

YARROW GARDENS METROPOLITAN DISTRICT

2018 ANNUAL REPORT

TO

CITY OF WHEAT RIDGE, COLORADO

Pursuant Section VI. of the Service Plan for Yarrow Gardens Metropolitan District, the District is required to provide an annual report to the City Clerk's Office with regard to the following matters:

- 1. A narrative summary of the District's progress in implementing the Service Plan for the report year.**

The District issued its Series 2018 Bonds to pay for costs associated with public infrastructure that has been constructed for the Yarrow Gardens project.

- 2. The audited financial statements of the District for the Report Year.**

The 2018 audit will be submitted when completed.

- 3. A summary of the capital expenditures incurred by the District in development of public facilities in a Report Year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year.**

Approximately \$250,000 of capital expenditures were incurred by the District in development of public facilities in 2018. It is anticipated that another \$2,033,722 will be incurred in the 5 years following 2018. The capital expenditures are for water system, storm and sanitary sewer systems, street lighting, pedestrian walks, and street paving.

- 4. A. A summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the Report Year**

The District issued Limited Tax Convertible Bonds to Unlimited Tax, Series A (the "Series A Bonds") and Subordinate General Obligation Limited Tax Bonds, Series B (the "Series B Bonds") in the aggregate principal amount of \$2,492,000 (the "Bonds") for the purpose of defraying the cost of all or a portion of the public infrastructure needed for the Yarrow Gardens development project. The Series A Bonds carry a 5.875% interest rate and mature on December 1, 2048. The Series B Bonds carry a 8.125% interest rate and mature on December 15, 2048.

B. The amount of payment or retirement of existing indebtedness of the District in the Report Year

Payments on the Series A and Series B Bonds were not due or paid in 2018.

C. The total assessed valuation of all taxable properties within the District as of January 1 of the Report Year

As of January 1, 2018, the total assessed valuation of taxable properties within the District was approximately \$116,000

D. The current mill levy of the District pledged to debt retirement in the Report Year.

The District did not impose a mill levy for collection in 2018. The District imposed a Debt Service Mill Levy of 60.000 mills in 2018 for collection in 2019.

5. The District's budget for the calendar year in which the annual report is submitted.

The District's 2019 Budget is attached hereto as **Exhibit A**.

6. A summary of residential and commercial development which has occurred within the District for the report year.

Residential development did not begin until after the report year of 2018. There is no commercial development.

7. A summary of all fees, charges and assessments imposed by the District as of January 1 of the Report Year.

Not applicable. As of January 1, 2018, the District had not yet been organized.

8. Names, addresses, and telephone numbers of District board members, chief administrative staff and general counsel, together with the date, time and place of regular Board meetings.

Gene Myers	Chair/Pres.	1875 Lawrence Street, Suite 900, Denver, CO
Kevin Puccio	Asst. Sec.	875 Lawrence Street, Suite 900, Denver, CO
Jeffrey Seibold	Sec./Treas.	875 Lawrence Street, Suite 900, Denver, CO
Stephen Myers	Asst. Sec.	875 Lawrence Street, Suite 900, Denver, CO
William Rectanus	Asst. Sec.	875 Lawrence Street, Suite 900, Denver, CO

Regular meetings are scheduled for the second Tuesday of March, June, September and December at 2:00 P.M. at 1875 Lawrence Street, Suite 900, Denver, Colorado.

General Legal Counsel – White, Bear Ankele Tanaka & Waldron, Attn: Kristen D. Bear, Esq., 2154 E. Commons Ave., # 2000, CO 80122; 303-858-1800

Chief Admin. Officer – None.

EXHIBIT A

2019 Budget

YARROW GARDENS METROPOLITAN DISTRICT
2019
BUDGET MESSAGE

Attached please find a copy of the adopted 2019 budget for Yarrow Gardens Metropolitan District.

Yarrow Gardens Metropolitan District has adopted three separate funds, a General Fund to provide for the payment of general operating expenditures; a Debt Service Fund to provide for payments on the outstanding general obligation debt; and a Capital Projects Fund to provide for the repayment of developer advances.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the District in 2019 will be property taxes and developer advances. The District intends to impose a 68.000 mill levy on the property within the District for 2019, of which 8.000 mills will be dedicated to the General Fund and the balance of 60.000 mills will be allocated to the Debt Service Fund.

Yarrow Gardens Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2019

	Actual <u>2017</u>	Adopted Budget <u>2018</u>	Actual <u>11/30/2018</u>	Estimate <u>2018</u>	Adopted Budget <u>2019</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	-	-	-	-	934
Specific ownership taxes	-	-	-	-	65
Developer Advance	-	50,000	-	-	49,001
Interest income	-	-	-	-	-
Total revenues	-	50,000	-	-	50,000
Total funds available	-	50,000	-	-	50,000
Expenditures:					
Accounting / audit	-	4,000	-	-	7,000
Legal	-	10,000	-	-	10,000
Insurance	-	4,000	-	-	4,000
Treasurer fees	-	-	-	-	14
Contingency	-	31,460	-	-	28,356
Emergency reserve (3%)	-	540	-	-	630
Total expenditures	-	50,000	-	-	50,000
Ending fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Assessed valuation	\$ -	\$ -			\$ 116,745
Mill Levy	-	-			8.000

Yarrow Gardens Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2019

	Actual 2017	Adopted Budget 2018	Actual 11/30/2018	Estimate 2018	Adopted Budget 2019
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Revenues:					
Property taxes	-	-	-	-	7,005
Specific ownership taxes	-	-	-	-	490
Transfer from Capital Project Fund		600,000		600,000	-
Interest income	-	-	-	-	5,000
Total revenues	-	600,000	-	600,000	12,495
Total funds available	-	600,000	-	600,000	612,495
Expenditures:					
Bond interest	-	-	-	-	125,000
Bond principal	-	-	-	-	-
Treasurer's fees	-	-	-	-	105
Trustee / paying agent fees	-	5,000	-	-	5,000
Total expenditures	-	5,000	-	-	130,105
Ending fund balance	\$ -	\$ 595,000	\$ -	\$ 600,000	\$ 482,390
Assessed valuation	\$ -	\$ -			\$ 116,745
Mill Levy	-	-			60.000
Total Mill Levy	-	-			68.000

Yarrow Gardens Metropolitan District
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2019

	Actual <u>2017</u>	Adopted Budget <u>2018</u>	Actual <u>11/30/2018</u>	Estimate <u>2018</u>	Adopted Budget <u>2019</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 1,750,000
Revenues:					
Developer advances	-	-	-	-	-
Bond proceeds	-	2,600,000	-	2,600,000	-
Interest income	-	-	-	-	15,000
Total revenues	-	2,600,000	-	2,600,000	15,000
Total funds available	-	2,600,000	-	2,600,000	1,765,000
Expenditures:					
Issuance costs	-	250,000	-	250,000	-
Organization costs	-	-	-	-	-
Accounting	-	-	-	-	-
Legal	-	-	-	-	-
Capital expenditures	-	-	-	-	-
Repay developer advances	-	1,750,000	-	-	1,765,000
Repay developer advances - interest	-	-	-	-	-
Transfer to Debt Service	-	600,000	-	600,000	-
Total expenditures	-	2,600,000	-	850,000	1,765,000
Ending fund balance	\$ -	\$ -	\$ -	\$ 1,750,000	\$ -