

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**Jefferson County, Colorado**

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

**YEAR ENDED DECEMBER 31, 2023**

**GREEN GABLES METROPOLITAN DISTRICT NO. 2  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2023**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND         CHANGES IN FUND BALANCES – BUDGET AND ACTUAL</b>	<b>6</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>31</b>
<b>CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES,     EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND     ACTUAL</b>	<b>32</b>
<b>SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST     REQUIREMENTS TO MATURITY</b>	<b>33</b>
<b>SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY     TAXES COLLECTED</b>	<b>34</b>

**GREEN GABLES METROPOLITAN DISTRICT NO. 2  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

**ANNUAL DISCLOSURE**

<b>HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT – TABLE 1</b>	<b>36</b>
<b>PROPERTY TAX COLLECTIONS FOR THE DISTRICT – TABLE 2</b>	<b>37</b>
<b>ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT – TABLE 3</b>	<b>38</b>
<b>TOP TEN OWNERS OF TAXABLE PROPERTY WITHIN THE DISTRICT – TABLE 4</b>	<b>39</b>
<b>SELECTED DEBT RATIOS OF THE DISTRICT – TABLE 5</b>	<b>40</b>



## INDEPENDENT AUDITOR'S REPORT

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

### **Opinions**

We have audited the accompanying 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, 2023, 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, 2023 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 Parnters, LLC*

Arvada, Colorado  
September 30, 2024

## **BASIC FINANCIAL STATEMENTS**

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments - Restricted	\$ 567,809
Accounts Receivable	518
Receivable from County Treasurer	3,407
PIF Receivable	17,776
Prepaid Insurance	4,396
Prepaid Expenses	3,670
Property Tax Receivable	1,136,748
Capital Assets:	
Capital Assets Net of Depreciation	1,142,893
Total Assets	2,877,217
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Bond Insurance Cost, Net of Amortization	449,937
Total Deferred Outflows of Resources	449,937
<b>LIABILITIES</b>	
Accounts Payable	45,747
Accrued Interest	65,297
Noncurrent Liabilities:	
Due Within One Year	170,000
Due in More Than One Year	25,568,096
Total Liabilities	25,849,140
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	1,136,748
Total Deferred Inflows of Resources	1,136,748
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserve	5,600
Debt Service	534,170
Unrestricted	(24,198,504)
Total Net Position	\$ (23,658,734)

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 173,683	\$ -	\$ -	\$ -	
Interest on Long-Term Debt and Related Costs	2,393,429	-	-	-	
Total Governmental Activities	\$ 2,567,112	\$ -	\$ -	\$ (2,567,112)	
 <b>GENERAL REVENUES</b>					
Property Taxes				766,817	
Specific Ownership Taxes				54,963	
Interest Income				54,301	
Public Improvement Fees				252,813	
Other Revenue				16	
Total General Revenues				1,128,910	
 <b>EXTRAORDINARY ITEMS</b>					
Settlement and Insurance				250,000	
 <b>CHANGES IN NET POSITION</b>					
Net Position - Beginning of Year				(22,470,532)	
 <b>NET POSITION - END OF YEAR</b>					
				\$ (23,658,734)	

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

<b>ASSETS</b>	General	Debt Service	Capital Projects	Total Governmental Funds
Cash and Investments - Restricted	\$ 3,614	\$ 564,195	\$ -	\$ 567,809
Receivable from County Treasurer	568	2,839	-	3,407
Accounts Receivable	518	-	-	518
PIF Receivable	-	17,776	-	17,776
Prepaid Insurance	4,396	-	-	4,396
Prepaid Expenses	3,670	-	-	3,670
Property Tax Receivable	189,458	947,290	-	1,136,748
	<u>\$ 202,224</u>	<u>\$ 1,532,100</u>	<u>\$ -</u>	<u>\$ 1,734,324</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 43,004	\$ 2,743	\$ -	\$ 45,747
Total Liabilities	43,004	2,743	-	45,747
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax	189,458	947,290	-	1,136,748
Total Deferred Inflows of Resources	189,458	947,290	-	1,136,748
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expense	8,066	-	-	8,066
Restricted for:				
Emergency Reserves	4,100	-	-	4,100
Debt Service	-	582,067	-	582,067
Unassigned	(42,404)	-	-	(42,404)
Total Fund Balances	<u>(30,238)</u>	<u>582,067</u>	<u>-</u>	<u>551,829</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 202,224</u>	<u>\$ 1,532,100</u>	<u>\$ -</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.

1,142,893

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

Accrued Interest	(65,297)
Bonds Payable - Series 2023A	(15,325,000)
Bonds Payable - Series 2023B	(5,967,000)
Unamortized Bond Discount	176,545
Bond Insurance Cost, Net of Amortization	449,937
Accrued Interest - Bonds Payable 2023B	(108,343)
Developer Advance Payable	(4,514,298)
	<u>(23,658,734)</u>

Net Position of Governmental Activities

\$ (23,658,734)

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 127,795	\$ 639,022	\$ -	\$ 766,817
Specific Ownership Taxes	9,160	45,803	-	54,963
Interest Income	28	54,273	-	54,301
Other Revenue	14	2	-	16
PIF Revenue	-	252,813	-	252,813
Total Revenues	<u>136,997</u>	<u>991,913</u>	<u>-</u>	<u>1,128,910</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	38,895	-	-	38,895
Auditing	6,150	-	-	6,150
Banking Fees	3	160	-	163
Billing	-	5,803	-	5,803
County Treasurer's Fee	1,917	9,587	-	11,504
District Management	20,113	-	-	20,113
Dues And Membership	343	-	-	343
Election	1,812	-	-	1,812
Engineering	10,666	-	-	10,666
Insurance	4,308	-	470,414	474,722
Legal	89,316	-	-	89,316
Debt Service:				
Bond Interest Series 2018A	-	287,356	-	287,356
Bond Interest Series 2023A	-	106,651	-	106,651
Bond Issue Costs	-	-	560,981	560,981
Capital Projects:				
Capital Outlay	-	-	1,142,893	1,142,893
Total Expenditures	<u>173,523</u>	<u>409,557</u>	<u>2,174,288</u>	<u>2,757,368</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(36,526)	582,356	(2,174,288)	(1,628,458)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Issuance Series 2023A	-	-	15,325,000	15,325,000
Bond Issuance Series 2023B	-	-	5,967,000	5,967,000
Refunding Escrow	-	(13,063,255)	-	(13,063,255)
Bond Discount	-	-	(184,444)	(184,444)
Developer Advance	-	-	1,142,893	1,142,893
Developer Advance - Interest Expense	-	-	(3,835,839)	(3,835,839)
Repay Developer Advance - Capital	-	-	(4,421,541)	(4,421,541)
Transfers In (Out)	-	11,818,781	(11,818,781)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,244,474)</u>	<u>2,174,288</u>	<u>929,814</u>
<b>EXTRAORDINARY SOURCES</b>				
Settlement and Insurance	50,000	200,000	-	250,000
Total Extraordinary Sources	<u>50,000</u>	<u>200,000</u>	<u>-</u>	<u>250,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	13,474	(462,118)	-	(448,644)
Fund Balances - Beginning of Year	<u>(43,712)</u>	<u>1,044,185</u>	<u>-</u>	<u>1,000,473</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (30,238)</u>	<u>\$ 582,067</u>	<u>\$ -</u>	<u>\$ 551,829</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, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (448,644)

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. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay 1,142,893

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Issuance Proceeds - 2023A	(15,325,000)
Bond Issuance Proceeds - 2023B	(5,967,000)
Developer Advance	(1,142,893)
Bond Discount	184,444
Bond Insurance	470,414
Refunding of Series 2018 Bonds	11,684,000
Payment of 2018 Bond Interest	701,343
Developer Advance Repayment	4,421,541

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

Accrued Interest Payable - Change in Liability	(161,696)
Accrued Interest Payable Developer Advance - Change in Liability	3,280,774
Amortization of Bond Insurance	(20,479)
Amortization of Bond Discount	(7,899)
	<u>(7,899)</u>

Changes in Net Position of Governmental Activities \$ (1,188,202)

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 127,998	\$ 127,998	\$ 127,795	\$ (203)
Specific Ownership Taxes	8,960	9,000	9,160	160
Interest Income	-	30	28	(2)
Other Revenue	-	36,684	14	(36,670)
Total Revenues	<u>136,958</u>	<u>173,712</u>	<u>136,997</u>	<u>(36,715)</u>
<b>EXPENDITURES</b>				
Accounting	33,400	35,000	38,895	(3,895)
Auditing	6,000	6,150	6,150	-
Banking Fees	-	3	3	-
Billing	6,200	-	-	-
Contingency	30	4,464	-	4,464
County Treasurer's Fee	1,920	1,920	1,917	3
District Management	14,000	21,000	20,113	887
Dues And Membership	450	343	343	-
Election	4,000	1,812	1,812	-
Engineering	-	-	10,666	(10,666)
Insurance	4,850	4,308	4,308	-
Legal	25,000	105,000	89,316	15,684
Miscellaneous	150	-	-	-
Total Expenditures	<u>96,000</u>	<u>180,000</u>	<u>173,523</u>	<u>6,477</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	40,958	(6,288)	(36,526)	(30,238)
<b>EXTRAORDINARY SOURCES</b>				
Settlement and Insurance	10,000	50,000	50,000	-
Total Extraordinary Sources	<u>10,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	50,958	43,712	13,474	(30,238)
Fund Balance - Beginning of Year	<u>(48,127)</u>	<u>(43,712)</u>	<u>(43,712)</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,831</u>	<u>\$ -</u>	<u>\$ (30,238)</u>	<u>\$ (30,238)</u>

See accompanying Notes to Basic Financial Statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

The 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, 2023**

**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, 2023**

**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, 2023.

**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, 2023**

**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.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Amortization**

**Original Issue Discount and Bond Insurance**

In the government-wide financial statements, bond discounts and bond insurance are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond discounts and bond insurance, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses.

Bond Insurance and issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Deferred Inflow/Outflow 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 assets 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, *bond insurance costs*, 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.

**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:

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Equity (Continued)**

**Fund Balance (Continued)**

*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.

**Deficit**

The General Fund reported a deficit in the fund financial statements as of December 31, 2023. The deficit will be eliminated with the receipt of property taxes in 2024.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	\$ 567,809
Total Cash and Investments	\$ 567,809

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 31,081
Investments	536,728
Total Cash and Investments	\$ 567,809

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**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, 2023, the District's cash deposits had a bank balance and a carrying balance of \$31,081.

**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, 2023**

**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, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Plus+ Trust (COLOTRUST+)	Weighted-Average Under 60 Days	\$ 536,728
		<u>\$ 536,728</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**COLOTRUST (CONTINUED)**

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
<b>Governmental Activities:</b>				
Capital Assets, Being Depreciated:				
Streets	\$ -	\$ 1,142,893	\$ -	\$ 1,142,893
Total Capital Assets, Being Depreciated, Net	-	1,142,893	-	1,142,893
 Governmental Activities				
Capital Assets, Net	\$ -	\$ 1,142,893	\$ -	\$ 1,142,893

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
<b>Bonds Payable:</b>					
General Obligation Bonds					
Series 2018A	\$ 9,995,000	\$ -	\$ 9,995,000	\$ -	\$ -
Series 2023A	-	15,325,000	-	15,325,000	170,000
Subordinate Bonds					
Series 2018B	1,689,000	-	1,689,000	-	-
Series 2023B	-	5,967,000	-	5,967,000	-
Subtotal Bonds Payable	<u>11,684,000</u>	<u>21,292,000</u>	<u>11,684,000</u>	<u>21,292,000</u>	<u>170,000</u>
<b>Accrued Interest on:</b>					
Series 2018B Subordinate Bonds	665,392	35,951	701,343	-	-
Series 2023B Subordinate Bonds	-	108,343	-	108,343	-
Subtotal Interest Payable	<u>665,392</u>	<u>144,294</u>	<u>701,343</u>	<u>108,343</u>	<u>-</u>
<b>Other Debts:</b>					
Developer Advance - Capital	7,721,477	1,142,893	4,421,541	4,442,829	-
<b>Accrued Interest on:</b>					
Developer Advance - Capital	3,352,243	555,065	3,835,839	71,469	-
Subtotal Other Debts	<u>11,073,720</u>	<u>1,697,958</u>	<u>8,257,380</u>	<u>4,514,298</u>	<u>-</u>
<b>Bond Premium/Discount:</b>					
Bond Discount - Series 2023A	-	(184,444)	7,899	(176,545)	-
Subtotal Bond Premium / Discount	<u>-</u>	<u>(184,444)</u>	<u>7,899</u>	<u>(176,545)</u>	<u>-</u>
<b>Total Long-Term Obligations</b>	<u><u>\$ 23,423,112</u></u>	<u><u>\$ 22,949,808</u></u>	<u><u>\$ 20,650,622</u></u>	<u><u>\$ 25,738,096</u></u>	<u><u>\$ 170,000</u></u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

The details of the District's general obligation bonds outstanding during 2023 are as follows:

**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 Revenue 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.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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 Series 2018A Bonds do not have any unused lines of credit. The Series 2018A Bonds are not collateralized and are not subject to acceleration. To the extent principal is not paid when due, principal shall remain outstanding until paid. To the extent interest on any Bond is not paid when due, such unpaid interest shall compound semiannually on each Interest Payment Date at the rate then borne by the Series 2018A Bonds. Events of default occur if the District fails to impose the Senior Required Mill Levy, to collect or apply the Senior Pledged Revenues as required by the Senior Indenture, or to comply with other customary terms and conditions consistent with normal municipal financing as described in the Senior Indenture.

The Series 2018B Bonds do not have any unused lines of credit. The Series 2018B Bonds are not collateralized and are not subject to acceleration. To the extent principal is not paid when due, principal shall remain outstanding until paid. To the extent interest on any Bond is not paid when due, such unpaid interest shall compound annually on each December 15 at the rate then borne by the Series 2018B Bonds. Notwithstanding, in the event any amount of principal of or interest on the Series 2018B Bonds remains unpaid after the application of Subordinate Pledged Revenues available therefor on December 15, 2058, the Series 2018 Bonds are deemed discharged. Events of default occur if the District fails to impose the Subordinate Required Mill Levy, to collect, or to apply the Subordinate Pledged Revenues as required by the Subordinate Indenture, or to comply with other customary terms and conditions consistent with normal municipal financing as described in the Subordinate Indenture.

Proceeds from the issuance of the Series 2023A Bonds (discussion follows) were used to pay the outstanding principal and interest on the Series 2018A and the Series 2018B Bonds on October 12, 2023.

**Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding and Improvement Senior Bonds, Series 2023A and Limited Tax General Obligation and Special Revenue Subordinate Bonds, Series 2023B**

On October 12, 2023, the District issued its Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding and Improvement Senior Bonds, Series 2023A, in the original principal amount of \$15,325,000 (2023A Bonds) and its Limited Tax General Obligation and Special Revenue Subordinate Bonds, Series 2023B, in the original principal amount of \$5,967,000 (2023B Bonds and together with the 2023A Bonds, the 2023 Bonds).

**GREEN GABLES METROPOLITAN DISTRICT NO. 2  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

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

**Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding and Improvement Senior Bonds, Series 2023A and Limited Tax General Obligation and Special Revenue Subordinate Bonds, Series 2023B (Continued)**

Proceeds of the Bonds

Proceeds from the sale of the 2023A Bonds were used to: (i) refund the 2018 Bonds; (ii) reimburse the costs of public improvements related to the development of property in the District; (iii) purchase the 2023A Bond Insurance Policy; (iv) fund the Reserve Fund (including through the purchase of the Reserve Fund Surety Policy); and (v) pay the costs of issuance of the 2023 Bonds.

Proceeds from the sale of the 2023B Bonds were used to: (i) reimburse the costs of public improvements related to the development of property in the District; and (ii) pay certain costs of issuance of the 2023B Bonds.

Optional Redemption

The 2023A Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part, on December 1, 2033, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

The 2023B Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2028, to November 30, 2029	3.00%
December 1, 2029, to November 30, 2030	2.00
December 1, 2030, to November 30, 2031	1.00
December 1, 2031, and thereafter	0.00

2023A Bonds Details

The 2023A Bonds bear interest at rates ranging from 5.00% to 5.25%, payable to the extent of Senior Pledged Revenue on each June 1 and December 1 (Interest Payment Dates), beginning on December 1, 2023. Principal payments are due December 1 on each 2023A Bond maturity, beginning on December 1, 2024. The 2023A Bonds have a final maturity date of December 1, 2058. Annual mandatory sinking fund principal payments on the term 2023A Bonds are due on each December 1, beginning on December 1, 2034.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding and Improvement Senior Bonds, Series 2023A and Limited Tax General Obligation and Special Revenue Subordinate Bonds, Series 2023B (Continued)**

2023A Bonds Details (Continued)

To the extent principal of any 2023A Bond is not paid when due, such principal shall remain outstanding until paid and continue to bear interest at the rate then borne by the 2023A Bond. To the extent interest on any 2023A Bond is not paid when due, such interest shall compound on each Interest Payment Date, at the rate then borne by the 2023A Bond.

The 2023A Bonds do not have any unused lines of credit and no assets have been pledged as collateral on the 2023A Bonds.

Events of Default of the 2023A Bonds

Events of default occur if the District fails or refuses to impose the Senior Required Mill Levy, fails or refuses to enforce the PIF Covenant or the PIF Collection Agreement, fails to apply the Senior Pledged Revenues as required by the 2023A Bonds Indenture, or on or after the Conversion Date, the District fails to pay the principal of, premium, if any, and interest on the 2023A Bonds when due, does not comply with other customary terms and conditions consistent with normal municipal financing as described in the 2023A Bonds Indenture, or files a petition under the federal bankruptcy laws or other bankruptcy laws seeking to adjust the obligation represented by the 2023A Bonds. Acceleration of the 2023A Bonds shall not be an available remedy for an Event of Default.

Senior Pledged Revenue

The 2023A Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, defined as: (a) the Senior Property Tax Revenue derived from the District's imposition of the Senior Required Mill Levy, net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County; (b) the PIF Revenue; (c) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy; (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Senior Required Mill Levy

The Senior Required Mill Levy is an ad valorem mill levy imposed upon all taxable property within the District each year in an amount, which combined with the Estimated PIF Revenue, will generate Senior Property Tax Revenue sufficient to pay the 2023A Bonds as they come due, and if necessary, replenish the Reserve Fund to the Reserve Fund Requirement, and if necessary, fund the Surplus Fund to the Maximum Surplus Amount. Prior to the Conversion Date, the Senior Required Mill Levy may not exceed 50 mills, subject to the Mill Levy Adjustment.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding and Improvement Senior Bonds, Series 2023A and Limited Tax General Obligation and Special Revenue Subordinate Bonds, Series 2023B (Continued)**

Senior Required Mill Levy (Continued)

The Mill Levy Adjustment is an increase or decrease to the maximum mill levy imposed by the District to occur in the event the method of calculating assessed valuation by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement, is or was changed after September 11, 2012. To the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. A change in the ratio of actual valuation to assessed valuation and the exemption of certain residential market value shall be deemed to be changes in the method of calculating assessed valuation.

The Conversion Date is the first date on which the Senior Debt to Assessed Ratio is equal to or less than 50%.

Mandatory Extraordinary Redemption

The 2023A Bonds are subject to mandatory extraordinary redemption on the January 15 immediately succeeding the Conversion Date, solely from and to the extent of moneys on deposit in the Surplus Fund on the Conversion Date.

Additional Security for the 2023A Bonds

The 2023A Bonds are additionally secured by the 2023A Bond Insurance Policy, the Reserve Fund in the amount of the Reserve Fund Requirement of \$954,988, and by amounts, if any, on deposit in the Surplus Fund up to the Maximum Surplus Amount equal to 50% of the Reserve Fund Requirement.

2023A Bond Insurance Policy

The scheduled payment of principal of and interest on the 2023A Bonds when due will be guaranteed under a municipal bond insurance policy issued by Build America Mutual Assurance Company.

Reserve Fund

The Reserve Fund will be half funded with proceeds from the 2023A Bonds and half funded with the Reserve Fund Surety Policy. Moneys in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the 2023A Bonds to the extent the moneys in the 2023A Bond Fund are insufficient for such purpose.

Amounts on deposit in the Reserve Fund on the final maturity date of the Bonds are to be applied to the payment of the 2023A Bonds on such date.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding and Improvement Senior Bonds, Series 2023A and Limited Tax General Obligation and Special Revenue Subordinate Bonds, Series 2023B (Continued)**

Surplus Fund

Senior Pledged Revenue that is not needed to pay debt service on the 2023A Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$477,494. The Surplus Fund is to be maintained until the conversion date, and at such time, the amounts therein will be used for Mandatory Extraordinary Redemption (discussed above)

2023B Bonds Details

The 2023B Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal prior to the maturity date. Instead, principal is payable on each December 15, beginning on December 15, 2023, from and to the extent of available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. The 2023B Bonds mature on December 15, 2053.

The 2023B Bonds bear interest at a rate of 8.25% per annum, payable annually to the extent of Subordinate Pledged Revenue available on each December 15, commencing on December 15, 2023.

To the extent principal of any 2023B Bond is not paid when due, such principal is to remain outstanding until the earlier of its payment in full or the 2023B Bond Termination Date, and shall continue to bear interest at the rate then borne by the 2023B Bond. Unpaid interest on the 2023B Bonds compounds annually on each December 15 at the interest rate then borne by the 2023B Bonds.

In the event that any amount of principal or interest on the 2023B Bonds remains unpaid after the application of all Subordinate Pledged Revenue on December 15, 2063 (the 2023B Bond Termination Date), the 2023B Bonds and the lien of the Subordinate Indenture securing payment thereof will be deemed discharged.

The 2023B Bonds do not have any unused lines of credit and no assets have been pledged as collateral on the 2023B Bonds.

Events of Default of the 2023B Bonds

Events of default occur if the District fails or refuses to impose the Subordinate Required Mill Levy, fails or refuses to enforce the PIF Covenant or the PIF Collection Agreement, fails to apply the Subordinate Pledged Revenues as required by the Subordinate Indenture, does not comply with other customary terms and conditions consistent with normal municipal financing as described in the 2023B Bonds Indenture or the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the 2023B Bonds. Acceleration of the 2023B Bonds shall not be an available remedy for Event of Default.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding and Improvement Senior Bonds, Series 2023A and Limited Tax General Obligation and Special Revenue Subordinate Bonds, Series 2023B (Continued)**

Subordinate Pledged Revenue

The 2023B Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, generally defined in the 2023B Bonds Indenture as: (a) the Subordinate Property Tax Revenue derived from the District's imposition of the Subordinate Required Mill Levy, net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County; (b) the Subordinate PIF Revenue remaining after deduction of all amounts applied to the payment of the 2023A Bonds; (c) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

Subordinate Required Mill Levy

The Subordinate Indenture defines the Subordinate Required Mill Levy as an ad valorem mill levy imposed upon all taxable property of the District each year in the amount of 50 mills (as adjusted) less the amount of the Senior Bonds Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal of and interest on the 2023B Bonds in full.

It is the intent that if the amount of the Senior Bond Mill Levy equals or exceeds 50 mills (as adjusted) in any year, the Subordinate Required Mill Levy for that year shall be zero.

Bonds Debt Service

Due to the cash flow nature of the 2023B Bonds that are payable only to the extent of Subordinate Pledged Revenue available, principal and interest payments on the 2023B Bonds cannot be predicted with certainty and are not presented in the maturity schedule.

The District's long-term obligations relating to the 2023A Bonds will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 170,000	\$ 783,556	\$ 953,556
2025	175,000	775,056	950,056
2026	185,000	766,306	951,306
2027	195,000	757,056	952,056
2028	205,000	747,306	952,306
2029-2033	1,185,000	3,572,531	4,757,531
2034-2038	1,525,000	3,244,031	4,769,031
2039-2043	1,935,000	2,823,531	4,758,531
2044-2048	2,475,000	2,283,156	4,758,156
2049-2053	3,180,000	1,579,750	4,759,750
2054-2058	4,095,000	666,752	4,761,752
Total	<u>\$ 15,325,000</u>	<u>\$ 17,999,031</u>	<u>\$ 33,324,031</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**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, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 6, 2012	Authorization Used		Authorized But Unused
		Series 2018	Series 2023	
Capital Improvements	\$ 245,000,000	\$ 11,684,000	\$ 9,608,000	\$ 223,708,000
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>\$ 9,608,000</u>	<u>\$ 370,708,000</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.

**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, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 5,600
Debt Service Reserve	534,170
Total Restricted Net Position	<u>\$ 539,770</u>

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.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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.

**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 2023 Bonds.

**Agreement for Non-Potable Irrigation Water Service**

On August 15, 2022, the District, District No. 1, and CalAtlantic Group, LLC (CalAtlantic) entered into an Agreement for Non-Potable Irrigation Water Service (Water Service Agreement). According to the Water Service Agreement, District No. 1 is a party to a separate agreement pursuant to which District No. 1 has the right to lease certain water to supply irrigation to the property within its boundaries. Pursuant to the Water Service Agreement, District No. 1 agreed to furnish to the District the amount of available Project Water (as defined therein), subject to the limitations therein, to irrigate certain landscaping tracts for the Townhome Project (as defined therein) developed by CalAtlantic and located within the boundaries of the District. The Water Service Agreement establishes the parties' rights and obligations relative to the provision and use of the Project Water, including but not limited to, the payment of the Monthly Water Charge and Maintenance Expenses (as those terms are defined therein).

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Release and Indemnity Agreement**

On August 15, 2022, the District and CalAtlantic entered into a Release and Indemnity Agreement whereby the parties acknowledge and agree that the District is a party to the Water Service Agreement (discussed above) solely as an accommodation to ensure the Water Service Agreement was entered into for the benefit of CalAtlantic. The parties further agree that, irrespective of any statement or provision of the Water Service Agreement, CalAtlantic, and not the District, will be fully responsible for all obligations under the Water Service Agreement. As such, CalAtlantic agrees to release the District from any obligation that may be stated as a District obligation under the Water Service Agreement. Further, CalAtlantic waives and releases any present and future claims against the District arising out of the Water Service Agreement and the Owner Obligations (as defined therein) and agrees to indemnify the District from any third-party claims arising out of the Water Service Agreement and any actions or omissions of the District in connection with the Owner Obligations under the Water Service Agreement.

**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, 2023, there is no outstanding balance on the OFA.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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, 2023, the balance outstanding on the FFAA, as amended, is \$4,527,574 consisting of \$4,442,829 of principal and \$84,745 of accrued interest.

**NOTE 9 INTERFUND AND OPERATING TRANSFERS**

The transfer from the Capital Projects Fund to the Debt Service Fund was to refund the 2018 Bonds.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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 (the Pool) as of December 31, 2023. 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.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 12 EXTRAORDINARY ITEM**

During 2022, the District experienced two unauthorized withdrawals of monies from its checking account held at a District financial institution. Due to the unauthorized withdrawals, the District made a draw on the Surplus Fund to complete the December 1, 2022 debt service payment on the Series 2018A Bonds. As of December 31, 2023 the District reached an out of court settlement.

## **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, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 640,036	\$ 640,036	\$ 639,022	\$ (1,014)
Specific Ownership Taxes	44,803	45,000	45,803	803
Interest Income	11,250	51,800	54,273	2,473
PIF Revenue	176,200	253,790	252,813	(977)
Other Revenue	-	-	2	2
Total Revenues	<u>872,289</u>	<u>990,626</u>	<u>991,913</u>	<u>1,287</u>
<b>EXPENDITURES</b>				
Banking Fees	-	-	160	(160)
County Treasurer's Fee	9,601	9,601	9,587	14
Billing	-	5,600	5,803	(203)
Paying Agent Fees	6,000	6,000	-	6,000
Bond Interest Series 2018A	574,713	287,356	287,356	-
Bond Interest Series 2018B	-	108,456	-	108,456
Bond Interest Series 2023A	-	-	106,651	(106,651)
Bond Principal Series 2018A	55,000	-	-	-
Contingency	686	30,065	-	30,065
Total Expenditures	<u>646,000</u>	<u>447,078</u>	<u>409,557</u>	<u>37,521</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	226,289	543,548	582,356	38,808
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding Escrow	-	(13,061,922)	(13,063,255)	(1,333)
Transfers From Other Funds	-	11,859,647	11,818,781	(40,866)
Total Other Financing Uses	<u>-</u>	<u>(1,202,275)</u>	<u>(1,244,474)</u>	<u>(42,199)</u>
<b>EXTRAORDINARY SOURCES</b>				
Settlement and Insurance	-	200,000	200,000	-
Total Extraordinary Sources	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	226,289	(458,727)	(462,118)	(3,391)
Fund Balance - Beginning of Year	<u>1,031,851</u>	<u>1,044,185</u>	<u>1,044,185</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,258,140</u>	<u>\$ 585,458</u>	<u>\$ 582,067</u>	<u>\$ (3,391)</u>

**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, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other Revenue	\$ -	\$ 1,009,000	\$ -	\$ (1,009,000)
Total Revenues	-	1,009,000	-	(1,009,000)
<b>EXPENDITURES</b>				
Insurance	-	-	470,414	(470,414)
Capital Outlay	-	-	1,142,893	(1,142,893)
Bond Issue Costs	-	1,221,122	560,981	660,141
Contingency	-	1,009,000	-	1,009,000
Total Expenditures	-	2,230,122	2,174,288	55,834
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	-	(1,221,122)	(2,174,288)	(953,166)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Issuance Series 2023A	-	15,515,000	15,325,000	(190,000)
Bond Issuance Series 2023B	-	5,976,000	5,967,000	(9,000)
Bond Discount	-	(86,950)	(184,444)	(97,494)
Developer Advance	-	-	1,142,893	1,142,893
Repay Developer Advance - Capital	-	(4,533,841)	(4,421,541)	112,300
Developer Advance - Interest Expense	-	(3,789,440)	(3,835,839)	(46,399)
Transfers To Other Fund	-	(11,859,647)	(11,818,781)	40,866
Total Other Financing Sources	-	1,221,122	2,174,288	953,166
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<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, 2023**

\$15,325,000 Limited Tax (Convertible to Unlimited Tax) General  
Obligation and Special Revenue Refunding and Improvement Senior  
Bonds

Series 2023A

Interest 5.00 - 5.25%

Dated October 12, 2023

Interest Payable June 1 and December 1

Principal Payable December 1

Bonds  
and Interest  
Maturing in  
the Year Ending  
December 31.

	Principal	Interest	Total
2024	\$ 170,000	\$ 783,556	\$ 953,556
2025	175,000	775,056	950,056
2026	185,000	766,306	951,306
2027	195,000	757,056	952,056
2028	205,000	747,306	952,306
2029	215,000	737,056	952,056
2030	225,000	726,306	951,306
2031	235,000	715,056	950,056
2032	250,000	703,306	953,306
2033	260,000	690,806	950,806
2034	275,000	677,806	952,806
2035	290,000	664,056	954,056
2036	305,000	649,556	954,556
2037	320,000	634,306	954,306
2038	335,000	618,306	953,306
2039	350,000	601,556	951,556
2040	370,000	584,056	954,056
2041	385,000	565,556	950,556
2042	405,000	546,306	951,306
2043	425,000	526,056	951,056
2044	445,000	504,806	949,806
2045	470,000	482,000	952,000
2046	495,000	457,913	952,913
2047	520,000	432,544	952,544
2048	545,000	405,894	950,894
2049	575,000	377,963	952,963
2050	605,000	348,494	953,494
2051	635,000	317,488	952,488
2052	665,000	284,944	949,944
2053	700,000	250,863	950,863
2054	740,000	214,988	954,988
2055	775,000	176,138	951,138
2056	815,000	135,450	950,450
2057	860,000	92,663	952,663
2058	905,000	47,513	952,513
Total	<u>\$ 15,325,000</u>	<u>\$ 17,999,031</u>	<u>\$ 33,324,031</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 2**  
**SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
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	61.118	544,840	544,840	100.00 %
2022	10,245,514	63.756	653,213	653,213	100.00 %
2023	11,577,245	66.340	768,034	766,818	99.84 %
Estimated for Year Ending December, 31, 2024	\$ 16,020,456	70.956	\$ 1,136,748		

Note:

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

Source: Jefferson County Assessor and Treasurer.

## **ANNUAL DISCLOSURE**

**GREEN GABLES METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT  
TABLE #1**

Levy Year	Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Mill Levy	Total Mill Levy
2013	2014	\$ 531,135	- %	40.000	0.000	40.000
2014	2015	176,897	(66.69)	40.000	0.000	40.000
2015	2016	1,244,100	603.29	40.000	0.000	40.000
2016	2017	1,244,100	-	40.000	0.000	40.000
2017	2018	1,858,239	49.36	40.000	0.000	40.000
2018	2019	3,205,552	72.50	10.711	53.556	64.267
2019	2020	8,454,945	163.76	10.690	53.449	64.139
2020	2021	8,497,454	0.50	10.686	53.432	64.118
2021	2022	10,245,512	20.57	10.626	53.130	63.756
2022	2023	11,577,245	13.00	11.056	55.284	66.340
2023	2024	16,020,456	38.38	11.826	59.130	70.956

**GREEN GABLES METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
PROPERTY TAX COLLECTIONS FOR 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	49,794	49,764	99.94
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	554,840	544,840	98.20
2021	2022	653,213	653,213	100.00
2022	2023	768,034	766,818	99.84
2023	2024	1,136,748	-	-

**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 - 2023		
Vacant	\$ 1,252,738	7.82%
Commercial	2,033,850	12.70
Natural Resources	24	0.00
State Assessed	1,712	0.01
Personal Property	862,438	5.38
Residential	5,505,699	34.37
Residential Multi Family	6,363,995	39.72
<b>Total</b>	<b>\$ 16,020,456</b>	<b>100%</b>

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

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer / Assessed Valuation
Valuation Year - 2023		
Bel Westwood LLC	\$ 6,363,995	60.65%
MMC Two LLC	957,355	9.12
Georgia Park CO LLP	758,629	7.23
Lupine Investment Group LLC	537,257	5.12
William A Sara & Ginger L Sara Joint Revocable Trust	521,541	4.97
Express 71 Propco LLC	506,931	4.83
Cobblestone - Wadsworth and Jewell	435,960	4.15
Bel Westwood LLC	198,684	1.89
Public Service Co of Colorado	177,369	1.69
Resident	35,212	0.34
Total	\$ 10,492,933	100.00%

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

Property Class	Total Debt	Senior Debt
Direct Debt	\$ 21,292,000	\$ 15,325,000
2023 Certified Assessed Valuation	16,020,456	16,020,456
Ratio of Direct Debt to 2023 Certified Assessed Valuation	133%	96%
2023 District Statutory Actual Value	192,036,917	192,036,917
Ratio of Direct Debt to 2023 District Statutory 'Actual' Value	11.09%	7.98%