

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Green Gables Metropolitan District No. 1  
Jefferson County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Green Gables Metropolitan District No. 1 (the District), as of and for the year ended December 31, 2018, 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 from 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies 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 Green Gables Metropolitan District No. 1, as of December 31, 2018, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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**Fiscal Focus Partners, LLC**

## **Other Matters**

### *Required Supplementary Information*

Management has omitted 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 District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The annual disclosure obligation information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Fiscal Focus Partners, LLC*

Greenwood Village, Colorado  
September 2, 2019

## **BASIC FINANCIAL STATEMENTS**

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 113,040
Cash and Investments - Restricted	1,034,267
Property Taxes Receivable	558,179
Accounts Receivable	80,482
Receivable from County Treasurer	4,186
Prepaid Expense	4,564
Capital Assets, Net of Accumulated Depreciation	9,193,123
Total Assets	10,987,841
<b>LIABILITIES</b>	
Accounts Payable	81,510
Accrued Interest Payable	38,690
Noncurrent Liabilities:	
Due in More than One Year	12,364,848
Total Liabilities	12,485,048
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	558,179
Total Deferred Inflows of Resources	558,179
<b>NET POSITION</b>	
Net Investment in Capital Assets	(1,614,947)
Restricted for:	
Emergency Reserves	5,000
Debt Service	994,065
Unrestricted	(1,439,504)
Total Net Position	\$ (2,055,386)

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Government Activities:					
General Government	\$ 181,866	\$ -	\$ -	\$ -	\$ (181,866)
Interest and Related Costs on Long-Term Debt	1,123,938	-	-	1,397,437	273,499
Total Governmental Activities	\$ 1,305,804	\$ -	\$ -	\$ 1,397,437	91,633
<b>GENERAL REVENUES</b>					
Property Taxes					488,351
Specific Ownership Taxes					45,344
Net investment Income					18,796
Water Revenue from HOA					75,233
Total General Revenues					627,724
<b>CHANGES IN NET POSITION</b>					719,357
Net Position - Beginning of Year					(2,774,743)
<b>NET POSITION - END OF YEAR</b>					\$ (2,055,386)

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 113,040	\$ -	\$ -	\$ 113,040
Cash and Investments - Restricted	5,000	1,029,267	-	1,034,267
Accounts receivable	75,636	-	4,846	80,482
Receivable from County Treasurer	698	3,488	-	4,186
Property Tax receivable	93,027	465,152	-	558,179
Prepaid Expense	4,564	-	-	4,564
	<u>\$ 291,965</u>	<u>\$ 1,497,907</u>	<u>\$ 4,846</u>	<u>\$ 1,794,718</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	81,510	-	-	81,510
Total Liabilities	<u>81,510</u>	<u>-</u>	<u>-</u>	<u>81,510</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax	93,027	465,152	-	558,179
Total Deferred Inflows or Resources	<u>93,027</u>	<u>465,152</u>	<u>-</u>	<u>558,179</u>
<b>FUND BALANCES</b>				
Nonspendable for:				
Prepaid Expense	4,564	-	-	4,564
Restricted for:				
Emergency Reserves	5,000	-	-	5,000
Debt Service	-	1,032,755	-	1,032,755
Capital Projects	-	-	4,846	4,846
Unassigned	107,864	-	-	107,864
Total Fund Balances	<u>117,428</u>	<u>1,032,755</u>	<u>4,846</u>	<u>1,155,029</u>
	<u>\$ 291,965</u>	<u>\$ 1,497,907</u>	<u>\$ 4,846</u>	

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 in the funds.

Capital Assets, Net 9,193,123

Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable (8,760,000)  
Subordinate Bonds Payable (1,475,000)  
Accrued Interest on Bonds Payable 2016A (38,690)  
Accrued Interest on Bonds Payable 2016B (329,559)  
Developer Advances (1,281,037)  
Accrued Interest on Developer Advances (519,252)

Net Position of Governmental Activities \$ (2,055,386)

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 81,389	\$ 406,962	\$ -	\$ 488,351
Specific Ownership Taxes	7,557	37,787	-	45,344
Net Investment Income	55	18,741	-	18,796
Water - Revenue from HOA	75,233	-	-	75,233
Total Revenues	<u>164,234</u>	<u>463,490</u>	<u>-</u>	<u>627,724</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	29,364	-	-	29,364
County Treasurer's Fees	1,222	-	-	1,222
District Management	12,159	-	-	12,159
Dues and Licenses	523	-	-	523
Legal	17,749	-	-	17,749
Miscellaneous	1,082	-	-	1,082
Auditing	4,750	-	-	4,750
Water - Acquisition Cost	68,393	-	-	68,393
Water Facility O&M	530	-	-	530
Insurance and Bonds	2,731	-	-	2,731
Election	650	-	-	650
Debt Service:				
Bond Interest	-	464,280	-	464,280
County Treasurer's Fees	-	6,109	-	6,109
Paying Agent Fees	-	2,500	-	2,500
Capital Outlay:				
Capital Outlay	-	-	3,157,546	3,157,546
Accounting	-	-	293	293
Engineering	-	-	10,448	10,448
Total Expenditures	<u>139,153</u>	<u>472,889</u>	<u>3,168,287</u>	<u>3,780,329</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advances	-	-	3,157,546	3,157,546
Transfers (to) from Other Fund	(15,587)	-	15,587	-
Total Other Financing Sources (Uses)	<u>(15,587)</u>	<u>-</u>	<u>3,173,133</u>	<u>3,157,546</u>
<b>NET CHANGE IN FUND BALANCES</b>	9,494	(9,399)	4,846	4,941
Fund Balances - Beginning of year	<u>107,934</u>	<u>1,042,154</u>	<u>-</u>	<u>1,150,088</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 117,428</u></u>	<u><u>\$ 1,032,755</u></u>	<u><u>\$ 4,846</u></u>	<u><u>\$ 1,155,029</u></u>

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES 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, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ 4,941

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Depreciation	(31,972)
Capital Outlay	3,157,546

Long-term debt (e.g., bonds) 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. 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.

Developer Advance	(3,157,546)
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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 Developer Advance - Change in Liability	881,298
Accrued Interest - Change in Liability on Unpaid Series 2016B Bond Interest	<u>(134,910)</u>

Changes in Net Position of Governmental Activities	<u><u>\$ 719,357</u></u>
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**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 82,905	\$ 81,389	\$ (1,516)
Specific Ownership Taxes	6,632	7,557	925
Net Investment Income	100	55	(45)
Water - Revenue from HOA	165,000	75,233	(89,767)
Total Revenues	<u>254,637</u>	<u>164,234</u>	<u>(90,403)</u>
<b>EXPENDITURES</b>			
Current:			
Accounting	30,000	29,364	636
County Treasurer's Fees	1,244	1,222	22
District Management	15,000	12,159	2,841
Dues and Licenses	800	523	277
Election	1,250	650	600
Insurance	5,000	2,731	2,269
Landscaping	20,000	-	20,000
Stormwater drainage maintenance	10,000	-	10,000
Water - Acquisition cost	75,000	68,393	6,607
Water Facility O&M	90,000	530	89,470
Legal	30,000	17,749	12,251
Miscellaneous	2,000	1,082	918
Auditing	5,000	4,750	250
Contingency	2,706	-	2,706
Total Expenditures	<u>288,000</u>	<u>139,153</u>	<u>148,847</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(33,363)	25,081	58,444
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to Other Fund	-	(15,587)	(15,587)
Total Other Financing Uses	<u>-</u>	<u>(15,587)</u>	<u>(15,587)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(33,363)	9,494	42,857
Fund Balance - Beginning of Year	<u>97,521</u>	<u>107,934</u>	<u>10,413</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 64,158</u>	<u>\$ 117,428</u>	<u>\$ 53,270</u>

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Green Gables Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Jefferson County recorded on January 10, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized in conjunction with Green Gables Metropolitan District No. 2 (District No. 2). Services will be provided to the Green Gables mixed use redevelopment (Project) by the District and District No. 2. The District will serve the residential portion of the Project and District No. 2 will serve the commercial portions of the Project. The Districts each operate as distinct and separate entities, however, it is anticipated that the Districts will enter into various intergovernmental agreements to coordinate efforts in the financing and construction of facilities and provision of improvements to the Project. The Districts' service area is generally located east of Wadsworth Boulevard and south of Jewell Avenue in Jefferson County. The District was established to provide water, storm sewer and sanitary sewer, streets and traffic safety protection, parks and recreation, and covenant enforcement.

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 has no employees, and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**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.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds, notes and developer advances are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. 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.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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 general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

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.

The District has amended its annual budget for the year ended December 31, 2018.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

**Property Taxes**

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

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes (Continued)**

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets, which include property and infrastructure assets (e.g., detention ponds and similar items), are reported in the applicable governmental columns 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 acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets component of the District's net position.

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. As of December 31, 2018, 61% of capital assets had been transferred to District No. 2.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Street Improvements	30 years
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**Deferred Inflows of Resources**

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

**Equity**

**Net Position**

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**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.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 113,040
Cash and Investments - Restricted	<u>1,034,267</u>
Total cash and investments	<u><u>\$ 1,147,307</u></u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments as of December 31, 2018 consist of the following:

Deposits with Financial Institutions	\$ 157,273
Investments	<u>990,034</u>
Total Cash and Investments	<u><u>\$ 1,147,307</u></u>

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2018, the District's cash deposits had a bank balance and a carrying balance of \$157,273.

**Investments**

The District has adopted a formal investment policy that 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 investment custodial credit 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.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 990,034

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2018 follows:

	Balance at December 31, 2017	Reallocation <sup>(1)</sup>	Increases	Decreases	Balance at December 31, 2018
Capital Assets, Not Being Depreciated					
Construction in Progress	\$ 12,817,753	\$ (6,750,204)	\$ 3,157,546	\$ 5,073,802	\$ 4,151,293
Total Capital Assets, Not Being Depreciated	<u>12,817,753</u>	<u>(6,750,204)</u>	<u>3,157,546</u>	<u>5,073,802</u>	<u>4,151,293</u>
Capital Assets, Being Depreciated					
Street Improvements	-	-	5,073,802	-	5,073,802
Total Capital Assets, Being Depreciated	-	-	5,073,802	-	5,073,802
Less Accumulated Depreciation For:					
Street Improvements	-	-	(31,972)	-	(31,972)
Total Accumulated Depreciation	-	-	(31,972)	-	(31,972)
Total Capital Assets, Being Depreciated, Net	-	-	5,041,830	-	5,041,830
Total Capital Assets	<u>\$ 12,817,753</u>	<u>\$ (6,750,204)</u>	<u>\$ 8,199,376</u>	<u>\$ 5,073,802</u>	<u>\$ 9,193,123</u>

<sup>(1)</sup>On October 23, 2018, the District determined to allocate the certified capital expenditures and associated long-term debt between the District and District No. 2 at a rate of 39% for the District, and 61% for District No. 2. The application of this allocation was made retroactive to the costs accepted in 2017, resulting in a reallocation in 2018.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2018:

	Balance at December 31, 2017	Reallocation CIP <sup>(1)</sup>	Reallocation Payments <sup>(1)</sup>	Additions	Reductions	Balance at December 31, 2018	Due Within One Year
Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds - Series 2016A	\$ 8,760,000	\$ -	\$ -	\$ -	\$ -	8,760,000	\$ -
Limited Tax General Obligation Subordinate Bonds - Series 2016B	1,475,000	-	-	-	-	1,475,000	-
Unpaid Interest on Series 2016B bonds	194,649	-	-	134,910	-	329,559	-
Developer Advances - Capital	6,058,631	(6,750,204)	(1,195,348)	3,157,546	-	1,270,625	-
Developer Advances - O&M	10,412	-	-	-	-	10,412	-
Developer Advances Interest - Capital	202,089	(1,397,437)	1,195,348	515,306	-	515,306	-
Developer Advances Interest - O&M	3,113	-	-	833	-	3,946	-
Total	<u>\$ 16,703,894</u>	<u>\$ (8,147,641)</u>	<u>\$ -</u>	<u>\$ 3,808,595</u>	<u>\$ -</u>	<u>\$ 12,364,848</u>	<u>\$ -</u>

(1) On October 23, 2018, the District determined to allocate the certified capital expenditures and associated long-term debt between the District and District No. 2 at a rate of 39% for the District, and 61% for District No. 2. The application of this allocation was made retroactive to the costs accepted in 2017, resulting in a reallocation in 2018.

The details of the District's long-term obligations are as follows:

**General Obligation Bonds**

**\$8,760,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2016A (Series 2016A Bonds)**, dated April 21, 2016, with interest of 5.30% per annum. The Series 2016A Bonds mature December 1, 2046. The Series 2016A Bonds are subject to early redemption, at the option of the District, on or after December 1, 2021, upon payment of redemption price as follows:

<u>Optional Redemption Date</u>	<u>Redemption Prices</u>
December 1, 2021 to November 30, 2022	103 %
December 1, 2022 to November 30, 2023	102
December 1, 2023 to November 30, 2024	101
December 1, 2024 and thereafter	100

The Series 2016A Bonds have a reserve fund and a surplus fund. The Senior Reserve Fund requirement is \$697,555. The Maximum Surplus Fund amount is \$876,000, and is funded with Senior Pledged Revenues after payment of Debt Service. The 2016A Bonds are secured by Senior Pledged Revenues, consisting of Required Mill Levy Revenue, Specific Ownership Taxes, and other legally available monies. The Required Mill Levy is the amount sufficient to pay the principal of, premium if any, and interest on the Series 2016A Bonds, as the same become due and payable, to replenish the Senior Reserve Fund to the Senior Reserve Fund Requirement, and to fund the Surplus Fund to the maximum amount, but not in excess of 50.000 mills, subject to adjustment as provided in the Senior Bonds Trust

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds (Continued)**

Indenture, dated April 1, 2016, until the Senior Debt to Assessed Ratio is equal to or less than 50%. The balance in the reserve fund at December 31, 2018 is \$698,884.

**\$1,475,000 Limited Tax General Obligation Subordinate Bonds, Series 2016B (Series 2016B Bonds)**, dated April 21, 2016, with interest of 7.75% due annually on December 15, commencing on December 15, 2016. The Series 2016B Bonds are subject to early redemption, at the option of the District, on or after December 15, 2024, in whole or in part at a redemption price equal to 100% of the outstanding principal amount plus accrued interest to the redemption date. The 2016B Bonds are payable from the Subordinate Pledged Revenue, consisting of Subordinate Required Mill Levy Revenues, Specific Ownership taxes and monies available upon termination of the Surplus Fund as defined in and provided for under the Senior Bonds Trust Indenture, and any other legally available monies.

There is no debt service schedule presented for the Series 2016B Bonds as they are considered "Cash Flow" bonds, payable solely from the extent of Subordinated Pledged Revenue.

The details of the District's long-term obligations are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 464,280	\$ 464,280
2020	50,000	464,280	514,280
2021	90,000	461,630	551,630
2022	105,000	456,860	561,860
2023	110,000	451,295	561,295
2024-2028	765,000	2,153,390	2,918,390
2029-2033	1,145,000	1,913,035	3,058,035
2034-2038	1,665,000	1,557,140	3,222,140
2039-2043	2,330,000	1,048,870	3,378,870
2044-2047	2,500,000	306,075	2,806,075
Total	<u>\$ 8,760,000</u>	<u>\$ 9,276,855</u>	<u>\$ 18,036,855</u>

**Authorized Debt**

On November 6, 2012, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$49,000,000 in each authorized statutory category at an interest rate not to exceed 18% per annum. At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds (Continued)**

	Authorized November 6, 2012 Election	Authorization Used for Series 2016A Bonds	Authorization Used for Series 2016B Bonds	Authorized But Unissued
Street Improvements	\$ 49,000,000	\$ 4,818,000	\$ 811,250	\$ 43,370,750
Parks and Recreation	49,000,000	-	-	49,000,000
Water	49,000,000	1,138,800	191,750	47,669,450
Storm or Sanitary Sewer	49,000,000	2,803,200	472,000	45,724,800
Traffic and Safety	49,000,000	-	-	49,000,000
Operations and Maintenance	49,000,000	-	-	49,000,000
Debt Refunding	49,000,000	-	-	49,000,000
Intergovernmental	49,000,000	-	-	49,000,000
Total	<u>\$ 392,000,000</u>	<u>\$ 8,760,000</u>	<u>\$ 1,475,000</u>	<u>\$ 381,765,000</u>

Pursuant to the Service Plan, the District along with District No. 2 is permitted to issue bond indebtedness in an aggregate amount up to \$49,000,000 (Combined Debt Limit), at an interest rate not to exceed 18%. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**Developer Advances**

The District has entered into Funding and Reimbursement Agreements with the Developer as follows:

**Operation Funding Agreements**

The District and Green Gables Development Company, Inc. (Developer) entered into an Operation Funding Agreement (OFA) dated January 16, 2013, with an effective date of January 10, 2013. Pursuant to the OFA, the Developer agreed to advance funds to the District for payment of operations and maintenance expenses for fiscal year 2013 up to the shortfall amount of \$37,500. The District has agreed to reimburse the Developer for funds advanced under the OFA, together with interest thereon at the rate of 8.0% per annum. Payments made under this agreement shall be applied first to interest and then to principal. The term of the OFA shall expire on December 31, 2053 unless terminated earlier by mutual agreement of the parties.

On October 15, 2014 the District and the Developer entered into a First Amendment to the OFA (First Amendment to OFA). Pursuant to the First Amendment to OFA, the Developer agreed to extend the time period to advance funds to the District under the OFA through 2015 up to the shortfall amount of \$50,000.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Developer Advances (Continued)**

Operation Funding Agreements (Continued)

On April 11, 2016 the District and the Developer entered into a Second Amendment to the OFA (Second Amendment to OFA). Pursuant to the Second Amendment to OFA, the Developer agreed to further extend the time period that the Developer would advance funds to the District for payment of operations and maintenance expenses through fiscal year 2019. The Second Amendment to OFA further increased the Shortfall Amount to \$200,000 and extended the obligation of the Developer to advance funds through March 31, 2020.

The balance outstanding on the OFA, as amended, at December 31, 2018 is \$14,358, consisting of \$10,412 principal and \$3,946 accrued interest.

Facilities Funding and Acquisition Agreements

The District and Developer entered into a Facilities Funding and Acquisition Agreement (FFAA) dated January 16, 2013, with an effective date of January 10, 2013. Pursuant to the FFAA, the District acknowledges the Developer has advanced funds to the District for organization expenses, and will advance requested funds to the District to complete the Improvements, as defined in the FFAA (Constructed Related Expenses). The total Shortfall Amount for 2013 was estimated to be \$5,000,000. Prior to any reimbursement to the Developer, Developer shall obtain an independent engineer's certification that the Construction Related Expenses are reasonable and comparable for similar projects in the local community, and verification from the District's accountant that the expenses are reimbursable based on the invoice copies, bills and requests for payment. The District has agreed to reimburse the Developer for funds advanced under the FFAA, together with interest thereon at the rate of 8.0% per annum. Payments made under the FFAA shall be applied first to interest and then to principal. The Parties agree that no payment shall be required of the District unless and until the District issues bonds in an amount sufficient to reimburse the Developer for all or a portion of advances under the FFAA. In the event the District has not paid or reimbursed the Developer for any Construction Related Expenses and/or Verified Costs by December 31, 2053, any amount of principal and accrued interest outstanding on such date shall be deemed to be discharged and satisfied in full.

On November 20, 2013, the District and the Developer entered into a First Amendment to the FFAA (First Amendment to FFAA). The First Amendment to FFAA extended the term of the FFAA through 2014.

On February 12, 2015, the District and the Developer entered into a Second Amendment to FFAA (Second Amendment to FFAA). The Second Amendment to FFAA extends the term of the FFAA through 2015 and amends provisions of the FFAA pertaining to Construction Related Expenses and acknowledges the relative priorities for reimbursement of verified costs to provide for future reimbursement to Ryland Group Inc. (Ryland) for construction of certain onsite and offsite improvements pursuant to that certain Ryland Facilities Acquisition Agreement described below.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Developer Advances (Continued)**

**Facilities Funding and Acquisition Agreements (Continued)**

On November 18, 2015, the District and the Developer entered into a Third Amendment to FFAA (Third Amendment to FFAA). The Third Amendment to FFAA extended the term of the FFAA through 2016.

On November 15, 2017, the District and the Developer entered into a Fourth Amendment to FFAA (Fourth Amendment to FFAA). The Fourth Amendment to FFAA extended the term of the FFAA through 2021.

On November 14, 2018, the District and the Developer entered into a Fifth Amendment to FFAA (Fifth Amendment to FFAA). The Fifth Amendment to FFAA increased the shortfall amount to \$10,000,000.

As of December 31, 2018 the balance outstanding on the FFAA, as amended, is \$1,785,931 including \$1,270,625 of principal and \$515,306 of interest.

**NOTE 6 NET POSITION**

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

Net investment in capital assets consists 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, 2018, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Capital Assets, Net	\$ 9,193,123
Outstanding Long-Term Debt Applicable to Capital Assets	(10,235,000)
Unspent Bond Proceeds Applicable to Capital Assets	697,555
Outstanding Developer Advances Related to Capital Assets	(1,270,625)
Net Investment in Capital Assets	\$ (1,614,947)

Restricted assets include net position 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 had restricted net position as of December 31, 2018, as follows:

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 6 NET POSITION (CONTINUED)**

	Governmental Activites
Restricted Net Position:	
Emergency Reserves	\$ 5,000
Debt Service	994,065
Total	\$ 999,065

The District has a deficit in unrestricted net position. The deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements, some of which have been conveyed to other entities.

**NOTE 7 DISTRICT AGREEMENTS**

**Post Closing Construction Agreement**

On February 12, 2015, the District and Ryland entered into a Post Closing Construction Agreement (PCCA). The PCCA notes that Ryland will enter into agreements to complete the work known as Regional Improvement Costs. If the Accepted Regional Improvement Costs exceed \$17.0 million up to a maximum of \$18.1 million, the Developer and Ryland will each be responsible for half, or "Shared Excess". Costs in excess of \$18.1 million are the responsibility of the Developer, together with interest at 12% per annum.

**Public Improvements Agreement (PIA)**

On February 12, 2015, the District, the Developer and Ryland entered into a Public Improvements Agreement (PIA). The PIA acknowledges that Ryland and the Developer are entitled to receive reimbursement from the District for costs incurred for construction of public improvements in the District, and specifies priorities for payment. Reimbursements under the PIA are to be paid first to Ryland for Shared Excess costs, next to Ryland for Seller Excess Costs, and finally to the Developer.

**Ryland Agreement**

The District and Ryland entered into the Ryland Facilities Funding and Acquisition Agreement on February 12, 2015 (Ryland FFAA). The Ryland FFAA states that Ryland is entitled to reimbursement from the District in an amount equal to one-half of the "Shared Excess" (defined as Developer and Ryland's responsibility to each pay one-half of accepted Regional Improvement Costs in excess of \$17.0 million and up to \$18.1 million) and reimbursement from the District for the "Seller Excess" and "Seller's Costs" as defined in the PCCA, described above. To provide security to Ryland in the event the District is unable to issue bonds, the District executed a Taxable Limited Tax General Obligation Promissory Note Series 2015 to Ryland (Series 2015 Note) in the amount of \$5,870,000, interest payable at 8.0% per annum, to fund the reimbursements. Payments made on the Series 2015 Note are to be credited first to accrued interest.

The balance outstanding on the Series 2015 Note at December 31, 2018 is \$-0-.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Letter Agreement**

On March 29, 2016, the District and CalAtlantic Group, Inc. (CalAtlantic) as successor-by-merger to Ryland entered into a Letter Agreement (Letter Agreement). The Letter Agreement set forth the terms by which CalAtlantic consents to the District's issuance of the Series 2016A and Series 2016B Bonds, subject to the deposit into escrow with Land Title Guarantee Company of initial proceeds of the Bonds, in the amount of \$550,000 as security for the Developer's share of funds owed to CalAtlantic pursuant to the Ryland FFAA and the PCAA.

**Escrow Agreement**

On March 31, 2016, the District entered into an Escrow Agreement with CalAtlantic and Land Title Guarantee Company (Escrow Agreement). The Escrow Agreement acknowledges the existence of the Series 2015 Note as security for the District's reimbursement obligations, and CalAtlantic's consent to the issuance of the Series 2016A and Series 2016B Bonds upon deposit of \$550,000 as security for the Developer's share of funds owed pursuant to the Ryland FFAA and the PCCA. Funds are to be released to CalAtlantic and/or the District pursuant to the terms of the Escrow Agreement. These funds were released in 2017.

**Water Service Agreements**

On September 26, 2018, the District and the Developer entered into an Agreement for Water Services ("Developer Water Agreement"). The Developer Water Agreement reflects that certain Water Facilities (including among other things, a pump building, water pumps, pipelines, and other similar facilities) will be dedicated to the District following completion of construction by CalAtlantic. It is anticipated that the District will be responsible for the operation, repair and maintenance of the afore-mentioned Water Facilities during its ownership thereof. The Developer Water Agreement sets forth the terms under which the Developer will deliver the Project Water (as defined in the Developer Water Agreement) to the District for the purpose of irrigating the Irrigation Tracts (as defined in the Developer Water Agreement) in accordance with the terms thereof.

On September 26, 2018, the District and Green Gables Owners Association, Inc. (the "Association") entered into an Agreement for Water Services ("Association Water Agreement"). The Association Water Agreement reflects that the Association owns, or will own, certain water improvements to be constructed within the Project (irrigation mainlines, distribution lines, controllers, meters, valves, backflow preventers, and irrigation heads) contained within the Open Spaces (as defined in the Association Water Agreement) for use in the irrigation of those areas. The Association Water Agreement sets forth the terms under which the District will furnish Project Water (as defined in the Developer Water Agreement) to the Association for the purpose of irrigating certain Common Areas and the Open Spaces.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Jefferson County IGA**

On May 31, 2013, the District entered into an Intergovernmental Agreement with Jefferson County, state of Colorado, and District No. 2 (IGA). The IGA designates the terms under which the County will be responsible for maintenance of certain public roadways upon acceptance, but will not be responsible for the maintenance of the Architectural and Design Elements, which are not related to the structural integrity or safety of the roadway, and which are cosmetic. The Districts shall, at their sole cost and expense be responsible for the maintenance, repair and replacement of the Architectural and Design Elements described in the IGA in perpetuity.

The IGA was amended April 18, 2017 to include open space tracts to be held and managed by Jefferson County. The District will be responsible for maintenance of public improvements in the open space tracts.

**Intergovernmental Agreement for Cost Sharing**

On October 23, 2018, the District and District No. 2 entered into an Intergovernmental Agreement for Cost Sharing ("Cost Sharing IGA"). The purpose of the Cost Sharing IGA is to: (i) identify and approve the allocation of the Shared Costs (as defined in the Cost Sharing IGA) as between the District and District No. 2; (ii) evidence the agreement of the District and District No. 2 to assume the obligation to reimburse the Developer for their respective share of the Allocated Costs (as defined in the Cost Sharing IGA); and (iii) agree and acknowledge that the method of determining the allocation of the Allocated Costs will apply to the remaining Shared Improvements to be constructed by either the District or District No. 2 in the future.

**NOTE 8 RELATED PARTY**

The majority of the members on 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.

**NOTE 9 INTERFUND TRANSFERS**

The transfer from the General Fund to the Capital Projects Fund was to cover administration expenditures.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**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) as of December 31, 2018. 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 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 that apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 6, 2012, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees of the District annually, without regard to any limitations under TABOR.

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.

## **SUPPLEMENTARY INFORMATION**

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 414,541	\$ 406,962	\$ (7,579)
Specific Ownership Taxes	33,163	37,787	4,624
Net Investment Income	5,000	18,741	13,741
Total Revenues	<u>452,704</u>	<u>463,490</u>	<u>10,786</u>
<b>EXPENDITURES</b>			
Debt Service:			
County Treasurer's Fees	6,218	6,109	109
Paying Agent Fees	7,500	2,500	5,000
Bond Interest	464,280	464,280	-
Contingency	2,002	-	2,002
Total Expenditures	<u>480,000</u>	<u>472,889</u>	<u>7,111</u>
<b>NET CHANGE IN FUND BALANCES</b>	(27,296)	(9,399)	17,897
Fund Balances - Beginning of Year	<u>1,041,238</u>	<u>1,042,154</u>	<u>916</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 1,013,942</u></u>	<u><u>\$ 1,032,755</u></u>	<u><u>\$ 18,813</u></u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Capital Outlay	1,000,000	3,250,000	3,157,546	92,454
Accounting	-	-	293	(293)
Engineering	-	-	10,448	(10,448)
Total Expenditures	<u>1,000,000</u>	<u>3,250,000</u>	<u>3,168,287</u>	<u>81,713</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,000,000)	(3,250,000)	(3,168,287)	81,713
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	1,000,000	3,250,000	3,157,546	(92,454)
Transfers from Other Fund	-	-	15,587	15,587
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>3,250,000</u>	<u>3,173,133</u>	<u>(76,867)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	4,846	4,846
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,846</u>	<u>\$ 4,846</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2018**

<u>Bonds and Interest</u> <u>Maturing in the</u> <u>Year Ending December 31,</u>	\$8,760,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds Series 2016A Interest 5.3% Dated April 21, 2016 Interest Payable June 1 and December 1 Principal Payable December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 464,280	\$ 464,280
2020	50,000	464,280	514,280
2021	90,000	461,630	551,630
2022	105,000	456,860	561,860
2023	110,000	451,295	561,295
2024	130,000	445,465	575,465
2025	135,000	438,575	573,575
2026	155,000	431,420	586,420
2027	160,000	423,205	583,205
2028	185,000	414,725	599,725
2029	190,000	404,920	594,920
2030	215,000	394,850	609,850
2031	225,000	383,455	608,455
2032	250,000	371,530	621,530
2033	265,000	358,280	623,280
2034	290,000	344,235	634,235
2035	305,000	328,865	633,865
2036	335,000	312,700	647,700
2037	350,000	294,945	644,945
2038	385,000	276,395	661,395
2039	405,000	255,990	660,990
2040	440,000	234,525	674,525
2041	460,000	211,205	671,205
2042	500,000	186,825	686,825
2043	525,000	160,325	685,325
2044	565,000	132,500	697,500
2045	595,000	102,555	697,555
2046	1,340,000	71,020	1,411,020
Total	\$ 8,760,000	\$ 9,276,855	\$ 18,036,855

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2018**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied	
			Levied	Collected		
2014	\$ 1,885,569	60.000	\$ 113,134	\$ 53,806	47.56 %	(a)
2015	896,765	60.000	53,806	-	-	(b)
2016	2,768,050	60.000	166,083	166,084	100.00	
2017	3,255,739	60.000	195,344	194,928	99.79	
2018	7,499,348	66.332	497,447	488,351	98.17	
Estimated for Year Ending December 31, 2019	\$ 8,389,079	66.536	\$ 558,179			

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

(a) Refunds and Abatements of \$59,328 were charged

(b) Refunds and Abatements of \$53,806 were charged

## **ANNUAL DISCLOSURE**

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
ANNUAL DISCLOSURE  
HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT  
TABLE #1**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>	<u>General Fund Mill Levy</u>
2013	2014	\$ 1,885,569	- %	60.000
2014	2015	896,765	(52.44)	60.000
2015	2016	2,768,050	208.67	60.000
2016	2017	3,255,739	17.62	60.000
2017	2018	7,499,348	130.34	66.332
2018	2019	8,389,079	11.86	66.536

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
ANNUAL DISCLOSURE  
PROPERTY TAX COLLECTIONS IN THE DISTRICT  
TABLE #2**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Current Tax Collection</u>	<u>Collection Rate</u>
2013	2014	\$ 113,134	\$ 53,806	47.56 %
2014	2015	53,806	-	-
2015	2016	166,083	166,084	100.00
2016	2017	195,344	194,928	99.79
2017	2018	497,447	488,351	98.17
2018	2019	558,179	-	-

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
ANNUAL DISCLOSURE  
TEN LARGEST OWNERS OF PROPERTY WITHIN THE DISTRICT  
TABLE #3**

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2018		
Cal Atlantic	\$ 3,391,021	40.4 %
Public Service CO of Colorado	98,274	1.2
Green Gables Development Co Inc	89,438	1.1
Raymond L Vigil Living Trust	53,326	0.6
Individual Owner	53,105	0.6
Individual Owner	52,158	0.6
Individual Owner	50,838	0.6
Individual Owner	50,019	0.6
Individual Owner	49,578	0.6
Individual Owner	49,133	0.6
Individual Owner(s)	<u>4,452,189</u>	<u>53.1</u>
Total	<u>\$ 8,389,079</u>	<u>100.0 %</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
ANNUAL DISCLOSURE  
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT  
TABLE #4**

Property Class	Total Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2018		
Vacant	\$ 2,828,792	33.7 %
Residential	5,384,344	64.2
State Assessed	98,274	1.2
Commercial	77,669	0.9
	<u>77,669</u>	<u>0.9</u>
Total	<u>\$ 8,389,079</u>	<u>100.0 %</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
ANNUAL DISCLOSURE  
SELECTED RATIOS OF THE DISTRICT (DIRECT DEBT OF THE DISTRICT)  
TABLE #5**

Direct Debt	\$ 10,235,000	\$ 8,760,000
2018 Certified Assessed Valuation	8,389,079	8,389,079
Ratio of Direct Debt to 2018 Certified Assessed Valuation	122%	104%
2018 District Statutory "Actual" Value (4)	78,003,668	78,003,668
Ratio of Direct Debt to 2018 District Statutory Value	13%	11%

*(4) Calculated using a statutory formula under which assessed valuation is calculated at 7.20% of the statutory "actual" value of residential property in the District and 29% of the statutory "actual" value of other property within the district*

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**ANNUAL DISCLOSURE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND (UNAUDITED)**  
**(PAST FIVE YEARS)**  
**TABLE #6**

	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Developer Advance	\$ 5,412	\$ -	\$ -	\$ -	\$ -
Property Taxes	53,806	53,806	166,084	32,488	81,389
Specific Ownership Taxes	8,785	4,722	13,321	3,181	7,557
	-	-	-	-	75,233
Other Income	-	33	-	91	55
Total Revenues	<u>68,003</u>	<u>58,561</u>	<u>179,405</u>	<u>35,760</u>	<u>164,234</u>
<b>EXPENDITURES</b>					
Accounting	4,208	13,919	20,243	27,129	29,364
County Treasurer's Fees	789	807	2,491	489	1,222
Insurance and Bonds	326	2,203	2,622	2,738	2,731
District Management	8,244	15,815	8,743	7,551	12,159
Election	-	-	2,183	-	650
Legal Services	29,825	20,269	7,367	24,498	17,749
Dues and Memberships	384	321	316	717	523
Miscellaneous	1,326	92	90	3,375	1,082
Auditing	-	-	-	4,500	4,750
Water - Acquisition Cost	-	-	-	-	68,393
Water Facility O&M	-	-	-	-	530
Contingency	-	-	-	-	-
Total Expenditures	<u>45,102</u>	<u>53,426</u>	<u>44,055</u>	<u>70,997</u>	<u>139,153</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	22,901	5,135	135,350	(35,237)	25,081
<b>OTHER SOURCES OF FINANCING</b>					
Transfers In (Out)	<u>(14,795)</u>	<u>(16,794)</u>	<u>8,519</u>	<u>(634)</u>	<u>(15,587)</u>
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	8,106	(11,659)	143,869	(35,871)	9,494
Fund Balance - Beginning of Year	<u>3,489</u>	<u>11,595</u>	<u>(64)</u>	<u>143,805</u>	<u>107,934</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 11,595</u>	<u>\$ (64)</u>	<u>\$ 143,805</u>	<u>\$ 107,934</u>	<u>\$ 117,428</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**ANNUAL DISCLOSURE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**CAPITAL PROJECTS FUND (UNAUDITED)**  
**(PAST FIVE YEARS)**  
**TABLE #7**

	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Developer Advance	\$ -	\$ -	\$ 12,817,753	\$ -	\$ -
Bond Proceeds	-	-	10,235,000	-	-
Other Income	-	-	51	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>23,052,804</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Capital Outlay	-	-	12,817,753	-	-
Repay Developer Advance	-	-	7,592,675	550,000	-
Bond Issue Costs	-	-	454,475	-	-
Accounting	-	-	518	634	293
Engineering	-	-	16,590	-	10,448
Legal Services	14,795	16,794	-	-	-
Consulting	-	-	3,270	-	-
Total Expenditures	<u>14,795</u>	<u>16,794</u>	<u>20,885,281</u>	<u>550,634</u>	<u>10,741</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(14,795)	(16,794)	2,167,523	(550,634)	(10,741)
<b>OTHER SOURCES OF FINANCING</b>					
Transfers In (Out)	<u>14,795</u>	<u>16,794</u>	<u>(1,617,523)</u>	<u>634</u>	<u>15,587</u>
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	550,000	(550,000)	4,846
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 550,000</u>	<u>\$ -</u>	<u>\$ 4,846</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1**  
**ANNUAL DISCLOSURE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**DEBT SERVICE FUND (UNAUDITED)**  
**(PAST FIVE YEARS)**  
**TABLE #8**

	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ 162,440	\$ 406,962
Specific Ownership Taxes	-	-	-	15,904	37,787
Other Income	-	-	6,386	12,005	18,741
Total Revenues	<u>-</u>	<u>-</u>	<u>6,386</u>	<u>190,349</u>	<u>463,490</u>
<b>EXPENDITURES</b>					
Bond Interest Senior Bond	-	-	283,727	464,280	464,280
Contingency	-	-	-	5,500	-
Legal Services	-	-	-	135	-
County Treasurer Fees	-	-	-	2,443	6,109
Paying Agent/Trustee Fees	-	-	7,500	-	2,500
Total Expenditures	<u>-</u>	<u>-</u>	<u>291,227</u>	<u>472,358</u>	<u>472,889</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	-	-	(284,841)	(282,009)	(9,399)
<b>OTHER SOURCES OF FINANCING</b>					
Transfers In (Out)	-	-	1,609,004	-	-
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	1,324,163	(282,009)	(9,399)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,324,163</u>	<u>1,042,154</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,324,163</u>	<u>\$ 1,042,154</u>	<u>\$ 1,032,755</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
ANNUAL DISCLOSURE  
BUDGET SUMMARY AND COMPARISON – GENERAL FUND  
TABLE #9**

	2018			2019
	Budget	Actual	Variance	Budget
<b>REVENUES</b>				
Property Taxes	\$ 82,905	\$ 81,389	\$ (1,516)	\$ 93,027
Specific Ownership Taxes	6,632	7,557	925	5,582
Net Investment Income	100	55	(45)	100
Water - Revenue from HOA	165,000	75,233	(89,767)	165,000
Total Revenues	<u>254,637</u>	<u>164,234</u>	<u>(90,403)</u>	<u>263,709</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	30,000	29,364	636	30,000
Audit	5,000	4,750	250	5,000
County Treasurer's Fees	1,244	1,222	22	1,395
District Management	15,000	12,159	2,841	15,000
Dues and Membership	800	523	277	750
Election	1,250	650	600	-
Banking Fee	-	-	-	100
Insurance	5,000	2,731	2,269	5,000
Landscaping	20,000	-	20,000	20,000
Stromwater Drainage Maintenance	10,000	-	10,000	10,000
Water - Acquisition Cost	75,000	68,393	6,607	75,000
Water Facility O&M	90,000	530	89,470	90,000
Legal	30,000	17,749	12,251	30,000
Miscellaneous	2,000	1,082	918	3,000
Contingency	2,706	-	2,706	2,759
Total Expenditures	<u>288,000</u>	<u>139,153</u>	<u>148,847</u>	<u>288,004</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(33,363)	25,081	58,444	(24,295)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Fund	-	(15,587)	(15,587)	-
Total Other Financing Uses	<u>-</u>	<u>(15,587)</u>	<u>(15,587)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(33,363)	9,494	42,857	(24,295)
Fund Balances - Beginning of Year	<u>97,521</u>	<u>107,934</u>	<u>10,413</u>	<u>93,873</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 64,158</u></u>	<u><u>\$ 117,428</u></u>	<u><u>\$ 53,270</u></u>	<u><u>\$ 69,578</u></u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
ANNUAL DISCLOSURE  
BUDGET SUMMARY AND COMPARISON – CAPITAL PROJECTS FUND  
TABLE #10**

	Budget	2018 Actual	Variance	2019 Budget
<b>REVENUES</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Capital Outlay	1,000,000	3,157,546	(2,157,546)	-
Accounting	-	293	(293)	-
Engineering Costs	-	10,448	(10,448)	-
Total Expenditures	<u>1,000,000</u>	<u>3,168,287</u>	<u>(2,168,287)</u>	<u>-</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	(1,000,000)	(3,168,287)	(2,168,287)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	1,000,000	3,157,546	2,157,546	-
Transfers to Other Fund	-	15,587	15,587	-
Total Other Financing Sources	<u>1,000,000</u>	<u>3,173,133</u>	<u>2,173,133</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	4,846	4,846	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 4,846</u>	<u>\$ 4,846</u>	<u>\$ -</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1  
ANNUAL DISCLOSURE  
BUDGET SUMMARY AND COMPARISON – DEBT SERVICE FUND  
TABLE #11**

	2018			2019
	Budget	Actual	Variance	Budget
<b>REVENUES</b>				
Property Taxes	\$ 414,541	\$ 406,962	\$ (7,579)	\$ 465,152
Specific Ownership Taxes	33,163	37,787	4,624	27,909
Net Investment Income	5,000	18,741	13,741	12,294
Total Revenues	<u>452,704</u>	<u>463,490</u>	<u>10,786</u>	<u>505,355</u>
<b>EXPENDITURES</b>				
Debt Service:				
County Treasurer's Fees	6,218	6,109	109	6,977
Legal Services		-	-	500
Interest Expense - Bonds	464,280	464,280	-	464,280
Paying Agent Fees	7,500	2,500	5,000	5,500
Contingency	2,002	-	2,002	1,764
Total Expenditures	<u>480,000</u>	<u>472,889</u>	<u>7,111</u>	<u>479,021</u>
<b>NET CHANGE IN FUND BALANCES</b>	(27,296)	(9,399)	17,897	26,334
Fund Balances - Beginning of Year	<u>1,041,238</u>	<u>1,042,154</u>	<u>916</u>	<u>1,019,648</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 1,013,942</u></u>	<u><u>\$ 1,032,755</u></u>	<u><u>\$ 18,813</u></u>	<u><u>\$ 1,045,982</u></u>