

EBERT METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

NOVEMBER 30, 2019

**EBERT METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
NOVEMBER 30, 2019**

	<u>General</u>	<u>Conservation Trust</u>	<u>Debt Service</u>	<u>Capital Reserve - Bond Proceeds - Series 2018</u>	<u>Capital Reserve - 1.000 Mill</u>	<u>Total</u>
ASSETS						
C - Safe	\$ 148,641	\$ 51,117	\$ 1,691	\$ -	\$ 112,922	\$ 314,371
C - Safe - Rate Stabilization	-	-	6,720,945	-	-	6,720,945
C - Safe - Capital Replacement 2018	-	-	-	2,353,569	-	2,353,569
UMB - CP Bedrock Escrow 2008	165,178	-	-	-	-	165,178
UMB Series 2018-A accounts	-	-	2,843,287	-	-	2,843,287
Receivable from County Treasurer	11,131	-	25,452	-	-	36,583
TOTAL ASSETS	<u>\$ 324,950</u>	<u>\$ 51,117</u>	<u>\$ 9,591,375</u>	<u>\$ 2,353,569</u>	<u>\$ 112,922</u>	<u>\$ 12,433,933</u>
LIABILITIES AND FUND BALANCES						
CURRENT LIABILITIES						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-
FUND BALANCES						
Total Fund Balances	<u>324,950</u>	<u>51,117</u>	<u>9,591,375</u>	<u>2,353,569</u>	<u>112,922</u>	<u>12,433,933</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 324,950</u>	<u>\$ 51,117</u>	<u>\$ 9,591,375</u>	<u>\$ 2,353,569</u>	<u>\$ 112,922</u>	<u>\$ 12,433,933</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**EBERT METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2019**

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,940,442	\$ 1,934,825	\$ (5,617)
Specific ownership tax	123,280	146,867	23,587
Interest income	2,600	5,554	2,954
Other revenue	19,087	19,088	1
TOTAL REVENUES	<u>2,085,409</u>	<u>2,106,334</u>	<u>20,925</u>
EXPENDITURES			
County Treasurer's fee	19,400	19,397	3
Town Center services reimbursement	2,063,409	2,070,992	(7,583)
Contingency	7,191	-	7,191
TOTAL EXPENDITURES	<u>2,090,000</u>	<u>2,090,389</u>	<u>(389)</u>
NET CHANGE IN FUND BALANCES	(4,591)	15,945	20,536
FUND BALANCES - BEGINNING	<u>180,664</u>	<u>309,005</u>	<u>128,341</u>
FUND BALANCES - ENDING	<u>\$ 176,073</u>	<u>\$ 324,950</u>	<u>\$ 148,877</u>

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**EBERT METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2019**

CONSERVATION TRUST FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
CTF proceeds	\$ 55,000	\$ 50,074	\$ (4,926)
Interest income	300	712	412
TOTAL REVENUES	<u>55,300</u>	<u>50,786</u>	<u>(4,514)</u>
EXPENDITURES			
Town Center capital reimbursement	<u>55,300</u>	-	<u>55,300</u>
TOTAL EXPENDITURES	<u>55,300</u>	<u>-</u>	<u>55,300</u>
NET CHANGE IN FUND BALANCES	-	50,786	50,786
FUND BALANCES - BEGINNING	<u>-</u>	<u>331</u>	<u>331</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 51,117</u>	<u>\$ 51,117</u>

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SUPPLEMENTARY INFORMATION

**EBERT METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2019**

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 4,698,151	\$ 4,684,922	\$ (13,229)
Specific ownership tax	281,890	335,836	53,946
Interest income	100,300	189,661	89,361
TOTAL REVENUES	<u>5,080,341</u>	<u>5,210,419</u>	<u>130,078</u>
EXPENDITURES			
County Treasurer's fee	46,982	46,975	7
Paying agent/custodian fees	4,000	-	4,000
Loan interest - 2018A-1	3,937,295	1,940,920	1,996,375
Loan interest - 2018A-2	746,535	368,010	378,525
Loan principal - 2018A-1	270,000	-	270,000
Loan principal - 2018A-2	65,000	-	65,000
Contingency	5,188	-	5,188
TOTAL EXPENDITURES	<u>5,075,000</u>	<u>2,355,905</u>	<u>2,719,095</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,341	2,854,514	2,849,173
OTHER FINANCING SOURCES (USES)			
Transfers to other fund	-	(765)	(765)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(765)</u>	<u>(765)</u>
NET CHANGE IN FUND BALANCES	5,341	2,853,749	2,848,408
FUND BALANCES - BEGINNING	<u>6,686,612</u>	<u>6,737,626</u>	<u>51,014</u>
FUND BALANCES - ENDING	<u>\$ 6,691,953</u>	<u>\$ 9,591,375</u>	<u>\$ 2,899,422</u>

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**EBERT METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2019**

CAPITAL RESERVE - BOND PROCEEDS - SERIES 2018 FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ 25,300	\$ 48,876	\$ 23,576
TOTAL REVENUES	<u>25,300</u>	<u>48,876</u>	<u>23,576</u>
EXPENDITURES			
Irrigation upgrades - 56th/Picadilly	500,000	-	500,000
GVR Boulevard landscaping	500,000	-	500,000
Other projects - pending Reserve Study	250,000	-	250,000
TOTAL EXPENDITURES	<u>1,250,000</u>	<u>-</u>	<u>1,250,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,224,700)	48,876	1,273,576
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	765	765
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>765</u>	<u>765</u>
NET CHANGE IN FUND BALANCES	(1,224,700)	49,641	1,274,341
FUND BALANCES - BEGINNING	<u>2,300,000</u>	<u>2,303,928</u>	<u>3,928</u>
FUND BALANCES - ENDING	<u>\$ 1,075,300</u>	<u>\$ 2,353,569</u>	<u>\$ 1,278,269</u>

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**EBERT METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2019**

CAPITAL RESERVE - 1.000 MILL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 114,144	\$ 113,813	\$ (331)
Interest income	840	249	(591)
TOTAL REVENUES	<u>114,984</u>	<u>114,062</u>	<u>(922)</u>
EXPENDITURES			
County Treasurer's fee	1,141	1,141	-
Contingency	857	-	857
TOTAL EXPENDITURES	<u>1,998</u>	<u>1,141</u>	<u>857</u>
NET CHANGE IN FUND BALANCES	112,986	112,921	(65)
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 112,986</u>	<u>\$ 112,922</u>	<u>\$ (64)</u>

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**EBERT METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Ebert Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver, Colorado (City) on September 12, 1983, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City. The District's service area is located within the City.

On November 3, 1998, District voters authorized the issuance of \$90,500,000 of general obligation indebtedness. The District voters also approved a property tax revenue increase of \$1,000,000 annually to pay, in part, the District's general cost of operations and maintenance. Furthermore, the voters authorized the District to collect and expend levied taxes and any other income of the District without regard to any limitations imposed by TABOR. On November 2, 1999, District voters approved \$33,000,000 to finance costs associated with the Regional Facilities Construction Agreement. On November 7, 2000, District electors approved \$66,000,000 to finance costs associated with the Regional Facilities Construction Agreement. In addition, District electors approved \$90,000,000 of general obligation indebtedness.

The District entered into a Regional Facilities Construction Agreement (Old Agreement) with Town on December 1, 1999. Under the Old Agreement, Town is to provide capital construction and administrative services to the District. Town is to own, operate, maintain, and construct the facilities benefiting both Districts. The District will, to the extent that the District is to benefit, pay the capital and service costs of construction, operation and maintenance of such facilities. At special elections held within the District on November 2, 1999, and on November 7, 2000, the District's qualified electors approved \$33,000,000 and \$66,000,000, respectively, for a total amount of \$99,000,000, for the Old Agreement.

On April 28, 2005, the District and Town entered into a District Facilities Construction, Funding and Service Agreement (New Agreement), which replaced the Old Agreement. Under the New Agreement, the obligations of the District and Town remain essentially the same. In addition, Town may draw against the District's project funds without further need of the District's consent, to pay the capital costs expected to be paid pursuant to the New Agreement. The District also agrees to levy a minimum service levy of not less than 10 mills and not greater than 50 mills to pay the service costs expected to be paid pursuant to the New Agreement.

The District and Town entered into an Amended and Restated Facilities, Construction, Funding and Service Agreement effective January 1, 2016 (Amended Agreement). Under the Amended Agreement, the District will pay a maximum of \$21,635,477 to Town for service costs, which represents voted authorization of \$99,000,000 less all service costs paid to Town through December 31, 2015. Service costs comprise all operations, maintenance, and administration costs incurred by Town in the performance of the duties and services required by the Amended Agreement. The District agrees to levy a minimum service levy of 19 mills that may be adjusted to account for constitutional or legislative changes in computing assessed valuation of District property, provided that the levy shall never exceed 50 mills. Payments for capital costs contemplated by the Amended Agreement are to be funded from the proceeds of the District's 2016C Note.

**EBERT METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (Continued)

The District and Town entered in to a Second Amended and Restated District Facilities Construction, Funding and Service Agreement dated effective as of November 1, 2018 (New Service Agreement). The New Service Agreement provides that the District will fund the construction of certain facilities necessary to complete the development in the District and Town will own, operate and maintain certain facilities identified therein and provide covenant enforcement and design review services for the benefit of the District. For the purposes of paying the costs incurred by Town for such purposes, the New Service Agreement further provides that the District will levy the Minimum Service Levy (a levy of not less than eighteen (18) mills against all taxable property within its boundaries, adjusted to account for constitutional and legislative changes, including new exemptions, in the manner, method or base percentage calculation for the computation of assessed values of taxable property, provided that the levy shall never exceed fifty (50) mills) until such time as the New Service Agreement is terminated or the District has paid Town the Maximum Service Amount (\$16,947,741). The Maximum Service Amount represents costs incurred by Town for operations, maintenance and administrative costs incurred by Town in the performance of its duties under the New Service Agreement.

The New Service Agreement establishes and funds the Capital Repair and Replacement Fund (the "CRRF"). One mill of the Minimum Service Levy is to be reserved for the purpose of funding the CRRF. The amounts in the CRRF are to be used for the limited purpose of repairing, replacing and/or maintaining public improvements and for creating reserves for those purposes, all at the direction of the Board acting in its discretion. Town agrees in the New Service Agreement to, subject to funding provided by the District from the CRRF, to repair, replace and/or maintain public improvements in consultation with or as requested by the Board. Additionally, pursuant to the New Service Agreement, the District agrees to allow Town to withdraw, at the direction of the District, up to \$2,300,000 of proceeds from the District's Series 2018 A-2 bonds for funding the construction or acquisition of certain facilities (the Improvement Project).

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

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

This budget only includes Ebert Metropolitan District. Ebert Metropolitan District Subdistrict No. 1 and Ebert Metropolitan District Subdistrict No. 2 are being administratively dissolved.

**EBERT METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

Landscape Maintenance Reimbursement

Per an intergovernmental agreement effective January 1, 2012, the District will be reimbursed by Green Valley Ranch Metropolitan District (GVRMD) for landscape maintenance services that Town provides for property within GVRMD. These funds will be transferred to Town as part of the services outlay.

Conservation Trust (Lottery Proceeds)

The District receives revenue from the State Lottery on a per capita basis ratio. The revenue is restricted for recreation purposes under state statutes.

Expenditures

Outlay for Town Center Metropolitan District

Per the New Service Agreement with Town, the District is to pay the capital and service costs of the construction, operation, and maintenance of the facilities being constructed by Town that will benefit the District. The District will also transfer lottery proceeds to Town to fund eligible projects.

**EBERT METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Debt Service

Principal and interests payments are provided based on the debt amortization schedule from the Series 2018 Bonds (discussed under Debt and Leases).

Debt and Leases

On December 6, 2018, the District issued an aggregate of \$102,715,000 of General Obligation Refunding and Improvement Bonds (the 2018 Bonds) as follows: (1) \$86,350,000 General Obligation Limited Tax Refunding Bonds Series 2018A-1 and (2) \$16,365,000 General Obligation Limited Tax Refunding and Improvement Bonds Series 2018A-2; The 2018 Bonds bear interest payable on June 1 and December 1, commencing on June 1, 2019, at the rate of 4.00% – 5.00% per annum. Premium payments of \$5,553,963 and \$1,055,035, respectively, were paid on the bonds, resulting in net effective interest rates between 3.77% and 4.16%. Mandatory principal payments are due on December 1, commencing on December 1, 2019, with final payment due on December 1, 2048.

The Series 2018A-1 Bonds are limited tax general obligations of the District secured by and payable from the 2018A-1 Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the 2018A-1 Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the 2018A-1 Required Mill Levy; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2018A-1 Pledged Revenue Fund. The Series 2018A-2 Bonds are limited tax general obligations of the District secured by and payable from the 2018A-2 Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the 2018A-2 Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the 2018A-2 Required Mill Levy; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2018A-2 Pledged Revenue Fund.

Proceeds from the sale of the Series 2018A-1 Bonds were used to refund, pay and discharge the District's outstanding 2016A Loan and 2016B Loan in the amount of \$52,460,000 and \$37,995,000, respectively. Proceeds from the sale of the Series 2018A-2 Bonds were used to refund, pay and discharge the District's outstanding 2016C Loan in the amount of \$14,675,000 and to finance the Improvement Project in the amount of \$2,300,000. In addition, proceeds from the sale of the 2018 Bonds were used to pay the costs of issuance of the 2018 Bonds and to purchase a bond insurance policy that will secure the payment of interest and principal on the 2018 Bonds.

The District has no operating or capital leases.

**EBERT METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Intergovernmental Agreements

Agreement with Weingarten/Miller/GVR, LLC

The District has entered into a Mill Levy Cap Agreement dated as of July 10, 2002 (Mill Levy Cap Agreement) with Weingarten/Miller/GVR, LLC (Weingarten). Pursuant to the Mill Levy Cap Agreement, the District agreed to limit its debt service mill levy for all District bonds to 65 mills, subject to certain adjustments for changes in law. The current debt service mill levy cap under the mill levy cap agreement, based upon such adjustment is 82.604. Such limitation may be removed by the District at such time as the general obligation debt of the District is equal to or less than 50% of the assessed value of the taxable property in the District. The District further agreed to include terms incorporating such limitations into the documents governing its bond transactions and to provide notice to Weingarten of the District's intent to issue bonds and the proposed terms thereof. The District incorporated the Mill Levy Cap into the Indenture for the 2018 Bonds. The District provided notice of the issuance of the Bonds to Weingarten on September 20, 2018 pursuant to the Mill Levy Cap Agreement. The Mill Levy Cap Agreement does not limit the power of the District to impose or collect property taxes for administration, operation and maintenance. The Mill Levy Cap Agreement is to continue in effect until the outstanding general obligation debt of the District does not exceed 50% of the valuation of the taxable property in the District unless sooner terminated pursuant to the provisions thereof.

Inclusion Agreement

The District has entered into a Restated Inclusion Agreement dated May 30, 2008, with an effective date of December 12, 2007 with Town and C.P. Bedrock LLC (CP Bedrock), (Inclusion Agreement). Pursuant to the Inclusion Agreement, the parties set out the terms by which certain property owned by CP Bedrock has been included and will be included and excluded from the District. In addition, the District has agreed to limit its debt service mill levy in perpetuity to 65 mills, subject to certain adjustments for changes in law. The current debt service mill levy cap under the Inclusion Agreement, based upon such adjustment is 82.604 mills. The District also agreed to provide CP Bedrock with notice at least 60 days prior to issuing District bonds. The District provided CP Bedrock with notice of the issuance of the 2018 Bonds on September 20, 2018 pursuant to the Inclusion Agreement. The Inclusion Agreement established the terms upon which a portion of the proceeds of the District's 2007 Bonds were deposited into an escrow account to be released to the District as it completes certain improvements benefiting property owned by CP Bedrock that is subject to the Inclusion Agreement.

Due to the fact that the property that is the subject of the Inclusion Agreement is not subject to a potential general fund mill levy of the District, the Inclusion Agreement allows the District to impose a General Fund Fee (General Fund Fee) in order for the District to pay certain operations and maintenance expenses related to the property contained in the property subject to the Inclusion Agreement. The amount of the General Fund Fee is generally calculated in the same manner as an operations and maintenance mill levy would be calculated based upon a formula set forth in the Inclusion Agreement. The District has not previously imposed a General Fund Fee however it may do so at any time. There is a portion of the property subject to the Inclusion Agreement that remains undeveloped, therefore, there is a portion of the Town Development Fees related to this undeveloped property that remains outstanding.

**EBERT METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

Debt Service

The District has provided for a rate stabilization account in the amount of \$4,636,000.

