

GREEN GABLES METROPOLITAN DISTRICT NO. 1
Jefferson County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

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YEAR ENDED DECEMBER 31, 2020**

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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, 2020, 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, 2020, 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.

|
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 and other information (together, the 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.

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
August 9, 2021

BASIC FINANCIAL STATEMENTS

GREEN GABLES METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2020

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and Investments | \$ 97,074 |
| Cash and Investments - Restricted | 1,068,071 |
| Property Taxes Receivable | 931,950 |
| Receivable from County Treasurer | 5,944 |
| Accounts Receivable | 6,044 |
| Prepaid Expense | 4,874 |
| Capital Assets, Not Being Depreciated | 54,471 |
| Capital Assets, Net of Accumulated Depreciation | 4,703,576 |
| Total Assets | 6,872,004 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Cost of Refunding, Net | 1,034,687 |
| Total Deferred Outflows of Resources | 1,034,687 |
| LIABILITIES | |
| Accounts Payable | 45,314 |
| Accrued Interest Payable | 44,026 |
| Noncurrent Liabilities: | |
| Due Within One Year | 170,000 |
| Due in More than One Year | 13,660,000 |
| Total Liabilities | 13,919,340 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Property Tax Revenue | 931,950 |
| Total Deferred Inflows of Resources | 931,950 |
| NET POSITION | |
| Net Investment in Capital Assets | (8,248,142) |
| Restricted for: | |
| Emergency Reserves | 8,300 |
| Debt Service | 950,668 |
| Unrestricted | 344,575 |
| Total Net Position | \$ (6,944,599) |

See accompanying Notes to Basic Financial Statements.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---|----------------------------|--|--|----------------------------|--|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | |
| FUNCTIONS/PROGRAMS | | | | | |
| Primary Government: | | | | | |
| Government Activities: | | | | | |
| General Government | \$ 477,175 | \$ 114,140 | \$ - | \$ - | \$ (363,035) |
| Interest and Related Costs on Long-Term Debt | 608,253 | - | - | - | (608,253) |
| Total Governmental Activities | \$ 1,085,428 | \$ 114,140 | \$ - | \$ - | (971,288) |
| | | | | | |
| GENERAL REVENUES | | | | | |
| Property Taxes | | | | | 894,148 |
| Specific Ownership Taxes | | | | | 66,848 |
| Net investment Income | | | | | 618 |
| Total General Revenues | | | | | 961,614 |
| | | | | | |
| CHANGES IN NET POSITION | | | | | (9,674) |
| | | | | | |
| Net Position - Beginning of Year | | | | | (6,934,925) |
| | | | | | |
| NET POSITION - END OF YEAR | | | | | \$ (6,944,599) |

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|---|-------------------|---------------------|---------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 97,074 | \$ - | \$ - | \$ 97,074 |
| Cash and Investments - Restricted | 8,300 | 989,741 | 70,030 | 1,068,071 |
| Accounts receivable | 6,044 | - | - | 6,044 |
| Receivable from County Treasurer | 991 | 4,953 | - | 5,944 |
| Property Tax Receivable | 240,503 | 691,447 | - | 931,950 |
| Prepaid Expense | 4,874 | - | - | 4,874 |
| | <u>\$ 357,786</u> | <u>\$ 1,686,141</u> | <u>\$ 70,030</u> | <u>\$ 2,113,957</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 45,314 | \$ - | \$ - | \$ 45,314 |
| Total Liabilities | 45,314 | - | - | 45,314 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Property Tax | 240,503 | 691,447 | - | 931,950 |
| Total Deferred Inflows of Resources | 240,503 | 691,447 | - | 931,950 |
| FUND BALANCES | | | | |
| Nonspendable for: | | | | |
| Prepaid Expense | 4,874 | - | - | 4,874 |
| Restricted for: | | | | |
| Emergency Reserves | 8,300 | - | - | 8,300 |
| Debt Service | - | 994,694 | - | 994,694 |
| Capital Projects | - | - | 70,030 | 70,030 |
| Unassigned | 58,795 | - | - | 58,795 |
| Total Fund Balances | <u>71,969</u> | <u>994,694</u> | <u>70,030</u> | <u>1,136,693</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 357,786</u> | <u>\$ 1,686,141</u> | <u>\$ 70,030</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 | | | | 4,758,047 |
| Other deferred outflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | | | |
| Unamortized Cost of Refunding | | | | 1,034,687 |
| 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. | | | | |
| Loan Payable | | | | (13,830,000) |
| Accrued Interest on Loan | | | | (44,026) |
| Net Position of Governmental Activities | | | | <u>\$ (6,944,599)</u> |

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, 2020

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|------------------------------------|------------------|-------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Property Taxes | \$ 149,016 | \$ 745,132 | \$ - | \$ 894,148 |
| Specific Ownership Taxes | 11,141 | 55,707 | - | 66,848 |
| Net Investment Income | 23 | 595 | - | 618 |
| Water - Revenue from HOA | 114,140 | - | - | 114,140 |
| Total Revenues | <u>274,320</u> | <u>801,434</u> | - | <u>1,075,754</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Accounting | 34,770 | - | - | 34,770 |
| County Treasurer's Fees | 2,236 | 11,179 | - | 13,415 |
| District Management | 58,118 | - | - | 58,118 |
| Dues and Licenses | 551 | - | - | 551 |
| Election | 31,178 | - | - | 31,178 |
| Insurance | 4,805 | - | - | 4,805 |
| Stormwater Drainage Maintenance | 658 | - | - | 658 |
| Water - Acquisition Cost | 94,663 | - | - | 94,663 |
| Water Facility O&M | 30,507 | - | - | 30,507 |
| Legal | 45,049 | - | - | 45,049 |
| Miscellaneous | 252 | - | - | 252 |
| Bank Fees | 161 | 95 | - | 256 |
| Audit | 5,100 | - | - | 5,100 |
| Debt Service: | | | | |
| Bond Interest | - | 565,310 | - | 565,310 |
| Bond Principal | - | 80,000 | - | 80,000 |
| Total Expenditures | <u>308,048</u> | <u>656,584</u> | - | <u>964,632</u> |
| NET CHANGE IN FUND BALANCES | (33,728) | 144,850 | - | 111,122 |
| Fund Balances - Beginning of Year | <u>105,697</u> | <u>849,844</u> | <u>70,030</u> | <u>1,025,571</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 71,969</u> | <u>\$ 994,694</u> | <u>\$ 70,030</u> | <u>\$ 1,136,693</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, 2020**

| | | |
|--|----|---------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 111,122 |
|--|----|---------|

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 | | (169,127) |
|--------------|--|-----------|

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.

| | | |
|------------------------|--|--------|
| Loan Principal Payment | | 80,000 |
|------------------------|--|--------|

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

| | | |
|---|--|-----------------|
| Change in Accrued Loan Interest Payable | | 25,346 |
| Cost of Refunding Amortization | | <u>(57,015)</u> |

| | | |
|--|----|-----------------------|
| Changes in Net Position of Governmental Activities | \$ | <u><u>(9,674)</u></u> |
|--|----|-----------------------|

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|---------------------------------|-------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 149,061 | \$ 149,016 | \$ (45) |
| Specific Ownership Taxes | 11,925 | 11,141 | (784) |
| Net Investment Income | - | 23 | 23 |
| Water - Revenue from HOA | 125,000 | 114,140 | (10,860) |
| Total Revenues | <u>285,986</u> | <u>274,320</u> | <u>(11,666)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Accounting | 31,000 | 34,770 | (3,770) |
| County Treasurer's Fees | 2,236 | 2,236 | - |
| District Management | 15,000 | 58,118 | (43,118) |
| Dues and Licenses | 750 | 551 | 199 |
| Election | 1,500 | 31,178 | (29,678) |
| Insurance | 5,210 | 4,805 | 405 |
| Landscaping | 20,000 | - | 20,000 |
| Stormwater Drainage Maintenance | 10,000 | 658 | 9,342 |
| Water - Acquisition Cost | 112,500 | 94,663 | 17,837 |
| Water Facility O&M | 90,000 | 30,507 | 59,493 |
| Legal | 30,000 | 45,049 | (15,049) |
| Miscellaneous | 3,000 | 252 | 2,748 |
| Bank Fees | 100 | 161 | (61) |
| Audit | 5,000 | 5,100 | (100) |
| Contingency | 3,704 | - | 3,704 |
| Total Expenditures | <u>330,000</u> | <u>308,048</u> | <u>21,952</u> |
| NET CHANGE IN FUND BALANCE | (44,014) | (33,728) | 10,286 |
| Fund Balance - Beginning of Year | <u>138,127</u> | <u>105,697</u> | <u>(32,430)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 94,113</u> | <u>\$ 71,969</u> | <u>\$ (22,144)</u> |

See accompanying Notes to Basic Financial Statements.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 are provided to the Green Gables mixed use redevelopment (Project) by the District and District No. 2. The District serves the residential portion of the Project and District No. 2 serves the commercial portions of the Project. The Districts each operate as distinct and separate entities, however, the Districts entered into various intergovernmental agreements to coordinate efforts in the financing and construction of facilities and provision of improvements to the Project. The District's 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, 2020

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, 2020

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, 2020.

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, 2020

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.

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

| | |
|---------------------|----------|
| Street Improvements | 30 years |
|---------------------|----------|

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, cost of refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

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.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government'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.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:

| | |
|-----------------------------------|--------------|
| Cash and Investments | \$ 97,074 |
| Cash and Investments - Restricted | 1,068,071 |
| Total Cash and Investments | \$ 1,165,145 |

Cash and investments as of December 31, 2020 consist of the following:

| | |
|--------------------------------------|--------------|
| Deposits with Financial Institutions | \$ 1,165,145 |
| Total Cash and Investments | \$ 1,165,145 |

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, 2020, the District's cash deposits had a bank balance and a carrying balance of \$1,165,145.

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, 2020

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, 2020, the District had no investments.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

| | Balance at December 31, 2019 | Increases | Decreases | Balance at December 31, 2020 |
|--|------------------------------------|---------------------|-------------|------------------------------------|
| Capital Assets, Not Being Depreciated | | | | |
| Construction in Progress | \$ 54,471 | \$ - | \$ - | \$ 54,471 |
| Total Capital Assets, Not Being Depreciated | <u>54,471</u> | <u>-</u> | <u>-</u> | <u>54,471</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 | (201,099) | (169,127) | - | (370,226) |
| Total Accumulated Depreciation | <u>(201,099)</u> | <u>(169,127)</u> | <u>-</u> | <u>(370,226)</u> |
| Total Capital Assets, Being Depreciated, Net | 4,872,703 | (169,127) | - | 4,703,576 |
| Total Capital Assets | <u>\$ 4,927,174</u> | <u>\$ (169,127)</u> | <u>\$ -</u> | <u>\$ 4,758,047</u> |

During 2020, depreciation expense was charged to the general government function.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020:

| | Balance at December 31, 2019 | Additions | Reductions | Balance at December 31, 2020 | Due Within One Year |
|--------------------|------------------------------------|-------------|------------------|------------------------------------|---------------------------|
| Direct Borrowings: | | | | | |
| Series 2019 Loan | \$ 13,910,000 | \$ - | \$ 80,000 | \$ 13,830,000 | \$ 170,000 |
| Total | <u>\$ 13,910,000</u> | <u>\$ -</u> | <u>\$ 80,000</u> | <u>\$ 13,830,000</u> | <u>\$ 170,000</u> |

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

Series 2019 General Obligation Loan

On November 14, 2019, the District entered into a Loan Agreement (“Loan Agreement”) with BBVA Mortgage Corporation (“Lender”) pertaining to a Taxable (Convertible to Tax-Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding and Improvement Loan in the amount of \$13,910,000 (the “Loan”). The proceeds of the Loan were used to: a) refund the District’s then outstanding Series 2016A and Series 2016B Bonds; (b) pay or reimburse project costs of the District; c) fund the Reserve Fund (as defined in the Loan Agreement); and d) pay the costs of issuing the Loan.

The Loan is secured by and payable from the Pledged Revenue consisting of moneys derived from the following sources, after payment of any costs of collection: a) the Required Mill Levy (as defined in the Loan Agreement); (b) the portion of the Specific Ownership Taxes (as defined in the Loan Agreement) allocable to the amount of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to apply as Pledged Revenue. The Loan is also secured by a Reserve Fund in the amount of \$823,811.

Interest payments are due June 1 and December 1 of each year, commencing on June 1, 2020, and principal payments are due December 1 of each year, beginning December 1, 2020. The Loan is assumed to bear taxable interest at 3.82% through the Conversion Date (as defined in the Loan Agreement) and assumed to bear a tax-exempt interest rate at 3.02% after the Conversion Date. The Loan matures on December 1, 2034. Interest not paid when due will be subject to a default rate calculated as the base rate plus 4% until the default is cured. In the case of a post-maturity default, the Loan will bear interest at the Wall Street Prime Rate plus 2%.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2019 General Obligation Loan (Continued)

Principal payments on the Loan are due and payable in the amounts set forth in the schedule attached. Pursuant to the Loan Agreement, the District is restricted from optional prepayment of the Loan Balance prior to November 14, 2024 (the fifth anniversary of the Closing Date). On November 14, 2024 or any day after, the District may prepay the Loan in whole or in part, with written consent of the Lender and in accordance with the provisions of the Loan Agreement. Pursuant to the Loan Agreement, if the District provides the Refinancing Certificate (as defined in the Loan Agreement) to the Lender in accordance with the provisions of the Loan Agreement, such Refinancing Certificate certifying that the District reasonably expects to refinance the Loan on or before the maturity date, the amount due and payable on the Loan for fiscal year 2034 will be assumed to equal \$530,000.

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

| <u>Year Ending December 31,</u> | <u>Principal</u> |
|---------------------------------|----------------------|
| 2021 | \$ 170,000 |
| 2022 | 270,000 |
| 2023 | 280,000 |
| 2024 | 265,000 |
| 2025 | 275,000 |
| 2026-2030 | 1,635,000 |
| 2031-2034 | 10,935,000 |
| Total | <u>\$ 13,830,000</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, 2020, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

| | Authorized November 6, 2012 Election | Used for Series 2016A Bonds | Used for Series 2016B Bonds | Used for Series 2019 Loan | 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 | - | - | 3,675,000 | 45,325,000 |
| Intergovernmental | 49,000,000 | - | - | - | 49,000,000 |
| Total | <u>\$ 392,000,000</u> | <u>\$ 8,760,000</u> | <u>\$ 1,475,000</u> | <u>\$ 3,675,000</u> | <u>\$ 378,090,000</u> |

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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.

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, 2020, the District had net investment in capital assets calculated as follows:

| | Governmental Activities |
|---|----------------------------|
| Capital Assets, Net | \$ 4,758,047 |
| Outstanding Long-Term Debt Applicable to Capital Assets | (13,830,000) |
| Unspent Loan Proceeds | 823,811 |
| Net Investment in Capital Assets | \$ (8,248,142) |

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, 2020, as follows:

| | Governmental Activites |
|--------------------------|---------------------------|
| Restricted Net Position: | |
| Emergency Reserves | \$ 8,300 |
| Debt Service | 950,668 |
| Total | \$ 958,968 |

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.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 DISTRICT AGREEMENTS

Water Service Agreements

On September 26, 2018, the District and the Green Gables Development Company, Inc. (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 Group, Inc. (“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 June 2, 2020, the Developer assigned to Save Ward Lake, LLC, all of its right, title, and interest in, to and under the Developer Water Agreement, and further granted and delegated all of its duties and obligations thereunder, and Save the Ward Lake, LLC accepted such assignment. The District’s obligations under the Developer Water Agreement are not affected by this assignment.

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.

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.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 13, 2017 to include open space tracts to be owned by Jefferson County. The District will be responsible for maintenance of public improvements in the open space tracts.

NOTE 8 RELATED PARTY

Certain members on the Board of Directors were employees, owners, or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. On May 5, 2020, a majority of the qualified electors of the District elected three new Directors. The current Board of Directors have no association with the Developer.

Developer Advances

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

Operation Funding Agreements

The District and the 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.

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.

As of December 31, 2020, no balance is outstanding under the OFA, as amended.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9 RELATED PARTY (CONTINUED)

Developer Advances (Continued)

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 Funding and Acquisition Agreement between the District and Ryland.

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, 2020, no balance is outstanding under the FFAA, as amended.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020. 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 BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|----------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 745,359 | \$ 745,131 | \$ 745,132 | \$ 1 |
| Specific Ownership Taxes | 59,629 | 53,464 | 55,707 | 2,243 |
| Net Investment Income | 13,745 | 538 | 595 | 57 |
| Total Revenues | <u>818,733</u> | <u>799,133</u> | <u>801,434</u> | <u>2,301</u> |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| County Treasurer's Fee | 11,180 | 11,180 | 11,179 | 1 |
| Legal Services | 500 | - | - | - |
| Banking Fees | - | 100 | 95 | 5 |
| Paying Agent Fees | 5,500 | 5,500 | - | 5,500 |
| Bond Interest | 556,454 | 565,310 | 565,310 | - |
| Bond Principal | 80,000 | 80,000 | 80,000 | - |
| Contingency | 6,366 | 12,910 | - | 12,910 |
| Total Expenditures | <u>660,000</u> | <u>675,000</u> | <u>656,584</u> | <u>18,416</u> |
| NET CHANGE IN FUND BALANCE | 158,733 | 124,133 | 144,850 | 20,717 |
| Fund Balance - Beginning of Year | <u>843,900</u> | <u>849,844</u> | <u>849,844</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 1,002,633</u></u> | <u><u>\$ 973,977</u></u> | <u><u>\$ 994,694</u></u> | <u><u>\$ 20,717</u></u> |

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2020**

| | <u>Budget Amounts</u> <u>Original & Final</u> | <u>Actual</u> <u>Amounts</u> | Variance with Final Budget Positive (Negative) |
|--|--|---------------------------------|---|
| REVENUES | | | |
| Other Revenue | \$ - | \$ - | \$ - |
| Total Revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | |
| Capital Outlay | 70,008 | - | 70,008 |
| Total Expenditures | <u>70,008</u> | <u>-</u> | <u>70,008</u> |
| EXCESS OF REVENUES OVER (UNDER) | | | |
| EXPENDITURES | (70,008) | - | 70,008 |
| NET CHANGE IN FUND BALANCE | (70,008) | - | 70,008 |
| Fund Balance - Beginning of Year | <u>70,008</u> | <u>70,030</u> | <u>22</u> |
| FUND BALANCE - END OF YEAR | <u>\$ -</u> | <u>\$ 70,030</u> | <u>\$ 70,030</u> |

OTHER INFORMATION

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
PRINCIPAL PAYMENT SCHEDULE
DECEMBER 31, 2020**

\$13,910,000 Taxable (Convertible to Tax-Exempt)
Limited Tax (Convertible to Unlimited Tax) General
Obligation Refunding and Improvement Loan
Series 2019

Dated November 14, 2019

Interest Payable June 1 and December 1

Principal Payable December 1

Bonds and Interest
Maturing in the
Year Ending December 31,

| | Principal |
|-------|---------------|
| 2021 | \$ 170,000 |
| 2022 | 270,000 |
| 2023 | 280,000 |
| 2024 | 265,000 |
| 2025 | 275,000 |
| 2026 | 295,000 |
| 2027 | 305,000 |
| 2028 | 330,000 |
| 2029 | 340,000 |
| 2030 | 365,000 |
| 2031 | 375,000 |
| 2032 | 415,000 |
| 2033 | 430,000 |
| 2034 | 9,715,000 |
| Total | \$ 13,830,000 |

GREEN GABLES METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020

| Year Ended December 31, | Prior Year Assessed Valuation for Current Year Property Tax Levy | Mills Levied | Property Taxes | | Percent Collected to Levied |
|--|---|-----------------|----------------|-----------|-----------------------------------|
| | | | Levied | Collected | |
| 2015 | \$ 896,765 | 60.000 | \$ 53,806 | \$ - | - % (a) |
| 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 |
| 2019 | 8,389,079 | 66.536 | 558,179 | 558,177 | 100.00 |
| 2020 | 13,390,316 | 66.796 | 894,420 | 894,148 | 99.97 |
| Estimated for Year Ending December 31, 2021 | \$ 15,031,465 | 62.000 | \$ 931,950 | | |

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 \$53,806 were charged