Clifton Gunderson LLP
Certified Public Accountants & Consultants

August 24, 2006

Ms. Christy Reeves
Legislative Service Building
200 East 14th Avenue
Denver, Colorado 80203

Dear Ms. Reeves:

We have attached one copy of the 2005 audit report for the following governmental entity:

Ebert Metropolitan District

If you have any questions concerning this report, please contact us.

Very truly yours,

CLIFTON GUNDERSON LLP

Clifton Gunderson LLP

Certified Public Accountants and Consultants

CG:nl

Enclosures

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EBERT METROPOLITAN DISTRICT
Denver County, Colorado

FINANCIAL STATEMENTS
December 31, 2005

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J.W. Simmons & Associates, P.C. Certified Public Accountants

Board of Directors
Ebert Metropolitan District
Denver, Colorado

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Ebert Metropolitan District, Denver, Colorado, as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Ebert Metropolitan District as of December 31, 2005, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Ebert Metropolitan District has elected to not present Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ebert Metropolitan District's basic financial statements. The accompanying supplementary information on pages 22 through 26 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The information on pages 22 through 26 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Simmons & Associates P.C.

June 26, 2006

9155 East Nichols Avenue, Suite 330, Centennial, Colorado 80112-3419
Telephone (303) 689-0833 Fax (303) 689-0834

BASIC FINANCIAL STATEMENTS

EBERT METROPOLITAN DISTRICT
STATEMENT OF NET ASSETS
December 31, 2005

	Governmental Activities
ASSETS	
Cash and investments - Unrestricted	$ 590,678
Cash and investments - Restricted	1,935,050
Receivable - County Treasurer	10,354
Property taxes receivable	2,453,800
Bond issuance costs (net of accumulated amortization)	564,180
Total assets	5,554,062
LIABILITIES	
Due to Town Center Metropolitan District	524,007
Deferred property tax revenue	2,453,800
Accrued interest payable	21,617
Noncurrent liabilities:	
Due within one year	260,000
Due in more than one year	42,555,000
Total liabilities	45,814,424
NET ASSETS	
Restricted for:	
Emergency reserves	19,000
Pledged debt service revenues	1,890,534
Pledged conservation trust revenues	1,597
Unrestricted	(42,171,493)
Total net assets	$ (40,260,362)

These financial statements should be read only in connection with the accompanying notes to financial statements.

EBERT METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2005

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 6,957,428	$ -	$ 1,585	$ -	$ (6,955,843)
Interest and fees on long-term debt	3,163,501	-	2,498,966	-	(664,535)
	$ 10,120,929	$ -	$ 2,500,551	$ -	(7,620,378)
General revenues:					
Property taxes					1,466,052
Specific ownership taxes					128,994
Net investment income					79,199
Total general revenues					1,674,245
Change in net assets					(5,946,133)
Net assets - Beginning					(34,314,229)
Net assets - Ending					$ (40,260,362)

These financial statements should be read only in connection with the accompanying notes to financial statements.

EBERT METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2005

	General	Debt Service	Conservation Trust	Total Governmental Funds
ASSETS AND OTHER DEBITS				
Cash deposits and investments - Unrestricted	$ 590,678	$ -	$ -	$ 590,678
Cash deposits and investments - Restricted	13,246	1,920,207	1,597	1,935,050
Receivable - County Treasurer	3,520	6,834	-	10,354
Property taxes receivable	758,400	1,695,400	-	2,453,800
TOTAL ASSETS AND OTHER DEBITS	$ 1,365,844	$ 3,622,441	$ 1,597	$ 4,989,882
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Due to Town Center	$ 487,500	$ 36,507	$ -	$ 524,007
Deferred property tax revenue	758,400	1,695,400	-	2,453,800
Total liabilities	1,245,900	1,731,907	-	2,977,807
FUND BALANCE				
Emergency reserve	19,000	-	-	19,000
Reserved for debt service	-	1,890,534	-	1,890,534
Reserved for conservation trust fund	-	-	1,597	1,597
Unreserved	100,944	-	-	100,944
Total fund balance	119,944	1,890,534	1,597	2,012,075
TOTAL LIABILITIES AND FUND BALANCE	$ 1,365,844	$ 3,622,441	$ 1,597	
Amounts reported for governmental activities in the statement of net assets are different because:				
Other long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Bond issuance costs (net of accumulated amortization)				564,180
Long-term liabilities are not due and payable in the current period and, therefore, are not in the funds.				
Bonds payable				(42,815,000)
Accrued interest payable				(21,617)
Net assets of governmental activities				$ (40,260,362)

These financial statements should be read only in connection with the accompanying notes to financial statements.

EBERT METROPOLITAN DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended December 31, 2005

	General	Debt Service	Conservation Trust	Total Governmental Funds
REVENUE				
Property taxes	$ 498,462	$ 967,590	$ -	$ 1,466,052
Specific ownership taxes	43,858	85,136	-	128,994
System development fees	-	2,498,966	-	2,498,966
Investment income	18,354	60,844	1	79,199
Conservation trust fund	-	-	1,585	1,585
Total revenue	560,674	3,612,536	1,586	4,174,796
EXPENDITURES				
Current operations				
County Treasurer's fees	4,989	9,685	-	14,674
Miscellaneous	21	81	-	102
Fee refund	9,500	-	-	9,500
Bond issue costs	328,000	36,507	-	364,507
Regional Facilities Construction Agreement				
Service cost	528,837	-	-	528,837
Construction cost	6,414,000	-	-	6,414,000
Debt service				
Principal - Series 2005 subordinate bonds	-	15,000	-	15,000
Interest - Series 2004 bonds	-	2,906,400	-	2,906,400
Interest - Series 2005 subordinate bonds	-	217,889	-	217,889
Paying agent fees	-	292	-	292
Total expenditures	7,285,347	3,185,854	-	10,471,201
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(6,724,673)	426,682	1,586	(6,296,405)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	6,500,000	-	-	6,500,000
Transfers from (to) other funds	(11)	-	11	-
Total other financing sources (uses)	6,499,989	-	11	6,500,000
NET CHANGE IN FUND BALANCE	(224,684)	426,682	1,597	203,595
FUND BALANCE - BEGINNING OF YEAR	344,628	1,463,852	-	1,808,480
FUND BALANCE - END OF YEAR	$ 119,944	$ 1,890,534	$ 1,597	$ 2,012,075

These financial statements should be read only in connection with the accompanying notes to financial statements.

EBERT METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2005

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

Net change in fund balance - Total governmental funds	$	203,595
The issuance of long-term debt 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 assets. The net effect of these differences in the treatment of long-term debt is as follows:		
Bond proceeds		(6,500,000)
Repayment of bond principal		15,000
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 governmental funds.		
Payment of bond issuance costs		364,507
Amortization of bond issuance costs		(7,618)
Accrued interest payable		(21,617)
Change in net assets of governmental activities	$	(5,946,133)

These financial statements should be read only in connection with the accompanying notes to financial statements.

EBERT METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2005

	Budget Amount Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE			
Property taxes	$ 492,800	$ 498,462	$ 5,662
Specific ownership taxes	39,420	43,858	4,438
Investment income	1,800	18,354	16,554
Total revenue	534,020	560,674	26,654
EXPENDITURES			
Current			
County Treasurer's fee	7,390	4,989	2,401
Regional Facilities Construction Agreement			
Service cost	510,000	528,837	(18,837)
Construction cost	19,100,000	6,414,000	12,686,000
Fee refund	-	9,500	(9,500)
Bond issue costs	65,000	328,000	(263,000)
Miscellaneous	-	21	(21)
Contingency	5,610	-	5,610
Total expenditures	19,688,000	7,285,347	12,402,653
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(19,153,980)	(6,724,673)	12,429,307
OTHER FINANCING SOURCES (USES)			
Bond proceeds	19,500,000	6,500,000	(13,000,000)
Transfers from (to) other funds	-	(11)	(11)
Total other financing sources (uses)	19,500,000	6,499,989	(13,000,011)
NET CHANGE IN FUND BALANCE	346,020	(224,684)	(570,704)
FUND BALANCE - BEGINNING OF YEAR	4,319	344,628	340,309
FUND BALANCE - END OF YEAR	$ 350,339	$ 119,944	$ (230,395)

These financial statements should be read only in connection with the accompanying notes to financial statements.

EBERT METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 1 - DEFINITION OF REPORTING ENTITY

Ebert Metropolitan District (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Denver County, Colorado (Denver). The District was established to provide water, sanitary sewer, storm sewer and drainage, streets, parks and recreation, safety protection and transportation.

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 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 of Denver.

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 assets 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.

The statement of net assets reports all financial and capital resources of the District. The difference between the assets and liabilities of the District being reported as net assets.

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. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term obligation principal, interest and related costs.

Conservation Trust Fund - 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 recreation purposes under state statutes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

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. Investments are carried at fair value.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenue 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 building permit from the builder 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. Effective February 1, 2005, the fees were increased to $32,500 per acre for single family development, $38,500 per acre for multi-family development, $40,500 per acre for commercial development, and $12,500 per acre for churches. Developer fees for school sites shall be assessed as the Board deems reasonable and appropriate.

Bond Issue Costs

In the government-wide financial statements, bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond issue costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as general and debt service expenditures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are legally segregated or are not subject to future appropriation. Designations of unreserved fund balances indicate management's intention for future utilization of such funds and are subject to change by management.

Reserved Fund Balance

Emergency Reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado. $19,000 of the General Fund balance has been reserved in compliance with this requirement.

The Debt Service Fund balance of $1,890,534 is reserved for future repayment of general obligation bond interest.

The Conservation Trust Fund balance of $1,597 is reserved for recreation purposes under state statutes.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash and investments as of December 31, 2005 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments - Unrestricted	$ 590,678
Cash and investments - Restricted	1,935,050
	$ 2,525,728

Cash and investments as of December 31, 2005 consist of the following:

Investments	$ 2,525,728

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Cash Deposits

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 equal to 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, 2005, the District did not have any cash deposits since the local government investment pool described below provides payment services.

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 disclosure requirements or subject to investment custodial credit risk for investment 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.

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

* Obligations of the United States and certain U.S. government agency securities
. Certain international agency securities
. General obligation and revenue bonds of U.S. local government entities
. Bankers' acceptances of certain banks
. Commercial paper

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

. Written repurchase agreements collateralized by certain authorized securities
. Certain money market funds
. Guaranteed investment contracts
* Local government investment pools

The local government investment pools, which include the Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (Colotrust) are both rated AAAm by Standard & Poor's.

As of December 31, 2005, the District had the following investments:

Investment	Maturity	Fair Value
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	$ 2,512,359
U.S. Treasury Money Market Funds	Weighted average under 90 days	13,369
		$ 2,525,728

CSAFE

During 2005, 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 the Trust. The trust is similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreements. 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. As of December 31, 2005, the District had $2,512,359 invested in CSAFE.

U.S. Treasury Money Market Fund

During 2005, the cost of issuance funds that were included in the trust accounts at American National Bank (ANB) was invested in the SEI Daily Income Treasury Portfolio. This portfolio is a money market fund that is managed by SEI Investments and each share is equal in value to $1.00. The fund is AAA rated and invests exclusively in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. The average maturity of the underlying securities is 90 days or less. As of December 31, 2005, the District had $13,369 invested in the SEI fund.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and investments are restricted for the following purposes:

Bond Funds

Cash and investments in the amount of $13,369 are restricted for the payment of cost of issuance expenses.

Pledged Revenues

Cash and investments in the amount of $1,920,084 are restricted as pledged revenue collected for payment toward the District's Series 2004 General Obligation bonds and the Series 2005 Subordinate bonds.

Conservation Trust Fund

Cash and investments in the amount of $1,597 are restricted for recreational purposes under state statutes.

NOTE 4 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2005:

	Balance at December 31, 2004	Increases	Retirements	Balance at December 31, 2005
2004 GO Limited Tax Refunding Bonds	$ 36,330,000	$ -	$ -	$ 36,330,000
2005 GO Subordinate Limited Tax Refunding Bonds	-	6,500,000	15,000	6,485,000
	$ 36,330,000	$ 6,500,000	$ 15,000	$ 42,815,000

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds

On November 15, 2004, the District issued **$36,330,000 Limited Tax General Obligation Refunding Bonds Series 2004A**. The bonds mature on December 1, 2034, and bear interest at a rate of 8.00% per annum, payable on the first day of each month. The bonds are subject to mandatory sinking fund redemption beginning December 1, 2006, and on each December 1 thereafter through and including December 1, 2034. The bonds are subject to prior redemption at the option of the District on December 1, 2014, or on any date thereafter, at a price equal to the principal amount redeemed, plus accrued interest thereon. The principal and interest on the bonds will be paid from pledged revenues, which consist of a Limited Mill Levy (not to exceed 65 mills, except as adjusted for a change by the State of Colorado in the computation of assessed values), specific ownership taxes related to the Limited Mill Levy, and Development Fees.

The bonds were exchanged for the District's Limited Tax General Obligation Bonds, Series 2001 outstanding in the principal amount of $34,750,000 with an interest rate of 9.00% per annum. The exchange of the Series 2001 bonds resulted in a net present value savings of $2,416,087 to the District.

On April 28, 2005, the District authorized the issuance of **$30,000,000 Series 2005 Subordinate Converting to Parity Limited Tax General Obligation Bonds**. Principal advances on the bonds must be in integral multiples of $500,000, with a minimum draw of $1,000,000. Total draws during 2005 amounted to $6,500,000. The proceeds were used for issuance costs and for the payment of construction costs. The 2005 Bonds bear interest at the rate of 8.0% per annum. The bond interest is payable annually on December 15, with annual principal payments on December 15 of each year. To the extent interest is not paid when due, such interest shall compound annually on each interest payment date. The 2005 Bonds are payable from Pledged Revenue only after all amounts which have become due and payable on the 2004A Bonds have been paid in full.

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term obligations on its outstanding debt at December 31, 2005, will mature as follows:

	Principal	Interest	Total
2006	$ 260,000	$ 4,088,867	$ 4,348,867
2007	360,000	5,196,178	5,556,178
2008	525,000	5,255,600	5,780,600
2009	565,000	5,213,600	5,778,600
2010	665,000	5,168,400	5,833,400
2011-2015	4,555,000	24,924,400	29,479,400
2016-2020	7,550,000	22,660,800	30,210,800
2021-2025	11,915,000	18,998,400	30,913,400
2026-2030	18,455,000	13,265,600	31,720,600
2031-2034	21,465,000	4,473,200	25,938,200
	$ 66,315,000	$ 109,245,045	$ 175,560,045

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 maximum term. At December 31, 2005, the District has authorized but unissued indebtedness for the following purposes:

Street improvements	$ 38,990,444
Traffic controls	4,000,000
Water system	48,697,762
Sanitary sewer	21,701,378
Parks and recreation	280,416
Operations and maintenance	1,000,000
	$ 114,670,000

NOTE 5 - FACILITIES CONSTRUCTION AGREEMENTS

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 3, 1998 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 Series 2005 Subordinate bonds 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.

An estimate of the total maximum capital costs and total maximum service costs is set forth below:

Year	Capital Cost	Service Cost
2006	$ 10,440,733	$ 485,700
2007	12,686,000	582,900
2008	-	671,200
2009	-	759,500
2010	-	847,800
2011-2015	-	4,691,900
2016-2020	-	5,264,350
2021-2025	-	5,812,350
2026-2030	-	6,417,200
2031-2035	-	7,067,521
	$ 23,126,733	$ 32,600,421

NOTE 6 - NET ASSETS

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

Restricted assets include net 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, 2005, the District had restricted net assets as follows:

	Governmental Activities
Restricted net assets:	
Revenues pledged for debt service	$ 1,890,534
Emergency reserve	19,000
Conservation trust fund	1,597
Total restricted net assets	$ 1,911,131

NOTE 7 - INTERFUND TRANSFERS

During 2005, the General Fund transferred $11 to the Conservation Trust Fund, which represented the prior year's payment of lottery proceeds from the State.

NOTE 8 - RELATED PARTIES

The developer of the property which constitutes the District is HC Development & Management Services, Inc. (HC Development), a Colorado corporation. The shareholders of HC Development own and control entities that, in turn, own Oakwood Homes LLC (Oakwood), a Colorado limited liability company. A majority of members of the Board of Directors are employees of or consultants to Oakwood and two members of the Board of Directors are officers of HC Development. As such, these board members may have conflicts of interest in dealing with the District.

NOTE 9 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be 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 (Pool) as of December 31, 2005. 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 10 - 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.

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.

On November 3, 1998, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

The District believes it has taken such steps as are appropriate in light of current interpretations of TABOR to comply with its terms. However, TABOR is complex and subject to multiple interpretations. 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 11 - 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.

The electors of Subdistrict No. 1 at an election held on November 4, 2003, 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, 2005, there has been no financial activity in either of the Subdistricts.

SUPPLEMENTAL INFORMATION

EBERT METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2005

	Budget Amount Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE			
Property taxes	$ 956,600	$ 967,590	$ 10,990
Specific ownership taxes	76,530	85,136	8,606
Investment income	45,000	60,844	15,844
System development fees	4,443,875	2,498,966	(1,944,909)
Total revenue	5,522,005	3,612,536	(1,909,469)
EXPENDITURES			
County Treasurer's fee	14,350	9,685	4,665
Bond issue costs	-	36,507	(36,507)
Miscellaneous	-	81	(81)
Principal - Series 2005 subordinate bonds	-	15,000	(15,000)
Interest - Series 2004 bonds	2,664,200	2,906,400	(242,200)
Interest - Series 2005 subordinate bonds	1,095,750	217,889	877,861
Paying agent fees	2,000	292	1,708
Contingency	3,700	-	3,700
Total expenditures	3,780,000	3,185,854	594,146
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	1,742,005	426,682	(1,315,323)
FUND BALANCE - BEGINNING OF YEAR	1,458,000	1,463,852	5,852
FUND BALANCE - END OF YEAR	$ 3,200,005	$ 1,890,534	$ (1,309,471)

EBERT METROPOLITAN DISTRICT
CONSERVATION TRUST FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2005

	Budget Amount Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE			
Conservation trust fund	$ 1,000	$ 1,585	$ 585
Investment income	10	1	(9)
Total revenue	1,010	1,586	576
EXPENDITURES	-	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	1,010	1,586	576
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds	-	11	11
Total other financing sources (uses)	-	11	11
NET CHANGE IN FUND BALANCE	1,010	1,597	587
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE - END OF YEAR	$ 1,010	$ 1,597	$ 587

EBERT METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2005

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	
2001	$ 10,340	39.000	0.000	$ 403	$ 391	96.96%
2002	$ 930,270	39.000	0.000	$ 36,281	$ 36,483	100.56%
2003	$ 1,717,290	39.000	0.000	$ 66,974	$ 76,002	113.48%
2004	$ 14,048,290	45.000	0.000	$ 632,173	$ 638,184	100.95%
2005	$ 28,989,830	17.000	33.000	$ 1,449,492	$ 1,466,052	101.14%
Estimated for year ending December 31, 2006	$ 44,615,280	17.000	38.000	$ 2,453,840		

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.

EBERT METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2005

Year Ended December 31,	$36,330,000 Limited Tax General Obligation Refunding Bonds Dated November 15, 2004 Interest Rate at 8.0% Due Monthly Principal Due December 1	
	Principal	Interest
2006	$ 115,000	$ 2,906,400
2007	125,000	2,897,200
2008	185,000	2,887,200
2009	200,000	2,872,400
2010	270,000	2,856,400
2011	290,000	2,834,800
2012	365,000	2,811,600
2013	395,000	2,782,400
2014	480,000	2,750,800
2015	520,000	2,712,400
2016	620,000	2,670,800
2017	665,000	2,621,200
2018	780,000	2,568,000
2019	840,000	2,505,600
2020	965,000	2,438,400
2021	1,040,000	2,361,200
2022	1,185,000	2,278,000
2023	1,280,000	2,183,200
2024	1,445,000	2,080,800
2025	1,560,000	1,965,200
2026	1,745,000	1,840,400
2027	1,885,000	1,700,800
2028	2,100,000	1,550,000
2029	2,265,000	1,382,000
2030	2,510,000	1,200,800
2031	2,710,000	1,000,000
2032	2,995,000	783,200
2033	3,235,000	543,600
2034	3,560,000	284,800
	$ 36,330,000	$ 62,269,600

$30,000,000
Subordinate Limited Tax General
Obligation Improvement Bonds
Dated April 28, 2005
Interest Rate at 8.0% Due December 15
Principal Due December 15

Principal	Interest (1)	Total All Bonds
$ 145,000	$ 1,182,467	$ 4,348,867
235,000	2,298,978	5,556,178
340,000	2,368,400	5,780,600
365,000	2,341,200	5,778,600
395,000	2,312,000	5,833,400
425,000	2,280,400	5,830,200
460,000	2,246,400	5,883,000
500,000	2,209,600	5,887,000
540,000	2,169,600	5,940,400
580,000	2,126,400	5,938,800
625,000	2,080,000	5,995,800
680,000	2,030,000	5,996,200
730,000	1,975,600	6,053,600
790,000	1,917,200	6,052,800
855,000	1,854,000	6,112,400
920,000	1,785,600	6,106,800
995,000	1,712,000	6,170,000
1,075,000	1,632,400	6,170,600
1,160,000	1,546,400	6,232,200
1,255,000	1,453,600	6,233,800
1,355,000	1,353,200	6,293,600
1,465,000	1,244,800	6,295,600
1,580,000	1,127,600	6,357,600
1,705,000	1,001,200	6,353,200
1,845,000	864,800	6,420,600
1,990,000	717,200	6,417,200
2,150,000	558,000	6,486,200
2,320,000	386,000	6,484,600
2,505,000	200,400	6,550,200
$ 29,985,000	$ 46,975,445	$ 175,560,045

(1) Principal and interest payments have been calculated based upon estimated future bond draws up to $30,000,000