

GREEN GABLES METROPOLITAN DISTRICT NO. 2
Jefferson County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Green Gables Metropolitan District No. 2
Jefferson County, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of Green Gables Metropolitan District No. 2 (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2021, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 opinions on the basic financial statements are not affected by this missing information.

Supplementary 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 identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such 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.

Annual Disclosure Information

The annual disclosure 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
August 1, 2022

BASIC FINANCIAL STATEMENTS

GREEN GABLES METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 107,340
Cash and Investments - Restricted	1,184,457
Prepaid Expense	3,790
Property Taxes Receivable	653,213
Receivable from County Treasurer	2,599
Accounts Receivable	<u>2,266</u>
Total Assets	<u>1,953,665</u>
LIABILITIES	
Accounts Payable	15,186
Accrued Interest Payable	47,893
Noncurrent Liabilities:	
Due in More than One Year	<u>22,625,960</u>
Total Liabilities	<u>22,689,039</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>653,213</u>
Total Deferred Inflows of Resources	<u>653,213</u>
NET POSITION	
Restricted for:	
Emergency Reserves	3,000
Debt Service	1,135,496
Unrestricted	<u>(22,527,083)</u>
Total Net Position	<u><u>\$ (21,388,587)</u></u>

See accompanying Notes to Basic Financial Statements.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 59,505	\$ -	\$ -	\$ -	\$ (59,505)
Interest and Related Costs on Long-Term Debt	1,371,003	-	-	-	(1,371,003)
Dedication of Capital Assets to Other Entity	14,428,996	-	-	-	(14,428,996)
Total Governmental Activities	\$ 15,859,504	\$ -	\$ -	\$ -	(15,859,504)
 GENERAL REVENUES					
Property Taxes					544,840
Specific Ownership Taxes					41,685
Public Improvement Fees					16,419
Net Investment Income					581
Total General Revenues					603,525
 CHANGES IN NET POSITION					
Net Position - Beginning of Year					(6,132,608)
 NET POSITION - END OF YEAR					
					\$ (21,388,587)

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 107,340	\$ -	\$ -	\$ 107,340
Cash and Investments - Restricted	3,000	1,181,457	-	1,184,457
Accounts Receivable	-	2,266	-	2,266
Receivable from County Treasurer	433	2,166	-	2,599
Property Tax Receivable	108,869	544,344	-	653,213
Prepaid Insurance	3,790	-	-	3,790
	<u>\$ 223,432</u>	<u>\$ 1,730,233</u>	<u>\$ -</u>	<u>\$ 1,953,665</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 12,686	\$ 2,500	\$ -	\$ 15,186
Total Liabilities	12,686	2,500	-	15,186
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	108,869	544,344	-	653,213
Total Deferred Inflows or Resources	108,869	544,344	-	653,213
FUND BALANCES				
Nonspendable for:				
Prepaid Expense	3,790	-	-	3,790
Restricted for:				
Emergency Reserves	3,000	-	-	3,000
Debt Service	-	1,183,389	-	1,183,389
Unassigned	95,087	-	-	95,087
Total Fund Balances	<u>101,877</u>	<u>1,183,389</u>	<u>-</u>	<u>1,285,266</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 223,432</u>	<u>\$ 1,730,233</u>	<u>\$ -</u>	

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

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	(9,995,000)
Subordinate Bonds Payables	(1,689,000)
Accrued Interest 2018A bonds	(47,893)
Accrued Interest 2018B bonds	(485,958)
Developer Advances	(7,721,477)
Accrued Interest on Developer Advances	(2,734,525)
	<u>(21,388,587)</u>

Net Position of Governmental Activities

\$ (21,388,587)

See accompanying Notes to Basic Financial Statements.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 90,804	\$ 454,036	\$ -	\$ 544,840
Specific Ownership Taxes	6,947	34,738	-	41,685
Net Investment Income	35	546	-	581
Public Improvement Fee	-	16,419	-	16,419
Total Revenues	<u>97,786</u>	<u>505,739</u>	<u>-</u>	<u>603,525</u>
EXPENDITURES				
Current:				
Accounting	23,925	-	-	23,925
Billing Services	2,400	-	-	2,400
County Treasurer's Fees	1,363	6,813	-	8,176
District Management	7,416	-	-	7,416
Dues and Licenses	354	-	-	354
Insurance and Bonds	4,493	-	-	4,493
Legal	13,287	-	-	13,287
Miscellaneous	137	-	-	137
Auditing	5,350	-	-	5,350
Engineering	780	-	-	780
Debt Service:				
Paying Agent Fees	-	6,000	-	6,000
Bond Interest Series 2018A	-	574,713	-	574,713
Total Expenditures	<u>59,505</u>	<u>587,526</u>	<u>-</u>	<u>647,031</u>
NET CHANGE IN FUND BALANCES	38,281	(81,787)	-	(43,506)
Fund Balances - Beginning of Year	<u>63,596</u>	<u>1,265,176</u>	<u>-</u>	<u>1,328,772</u>
FUND BALANCES - END OF YEAR	<u>\$ 101,877</u>	<u>\$ 1,183,389</u>	<u>\$ -</u>	<u>\$ 1,285,266</u>

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ (43,506)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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.</p>	
Dedication of Assets	(14,428,996)
<p>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.</p>	
Bond Interest - Change in Liability	(165,759)
Developer Advance - Accrued Interest Change in Liability	<u>(617,718)</u>
Changes in Net Position of Governmental Activities	<u>\$ (15,255,979)</u>

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 90,804	\$ 90,804	\$ -
Specific Ownership Taxes	6,356	6,947	591
Interest Income	-	35	35
Total Revenues	<u>97,160</u>	<u>97,786</u>	<u>626</u>
EXPENDITURES			
Current:			
Billing Services	-	2,400	(2,400)
Accounting	22,500	23,925	(1,425)
County Treasurer's Fees	1,362	1,363	(1)
District Management	20,000	7,416	12,584
Dues and Licenses	350	354	(4)
Insurance and Bonds	4,370	4,493	(123)
Legal	15,000	13,287	1,713
Miscellaneous	150	137	13
Auditing	5,500	5,350	150
Engineering	7,500	780	6,720
Contingency	8,268	-	8,268
Total Expenditures	<u>85,000</u>	<u>59,505</u>	<u>25,495</u>
NET CHANGE IN FUND BALANCE	12,160	38,281	26,121
Fund Balance - Beginning of Year	<u>53,737</u>	<u>63,596</u>	<u>9,859</u>
FUND BALANCE - END OF YEAR	<u>\$ 65,897</u>	<u>\$ 101,877</u>	<u>\$ 35,980</u>

See accompanying Notes to Basic Financial Statements.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 DEFINITION OF REPORTING ENTITY

Green Gables Metropolitan District No. 2 (the 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. 1 (District No. 1). Services are provided to the Green Gables mixed use redevelopment (the Project) by the District and District No. 1. The District serves the residential and commercial portion of the Project and District No. 1 serves the single-family residential 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 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. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

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.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred 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.

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. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 107,340
Cash and Investments - Restricted	1,184,457
Total Cash and Investments	\$ 1,291,797

GREEN GABLES METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2021 consist of the following:

Deposits with Financial Institutions	\$ 136,545
Investments	<u>1,155,252</u>
Total Cash and Investments	<u><u>\$ 1,291,797</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, 2021, the District's cash deposits had a bank balance and a carrying balance of \$136,545.

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. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	<u>\$ 1,155,252</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. As of December 31, 2021, CSAFE was rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Construction in Progress	\$ 14,428,996	\$ -	\$ 14,428,996	\$ -
Total Capital Assets	<u>\$ 14,428,996</u>	<u>\$ -</u>	<u>\$ 14,428,996</u>	<u>\$ -</u>

During 2021, the capital assets constructed by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2021:

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Bonds Payable:					
General Obligation -					
Series 2018A	\$ 9,995,000	\$ -	\$ -	\$ 9,995,000	\$ -
Subordinate Bonds -					
Series 2018B	1,689,000	-	-	1,689,000	-
Accrued Interest -					
Series 2018B Bonds	320,199	165,759	-	485,958	-
Total Bonds Payable	<u>12,004,199</u>	<u>165,759</u>	<u>-</u>	<u>12,169,958</u>	<u>-</u>
Developer Advances:					
Capital	7,721,477	-	-	7,721,477	-
Capital - Interest	<u>2,116,807</u>	<u>617,718</u>	<u>-</u>	<u>2,734,525</u>	<u>-</u>
Total Developer Advances	9,838,284	617,718	-	10,456,002	-
Total Long Term Obligations	<u>\$ 21,842,483</u>	<u>\$ 783,477</u>	<u>\$ -</u>	<u>\$ 22,625,960</u>	<u>\$ -</u>

The details of the District's general obligation bonds outstanding during 2021 are as follows:

GREEN GABLES METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax (Convertible to Unlimited Tax) General Obligation Senior Bonds, Series 2018A and Limited Tax General Obligation Subordinated Bonds, Series 2018B

On October 25, 2018, the District issued its \$9,995,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Senior Bonds, Series 2018A (the "Series 2018A Bonds") and \$1,689,000 Limited Tax General Obligation Subordinate Bonds, Series 2018B (the "Series 2018B Bonds" and with the Series 2018A Bonds, the "2018 Bonds"), for the purpose of funding and reimbursing public improvements related to the portion of the Development that is within the District, paying the costs associated with the 2018 Bonds, and with respect to the Series 2018A Bonds only, funding capitalized interest on the Series 2018A Bonds and funding the Senior Reserve Fund. The Series 2018A Bonds bear interest at 5.75%, payable semiannually on each June 1 and December 1, commencing on December 1, 2018. The Series 2018B Bonds bear interest at a rate of 8.25%, payable annually on December 15, commencing on December 15, 2018, to the extent that Subordinate Pledged Revenues are available. The Series 2018A Bonds are subject to mandatory sinking fund redemption on December 1, beginning on December 1, 2023, and are subject to redemption prior to maturity, at the option of the District, beginning December 1, 2023, in whole or in part, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%. The Series 2018A Bonds are further subject to special mandatory redemption to the extent there are moneys remaining in the Senior Project Fund on the third anniversary of the closing date of the Series 2018A Bonds or upon all payment of Project Costs, which remaining moneys will be applied to the redemption of the Series 2018A Bonds. The Series 2018B Bonds are cash flow bonds, meaning there are no scheduled payments of principal prior to maturity. Instead, principal is payable on each December 15 to the extent there are Subordinate Pledged Revenues available.

The Series 2018A Bonds are secured by the Senior Required Mill Levy (net of the collection costs), the portion of the Specific Ownership Tax which is attributed to the Senior Required Mill Levy, PIF Revenues (net of the collection costs) (per the PIF Covenant discussed below), any other legally available amounts the District may designate by resolution of the Board, to be paid to the Trustee for deposit in the Senior Reserve Fund, and all income or other gain, if any, from any investment of the foregoing. The Senior 2018A Bonds are also secured by the Capitalized Interest Fund in the initial amount of \$919,540, the Senior Reserve Fund in the amount of \$855,125 and the Surplus Fund, to the extent funded, in an amount up to \$999,500. The Series 2018B Bonds are secured by the Subordinate Required Mill Levy Revenues (net of collection costs), the portion of the Specific Ownership Tax which is attributed to the Subordinate Required Mill Levy, Subordinate PIF Revenues (net of the collection costs) (per the PIF Covenants discussed below), moneys available upon termination of the Surplus Fund, if any, and any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee.

As of December 31, 2021, the District has \$855,142 in the Senior Reserve Fund, and \$300,097 in the Surplus Fund.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax (Convertible to Unlimited Tax) General Obligation Senior Bonds, Series 2018A and Limited Tax General Obligation Subordinated Bonds, Series 2018B (Continued)

The District's long-term obligations relating to the 2018A Senior General Obligation Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 574,713	\$ 574,713
2023	55,000	574,713	629,713
2024	105,000	571,550	676,550
2025	110,000	565,513	675,513
2026	130,000	559,188	689,188
2027-2031	880,000	2,667,427	3,547,427
2032-2036	1,380,000	2,359,801	3,739,801
2037-2041	2,040,000	1,892,039	3,932,039
2042-2046	2,945,000	1,207,214	4,152,214
2047-2048	2,350,000	228,850	2,578,850
Total	<u>\$ 9,995,000</u>	<u>\$ 11,201,008</u>	<u>\$ 21,196,008</u>

Because of the uncertainty of the timing of the principal and interest payments on the Series 2018B Bonds, no schedule of principal and interest payments is presented.

Authorized Debt

On November 6, 2012, a majority of the qualified electors of the District authorized the issuance of indebtedness for capital improvements in an amount not to exceed \$245,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2021, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized November 6, 2012 Election</u>	<u>Amount Used</u>	<u>Authorized But Unissued</u>
Capital Improvements	\$ 245,000,000	\$ 11,684,000	\$ 233,316,000
Operations and Maintenance	49,000,000	-	49,000,000
Refundings	49,000,000	-	49,000,000
IGA's as Debt	49,000,000	-	49,000,000
Total	<u>\$ 392,000,000</u>	<u>\$ 11,684,000</u>	<u>\$ 380,316,000</u>

Pursuant to the Service Plan, the District and District No. 1 are 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.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 NET POSITION

The District has net position consisting of two components, restricted and unrestricted.

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, 2021, as follows:

	Governmental Activites
Restricted Net Position:	
Emergency Reserves	\$ 3,000
Debt Service	1,135,496
Total	\$ 1,138,496

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.

NOTE 7 DISTRICT AGREEMENTS

Jefferson County IGA

On May 31, 2013, the District entered into an Intergovernmental Agreement with Jefferson County, State of Colorado, and District No. 1 (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. 1 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. 1; (ii) evidence the agreement of the District and District No. 1 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. 1 in the future.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 DISTRICT AGREEMENTS (CONTINUED)

PIF Covenant

On February 13, 2015, Green Gables Development Company, Inc. (the Developer), as the owner of certain real property within the District and District No. 1, recorded the Declaration of Covenants Imposing and Implementing Public Improvement Fees (the PIF Covenant). The PIF Covenant imposes a public improvement fee in the amount of 3.5% (PIF) on all retail transactions (subject to certain exemptions) within the District and District No. 1. The revenues derived from the PIF are pledged to the 2018 Bonds.

NOTE 8 RELATED PARTY

Certain 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.

Developer Advances

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

Operation Funding Agreements

The District entered into an Operation Funding Agreement with the Developer dated January 16, 2013, with an effective date of January 10, 2013, as amended by the First Amendment to Operation Funding Agreement dated October 15, 2014 (collectively, the OFA). Pursuant to the OFA, the Developer agreed to advance funds to the District for payment of operations and maintenance expenses for fiscal years 2013 through 2015 up to the shortfall amount of \$50,000. 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 the OFA shall be applied first to interest and then to principal. To the extent the District has not reimbursed the Developer for any amounts advanced under the OFA on or before December 31, 2053, such amounts outstanding will be deemed discharged and satisfied in full. The OFA does not constitute a debt or indebtedness of the District or a multiple fiscal year obligation and any reimbursement under the OFA is subject to annual appropriation.

As of December 31, 2021, there is no outstanding balance on the OFA.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 RELATED PARTY (CONTINUED)

Developer Advances (Continued)

Facilities Funding and Acquisition Agreements

The District and the 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 Developer agrees to make advances to the District in an amount not to exceed \$5,000,000 (the Shortfall Amount) for the purpose of paying organization expenses and funding the construction and/or acquisition of public improvements. The Developer agrees to make such advances on a periodic basis during fiscal year 2013. 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. The FFAA does not constitute debt but is an annual appropriation agreement intended to be repaid through future bond issuances, to the extent revenues are available and appropriated therefor.

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

On November 18, 2015, the District and the Developer entered into a Second Amendment to FFAA (Second Amendment to FFAA). The Second Amendment to FFAA extended the term the Developer agreed to make advances to the District through 2016.

On October 25, 2018, the District and the Developer entered into a Third Amendment to FFAA (Third Amendment to FFAA). The Third Amendment to FFAA extended the term the Developer agreed to make advances to the District through 2019 and increased the Shortfall Amount to \$12,000,000.

On November 14, 2018, the District and the Developer entered into a Fourth Amendment to FFAA (Fourth Amendment to FFAA). The Fourth Amendment to FFAA increased the Shortfall Amount to \$15,000,000.

As of December 31, 2021, the balance outstanding on the FFAA, as amended, is \$10,456,002, consisting of \$7,721,477 of principal and \$2,734,525 of accrued interest.

NOTE 9 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.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 RISK MANAGEMENT (CONTINUED)

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2021. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations 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. 2
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 454,036	\$ 454,036	\$ -
Specific ownership tax	31,783	34,738	2,955
Public Improvement Fee	25,000	16,419	(8,581)
Interest income	12,160	546	(11,614)
Total Revenues	522,979	505,739	(17,240)
EXPENDITURES			
Debt Service:			
County Treasurer's fee	6,811	6,813	(2)
Paying agent fees	6,000	6,000	-
Bond Interest Series 2018A	574,713	574,713	-
Contingency	2,476	-	2,476
Total Expenditures	590,000	587,526	2,474
NET CHANGE IN FUND BALANCE	(67,021)	(81,787)	(14,766)
Fund Balance - Beginning of Year	1,280,648	1,265,176	(15,472)
FUND BALANCE - END OF YEAR	\$ 1,213,627	\$ 1,183,389	\$ (30,238)

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Total Expenditures	<u>7,069</u>	<u>-</u>	<u>7,069</u>
NET CHANGE IN FUND BALANCE	(7,069)	-	7,069
Fund Balance - Beginning of Year	<u>7,069</u>	<u>-</u>	<u>(7,069)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

GREEN GABLES METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST
REQUIREMENTS TO MATURITY
LONG-TERM DEBT
DECEMBER 31, 2021

\$9,995,000 Limited Tax (Convertible to Unlimited Tax) General
Senior Bonds Series 2018A
Interest at 5.75% , Dated October 25, 2018
Interest payable June 1 and December 1
Principal Payable December 1

Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2022	\$ -	\$ 574,713	\$ 574,713
2023	55,000	574,713	629,713
2024	105,000	571,550	676,550
2025	110,000	565,513	675,513
2026	130,000	559,188	689,188
2027	140,000	551,713	691,713
2028	160,000	543,663	703,663
2029	175,000	534,463	709,463
2030	195,000	524,400	719,400
2031	210,000	513,188	723,188
2032	235,000	501,113	736,113
2033	250,000	487,600	737,600
2034	275,000	473,225	748,225
2035	295,000	457,413	752,413
2036	325,000	440,450	765,450
2037	345,000	421,763	766,763
2038	380,000	401,925	781,925
2039	405,000	380,075	785,075
2040	440,000	356,788	796,788
2041	470,000	331,488	801,488
2042	510,000	304,463	814,463
2043	545,000	275,138	820,138
2044	590,000	243,800	833,800
2045	625,000	209,875	834,875
2046	675,000	173,938	848,938
2047	720,000	135,125	855,125
2048	1,630,000	93,725	1,723,725
Total	<u>\$ 9,995,000</u>	<u>\$ 11,201,008</u>	<u>\$ 21,196,008</u>

GREEN GABLES METROPOLITAN DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2016	\$ 1,244,100	40.000	\$ 49,764	\$ 49,764	100.00 %
2017	1,244,100	40.000	49,764	49,764	100.00
2018	1,858,239	40.000	74,330	74,330	100.00
2019	3,205,552	64.267	206,012	206,011	100.00
2020	8,454,945	64.139	542,291	542,292	100.00
2021	8,497,454	64.118	544,840	544,840	100.00
Estimated for Year Ending December 31, 2022	10,245,514	63.756	653,213		

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.

ANNUAL DISCLOSURE

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
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>	<u>Debt Service Mill Levy</u>
2013	2014	\$ 531,135	- %	40.000	-
2014	2015	176,897	(66.69)	40.000	-
2015	2016	1,244,100	603.29	40.000	-
2016	2017	1,244,100	-	40.000	-
2017	2018	1,858,239	49.36	40.000	-
2018	2019	3,205,552	72.50	10.711	53.556
2019	2020	8,454,945	163.76	10.690	53.449
2020	2021	8,497,454	0.50	10.686	53.432
2021	2022	10,245,512	20.57	10.626	53.130

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
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	\$ 21,245	\$ 7,076	33.31 %
2014	2015	7,076	7,076	100.00
2015	2016	49,764	49,764	100.00
2016	2017	49,764	49,764	100.00
2017	2018	74,330	74,330	100.00
2018	2019	206,012	206,011	100.00
2019	2020	542,291	542,292	100.00
2020	2021	544,840	544,840	100.00
2021	2022	653,213	-	-

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
TABLE #3**

Property Class	Total Assessed Valuation	Percentage of Taxpayer / Assessed Valuation
Valuation Year - 2021		
Vacant	\$ 3,741,595	36.52%
Commercial	512,285	5.00
Natural Resources	25	0.00
State Assessed	1,086	0.01
Personal Property	327,723	3.20
Residential	<u>5,662,800</u>	<u>55.27</u>
Total	<u><u>\$ 10,245,514</u></u>	<u><u>100%</u></u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
ALL OWNERS OF TAXABLE PROPERTY WITHIN THE DISTRICT
TABLE #4**

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer / Assessed Valuation
Valuation Year - 2021		
Bel Westwood LLC	\$ 5,875,274	57.34%
CalAtlantic Group Inc	1,781,584	17.39
MMC Two LLC	1,594,856	15.57
Express 71 Propco LLC	512,285	5.00
Lupine Investment Group LLC	288,183	2.81
Public service Co of Colorado	97,973	0.96
Ronny's Carwash Express Green Gables LLC	18,362	0.18
Residents	76,997	0.75
Total	<u>\$ 10,245,514</u>	<u>100.00%</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
SELECTED RATIOS OF THE DISTRICT (DIRECT DEBT OF THE DISTRICT)
TABLE #5**

Property Class	Total Debt	Senior Debt
Direct Debt	\$ 11,684,000	\$ 9,995,000
2021 Certified Assessed Valuation	10,245,514	10,245,514
Ratio of Direct Debt to 2021 Certified Assessed Valuation	114%	98%
2021 District Statutory "Actual" Value	93,872,350	93,872,350
Ratio of Direct Debt to 2021 District Statutory "Actual" Value	12.45%	10.65%

GREEN GABLES METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (UNAUDITED)
(PAST FIVE YEARS)
TABLE #6

	2017	2018	2019	2020	2021
REVENUES					
Property Taxes	\$ 49,764	\$ 74,330	\$ 34,335	\$ 90,383	\$ 90,804
Specific Ownership Taxes	4,862	6,883	2,926	6,756	6,947
Other Income	671	-	-	-	-
Interest Income	-	-	-	-	35
Total Revenues	<u>55,297</u>	<u>81,213</u>	<u>37,261</u>	<u>97,139</u>	<u>97,786</u>
EXPENDITURES					
Accounting and Legal Services	12,775	29,236	37,844	36,005	37,212
Administrative	7,212	9,034	17,119	22,051	17,446
Insurance and Bonds	<u>2,738</u>	<u>2,738</u>	<u>4,686</u>	<u>4,490</u>	<u>4,847</u>
Total Expenditures	<u>22,725</u>	<u>41,008</u>	<u>59,649</u>	<u>62,546</u>	<u>59,505</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	32,572	40,205	(22,388)	34,593	38,281
OTHER SOURCES OF FINANCING					
Repay developer advance - Principal	-	-	-	(11,024)	-
Repay developer advance - Interest	-	-	-	(5,177)	-
Transfers In (Out)	<u>-</u>	<u>(46,673)</u>	<u>-</u>	<u>7,069</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	32,572	(6,468)	(22,388)	25,461	38,281
Fund Balance - Beginning of Year	<u>34,419</u>	<u>66,991</u>	<u>60,523</u>	<u>38,135</u>	<u>63,596</u>
FUND BALANCE - END OF YEAR	<u>\$ 66,991</u>	<u>\$ 60,523</u>	<u>\$ 38,135</u>	<u>\$ 63,596</u>	<u>\$ 101,877</u>

GREEN GABLES METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND (UNAUDITED)
(PAST FIVE YEARS)
TABLE #7

	2017	2018	2019	2020	2021
REVENUES					
Developer Advance	\$ -	\$ 4,938,727	\$ -	\$ -	\$ -
Bond Proceeds	-	11,684,000	-	-	-
Other Income	-	10,932	-	-	-
Total Revenues	-	16,633,659	-	-	-
EXPENDITURES					
Capital Outlay	-	4,938,727	-	-	-
Repay Developer Advance	-	9,410,784	-	-	-
Bond Issue Costs	-	532,653	-	-	-
Accounting	-	1,350	-	-	-
Engineering	-	15,084	-	-	-
Total Expenditures	-	14,898,598	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	1,735,061	-	-	-
OTHER SOURCES OF FINANCING					
Transfers In (Out)	-	(1,727,992)	-	(7,069)	-
NET CHANGE IN FUND BALANCE	-	7,069	-	(7,069)	-
Fund Balance - Beginning of Year	-	-	7,069	7,069	-
FUND BALANCE - END OF YEAR	\$ -	\$ 7,069	\$ 7,069	\$ -	\$ -

GREEN GABLES METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND (UNAUDITED)
(PAST FIVE YEARS)
TABLE #8

	2017	2018	2019	2020	2021
REVENUES					
Property Taxes	\$ -	\$ -	\$ 171,676	\$ 451,909	\$ 454,036
Specific Ownership Taxes	-	-	14,628	33,775	34,738
Public Improvement Fee	-	-	-	-	16,419
Other Income	-	7,091	32,337	7,346	546
Total Revenues	<u>-</u>	<u>7,091</u>	<u>218,641</u>	<u>493,030</u>	<u>505,739</u>
EXPENDITURES					
Bond Interest Senior Bond	-	57,471	574,713	574,713	574,713
County Treasurer Fees	-	-	2,575	6,779	6,813
Paying Agent/Trustee Fees	-	-	6,000	6,000	6,000
Total Expenditures	<u>-</u>	<u>57,471</u>	<u>583,288</u>	<u>587,492</u>	<u>587,526</u>
EXCESS OF REVENUES UNDER EXPENDITURES	-	(50,380)	(364,647)	(94,462)	(81,787)
OTHER SOURCES OF FINANCING					
Transfers In (Out)	<u>-</u>	<u>1,774,665</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	1,724,285	(364,647)	(94,462)	(81,787)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,724,285</u>	<u>1,359,638</u>	<u>1,265,176</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 1,724,285</u>	<u>\$ 1,359,638</u>	<u>\$ 1,265,176</u>	<u>\$ 1,183,389</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – GENERAL FUND
TABLE #9**

	2021			2022
	Budget	Actual	Variance	Budget
REVENUES				
Property Taxes	\$ 90,804	\$ 90,804	\$ -	\$ 108,869
Specific Ownership Taxes	6,356	6,947	591	7,621
Net Investment Income	-	35	35	-
Total Revenues	<u>97,160</u>	<u>97,786</u>	<u>626</u>	<u>116,490</u>
EXPENDITURES				
Current:				
Accounting	22,500	23,925	(1,425)	29,000
Billing Services	-	2,400	(2,400)	5,400
County Treasurer's Fees	1,362	1,363	(1)	1,633
District Management	20,000	7,416	12,584	20,000
Dues and Licenses	350	354	(4)	450
Election	-	-	-	2,500
Insurance and Bonds	4,370	4,493	(123)	4,850
Legal	15,000	13,287	1,713	15,000
Miscellaneous	150	137	13	150
Auditing	5,500	5,350	150	5,600
Engineering	7,500	780	6,720	7,500
Contingency	8,268	-	8,268	7,917
Total Expenditures	<u>85,000</u>	<u>59,505</u>	<u>25,495</u>	<u>100,000</u>
NET CHANGE IN FUND BALANCE	12,160	38,281	26,121	16,490
Fund Balance - Beginning of Year	<u>53,737</u>	<u>63,596</u>	<u>9,859</u>	<u>80,796</u>
FUND BALANCE - END OF YEAR	<u>\$ 65,897</u>	<u>\$ 101,877</u>	<u>\$ 35,980</u>	<u>\$ 97,286</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – CAPITAL PROJECTS FUND
TABLE #10**

	2021		Variance	2022
	Budget	Actual		Budget
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Engineering Costs	7,069	-	7,069	-
Total Expenditures	7,069	-	7,069	-
NET CHANGE IN FUND BALANCE	(7,069)	-	7,069	-
Fund Balance - Beginning of Year	7,069	-	(7,069)	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – DEBT SERVICE FUND
TABLE #11**

	2021		Variance	2022
	Budget	Actual		Budget
REVENUES				
Property Taxes	\$ 454,036	\$ 454,036	\$ -	\$ 544,344
Specific Ownership Taxes	31,783	34,738	2,955	38,104
Public Improvement Fee	25,000	16,419	(8,581)	25,000
Net Investment Income	12,160	546	(11,614)	500
Total Revenues	<u>522,979</u>	<u>505,739</u>	<u>(17,240)</u>	<u>607,948</u>
EXPENDITURES				
Debt Service:				
County Treasurer's Fees	6,811	6,813	(2)	8,165
Bond Interest	574,713	574,713	-	574,713
Paying Agent Fees	6,000	6,000	-	6,000
Contingency	2,476	-	2,476	5,122
Total Expenditures	<u>590,000</u>	<u>587,526</u>	<u>2,474</u>	<u>594,000</u>
NET CHANGE IN FUND BALANCE	(67,021)	(81,787)	(14,766)	13,948
Fund Balance - Beginning of Year	<u>1,280,648</u>	<u>1,265,176</u>	<u>(15,472)</u>	<u>1,172,495</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,213,627</u></u>	<u><u>\$ 1,183,389</u></u>	<u><u>\$ (30,238)</u></u>	<u><u>\$ 1,186,443</u></u>