

**EBERT METROPOLITAN DISTRICT
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

**EBERT METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2021**

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Board of Directors
Ebert Metropolitan District
Denver County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Ebert Metropolitan District (the "District"), as of and for the year ended December 31, 2021, 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 Ebert Metropolitan District as of December 31, 2021, 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.

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.

Emphasis of Matter

As discussed in Note 5 to the financial statements, the board of directors of the District budgeted a transfer of a capital maintenance reserve amount from a related district that was not ultimately recorded in the fund financial statements for the year ended December 31, 2021. Our opinion is not modified with respect to that matter.

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 (GAAP), 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks 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 judgment, 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 with 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.

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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 listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary 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, such information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

The other information, as 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 them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

July 27, 2022

BASIC FINANCIAL STATEMENTS

**EBERT METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 92,659
Cash and Investments - Restricted	9,705,199
Receivable - County Treasurer	30,991
Property Taxes Receivable	<u>6,937,591</u>
Total Assets	16,766,440
LIABILITIES	
Due to Town Center Metro District	29,099
Due to County	35
Accrued Interest Payable	388,525
Noncurrent Liabilities:	
Due Within One Year	1,474,341
Due in More than One Year	<u>105,117,339</u>
Total Liabilities	107,009,339
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>6,937,591</u>
Total Deferred Inflows of Resources	<u>6,937,591</u>
NET POSITION	
Restricted for:	
Emergency Reserves	73,000
Debt Service	1,048,295
Capital Projects	469,522
Conservation Trust Fund	171,365
Unrestricted	<u>(98,942,672)</u>
Total Net Position	<u><u>\$ (97,180,490)</u></u>

See accompanying Notes to Basic Financial Statements.

**EBERT METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 3,096,722	\$ -	\$ 21,321	\$ 68,920	\$ (3,006,481)
Interest and Fees on Long-Term Debt	4,435,727	-	-	-	(4,435,727)
Total Governmental Activities	\$ 7,532,449	\$ -	\$ 21,321	\$ 68,920	(7,442,208)
 GENERAL REVENUES					
Property Taxes					8,234,496
Specific Ownership Taxes					447,592
Net Investment Income					9,291
Total General Revenues					8,691,379
 CHANGE IN NET POSITION					
Net Position - Beginning of Year					(98,429,661)
 NET POSITION - END OF YEAR					
					\$ (97,180,490)

See accompanying Notes to Basic Financial Statements.

**EBERT METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Conservation Trust	Capital Reserve Bond Proceeds Series 2018	Capital Reserve 1.000 Mill	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 92,659	\$ -	\$ -	\$ -	\$ -	\$ 92,659
Cash and Investments - Restricted	238,793	8,051,012	171,365	851,517	392,512	9,705,199
Receivable - County Treasurer	8,640	21,843	-	-	508	30,991
Property Taxes Receivable	2,495,644	4,295,144	-	-	146,803	6,937,591
Total Assets	<u>\$ 2,835,736</u>	<u>\$ 12,367,999</u>	<u>\$ 171,365</u>	<u>\$ 851,517</u>	<u>\$ 539,823</u>	<u>\$ 16,766,440</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Due to Town Center Metro District	\$ 29,099	\$ -	\$ -	\$ -	\$ -	\$ 29,099
Due to County Treasurer	-	35	-	-	-	35
Total Liabilities	<u>29,099</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,134</u>
DEFERRED INFLOWS OF RESOURCES						
Property Tax Revenue	2,495,644	4,295,144	-	-	146,803	6,937,591
Total Deferred Inflows of Resources	<u>2,495,644</u>	<u>4,295,144</u>	<u>-</u>	<u>-</u>	<u>146,803</u>	<u>6,937,591</u>
FUND BALANCES						
Restricted for:						
Emergency Reserves	73,000	-	-	-	-	73,000
Debt Service	-	1,297,796	-	-	-	1,297,796
Mill Levy Stabilization Fund	-	6,775,024	-	-	-	6,775,024
Conservation Trust Fund	-	-	171,365	-	-	171,365
Capital Projects	165,793	-	-	851,517	393,020	1,410,330
Assigned:						
Subsequent Year's Expenditures	48,176	-	-	-	-	48,176
Unassigned	24,024	-	-	-	-	24,024
Total Fund Balances	<u>310,993</u>	<u>8,072,820</u>	<u>171,365</u>	<u>851,517</u>	<u>393,020</u>	<u>9,799,715</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,835,736</u>	<u>\$ 12,367,999</u>	<u>\$ 171,365</u>	<u>\$ 851,517</u>	<u>\$ 539,823</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.						
Bonds Payable						(100,965,000)
Bond Premium						(5,626,680)
Accrued Bond Interest						(388,525)
Net Position of Governmental Activities						<u>\$ (97,180,490)</u>

See accompanying Notes to Basic Financial Statements.

**EBERT METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	General	Debt Service	Conservation Trust	Capital Reserve Bond Proceeds Series 2018	Capital Reserve 1.000 Mill	Total Governmental Funds
REVENUES						
Property Taxes	\$ 2,296,800	\$ 5,802,590	\$ -	\$ -	\$ 135,106	\$ 8,234,496
Specific Ownership Taxes	124,784	315,468	-	-	7,340	447,592
Town Center Legal Reimbursement	21,321	-	-	-	-	21,321
Net Investment Income	1,366	7,234	41	470	180	9,291
Conservation Trust Fund	-	-	68,920	-	-	68,920
Total Revenues	<u>2,444,271</u>	<u>6,125,292</u>	<u>68,961</u>	<u>470</u>	<u>142,626</u>	<u>8,781,620</u>
EXPENDITURES						
County Treasurer's Fees	22,976	58,056	-	-	1,352	82,384
Town Center Services Reimbursement	2,399,838	-	-	-	-	2,399,838
Legal Services	21,321	-	-	-	-	21,321
Debt Service:						
Interest - 2018 A-1 Bond	-	3,956,000	-	-	-	3,956,000
Interest - 2018 A-2 Bond	-	749,050	-	-	-	749,050
Principal - 2018 A-1 Bond	-	720,000	-	-	-	720,000
Principal - 2018 A-2 Bond	-	135,000	-	-	-	135,000
Paying Agent Fees	-	3,500	-	-	-	3,500
Capital Projects:						
Capital Outlay	-	-	-	651,235	-	651,235
Total Expenditures	<u>2,444,135</u>	<u>5,621,606</u>	<u>-</u>	<u>651,235</u>	<u>1,352</u>	<u>8,718,328</u>
NET CHANGE IN FUND BALANCES	136	503,686	68,961	(650,765)	141,274	63,292
Fund Balances - Beginning of Year	<u>310,857</u>	<u>7,569,134</u>	<u>102,404</u>	<u>1,502,282</u>	<u>251,746</u>	<u>9,736,423</u>
FUND BALANCES - END OF YEAR	<u>\$ 310,993</u>	<u>\$ 8,072,820</u>	<u>\$ 171,365</u>	<u>\$ 851,517</u>	<u>\$ 393,020</u>	<u>\$ 9,799,715</u>

See accompanying Notes to Basic Financial Statements.

**EBERT METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balance - Total Governmental Funds \$ 63,292

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

The issuance of long-term debt (e.g., bonds, leases, Developer advances) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond Principal Payment	855,000
Current Year Amortization of Bond Premium	327,316

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Accrued Interest on Bonds Payable - Change in Liability	<u>3,563</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 1,249,171</u></u>
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**EBERT METROPOLITAN DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budgets		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 2,284,196	\$ 2,284,196	\$ 2,296,800	\$ 12,604
Specific Ownership Taxes	114,210	124,210	124,784	574
Town Center Legal Reimbursement	25,000	25,000	21,321	(3,679)
Net Investment Income	1,500	1,500	1,366	(134)
Total Revenues	<u>2,424,906</u>	<u>2,434,906</u>	<u>2,444,271</u>	<u>9,365</u>
EXPENDITURES				
County Treasurer's Fees	22,840	22,840	22,976	(136)
Town Center Services Reimbursement	2,375,566	2,385,566	2,399,838	(14,272)
Legal Services	25,000	25,000	21,321	3,679
Election Expense	5,000	5,000	-	5,000
Contingency	11,594	11,594	-	11,594
Total Expenditures	<u>2,440,000</u>	<u>2,450,000</u>	<u>2,444,135</u>	<u>5,865</u>
NET CHANGE IN FUND BALANCE	(15,094)	(15,094)	136	15,230
Fund Balance - Beginning of Year	<u>306,837</u>	<u>306,837</u>	<u>310,857</u>	<u>4,020</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 291,743</u></u>	<u><u>\$ 291,743</u></u>	<u><u>\$ 310,993</u></u>	<u><u>\$ 19,250</u></u>

See accompanying Notes to Basic Financial Statements.

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

Ebert Metropolitan District (the 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 (the 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.

The District was organized concurrently with Town Center Metropolitan District (Town). The District has the power to provide sanitation, storm drainage, streets, traffic and safety controls, water and park and recreation improvements and other related improvements for the benefit of taxpayers and service users within Town's and the District's boundaries.

The District is intended to serve as the "financing district" while Town is intended to serve as the "operating district." The operating district is responsible for providing the day-to-day construction operations and administrative management of both districts. The operating district is economically dependent upon intergovernmental revenue received from the financing district.

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, including the City or Town.

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 include the statement of net position and the statement of activities. These financial statements include 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.

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. 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 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 debt of the governmental funds.

The Conservation Trust Fund (a Capital Projects Fund) is used to account for the lottery proceeds received from the state. This revenue is restricted for the maintenance or acquisition and construction of recreational facilities under state statutes.

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

The Capital Reserve – Bond Proceeds – Series 20218 Fund (a Capital Projects Fund) is used to account for the resources accumulated for the purpose of repairing, replacing, and/or maintaining public improvements.

The Capital Reserve – 1.000 Mill Fund (a Capital Projects Fund) is used to account for the resources from the imposition of a 1.000 mills property tax to be used for the purpose of creating reserves for the purpose of repairing, replacing, and/or maintaining public improvements.

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

The District's Board of Directors amended its annual budget for the year ended December 31, 2021, by resolution adopted on April 12, 2022.

Pooled Cash and Investments

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 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.

Per agreement between the District and Town, the County Treasurer remits the District's taxes collected monthly into a clearing account held by Town. Town then disburses the taxes to either the District, the Trustee, or to Town's General Fund account in accordance with the Regional Facilities Construction Agreements (see Note 5).

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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.

Development Fees

The Board of Directors has established development fees to be collected at the time of a request for a building permit from the builder and is based upon an original fee schedule of \$30,000 per acre for single family development, \$36,000 per acre for multi-family development, \$38,000 per acre for commercial development and \$10,000 per acre for development of school and church properties. Fees are increased annually. As of March 1, 2015, the fees in effect were \$37,500 per acre for single family development, \$43,500 per acre for multi-family development, \$45,500 per acre for commercial development, \$16,000 per acre for school sites, and \$16,000 per acre for churches.

On January 1, 2016, the District entered into an Amended and Restated Facilities Construction, Funding and Service Agreement with Town. The responsibility for setting, collecting and spending the development fees passed from the District to Town. Prior to this Amendment, the District's Board of Directors originally approved an annual \$500 increase. Since January 1, 2016, the Town has not taken any action to increase fees. As a result, the 2020 development fees remain the same as those in effect in 2015.

Amortization

Original Issue Discount/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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 resources 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: nonspendable, 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:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

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

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

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 criteria described above.

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

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 92,659
Cash and Investments - Restricted	<u>9,705,199</u>
Total Cash and Investments	<u><u>\$ 9,797,858</u></u>

Cash and investments as of December 31, 2021, consist of the following:

Investments	<u>\$ 9,797,858</u>
Total Cash and Investments	<u><u>\$ 9,797,858</u></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. 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 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, 2021, the District's had no deposits with financial Institutions.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, 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 years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . 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

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 8,413,031
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	1,219,034
Morgan Stanley Institutional Liquidity Fund - Government	Weighted-Average Under 15 Days or Less	165,793
Total		<u>\$ 9,797,858</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. 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 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, and there is no redemption notice period.

Morgan Stanley Institutional Liquidity Fund – Government

The capital escrow money that is included in the trust accounts at United Missouri Bank (UMB) is invested in the Morgan Stanley Institutional Liquidity Fund - Government (MSILF Govt). This portfolio is an institutional mutual fund which invests in repurchase agreements, U.S. Government Agency debt, and U.S. Treasury debt, with maturities of 15 days or less. The MSILF Govt is rated AAAM by Standard and Poor's. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Additions	Deletions	Balance - December 31, 2021	Due Within One Year
General Obligation					
Bonds Payable:					
Series 2018A-1	\$ 85,615,000	\$ -	\$ 720,000	\$ 84,895,000	\$ 970,000
Series 2018A-2	16,205,000	-	135,000	16,070,000	180,000
Subtotal	101,820,000	-	855,000	100,965,000	1,150,000
Bond Premium	5,953,996	-	327,316	5,626,680	324,341
Total	<u>\$ 107,773,996</u>	<u>\$ -</u>	<u>\$ 1,182,316</u>	<u>\$ 106,591,680</u>	<u>\$ 1,474,341</u>

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt

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 following rates: 4.00% – 5.00% per annum on the 2018A-1 Bonds, and 4.00%-5.00% per annum on the 2018A-2 Bonds. 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, to purchase a bond insurance policy that will secure the payment of interest and principal on the 2018 Bonds, and to fund a Mill Levy Stabilization Account in the initial amount of \$6,636,000 to be used to minimize any impacts that may occur as the result of future decreases in assessed valuation of the District.

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,150,000	\$ 4,662,300	\$ 5,812,300
2023	1,260,000	4,604,800	5,864,800
2024	1,485,000	4,541,800	6,026,800
2025	1,595,000	4,467,550	6,062,550
2026	1,810,000	4,387,800	6,197,800
2027-2031	11,305,000	20,441,750	31,746,750
2032-2036	16,075,000	17,359,000	33,434,000
2037-2041	22,205,000	12,853,500	35,058,500
2042-2046	30,050,000	6,713,726	36,763,726
2047-2048	14,030,000	849,424	14,879,424
Total	<u>\$ 100,965,000</u>	<u>\$ 80,881,650</u>	<u>\$ 181,846,650</u>

Authorized Debt

On November 3, 1998, the District's electors authorized the incurrence of general obligation indebtedness totaling \$90,500,000 at an interest rate not to exceed 15% for a maximum term of 20 years. On November 7, 2000, the District's electors authorized an additional \$90,500,000 of general obligation indebtedness at an interest rate not to exceed 15%, with no limit on the maximum term. At December 31, 2021, the District has authorized but unissued indebtedness for the following purposes:

	<u>Authorized November 3, 1998 Election</u>	<u>Authorized November 7, 2000 Election</u>	<u>Total Authorized</u>
Street Improvements	\$ 35,000,000	\$ 35,000,000	\$ 70,000,000
Traffic Controls	2,000,000	2,000,000	4,000,000
Water System	28,000,000	28,000,000	56,000,000
Sanitary Sewer	13,000,000	13,000,000	26,000,000
Park and Recreation	12,000,000	12,000,000	24,000,000
Operations	500,000	500,000	1,000,000
Total	<u>\$ 90,500,000</u>	<u>\$ 90,500,000</u>	<u>\$ 181,000,000</u>

	<u>Authorization Used</u>						<u>Remaining at December 31, 2021</u>
	<u>Series 2001 Bonds</u>	<u>Series 2004 Bonds</u>	<u>Series 2005 Bonds</u>	<u>Series 2007 Bonds</u>	<u>Series 2016 Loans</u>	<u>Series 2018 Bonds</u>	
Street							
Improvements	\$ 13,580,300	\$ 2,091,656	\$ 13,161,592	\$ 14,360,744	\$ 10,137,413	\$ 1,550,000	\$ 15,118,295
Traffic Controls	-	-	-	-	-	-	4,000,000
Water System	6,338,400	(852,762)	4,101,235	4,808,238	(2,859,555)	750,000	43,714,444
Sanitary Sewer	9,142,725	(5,611,303)	455,763	2,689,580	780,297	-	18,542,938
Park and Recreation							
Recreation	5,688,575	5,952,409	3,781,410	8,541,438	36,168	-	-
Operations	-	-	-	-	-	-	1,000,000
Total	<u>\$ 34,750,000</u>	<u>\$ 1,580,000</u>	<u>\$ 21,500,000</u>	<u>\$ 30,400,000</u>	<u>\$ 8,094,323</u>	<u>\$ 2,300,000</u>	<u>\$ 82,375,677</u>

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 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 as described in the Mill Levy Cap Agreement.

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. At December 31, 2021, the balance in this escrow account was \$165,793.

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 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
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Regional Facilities Construction Agreements

The District entered into a Regional Facilities Construction Agreement (Old Agreement) with the Town on December 1, 1999. Under the Old Agreement, the Town is to provide capital construction and administrative services to the District. The 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 the 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, the 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 the Town for service costs, which represents voted authorization of \$99,000,000 less all service costs paid to the Town through December 31, 2015. Service costs comprise all operations, maintenance, and administration costs incurred by the 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.

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 the 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 the 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 of \$16,947,741. The Maximum Service Amount represents the future maximum costs that can be incurred by Town for operations, maintenance, and administration in the performance of its duties under the New Service Agreement. At December 31, 2021, the Maximum Service Amount remaining was \$10,089,339.

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Regional Facilities Construction Agreements (Continued)

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), subject to confirmation that construction has been accomplished in compliance with the conditions and terms of the construction contract involved, in accordance with generally accepted principles of engineering and construction review, and in accordance with any and all applicable laws, rules, regulations, and codes of the City or any other regulatory agency having jurisdiction. During 2021, \$651,235 was paid to Town under this provision.

Capital Reserve – 1.000 Mill Fund

On August 20, 2020 ("August 20th Meeting"), a meeting of District service support contractors (that included the District's Accountant, District Manager and District Engineer) and select members from the Boards of both Ebert and Town, took place to discuss the results contained in the recently completed Reserve Study Report ("Reserve Study") contracted by Town Center Metropolitan District ("Town") in anticipation of Town's express intent to transfer select assets to Ebert. Generally, the timing of the transfer is estimated to follow Town's completion of the Ebert buildout. At the August 20th Meeting, it was recognized that Town had not anticipated and planned adequate financial reserves necessary to account for the inevitable repair and replacement of Town's life-limited physical assets in the amount estimated by the Reserve Study.

As the discussions necessarily contemplated Town's intent to transfer select Town assets to Ebert, Ebert's Board President asserted that Ebert would entertain no such transfer of Town assets without an accompanying financial reserve commensurate with the funding estimate as described in the applicable Reserve Study. At this meeting, Town's Board representative agreed to transfer to Ebert's Capital Reserve – 1.000 Mill Fund (also known as the Capital Repair and Replacement Fund (CRRF)), the sum of \$555,000 from Town's "Capital Projects – Replacement Fund".

The accountant attending the meeting memorialized the agreed fund transfer in the first draft of Ebert's 2021 budget, which was later approved by the Ebert Board in January 2021. The agreed transfer was further acknowledged and memorialized by the accountant in the District's periodic budget and financial statements that include the statement, "It is also anticipated that Town Center funds set aside for capital replacement will be transferred to the District (sic Ebert) to establish a capital reserve fund" appearing, for example, in the Summary of Significant Assumptions of the March 31, 2021, internal financial statements of Ebert.

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Capital Reserve – 1.000 Mill Fund (Continued)

As of December 31, 2021, the agreed transfer of \$555,000 from Town to Ebert’s CRRF did not occur as agreed by Town at the August 20th Meeting.

NOTE 6 NET POSITION

The District has net position consisting of two components - restricted and unrestricted.

The restricted component of net position consists of assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2021, the District had restricted net position as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 73,000
Revenues Pledged for Debt Service	1,048,295
Capital Projects	469,522
Conservation Trust Fund	171,365
Total Restricted Net Position	\$ 1,762,182

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the restricted component of net position.

The District has a deficit in unrestricted net position. In previous years, the District transferred debt proceeds to Town for the construction of facilities benefiting both Districts pursuant to the Regional Facilities Construction Agreements. The long-term debt which funded the construction of these facilities remains an obligation of the District.

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 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.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). 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, public officials' liability, and workers' compensation 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 8 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 3, 1998, a majority of the District's electors approved the following election question: "Shall the Ebert Metropolitan District, through the imposition of its mill levy as allowed by law (including but not limited to voter approved mill levies,) be permitted to collect and expend as a voter-approved revenue change under Article X, Section 20 of the Colorado Constitution whatever additional amounts are raised annually in 1998 and any year thereafter through and including 2038, from its mill levy, and from specific ownership taxes, interest income, fees, grants and any other income of the District, such authority to collect and expend such amounts to constitute an exception to the limits which would otherwise apply, without limiting or affecting the collection or expenditure of other revenues; and shall the District be authorized in 1998 and every year thereafter through and including 2038 to collect and expend from its mill levy more than the amount which would otherwise be permitted under the 5 ½% limit of Section 29-1-301, Colorado Revised Statutes; all such additional revenues to be used for such purposes as are deemed appropriate by the District?"

**EBERT METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 TAX, SPENDING, AN DEBT LIMITATIONS (CONTINUED)

On November 7, 2000, a majority of the District's electors approved the following election question: "Shall Ebert Metropolitan District be authorized to collect, retain, and spend whatever amount is collected annually from any revenue sources, including but not limited to, ad valorem taxes, tap fees, facility fees, service charges, inspection charges, administrative charges, grants, and any other fee, rate, toll, penalty, income, or charge imposed, collected, or authorized by law to be imposed or collected by the District, and shall such revenues be collected and spent by the District as a voter-approved revenue change without regard to any spending, revenue-raising, tax cut or other limitation contained within Article X, Section 20 of the Colorado Constitution, and without limiting in any year the amount of other revenues that may be collected and spent by the District?"

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 but not limited to the interpretation of how to calculate Fiscal Year Spending and other limits, will require judicial interpretation.

NOTE 9 SUBDISTRICTS

During 2003, the Board of Directors of the District by resolution allowed for the division of the District into one or more subareas. Ebert Metropolitan District Subdistrict No. 1 was established on September 10, 2003, and Ebert Metropolitan District Subdistrict No. 2 was established on December 10, 2003. Different rates of levy for property tax purposes may be fixed against all the taxable property within the Subdistricts for operations and/or repayment of indebtedness issued by the Subdistricts to finance services, programs, and facilities furnished or to be furnished within the Subdistricts.

At an election held on November 4, 2003, the electors of Subdistrict No. 1 approved authorization to increase property taxes up to \$400,000 annually, as necessary, to pay for the costs of constructing, operating, and maintaining the improvements within and/or benefiting the Subdistrict. Debt authorization was also approved in the amount of \$2,000,000 for street improvements, \$16,000,000 for executing intergovernmental agreements, and \$20,000,000 for debt refunding. The electors of Subdistrict No. 2 at an election held on May 4, 2004, authorized \$2,000,000 of indebtedness for street improvements, \$16,000,000 for executing intergovernmental agreements, \$20,000,000 for debt refunding, and an increase in property taxes of up to \$400,000 annually for capital, operations, maintenance, and other expenses.

As of December 31, 2021, there has been no financial activity in either of the Subdistricts. The Subdistricts are being administratively dissolved.

SUPPLEMENTARY INFORMATION

**EBERT METROPOLITAN DISTRICT
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 5,774,698	\$ 5,802,590	\$ 27,892
Specific Ownership Taxes	288,730	315,468	26,738
Net Investment Income	39,000	7,234	(31,766)
Total Revenues	<u>6,102,428</u>	<u>6,125,292</u>	<u>22,864</u>
EXPENDITURES			
County Treasurer's Fees	57,747	58,056	(309)
Interest - 2018 A-1 Bond	3,956,000	3,956,000	-
Interest - 2018 A-2 Bond	749,050	749,050	-
Principal - 2018 A-1 Bond	720,000	720,000	-
Principal - 2018 A-2 Bond	135,000	135,000	-
Paying Agent Fees	4,000	3,500	500
Contingency	3,203	-	3,203
Total Expenditures	<u>5,625,000</u>	<u>5,621,606</u>	<u>3,394</u>
NET CHANGE IN FUND BALANCE	477,428	503,686	26,258
Fund Balance - Beginning of Year	<u>7,575,166</u>	<u>7,569,134</u>	<u>(6,032)</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,052,594</u>	<u>\$ 8,072,820</u>	<u>\$ 20,226</u>

**EBERT METROPOLITAN DISTRICT
 CONSERVATION TRUST FUND –
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Conservation Trust Fund	\$ 55,000	\$ 68,920	\$ 13,920
Net Investment Income	250	41	(209)
Total Revenues	<u>55,250</u>	<u>68,961</u>	<u>13,711</u>
EXPENDITURES			
Town Center Capital Reimbursement	<u>156,867</u>	-	<u>156,867</u>
Total Expenditures	<u>156,867</u>	<u>-</u>	<u>156,867</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(101,617)	68,961	170,578
Fund Balance - Beginning of Year	<u>101,617</u>	<u>102,404</u>	<u>787</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 171,365</u></u>	<u><u>\$ 171,365</u></u>

**EBERT METROPOLITAN DISTRICT
CAPITAL RESERVE- BOND PROCEEDS – SERIES 2018 FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 3,670	\$ 470	\$ (3,200)
Total Revenues	<u>3,670</u>	<u>470</u>	<u>(3,200)</u>
EXPENDITURES			
Capital Outlay	1,475,397	651,235	824,162
Total Expenditures	<u>1,475,397</u>	<u>651,235</u>	<u>824,162</u>
NET CHANGE IN FUND BALANCE	(1,471,727)	(650,765)	820,962
Fund Balance - Beginning of Year	<u>1,471,727</u>	<u>1,502,282</u>	<u>30,555</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 851,517</u>	<u>\$ 851,517</u>

**EBERT METROPOLITAN DISTRICT
CAPITAL RESERVE – 1.000 MILL FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 134,364	\$ 135,106	\$ 742
Specific Ownership Taxes	6,720	7,340	620
Town Center Capital Reimbursement	555,000	-	(555,000)
Net Investment Income	3,000	180	(2,820)
Total Revenues	<u>699,084</u>	<u>142,626</u>	<u>(556,458)</u>
EXPENDITURES			
County Treasurer's fee	1,344	1,352	(8)
Contingency	1,156	-	1,156
Total Expenditures	<u>2,500</u>	<u>1,352</u>	<u>1,148</u>
NET CHANGE IN FUND BALANCE	696,584	141,274	(555,310)
Fund Balance - Beginning of Year	<u>251,838</u>	<u>251,746</u>	<u>(92)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 948,422</u></u>	<u><u>\$ 393,020</u></u>	<u><u>\$ (555,402)</u></u>

OTHER INFORMATION

**EBERT METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General Service	Debt Service	Levied	Collected	
2017	\$ 81,863,920	19.000	65.000	\$ 6,876,569	\$ 6,888,465	100.17 %
	2,169,420	0.000	65.000	141,012 (A)	141,012	100.00
2018	\$ 103,418,220	19.000	71.861	\$ 9,396,683	\$ 9,379,303	99.82
	3,146,150	0.000	61.911	194,781 (A)	177,517 (B)	91.14
2019	\$ 114,143,640	18.000	40.040	\$ 6,624,897	6,582,788	99.36
	3,711,960	0.000	34.440	127,840 (A)	127,840	100.00
2020	\$ 133,037,250	18.000	40.319	\$ 7,758,599	7,745,071	99.83
	9,528,890	0.000	33.828	322,343 (A)	322,343	100.00
2021	\$ 134,364,490	18.000	40.319	\$ 7,836,002	7,879,240	100.55
	10,610,830	0.000	33.669	357,256 (A)	355,256	99.44
Estimated for Year Ending December 31,						
2022	\$ 146,802,610	18.000	26.900	\$ 6,591,437		
	15,557,500	0.000	22.250	346,154 (A)		
				<u>\$ 6,937,591</u>		

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

(A) Represents property that has been excluded from the District, but is still subject to the District's debt service mill levy.

(B) Includes a rebate of \$17,198 to taxpayers in 2018.

**EBERT METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

Year Ending December 31,	\$86,350,000 Limited Tax General Obligation Refunding Bonds Dated December 6, 2018 Series 2018A-1 Interest Rate of 4.00%-5.00% Interest Payable June 1 and December 1 Principal Due December 1		\$16,365,000 Limited Tax General Obligation Refunding and Improvement Bonds Dated December 6, 2018 Series 2018A-2 Interest Rate of 4.00%-5.00% Interest Payable June 1 and December 1 Principal Due December 1		Total All Bond
	Principal	Interest	Principal	Interest	
2022	\$ 970,000	\$ 3,920,000	\$ 180,000	\$ 742,300	\$ 5,812,300
2023	1,060,000	3,871,500	200,000	733,300	5,864,800
2024	1,250,000	3,818,500	235,000	723,300	6,026,800
2025	1,345,000	3,756,000	250,000	711,550	6,062,550
2026	1,525,000	3,688,750	285,000	699,050	6,197,800
2027	1,605,000	3,612,500	300,000	684,800	6,202,300
2028	1,785,000	3,532,250	335,000	669,800	6,322,050
2029	1,875,000	3,443,000	350,000	653,050	6,321,050
2030	2,075,000	3,349,250	390,000	635,550	6,449,800
2031	2,180,000	3,245,500	410,000	616,050	6,451,550
2032	2,395,000	3,136,500	450,000	595,550	6,577,050
2033	2,495,000	3,040,700	470,000	577,550	6,583,250
2034	2,705,000	2,940,900	510,000	558,750	6,714,650
2035	2,840,000	2,805,650	535,000	533,250	6,713,900
2036	3,095,000	2,663,650	580,000	506,500	6,845,150
2037	3,250,000	2,508,900	610,000	477,500	6,846,400
2038	3,525,000	2,346,400	665,000	447,000	6,983,400
2039	3,705,000	2,170,150	695,000	413,750	6,983,900
2040	4,005,000	1,984,900	755,000	379,000	7,123,900
2041	4,205,000	1,784,650	790,000	341,250	7,120,900
2042	4,535,000	1,574,400	855,000	301,750	7,266,150
2043	4,760,000	1,347,650	895,000	259,000	7,261,650
2044	5,115,000	1,109,650	965,000	214,250	7,403,900
2045	5,320,000	904,825	1,005,000	175,425	7,405,250
2046	5,535,000	691,788	1,065,000	134,988	7,426,776
2047	5,755,000	470,137	1,110,000	92,137	7,427,274
2048	5,985,000	239,675	1,180,000	47,475	7,452,150
Total	<u>\$ 84,895,000</u>	<u>\$ 67,957,775</u>	<u>\$ 16,070,000</u>	<u>\$ 12,923,875</u>	<u>\$ 181,846,650</u>