒ No

If yes, Date of the most recent Commission Order: _____

(continued)

River Place Limited District

TSI-1 Schedule of Services and Rates (continued) Year Ended September 30, 2020

5. Location of District:

County(ies) in which district is located: Travis

Is the District located entirely within one county? ☒ Yes ☐ No

Is the District located within a city? ☐ Entirely ☐ Partly ☒ Not at all

City(ies) in which District is located: N/A

Is the District located within a city's extra-territorial jurisdiction (ETJ)? ☒ Entirely ☐ Partly ☐ Not at all

ETJ's in which district is located: City of Austin

Are Board members appointed by an office outside the District? ☐ Yes ☒ No

If yes, by whom? N/A

River Place Limited District

TSI-2 Schedule of General Fund Expenditures Year Ended September 30, 2020

Personnel expenditures (including benefits)	\$ -
Professional fees:	
Auditing	10,500
Legal	51,134
Engineering	570
Financial advisor	-
Purchased services for resale-	
Bulk water and wastewater service purchases	-
Contracted services:	
Bookkeeping	-
Utility manager	85,920
Appraisal district	4,230
Tax collector	-
Other contracted services	-
Utilities	-
Repairs and maintenance	65,196
Administrative expenditures:	
Directors' fees	7,751
Office supplies	-
Insurance	-
Other administrative expenses	6,883
Capital outlay:	
Capitalized assets	-
Expenditures not capitalized	-
Tap connection expenditures	-
Solid waste disposal	193,682
Fire fighting	-
Parks and recreation	281,970
Total expenditures	<u>\$ 707,836</u>

Number of persons employed by the District: 0 Full-Time 5 Part-Time
(Does not include independent contractors or consultants)

River Place Limited District

TSI-3 Schedule of Temporary Investments Year Ended September 30, 2020

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2020	Accrued Interest Receivable at September 30, 2020
<u>General Fund:</u>					
Investment in TexPool	N/A	Variable	N/A	\$ 523,302	\$ -
Investment in TexPool	N/A	Variable	N/A	225	-
Certificate of Deposit	N/A	0.550%	3/4/2021	240,000	431
Total - all funds				<u>\$ 763,527</u>	<u>\$ 431</u>

River Place Limited District

TSI-4 Analysis of Taxes Levied and Receivable Year Ended September 30, 2020

	Maintenance Taxes
Taxes receivable, September 30, 2019	\$ 20,462
2019 Tax roll	519,364
Adjustments	9,007
Total to be accounted for	548,833
Tax collections:	
2019 Tax year	524,580
2018 and prior	1,498
Total collections	526,078
Taxes receivable, September 30, 2020	\$ 22,755
Taxes receivable, by years:	
2019	\$ 4,294
2018	1,089
2017 and prior	17,372
Taxes receivable, September 30, 2020	\$ 22,755

	2019	2018	2017
Property valuations-			
Land improvements and personal property	\$ 670,422,243	\$ 645,830,465	\$ 609,115,042
Tax rates per \$100 valuation:			
Maintenance tax rates	\$ 0.0775	\$ 0.0750	\$ 0.0750
Debt service tax rates	-	-	-
Total tax rates per \$100 valuation	\$ 0.0775	\$ 0.0750	\$ 0.0750
Original tax levy	\$ 519,364	\$ 487,505	\$ 456,905
Percent of taxes collected to taxes levied	99.2%	99.8%	99.9%
Maximum tax rate approved by voters		\$ 0.50	on 9/25/2018

River Place Limited District

TSI-7 Comparative Schedule of Revenues and Expenditures - General Fund Three Fiscal Years Ended September 30, 2020

	Amounts			Percent of Fund Total Revenue		
	2020	2019	2018	2020	2019	2018
General Fund						
Revenues and other financing sources:						
Service revenue	\$ 136,315	75,618	6,671	20.2 %	13.0	12.5
Property taxes, including penalties and interest	527,534	484,298	9,832	78.2	83.0	18.5
Interest	10,557	23,575	15,388	1.6	4.0	29.0
Transfers in	-	-	21,236	-	-	40.0
Total revenues and other financing sources	674,406	583,491	53,127	100.0	100.0	100.0
Expenditures:						
Current:						
Garbage collection	193,682	190,647	145,313	28.8	32.8	273.5
Park	281,970	231,871	119,659	41.8	39.7	225.2
Operations/management fees	85,920	85,920	68,678	12.7	14.7	129.3
Repairs and maintenance	65,196	47,896	54,824	9.7	8.2	103.2
Legal fees	51,134	62,476	59,793	7.6	10.7	112.5
Engineering fees	570	6,832	4,891	0.1	1.2	9.2
Directors' fees	7,751	7,751	13,402	1.1	1.3	25.2
Audit fees	10,500	10,000	15,000	1.6	1.7	28.2
Tax appraisal/collection fees	4,230	1,735	2,149	0.6	0.3	4.0
Other	6,883	5,348	10,607	1.0	0.9	20.0
Total expenditures	707,836	650,476	494,316	105.0	111.5	930.3
Deficiency of revenues and other financing sources under expenditures	\$ (33,430)	(66,985)	(441,189)	(5.0) %	(11.5)	(830.3)

River Place Limited District

TSI-8 Board Members, Key Personnel and Consultants September 30, 2020

Complete District Mailing Address: c/o Zachariah T. Evans, McGinnis Lochridge & Kilgore LLP
600 Congress Ave., Suite 2100 Austin, TX 78701

District Business Telephone Number: (512) 495-6008

Submission date of the most recent District Registration Form: May 31, 2020
(TWC Sections 36.054 and 49.054)

Limit on fees of office that a director may receive during a fiscal year: \$7,200
(Set by Board Resolution - TWC Sections 49.060)

Name	Term of Office Elected or Appointed & Expires or Date Hired	Fees 9/30/20	Expense Reimbursements 9/30/20	Title at Year End
<u>Board Members:</u>				
Jennifer Mushtaler	(Elected) 5/18-5/22	\$0	\$0	President
Arthur A. Jistel	(Elected) 5/20-5/24	\$7,200	\$916	Vice President
Randall Jamieson	(Elected) 5/20-5/24	\$0	\$0	Secretary
Ivar Rachkind	(Elected) 5/18-5/22	\$0	\$0	Treasurer
Tim Mattox	(Elected) 5/18-5/22	\$0	\$0	Assistant Treasurer and Assistant Secretary
<u>Former Board Members-</u>				
Scott A. Crosby	(Elected) 5/16-5/20	\$0	\$0	

Note: No director is disqualified from serving on this board under the Texas Water Code.

(continued)

River Place Limited District

TSI-8 Board Members, Key Personnel and Consultants (continued) September 30, 2020

Name and Address	Date Hired	Fees and Expense Reimbursements 9/30/20	Title at Year End
<u>Consultants:</u>			
Inframark, LLC	2009	\$204,373	General Manager/Operator
McGinnis Lochridge & Kilgore LLP	2009	\$59,730	Attorney
Gray Engineering, Inc.	2004	\$570	Engineer
Maxwell Locke & Ritter LLP	2009	\$10,500	Auditor
Travis County Tax Collector	N/A	\$2,199	Tax Collector

River Place Limited District

OSI-1. Principal Taxpayers September 30, 2020

Taxpayer	Type of Property	Tax Roll Year	
		2020	2019
Herd Austin Realty LLC	Real and Improved	\$ 7,602,000	\$ 8,455,232
CF River Place Arcis LLC	Real and Improved	4,851,135	4,590,716
Homeowner	Real and Improved	4,050,415	4,050,415
Homeowner	Real and Improved	3,968,750	3,855,447
Homeowner	Real and Improved	3,143,242	3,143,242
Homeowner	Real and Improved	3,017,087	2,877,931
Homeowner	Real and Improved	2,996,853	2,996,853
Homeowner	Real and Improved	2,919,150	2,919,150
Homeowner	Real and Improved	2,914,500	2,914,500
7912 Big View Dr LLC	Real and Improved	2,798,980	-
Homeowner	Real and Improved	-	3,090,300
Total		<u>\$ 38,262,112</u>	<u>\$ 38,893,786</u>
Percent of Assessed Valuation		<u>5.0%</u>	<u>5.2%</u>

River Place Limited District

OSI-2. Assessed Value by Classification September 30, 2020

Type of Property	Tax Roll Year			
	2020		2019	
	Amount	%	Amount	%
Single Family	\$ 750,783,990	98.1%	\$ 740,080,698	98.2%
Vacant Lots	1,802,344	0.1%	1,521,019	0.2%
Non-Qualified Land	3,250	0.1%	3,250	0.1%
Commercial Real	4,851,135	0.6%	4,590,716	0.6%
Commercial Personal	664,867	0.1%	1,044,140	0.1%
Utilities	7,776	0.1%	23,798	0.0%
Totally Exempt Property	6,636,608	0.9%	6,637,388	0.9%
Total	<u>\$ 764,749,970</u>	<u>100.0%</u>	<u>\$ 753,901,009</u>	<u>100.0%</u>