

GREEN GABLES METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

GREEN GABLES METROPOLITAN DISTRICT NO. 1
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,136,696	\$ 1,236,729	\$ 1,338,557
REVENUES			
Property taxes	898,040	930,023	930,538
Specific ownership tax	71,269	62,380	65,138
Interest income	648	3,100	12,800
Water - Revenue from Lennar	59,926	-	-
Water - Revenue from HOA	59,926	190,000	210,000
Water - Revenue from Lennar GGMD NO. 2	19,269	10,000	29,560
Miscellaneous income	48,183	49,540	39,600
Total revenues	<u>1,157,261</u>	<u>1,245,043</u>	<u>1,287,636</u>
Total funds available	<u>2,293,957</u>	<u>2,481,772</u>	<u>2,626,193</u>
EXPENDITURES			
General Fund	356,427	444,603	537,000
Debt Service Fund	700,801	698,612	705,000
Capital Projects Fund	-	-	70,030
Total expenditures	<u>1,057,228</u>	<u>1,143,215</u>	<u>1,312,030</u>
Total expenditures and transfers out requiring appropriation	<u>1,057,228</u>	<u>1,143,215</u>	<u>1,312,030</u>
ENDING FUND BALANCES	<u>\$ 1,236,729</u>	<u>\$ 1,338,557</u>	<u>\$ 1,314,163</u>
EMERGENCY RESERVE	\$ 8,300	\$ 15,300	\$ 16,100
RESERVE FUND	823,393	823,393	823,393
TOTAL RESERVE	<u>\$ 831,693</u>	<u>\$ 838,693</u>	<u>\$ 839,493</u>

No assurance provided. See summary of significant assumptions.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/17/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Residential	\$ 13,402,018	\$ 14,166,816	\$ 13,835,345
Natural Resources	6	6	6
State assessed	703	1,446	2,632
Vacant land	1,451,247	659,611	508,751
Personal property	177,491	172,491	264,155
	15,031,465	15,000,370	14,610,889
Certified Assessed Value	\$ 15,031,465	\$ 15,000,370	\$ 14,610,889

MILL LEVY

General	16.000	16.000	16.435
Debt Service	46.000	46.000	47.253
Total mill levy	62.000	62.000	63.688

PROPERTY TAXES

General	\$ 240,503	\$ 240,006	\$ 240,130
Debt Service	691,447	690,017	690,408
Levied property taxes	931,950	930,023	930,538
Adjustments to actual/rounding	(33,910)	-	-
Budgeted property taxes	\$ 898,040	\$ 930,023	\$ 930,538

BUDGETED PROPERTY TAXES

General	\$ 231,752	\$ 240,006	\$ 240,130
Debt Service	666,288	690,017	690,408
	\$ 898,040	930,023	\$ 930,538

No assurance provided. See summary of significant assumptions.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 71,970	\$ 153,104	\$ 214,495
REVENUES			
Property taxes	231,752	240,006	240,130
Specific ownership tax	18,392	16,098	16,809
Interest income	113	350	2,100
Water - Revenue from Lennar	59,926	-	-
Water - Revenue from HOA	59,926	190,000	210,000
Water - Revenue from Lennar GGMD NO. 2	19,269	10,000	29,560
Miscellaneous income	48,183	49,540	39,600
Total revenues	437,561	505,994	538,199
Total funds available	509,531	659,098	752,694
EXPENDITURES			
General and administrative			
Accounting	38,192	42,000	48,300
Auditing	5,100	5,600	6,000
County Treasurer's fee	3,478	3,600	3,610
Dues and licenses	553	620	700
Insurance and bonds	4,871	5,022	5,500
District management	42,841	40,000	46,000
Legal services	53,149	50,000	58,000
Miscellaneous	1,154	1,200	1,200
Banking fees	68	-	-
Election expense	-	964	30,000
Contingency	-	-	11,790
Operations and maintenance			
Landscaping	47,525	45,040	49,500
Stormwater Drainage Maintenance	-	10,000	10,000
Snow removal	-	4,500	5,000
Water - Acquisition Cost	128,050	200,000	225,000
Water Facility O&M	31,446	36,057	36,400
Total expenditures	356,427	444,603	537,000
Total expenditures and transfers out requiring appropriation	356,427	444,603	537,000
ENDING FUND BALANCE	\$ 153,104	\$ 214,495	\$ 215,694
EMERGENCY RESERVE	\$ 8,300	\$ 15,300	\$ 16,100
TOTAL RESERVE	\$ 8,300	\$ 15,300	\$ 16,100

No assurance provided. See summary of significant assumptions.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 994,696	\$ 1,013,595	\$ 1,054,032
REVENUES			
Property taxes	666,288	690,017	690,408
Specific ownership tax	52,877	46,282	48,329
Interest income	535	2,750	10,700
Total revenues	<u>719,700</u>	<u>739,049</u>	<u>749,437</u>
Total funds available	<u>1,714,396</u>	<u>1,752,644</u>	<u>1,803,469</u>
EXPENDITURES			
General and administrative			
Accounting	1,000	-	-
County Treasurer's fee	9,999	10,350	10,356
Legal services	7,500	-	-
Banking fees	16	-	-
Contingency	-	-	4,650
Debt Service			
Loan Interest	512,286	418,262	409,994
Loan Principal	170,000	270,000	280,000
Total expenditures	<u>700,801</u>	<u>698,612</u>	<u>705,000</u>
Total expenditures and transfers out requiring appropriation	<u>700,801</u>	<u>698,612</u>	<u>705,000</u>
ENDING FUND BALANCE	<u>\$ 1,013,595</u>	<u>\$ 1,054,032</u>	<u>\$ 1,098,469</u>
RESERVE FUND	<u>\$ 823,393</u>	<u>\$ 823,393</u>	<u>\$ 823,393</u>
TOTAL RESERVE	<u>\$ 823,393</u>	<u>\$ 823,393</u>	<u>\$ 823,393</u>

No assurance provided. See summary of significant assumptions.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
 CAPITAL PROJECTS FUND
 2023 BUDGET
 WITH 2021 ACTUAL AND 2022 ESTIMATED
 For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 70,030	\$ 70,030	\$ 70,030
REVENUES			
Total revenues	-	-	-
Total funds available	70,030	70,030	70,030
EXPENDITURES			
Capital Projects			
Capital outlay	-	-	70,030
Total expenditures	-	-	70,030
Total expenditures and transfers out requiring appropriation	-	-	70,030
ENDING FUND BALANCE	\$ 70,030	\$ 70,030	-

No assurance provided. See summary of significant assumptions.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Green Gables Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Order and Decree of the District Court for Jefferson County recorded on January 10, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized in conjunction with Green Gables Metropolitan District No. 2 (District No. 2). Services are provided to the Green Gables mixed use redevelopment (Project) by the District and District No. 2. The District serves the single-family residential portion of the Project and District No. 2 serves the commercial portions of the Project.

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

On November 6, 2012, the District's voters authorized total indebtedness of an amount not to exceed \$245,000,000 for the above listed facilities. The election also approved an annual increase in property taxes of \$2,000,000 without limitation of rate, to pay the District's operation and maintenance costs.

Pursuant to the Service Plan, the District and District No.2 are permitted to issue combined bond indebtedness of up to \$49,000,000. 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.

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

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.

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.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenue (Continued)

Property Taxes (Continued)

The District's Service Plan sets a mill levy cap of 50.000 mills (subject to adjustment) to pay that portion of debt that equals or exceeds 50.000% of the District's assessed valuation.

As of December 31, 2023, the adjusted maximum mill levy for debt service is 56.880.

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 7.000% of the property taxes collected by the General Fund.

Interest Income

Interest earned on the District's available funds has been estimated based upon an average interest rate of approximately 1%.

Water Services

The District entered into agreements with Green Gables Development Company, Inc. ("GGDC"), subsequently assigned to Save Ward Lake, LLC (SWL), Green Gables Owners Association, Inc. ("Association"), and Green Gables Metropolitan District No. 2 (District No. 2) whereby the District would purchase water from SWL and sell it to the Association and District No. 2. The Association and District No. 2 would pay all associated costs of the water as well as the associated water facility operations and maintenance costs. The associated budget line items are: Water – Revenue from HOA, Water – acquisition cost.

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 1.500% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Debt Service

The principal and interest payments are provided based on the debt amortization schedule for the 2019 Taxable (Convertible to Tax-Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding and Improvement Loan.

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.

Debt Service Reserve

The District has required \$823,393 in Debt Service reserve fund, which is fully funded.

Debt and Leases

Series 2019 General Obligation Loan

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

The Loan is secured by and payable from the Pledged Revenue consisting of moneys derived from the following sources, after payment of any costs of collection: a) the Required Mill Levy (as defined in the Loan Agreement); (b) the portion of the Specific Ownership Taxes (as defined in the Loan Agreement) allocable to the amount of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to apply as Pledged Revenue. The Loan is also secured by a Reserve Fund in the amount of \$823,393.

Interest payments are due June 1 and December 1 of each year, commencing on June 1, 2020, and principal payments are due December 1 of each year, beginning December 1, 2020. The Loan is assumed to bear taxable interest at 3.82% through the Conversion Date (as defined in the Loan Agreement) and assumed to bear a tax-exempt interest rate at 3.02% after the Conversion Date on September 16, 2021. The Loan matures on December 1, 2034. Interest not paid when due will be subject to a default rate calculated as the base rate plus 4% until the default is cured. In the case of a post-maturity default, the Loan will bear interest at the Wall Street Prime Rate plus 2%.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Series 2019 General Obligation Loan (Continued)

Principal payments on the Loan are due and payable in the amounts set forth in the schedule attached. Pursuant to the Loan Agreement, if the District provides the Refinancing Certificate (as defined in the Loan Agreement) to the Lender in accordance with the provisions of the Loan Agreement, such Refinancing Certificate certifying that the District reasonably expects to refinance the Loan on or before the maturity date, the amount due and payable on the Loan for fiscal year 2034 will be assumed to equal \$530,000.

This information is an integral part of the accompanying budget.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
PRINCIPAL PAYMENT SCHEDULE**

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

Series 2019

Dated November 14, 2019

Interest Payable June 1 and December 1

Principal Payable December 1

**Bonds and Interest
Maturing in the
Year Ending
December 31,**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 280,000	\$ 409,994	\$ 689,994
2024	265,000	402,521	667,521
2025	275,000	393,307	668,307
2026	295,000	384,886	679,886
2027	305,000	375,854	680,854
2028	330,000	367,519	697,519
2029	340,000	356,410	696,410
2030	365,000	346,000	711,000
2031	375,000	334,824	709,824
2032	415,000	324,227	739,227
2033	430,000	310,634	740,634
2034	530,000	297,468	827,468
2035	320,000	277,387	597,387
2036	350,000	267,723	617,723
2037	370,000	257,153	627,153
2038	410,000	245,979	655,979
2039	430,000	233,597	663,597
2040	470,000	220,611	690,611
2041	500,000	206,417	706,417
2042	545,000	191,317	736,317
2043	570,000	174,858	744,858
2044	620,000	157,644	777,644
2045	655,000	138,920	793,920
2046	710,000	119,139	829,139
2047	750,000	97,697	847,697
2048	810,000	75,047	885,047
2049	1,675,000	50,585	1,725,585
	<u>\$ 13,390,000</u>	<u>\$ 7,017,718</u>	<u>\$ 20,407,718</u>