

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
Arapahoe County, Colorado

FINANCIAL STATEMENTS
December 31, 2016



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Board of Directors
The Gardens on Havana Metropolitan District No. 1
Arapahoe County, Colorado

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of The Gardens on Havana Metropolitan District No. 1, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Gardens on Havana Metropolitan District No. 1 as of December 31, 2016, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

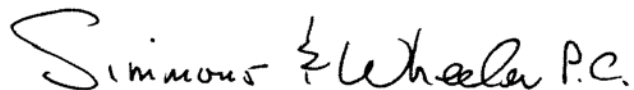
Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America 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 opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Gardens on Havana Metropolitan District No. 1's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Englewood, CO
August 9, 2017

BASIC FINANCIAL STATEMENTS

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 272,054
Cash and investments - Restricted	677,072
Accounts receivable - Districts No.2 and 3	3,389
Accounts receivable - PIF	99,334
Accounts receivable - Sales Tax	223,741
Accounts receivable - Increment	151
Capital assets, not being depreciated	<u>15,526,485</u>
Total assets	<u><u>16,802,226</u></u>
LIABILITIES	
Accounts payable	22,376
Loan interest payable	68,091
Noncurrent liabilities	
Due within one year	1,360,000
Due in more than one year	<u>24,626,687</u>
Total liabilities	<u><u>26,077,154</u></u>
NET POSITION	
Net investment in capital assets	(10,460,202)
Restricted for	
Emergencies	6,100
Debt service	898,615
Unrestricted	<u>280,559</u>
Total net position	<u><u>\$ (9,274,928)</u></u>

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

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
Primary government:					
Government activities:					
General government	\$ 97,606	\$ -	\$ 200,000	\$ -	\$ 102,394
Interest and related costs on long-term debt	1,899,771	2,721,012	-	-	821,241
	<u>\$ 1,997,377</u>	<u>\$ 2,721,012</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>923,635</u>
General revenues:					
Interest income					1,427
Total general revenues					<u>1,427</u>
Change in net position					925,062
Net position - Beginning					(10,199,990)
Net position - Ending					<u>\$ (9,274,928)</u>

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

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and investments	\$ 272,054	\$ -	\$ 272,054
Cash and investments - Restricted	6,100	670,972	677,072
Accounts receivable - Districts No.2 and 3	-	3,389	3,389
Accounts receivable - PIF	-	99,334	99,334
Accounts receivable - Sales Tax	-	223,741	223,741
Accounts receivable - Increment	-	151	151
Due from other funds	30,881	-	30,881
TOTAL ASSETS	\$ 309,035	\$ 997,587	\$ 1,306,622
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 22,376	\$ -	\$ 22,376
Due to other funds	-	30,881	30,881
Total liabilities	22,376	30,881	53,257
FUND BALANCE			
Restricted for:			
Emergency reserves	6,100	-	6,100
Debt service	-	966,706	966,706
Assigned to:			
Subsequent year's expenditures	13,700	-	13,700
Unassigned:	266,859	-	266,859
Total fund balances	286,659	966,706	1,253,365
TOTAL LIABILITIES AND FUND BALANCE	\$ 309,035	\$ 997,587	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds.		
Capital assets, net		15,526,485
Long-term liabilities, including bonds payable and Developer advances, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.		
Loans/Bonds payable		(23,779,900)
Accrued and unpaid interest on Subordinate Bonds		(2,034,415)
Accrued interest payable on Loans		(68,091)
Developer advance payable		(146,840)
Accrued interest on Developer advance		(25,532)
Net position of governmental activities		\$ (9,274,928)

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

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Public improvement fee (PIF)	\$ -	\$ 658,207	\$ 658,207
AURA sales tax increment	-	623,900	623,900
AURA property tax increment	-	1,486,006	1,486,006
Interest income	3	1,424	1,427
Intergovernmental revenue - District No. 2	-	128,044	128,044
Intergovernmental revenue - District No. 3	-	24,855	24,855
Total revenues	<u>3</u>	<u>2,922,436</u>	<u>2,922,439</u>
EXPENDITURES			
General and administration			
Accounting	30,100	-	30,100
Auditing	3,500	-	3,500
Authority collection fee	10,000	-	10,000
Dues and memberships	797	-	797
Insurance and bonds	8,002	-	8,002
Legal services	34,510	-	34,510
Miscellaneous	237	-	237
PIF administration	10,460	-	10,460
Debt service			
Loan principal	-	1,881,000	1,881,000
Loan interest	-	923,337	923,337
Paying agent/trustee fees	-	4,500	4,500
Total expenditures	<u>97,606</u>	<u>2,808,837</u>	<u>2,906,443</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(97,603)</u>	<u>113,599</u>	<u>15,996</u>
OTHER FINANCING SOURCES (USES)			
Transfer to General Fund	<u>200,000</u>	<u>(200,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>200,000</u>	<u>(200,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	102,397	(86,401)	15,996
FUND BALANCES - BEGINNING OF YEAR	<u>184,262</u>	<u>1,053,107</u>	<u>1,237,369</u>
FUND BALANCES - END OF YEAR	<u>\$ 286,659</u>	<u>\$ 966,706</u>	<u>\$ 1,253,365</u>

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

**THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016**

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

Net change in fund balances - Total governmental funds	\$	15,996
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the 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.

Loan principal payment		1,881,000
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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.

Accrued interest on subordinate bonds - Change in liability		(968,020)
Accrued interest on loan payable - Change in liability		8,854
Accrued interest on Developer advance - Change in liability		<u>(12,768)</u>

Changes in net position of governmental activities	\$	<u>925,062</u>
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These financial statements should be read only in connection with the
accompanying notes to financial statements.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2016

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest income	\$ -	\$ -	\$ 3	\$ 3
Total revenues	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
EXPENDITURES				
Accounting	15,000	30,000	30,100	(100)
Auditing	4,000	4,000	3,500	500
Authority collection fee	10,000	10,000	10,000	-
Dues and memberships	-	797	797	-
Insurance and bonds	7,600	8,000	8,002	(2)
Legal services	35,000	35,000	34,510	490
Miscellaneous	500	500	237	263
PIF administration	10,000	10,000	10,460	(460)
Contingency	17,900	6,703	-	6,703
Total expenditures	<u>100,000</u>	<u>105,000</u>	<u>97,606</u>	<u>7,394</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(100,000)</u>	<u>(105,000)</u>	<u>(97,603)</u>	<u>7,397</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	200,000	100,000
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>	<u>100,000</u>
NET CHANGE IN FUND BALANCES	-	(5,000)	102,397	107,397
FUND BALANCES - BEGINNING OF YEAR	<u>170,773</u>	<u>184,262</u>	<u>184,262</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 170,773</u>	<u>\$ 179,262</u>	<u>\$ 286,659</u>	<u>\$ 107,397</u>

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

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court on May 27, 2008, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City of Aurora in Arapahoe County, Colorado. The District was organized in conjunction with The Gardens on Havana Metropolitan District No. 2 ("District No. 2") and The Gardens on Havana Metropolitan District No. 3 ("District No. 3"). The Districts have entered into a Master IGA (see Note 7). The Districts were established to finance the construction of certain public infrastructure improvements that benefit the property owners and citizens of the District. The District's primary revenues are transfers of property taxes from District No. 2 and District No.3, Aurora Urban Renewal Authority ("AURA") tax increments and public improvement fees. The District is governed by an elected Board of Directors.

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.

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.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in 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 intergovernmental revenue, sales taxes, and public improvement fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and other financing uses 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 has amended its annual budget for the year ended December 31, 2016.

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 or investment 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.

Intergovernmental Revenue

Property taxes are levied by the District No. 2 and No. 3'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 Board of 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, at the taxpayer's election, or in equal installments 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 Districts.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. No depreciation expense was recorded during 2016.

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.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2016, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 272,054
Cash and investments - Restricted	<u>677,072</u>
Total cash and investments	<u>\$ 949,126</u>

Cash and investments as of December 31, 2016, consist of the following:

Deposits with financial institutions	\$ 278,154
Investments - Invesco Short-term	<u>670,972</u>
Total cash and investments	<u>\$ 949,126</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, 2016, the District's cash deposits had a bank balance and a carrying balance of \$278,154.

Investments

The District has not adopted a formal investment policy but follows the 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.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND 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

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

As of December 31, 2016, the District had the following investments:

Investment	Maturity	Fair Value
Invesco Short-term (Zions Bank)	Weighted average 13 days	<u>\$ 670,972</u>

Invesco Short-Term Investment Trust

The debt service money that is included in the trust accounts at Zions Bank is invested in the Invesco Short-term investment trust ("Trust"). The Trust operated similarly to a money market fund with each share maintaining a value of \$1.00. The Trust investments consist of short-term, high credit quality money market instruments, which are direct obligations of the U.S. Treasury and repurchase agreements backed by Treasury obligations. Invesco is rated AAAM by Standard & Poor's and the maturity is weighted average under 13 days.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2016, follows:

	<u>Balance at December 31, 2015</u>	<u>Increases</u>	<u>Dedication to Other Governments</u>	<u>Balance at December 31, 2016</u>
Capital assets, not being depreciated:				
Easement	\$ 15,487,866	\$ -	\$ -	\$ 15,487,866
Organizational costs	38,619	-	-	38,619
Total capital assets, not being depreciated	<u>15,526,485</u>	<u>-</u>	<u>-</u>	<u>15,526,485</u>
Governmental activities capital assets, net	<u>\$ 15,526,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,526,485</u>

Upon completion and acceptance, all capital assets, except the easement and organizational costs, were conveyed by the District, through the Developer, to other local governments. The District will not be responsible for maintenance.

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term debt for the period ending December 31, 2016:

	<u>Balance at December 31, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2016</u>	<u>Due Within One Year</u>
Governmental Activities:					
Developer advances - Capital	\$ 146,840	\$ -	\$ -	\$ 146,840	\$ -
Developer advances - Interest	12,764	12,768	-	25,532	-
Series 2012A Loan	8,110,000	-	(580,000)	7,530,000	590,000
Series 2012B Loan	5,042,000	-	(410,000)	4,632,000	420,000
Series 2014 Loan	4,103,400	-	(891,000)	3,212,400	350,000
Series 2014B Subordinate Bond	8,405,500	-	-	8,405,500	-
Series 2014B Subordinate Bond - Interest	1,066,395	968,020	-	2,034,415	-
	<u>\$ 26,886,899</u>	<u>\$ 980,788</u>	<u>\$(1,881,000)</u>	<u>\$ 25,986,687</u>	<u>\$ 1,360,000</u>

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The detail of the District's long-term obligations is as follows:

\$10,000,000 Tax-Exempt Loan, Series 2012A, dated February 15, 2012 ("Series 2012A Loan") was issued for the purpose of repaying developer advances under the Improvement Acquisition Agreement. The Series 2012A Loan bears interest at the rate of 4.667% up to and including February 15, 2022; after February 15, 2022 and the ensuing fifth anniversary date of such interest rate reset until the Series 2012A Loan is paid in full, the Series 2012A Loan shall bear interest at a rate equal to 70% of the Federal Home Loan Bank Five Year Advance Rate on that date plus 270 basis points. Interest is payable semiannually on each June 1 and December 1. The Series 2012A Loan is subject to a mandatory sinking fund redemption, which commenced on December 1, 2012. The Series 2012A Loan can be prepaid with excess Pledged Revenues on any payment date without penalty. The Series 2012A Loan matures on December 1, 2028. The Series 2012A Loan is secured by Pledged Revenues including Pledged Property Tax Revenues, Pledged Sales Tax Revenues and Pledged Use Tax Revenues as described in the Public Finance and Redevelopment Agreement, Revenue Pledged under the Capital Pledge Agreement and a Reserve Fund in the amount of \$395,000.

\$7,000,000 Taxable Loan, Series 2012B, dated February 15, 2012 ("**Series 2012B Loan**") was issued for the purpose of repaying developer advances under the Improvement Acquisition Agreement. The Series 2012B loan bears interest at 5.810% up to and including February 15, 2022; after February 15, 2022 and on each fifth anniversary date of such interest rate reset until the Series 2012B Loan is paid in full, the Series 2012B Loan shall bear interest at a rate equal to the Federal Home Loan Bank Five Year Advance Rate on that date plus 300 basis points. Interest is payable semiannually on each June 1 and December 1. The Series 2012B Loan matures on December 1, 2028. The Series 2012B Loan is subject to mandatory sinking fund redemption, which commenced on December 1, 2012. The Series 2012B Loan can be prepaid with excess Pledged Revenues on any payment date without penalty. During 2013, the District prepaid \$672,000 of the Series 2012B Loan with excess Pledged Revenues. The Series 2012B Loan is secured by Pledged Revenues from the Sales PIF and a Reserve Fund in the amount of \$275,000.

As part of the Series 2012B Loan, a restricted project fund was credited in the amount of \$1,500,000 and was released by the paying agent per instructions included in the Series 2012B Loan commitment sheet. On February 15, 2015, the remaining balance of \$488 was paid against the Series 2012A Loan. As of December 31, 2016, the restricted project fund had a zero balance.

\$5,200,000 Taxable Loan, Series 2014, dated August 29, 2014 ("**Series 2014 Loan**") was issued for the purpose of repaying developer advances under the Improvement Acquisition Agreement. The Series 2014 loan bears interest at 5.77% up to and including February 15, 2022; after February 15, 2022 and on each fifth anniversary date of such interest rate reset until the Series 2014 Loan is paid in full, the Series 2014 Loan shall bear interest at a rate equal to the Federal Home Loan Bank Five Year Advance Rate on that date plus 300 basis points. Interest is payable semiannually on each June 1 and December 1. The Series 2014 Loan matures on December 1, 2028. The Series 2014 Loan is subject to mandatory sinking fund redemption, which commenced on December 1, 2014. The Series 2014 Loan can be prepaid

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

with excess Pledged Revenues on any payment date without penalty. During 2016, the District prepaid \$711,000 of the Series 2014 Loan with excess Pledged Revenues. The Series 2014 Loan is secured by Pledged Revenues from the Sales PIF. After the principal and interest payments are made and the 2012B Reserve Fund has been replenished, the District may request an amount not to exceed \$100,000 in any calendar year shall be deposited to the District's operations and maintenance account.

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2012A, 2012B and 2014 Loans. The interest rates for the Series 2012A, 2012B and 2014 Loans have been estimated at 4.667%, 5.810% and 5.77%, respectively, through maturity.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,360,000	\$ 817,093	\$ 2,177,093
2018	1,500,000	743,958	2,243,958
2019	1,575,000	663,241	2,238,241
2020	1,705,000	580,103	2,285,103
2021	1,815,000	486,731	2,301,731
2022-2026	5,962,400	1,092,051	7,054,451
2027-2028	1,457,000	111,308	1,568,308
	<u>\$15,374,400</u>	<u>\$4,494,485</u>	<u>\$19,868,885</u>

\$8,405,500 Subordinate Limited Tax General Obligation Taxable Bond, Series 2014B, dated October 8, 2014 ("Series 2014B Subordinate Bond"), was issued for the purpose of repaying developer advances under the Improvement Acquisition Agreement. The Series 2014B Subordinate Bond bears interest at 10.00% per annum and is payable annually on December 16, commencing on December 16, 2014, or such date as the Senior debt is retired, to the extent of available Pledged Revenue. To the extent interest on the Bond is not paid when due, such interest shall compound annually, on each December 16, at the rate then borne by the Bond. The Series 2014B Subordinate Bond matures on December 16, 2044. The Series 2014B Subordinate Bond is subject to mandatory sinking fund redemption on December 16 of each year in an amount equal to the Mandatory Redemption Amount determined by the District. The Series 2014B Subordinate Bond are subject to redemption prior to maturity, at the option of the District, as a whole or in part, on any date, upon payment of par and accrued interest, without redemption premium. The Series 2014B Subordinate Bond is secured by Pledged Revenues from the Property Tax, Sales Tax, Use Tax, Pledge Agreement, as described in the indenture, and the Sales PIF.

Subsequent to year end, the District No.3 issued the 2017A and the 2017B Bonds (see Note 12).

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

On May 6, 2008, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$450,000,000. As of December 31, 2016, the District had remaining voted debt authorization of approximately \$419,394,500. The District has not budgeted to issue new debt during 2017. Per the District's Service Plan, the District, together with District No. 2 and 3, cannot issue debt in excess of \$75,000,000.

NOTE 6 - RELATED PARTY

All of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board. Also, the Developer has various agreements with the District.

Improvement Acquisition Agreement

The District, Weingarten Miller MDH Buckingham, LLC, District No. 2 and District No. 3 entered into an Improvement Acquisition Agreement ("Improvement Acquisition Agreement") dated February 26, 2009, amended January 13, 2012. In 2012, Weingarten Miller MDH Buckingham, LLC changed its name to Miller MDH Buckingham, LLC. Under the agreement, the District agreed to reimburse Miller MDH Buckingham, LLC for all District Eligible Costs incurred by Miller MDH Buckingham, LLC for the public infrastructure. On October 14, 2014, Miller MDH Buckingham, LLC assigned their interest in the Improvement Acquisition Agreement to Wilson Garden Havana, LLC. The reimbursable district eligible costs shall bear simple interest at a rate of 8% per annum from the time said obligation is paid or funded. The District shall repay district eligible costs approved by the District under this agreement from the proceeds of Bonds issued by the Districts and/or all other legally available funds of the Districts not otherwise required for reasonable operating costs. District No. 2 and District No. 3 acknowledge that the repayment of district eligible costs under this agreement constitute "capital costs" for which they are obligated to pay to the District the proceeds of any debt issued, subject to the terms of the Master IGA. Per the agreement, any mill levy certified by District No. 2 and/or District No. 3 for the purposes of repaying advances shall not exceed 50 mills. During 2014, the District reimbursed from the Series 2014 Loan proceeds to Miller MDH Buckingham, LLC \$5,075,000 under this agreement, \$1,369,417 representing principal and \$3,705,583 representing interest. Also during 2014, the District converted \$8,405,500 under this agreement to the Series 2014 Subordinate Bond, \$8,269,505 representing principal and \$135,995 representing interest. Under this agreement, the principal balance as of December 31, 2016, is \$146,840 and the accrued interest is \$25,532. The 2014B Subordinate Bond was paid off in April 2017 with the issuance of the District's No.3 2017 Bonds (see Note 12).

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 6 - RELATED PARTY (CONTINUED)

Construction Management Agreement

On February 26, 2009, the District and Miller Weingarten Realty, LLC entered into a Construction Management Agreement. In 2011, Miller Weingarten Realty, LLC changed its name to Miller Real Estate Investments, LLC. Under the agreement, Miller Real Estate Investments, LLC will provide support services for all activities related to construction projects to be completed by or under the direction of the District. The District shall pay to Miller Real Estate Investments, LLC 6% of the design and construction costs of each project for construction management services. On October 14, 2014, Miller Real Estate Investments, LLC assigned all of their rights under the agreement to AMCAP, Incorporated. This agreement will terminate December 31, 2011, and shall automatically renew on January 1st of each succeeding year for an additional one year term, unless otherwise terminated pursuant to the Agreement.

Accounting Services Agreement

On February 26, 2009, the District and Miller Weingarten Realty, LLC entered in an Accounting Services Agreement. In 2011, Miller Weingarten Realty, LLC changed its name to Miller Real Estate Investments, LLC. Under the agreement, Miller Real Estate Investments, LLC will perform certain accounting services required by the District. The District shall pay to Miller Real Estate Investments, LLC between the rates per hour of \$40 to \$100 for accounting services. On October 14, 2014, Miller Real Estate Investments, LLC assigned all of their rights under the agreement to AMCAP, Incorporated. This agreement will terminate December 31, 2011, and shall automatically renew on January 1st of each succeeding year for an additional one year term, unless otherwise terminated pursuant to the agreement. During 2016, the District paid \$3,447 to AMCAP Incorporated for accounting services and terminated the agreement.

NOTE 7 - AGREEMENTS

District Facilities Joint Financing, Construction and Service Agreement

On February 26, 2009, the District, District No. 2 and District No. 3 entered into a District Facilities Joint Financing, Construction and Service Agreement ("Master IGA"). Under the Agreement the District will be the Operating District and District No. 2 and District No. 3 will be the Financing Districts. The Financing Districts agree to transfer all District Taxes to the Operating District to fund the operating expenses of the Districts. The Financing Districts may issue general obligations bonds, or other debt, and/or the Operating District may issue bonds or comparable forms of debt to fund capital costs which are expressly intended to be repaid via payments from the Financing Districts and which may be refunded or repaid from the proceeds of general obligation indebtedness issued by the Financing Districts. Under the agreement, the Financing Districts are to transfer all district taxes to the operating district for deposit to the Facilities Account. The Operating District shall account for the funds withdrawn from the Facilities Account and any funds on deposit in the Facilities Account following the payment of all actual capital costs shall be returned to the Financing Districts within 180 days of such final payment. The annual budget will set forth the estimated annual capital costs for the budget year. Subsequent to year end, this agreement was terminated and a new IGA entered into.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 - AGREEMENTS (CONTINUED)

Capital Pledge Agreement

On February 15, 2012, as amended October 7, 2014, the District, District No. 2 and District No. 3 entered into a Capital Pledge Agreement. Under the Capital Pledge Agreement, District No. 2 and District No. 3 will be liable for the repayment of the Series 2012 and 2014 Loans and Series 2014B Subordinate Bonds based upon the amount of revenues generated from the imposition of a capital mill levy. District No. 2 shall impose an ad valorem mill levy upon all taxable property of District No. 2 each year sufficient (when combined with other revenues of the Districts) to pay annual bond costs in an amount of not less than 25 mills but not more than 50 mills, subject to adjustment. District No. 3 shall impose an ad valorem mill levy upon all taxable property of District No. 3 each year sufficient to pay annual bonds costs in an amount not less than 35 mills, but not more than 50 mills, subject to adjustment. The Capital Pledge Agreement will terminate when all Revenue Bonds permitted by District No. 1 have been defeased. Subsequent to year end, the Agreement was amended and restated with the issuance of the District No. 3's 2017 Bonds (see Note 12).

Public Finance and Redevelopment Agreement

On March 25, 2009, the Aurora Urban Renewal Authority ("AURA"), Weingarten Miller MDH Buckingham, LLC, and the District entered into a Public Finance and Redevelopment Agreement. In 2012, Weingarten Miller MDH Buckingham, LLC changed its name to Miller MDH Buckingham, LLC. On October 14, 2014, Miller MDH Buckingham, LLC assigned their rights under the agreement to Wilson Gardens Havana, LLC. Under the agreement, AURA will pledge to the District incremental property tax revenues, 22% of the incremental sales tax revenues in excess of \$748,927, and 100% of incremental use tax revenues for the payment of actual costs of or relating to the public improvements and administration and management of the District. The Pledged Revenue will be paid on June 30th and December 31st in each year. Under the agreement, the Miller MDH Buckingham, LLC or Wilson Gardens Havana, LLC will impose a Public Improvement Fee ("PIF") in the amount of one half of a percent of the purchase price of each transaction involving the sale of goods or services. The PIF shall be pledged against the payment of any bond requirements and eligible costs. Under the agreement, the District shall impose a debt service mill levy of not less than 20 mills and no more than 50 mills during the term of the agreement. The Agreement will terminate upon the earlier of (a) payment in full of the funding obligation of \$12,000,000, plus interest of 8% on the unpaid funding obligation or (b) December 31st of the calendar year in which the 15 year anniversary of the issuance of the initial building permit for the residential portion of the Project will occur, which is December 31, 2024, provided however, that no pledged revenues generated with the District shall be available to make pledged revenue payments under this agreement after December 31, 2024. This Agreement was assigned to District No.3 in April 2017.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8 - NET POSITION

The District has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2016, the District had net investment in capital assets of \$(10,460,202). This deficit amount was a result of the District being responsible for the repayment of loans issued for public improvements.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District has restricted net position as of December 31, 2016, for emergencies totaling \$6,100 and for the debt service totaling \$895,149.

The District's unrestricted net position as of December 31, 2016, is \$280,559.

NOTE 9 - INTERFUND AND OPERATING TRANSFERS

The transfer of \$200,000 from the Debt Service Fund to the General Fund was pursuant to the Series 2012 and 2014 Loans Custodial Agreement for the District's operations and maintenance and covered years 2015 and 2016.

NOTE 10 - 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 (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 official's 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.

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 10 - RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property and public officials' liability 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 11 - 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 May 6, 2008, 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 Article X, Section 20 of the Colorado Constitution.

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 the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 12 - SUBSEQUENT EVENT

On April 7, 2017, District No. 3 issued its 2017A Bonds and its 2017B Bonds in the respective amounts of \$23,895,000 and \$3,404,000. Proceeds from the sale of the Bonds have been used for the purposes of: (a) refunding the District's outstanding Loans and Bonds; (b) funding repayment of advances from the Developer under the Improvement Acquisition Agreement; and (c) paying other costs in connection with the issuance of the 2017A Bonds and the 2017B Bonds. The 2017A Bonds bear interest at rates ranging from 3.625% to 5.25%, payable semi-annually on June 1 and December 1, beginning on June 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2017. The 2017A

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 12 - SUBSEQUENT EVENT (CONTINUED)

Bonds mature on December 1, 2047. The 2017B Bonds bear interest at 7.75% payable annually on December 15, beginning on December 15, 2017, but only to the extent of available Subordinate Pledged Revenue. The 2017B Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

**THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2016**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Public improvement fee (PIF)	\$ 654,276	\$ 654,276	\$ 658,207	\$ 3,931
AURA sales tax increment	625,252	625,252	623,900	(1,352)
AURA property tax increment	1,689,544	1,490,000	1,486,006	(3,994)
Interest income	1,000	1,000	1,424	424
Intergovernmental revenue - District No. 2	110,000	130,000	128,044	(1,956)
Intergovernmental revenue - District No. 3	21,300	25,000	24,855	(145)
Total revenues	<u>3,101,372</u>	<u>2,925,528</u>	<u>2,922,436</u>	<u>(3,092)</u>
EXPENDITURES				
Loan principal	2,035,000	1,881,000	1,881,000	-
Loan interest	923,337	923,337	923,337	-
Contingency	4,744	257,163	-	257,163
Paying agent/trustee fees	3,500	3,500	4,500	(1,000)
Total expenditures	<u>2,966,581</u>	<u>3,065,000</u>	<u>2,808,837</u>	<u>256,163</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>134,791</u>	<u>(139,472)</u>	<u>113,599</u>	<u>253,071</u>
OTHER FINANCING SOURCES (USES)				
Transfer to General Fund	(100,000)	(100,000)	(200,000)	(100,000)
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(200,000)</u>	<u>(100,000)</u>
NET CHANGE IN FUND BALANCES	34,791	(239,472)	(86,401)	153,071
FUND BALANCES - BEGINNING OF YEAR	<u>683,739</u>	<u>1,053,107</u>	<u>1,053,107</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 718,530</u>	<u>\$ 813,635</u>	<u>\$ 966,706</u>	<u>\$ 153,071</u>

THE GARDENS ON HAVANA METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2016

December 31,	\$10,000,000 Bank Qualified Tax-Free Loan, Series 2012A Dated February 15, 2012 Interest at 4.667% Payable June 1 and December 1		\$7,000,000 Bank Qualified Taxable Loan, Series 2012B Dated February 15, 2012 Interest at 5.810% Payable June 1 and December 1		\$5,200,000 Bank Qualified Taxable Loan, Series 2014 Dated August 29, 2014 Interest at 5.77% Payable June 1 and December 1		Totals		
	Principal Due December 1		Principal Due December 1		Principal Due December 1		Principal	Interest	Total
	Principal	Interest	Principal	Interest	Principal	Interest			
2017	\$ 590,000	\$ 356,306	\$ 420,000	\$ 272,857	\$ 350,000	\$ 187,930	\$ 1,360,000	\$ 817,093	\$ 2,177,093
2018	645,000	328,388	440,000	248,116	415,000	167,454	1,500,000	743,958	2,243,958
2019	680,000	297,868	465,000	222,197	430,000	143,176	1,575,000	663,241	2,238,241
2020	730,000	266,420	505,000	195,339	470,000	118,344	1,705,000	580,103	2,285,103
2021	800,000	231,149	560,000	165,057	455,000	90,525	1,815,000	486,731	2,301,731
2022	855,000	193,295	605,000	132,069	495,000	63,907	1,955,000	389,271	2,344,271
2023	900,000	152,838	625,000	96,431	555,000	34,948	2,080,000	284,217	2,364,217
2024	340,000	110,553	235,000	59,777	42,400	2,487	617,400	172,817	790,217
2025	385,000	94,163	270,000	45,771	-	-	655,000	139,934	794,934
2026	385,000	75,946	270,000	29,866	-	-	655,000	105,812	760,812
2027	385,000	57,728	237,000	13,961	-	-	622,000	71,689	693,689
2028	835,000	39,619	-	-	-	-	835,000	39,619	874,619
	<u>\$ 7,530,000</u>	<u>\$ 2,204,273</u>	<u>\$ 4,632,000</u>	<u>\$ 1,481,441</u>	<u>\$ 3,212,400</u>	<u>\$ 808,771</u>	<u>\$15,374,400</u>	<u>\$ 4,494,485</u>	<u>\$ 19,868,885</u>