

GREEN GABLES METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 1,404,842	\$ 1,328,772	\$ 1,253,291
REVENUES			
Property taxes	542,292	544,840	653,213
Specific ownership tax	40,531	38,139	45,725
Interest income	7,346	540	500
Public Improvement Fee	-	11,000	25,000
Total revenues	<u>590,169</u>	<u>594,519</u>	<u>724,438</u>
 Total funds available	 <u>1,995,011</u>	 <u>1,923,291</u>	 <u>1,977,729</u>
EXPENDITURES			
General Fund	78,747	80,000	100,000
Debt Service Fund	587,492	590,000	594,000
Capital Projects Fund	-	-	-
Total expenditures	<u>666,239</u>	<u>670,000</u>	<u>694,000</u>
 Total expenditures and transfers out requiring appropriation	 <u>666,239</u>	 <u>670,000</u>	 <u>694,000</u>
ENDING FUND BALANCES	<u>\$ 1,328,772</u>	<u>\$ 1,253,291</u>	<u>\$ 1,283,729</u>
EMERGENCY RESERVE	\$ 3,000	\$ 3,000	\$ 3,600
CAPITAL RESERVE	\$ -	\$ -	\$ 10,000
SENIOR RESERVE FUND	855,125	855,125	855,125
SURPLUS FUND	410,051	317,370	331,318
TOTAL RESERVE	<u>\$ 1,268,176</u>	<u>\$ 1,175,495</u>	<u>\$ 1,200,043</u>

No assurance provided. See summary of significant assumptions.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/7/21

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Residential	\$ 5,148,000	\$ 5,148,000	\$ 5,662,800
Commercial	-	-	512,285
State Assessed	362	471	1,086
Natural Resources	25	25	25
Personal Property	276,980	319,380	327,723
Vacant Land	3,029,578	3,029,578	3,741,595
Certified Assessed Value	\$ 8,454,945	\$ 8,497,454	\$ 10,245,514

MILL LEVY

General	10.690	10.686	10.626
Debt Service	53.449	53.432	53.130
Total mill levy	64.139	64.118	63.756

PROPERTY TAXES

General	\$ 90,383	\$ 90,804	\$ 108,869
Debt Service	451,908	454,036	544,344
Levied property taxes	542,291	544,840	653,213
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	\$ 542,292	\$ 544,840	\$ 653,213

BUDGETED PROPERTY TAXES

General	\$ 90,383	\$ 90,804	\$ 108,869
Debt Service	451,909	454,036	544,344
	\$ 542,292	\$ 544,840	\$ 653,213

No assurance provided. See summary of significant assumptions.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/7/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 38,135	\$ 63,596	\$ 80,796
REVENUES			
Property taxes	90,383	90,804	108,869
Specific ownership tax	6,756	6,356	7,621
Interest income	-	40	-
Total revenues	<u>97,139</u>	<u>97,200</u>	<u>116,490</u>
TRANSFERS IN			
Transfers from other funds	<u>7,069</u>	-	-
Total funds available	<u>142,343</u>	<u>160,796</u>	<u>197,286</u>
EXPENDITURES			
General and administrative			
Accounting	23,966	27,000	29,000
Auditing	5,350	5,350	5,600
County Treasurer's fee	1,356	1,362	1,633
Dues and licenses	330	354	450
Insurance and bonds	4,160	4,238	4,850
District management	12,245	15,000	20,000
Legal services	12,039	15,000	15,000
Miscellaneous	237	150	150
Election expense	1,723	-	2,500
Billing Services	-	3,000	5,400
Repay developer advance - Principal	11,024	-	-
Repay developer advance - Interest	5,177	-	-
Contingency	-	7,766	7,917
Operations and maintenance			
Engineering	1,140	780	7,500
Total expenditures	<u>78,747</u>	<u>80,000</u>	<u>100,000</u>
Total expenditures and transfers out requiring appropriation	<u>78,747</u>	<u>80,000</u>	<u>100,000</u>
ENDING FUND BALANCE	<u>\$ 63,596</u>	<u>\$ 80,796</u>	<u>\$ 97,286</u>
EMERGENCY RESERVE	\$ 3,000	\$ 3,000	\$ 3,600
CAPITAL RESERVE	\$ -	\$ -	\$ 10,000
TOTAL RESERVE	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 13,600</u>

No assurance provided. See summary of significant assumptions.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/7/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 1,359,638	\$ 1,265,176	\$ 1,172,495
REVENUES			
Property taxes	451,909	454,036	544,344
Specific ownership tax	33,775	31,783	38,104
Public Improvement Fee	-	11,000	25,000
Interest income	7,346	500	500
Total revenues	493,030	497,319	607,948
Total funds available	1,852,668	1,762,495	1,780,443
EXPENDITURES			
General and administrative			
County Treasurer's fee	6,779	6,811	8,165
Paying agent fees	6,000	6,000	6,000
Contingency	-	2,476	5,122
Debt Service			
Bond Interest Series 2018A	574,713	574,713	574,713
Total expenditures	587,492	590,000	594,000
Total expenditures and transfers out requiring appropriation	587,492	590,000	594,000
ENDING FUND BALANCE	\$ 1,265,176	\$ 1,172,495	\$ 1,186,443
SENIOR RESERVE FUND	\$ 855,125	\$ 855,125	\$ 855,125
SURPLUS FUND	410,051	317,370	331,318
TOTAL RESERVE	\$ 1,265,176	\$ 1,172,495	\$ 1,186,443

No assurance provided. See summary of significant assumptions.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/7/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 7,069	\$ -	\$ -
REVENUES			
Total funds available	7,069	-	-
EXPENDITURES			
Total expenditures	-	-	-
TRANSFERS OUT			
Transfers to other fund	7,069	-	-
Total expenditures and transfers out requiring appropriation	7,069	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Jefferson County 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 will be provided to the Green Gables mixed use redevelopment (Project) by the District and District No. 1. The District will serve the commercial and multi-family portions of the Project and District No. 1 will serve the residential portion of the Project.

The District was organized to provide financing for the design, acquisition, installation and construction of water, sanitation, street, safety protection, park and recreation improvements, and operation and maintenance of the District. The District's service area is located in Jefferson County, Colorado.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The District has no employees and all administrative functions are contracted.

Revenue

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.

The District has a mill levy cap of 50.000 mills for any portion of debt which exceeds 50% of the District's assessed valuation.

In accordance with the District's Service Plan, the District is authorized to adjust the debt mill levy cap of 50 mills in the event that the method of calculating assessed valuation is changed after September 11, 2012 so that to the extent possible, the actual revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such change. As such, the adjusted debt mill levy cap is 53.432 mills for collection year 2022.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenue – (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected by the General Fund.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.10%.

PIF Revenue

The 2018A Indenture defines "PIF Revenue" as the revenue derived from the imposition of the PIF, net of the costs of collection. The 2018A Indenture defines "PIF" as the public improvement fee in the amount of 3.50% of PIF Sales, as set forth in the PIF Covenant recorded on February 13, 2015. The PIF is a private retail charge assessed on each retail sales transaction (subject to certain exemptions) similar to a sales tax.

The PIF Covenant defines "PIF Sales" as any exchange of goods or services by a Retailer for money or other media of exchange initiated, consummated, conducted, transacted or otherwise occurring from or within the PIF Area upon which a sales tax would be payable, pursuant to the County's Sales Tax Resolution. PIF Revenue, net of the cost of collection, is pledged to the payment of the Bonds.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and meeting expense.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

Senior Reserve Fund

The Senior Reserve Fund will be funded on the date of issuance in the amount of the Senior Reserve Fund Requirement of \$855,125.

Debt and Leases

Series 2018 Bonds

On October 25, 2018, the District issued \$9,995,000 in Series 2018A Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds and \$1,689,000 in Series 2018B General Obligation Subordinate Bonds.

Proceeds from the sale of the Series 2018A Senior Bonds will be used to: (i) finance or reimburse public improvements related to the portion of the Development that is within the District; (ii) fund capitalized interest on the Series 2018A Senior Bonds; (iii) fund the Senior Reserve Fund; and (iv) pay the costs of issuance. Proceeds of the Series 2018B Subordinate Bonds will be used to: (i) finance or reimburse additional public improvements to the portion of the Development that is within the District; and (ii) pay certain costs of issuance of the Series 2018B Subordinate Bonds.

The Series 2018A Senior Bonds bear interest at 5.75%, payable semi-annually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The Series 2018A Senior Bonds mature on December 1, 2048.

The Series 2018B Subordinate Bonds bear interest at 8.25% per annum payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any.

The Series 2018B Subordinate Bonds are structured as “cash flow” bonds, meaning that the 2018B Indenture contains no scheduled payments of principal on the Series 2018B Subordinate Bonds other than at maturity. Instead, principal is payable on each December 15 from the available Subordinate Pledged Revenues, if any, pursuant to a mandatory redemption. To the extent principal of any Series 2018B Subordinate Bond is not paid when due, such principal is to remain outstanding until paid, and to the extent interest on any Series 2018B Subordinate Bonds is not paid when due, such interest is to compound annually on each interest payment date for the Series 2018B Subordinate Bonds, at the rate then borne by the Series 2018B Subordinate Bonds. The 2018B Indenture provides that in the event that any amount of principal of or interest on the Series 2018B Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenues available therefor on December 15, 2058, the Series 2018B Subordinate Bonds and the lien of the 2018B Indenture securing payment thereof shall be

**GREEN GABLES METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Series 2018 Bonds – (Continued)

deemed discharged. The payment of debt service on the Series 2018B Subordinate Bonds is subordinate to the payment of debt service on the Series 2018A Senior Bonds and any future obligations on parity therewith. No payments on the Series 2018B Subordinate Bonds are permitted to be made until the Surplus Fund reaches the Maximum Surplus Amount of \$999,500.

The District has outstanding subordinate debt and developer advances with activity estimated in 2022 as follows:

	Balance at December 31, 2021	Estimated Additions	Estimated Reductions	Balance at December 31, 2022
Subordinate Bonds - Series 2018B	\$ 1,689,000	\$ -	\$ -	\$ 1,689,000
Accrued Interest - Series 2018B Bonds	320,199	165,759	-	485,958
Developer Advances - Capital	7,721,477	-	-	7,721,477
Interest on Developer Advances - Capital	2,116,806	617,718	-	2,734,524
Total	<u>\$ 11,847,482</u>	<u>\$ 783,477</u>	<u>\$ -</u>	<u>\$ 12,630,959</u>

The District has no operating or capital leases.

This information is an integral part of the accompanying budget.

GREEN GABLES METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST
REQUIREMENTS TO MATURITY
LONG-TERM DEBT
December 31, 2020

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

Bond and interest Maturity in the Year Ending December	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	\$ 9,995,000	\$ 11,201,008	\$ 21,196,008

No assurance provided. See summary of significant assumptions.