

**Green Valley Ranch East
Metropolitan District No. 6**

2022
Annual Report

**Submitted to:
Office of Development Assistance
City of Aurora
July 31, 2023**

Also filed with:
Colorado Division of Local Government in the Department of Local Affairs,
Adams County Clerk and Recorder &
Colorado State Auditor

The Green Valley Ranch East Metropolitan District No. 6 (the “District”) hereby submits this annual report, as required pursuant to Section VIII of the Consolidated Second Amended and Restated Service Plan, approved by the City of Aurora (the “City) on August 8, 2022 (the “Service Plan”). In addition, pursuant to Section 32-1-207(3)(c), C.R.S., the District is required to submit an annual report for the preceding calendar year commencing in 2023 for the 2022 calendar year to the City, the Division of Local Government, the state auditor, and the Adams County Clerk and Recorder This annual report is being submitted to satisfy the reporting requirement for the year 2023. For the year ending December 31, 2022, the District makes the following report:

1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.

On December 5, 2018, Clayton Properties Group II, Inc., petitioned the District to include real property (the “Clayton Inclusion Property”) within the boundaries of the District. On December 20, 2018, the Board of Directors approved a resolution ordering the inclusion of real property into the boundaries of the District. On April 24, 2019, the Adams County District Court granted an order for the inclusion of the Clayton Inclusion Property into the District, and that order was recorded in the office of the Adams County Clerk and Recorder on April 26, 2019 at Reception No. 2019000030749.

On October 11, 2019, Green Valley East LLC, petitioned the District to exclude real property (the “GVE LLC Property”) from the boundaries of the District. On October 18, 2019, the Board of Directors approved a resolution ordering the exclusion of real property from the boundaries of the District. On November 6, 2019, the Adams County District Court granted an order for the exclusion of the GVE LLC Property from the District, and that order was recorded in the office of the Adams County Clerk and Recorder on November 22, 2019 at Reception No. 2019000102346.

On May 14, 2020, Clayton Properties Group II, Inc., petitioned the District to exclude real property (the “Clayton Exclusion Property”) from the boundaries of the District. On May 26, 2020, the Board of Directors approved a resolution ordering the exclusion of real property from the boundaries of the District. On June 18, 2020, the Adams County District Court granted an order for the exclusion of the Clayton Exclusion Property from the District, and that order was recorded in the office of the Adams County Clerk and Recorder on July 2, 2020 at Reception No. 2020000061125.

No changes to the District’s boundary were made in 2022 or proposed as of December 31, 2022.

2. Intergovernmental agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.

- *Intergovernmental Agreement* between the City, the District, Green Valley Ranch East Metropolitan District No. 7, and Green Valley Ranch East Metropolitan District No. 8, dated October 30, 2017, as superseded by the *Intergovernmental Agreement* between the City, the District, Green Valley Ranch East Metropolitan

District No. 7, Green Valley Ranch East Metropolitan District No. 8, Green Valley Ranch East Metropolitan District No. 9, Green Valley Ranch East Metropolitan District No. 10, Green Valley Ranch East Metropolitan District No. 11, Green Valley Ranch East Metropolitan District No. 12, Green Valley Ranch East Metropolitan District No. 13, and Green Valley Ranch East Metropolitan District No. 14, dated February 24, 2023.

- *Intergovernmental Agreement Concerning District Operations and Funding* between the District, Green Valley Ranch East Metropolitan District No. 7, Green Valley Ranch East Metropolitan District No. 8, Second Creek Ranch Metropolitan District, and Central Adams County Water and Sanitation District, dated July 15, 2020.
- *Eligible Governmental Entity Agreement* between the Statewide Internet Portal Authority of the State of Colorado and the District dated July 15, 2021.
- *Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool* dated July 15, 2020.
- *Intergovernmental Agreement Regarding Construction and Funding of 38th Avenue Improvements* between the District and Aerotropolis Regional Transportation Authority dated February 26, 2021.
- *Intergovernmental Agreement Regarding Construction and Funding of 38th Avenue Improvements (Picadilly Road to Tibet Street)* between the District and Tower Metropolitan District dated July 23, 2021.
- *Intergovernmental Agreement Regarding Regional Transportation System Project Funding and Construction* between the District and Aerotropolis Regional Transportation Authority dated October 12, 2021, as assigned by the District to the Second Creek Ranch Metropolitan District by the *First Amendment and Novation of the Intergovernmental Agreement Regarding Regional Transportation System Project Funding and Construction*, dated April 26, 2023.
- *Intergovernmental Agreement Imposition, Collection, and Transfer of ARI Mill Levies* between the District, Green Valley Ranch East Metropolitan District No. 7, Green Valley Ranch East Metropolitan District No. 8, Aerotropolis Area Coordinating Metropolitan District, and Aerotropolis Regional Transportation Authority dated October 12, 2021.
- *Master License Agreement M.L.A. 21-130A Tributary-T* between the District and the City dated February 25, 2022.
- *Access Agreement 22-02 PA14 Park* between the District and the City dated March 7, 2022.
- *Master License Agreement M.L.A. 22-30 48th Avenue* between the District and the City dated March 18, 2022.
- *Master License Agreement M.L.A. 22-31 Tibet Road P1* between the District and the City dated March 18, 2022.
- *Escrow Agreement Regarding Deposit and Distribution of ARTA Funds* between the District and Second Creek Ranch Metropolitan District dated April 21, 2023.

3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.

- Policy and Procedures for Collection of Unpaid Fees, Penalties and Charges and Appeals, adopted by the Board of Directors of the District (the “Board”) on April 21, 2020 and as attached to the 2020 Annual Report.
- Policy and Procedures for the Imposition of Fines for Violations of the Covenants and Design Standards, Hearing Procedures, Collection of Unpaid Fees, Penalties and Charges, and Appeals, adopted by the Board on December 1, 2020 and as attached to the 2020 Annual Report.
- Rules Related to Requests for Inspection of Public Records Pursuant to the Colorado Open Records Act, Sections 24-72-200.1 *et seq.*, C.R.S., adopted by the Official Custodian of the District on July 23, 2021 and as attached to the 2021 Annual Report.

4. A summary of any litigation which involves the District public improvements as of December 31 of the prior year.

On July 28, 2022, Roberts Electrical Contracting, Inc. (the “Plaintiff”) filed a complaint in the Adams County District Court (the “Complaint”) against the District, Farrington Construction Management, LLC (“Farrington”), and Clayton Properties Group II, Inc. (“Clayton”). The Plaintiff alleged that Farrington did not provide proper payment for subcontracted services rendered by the Plaintiff in relation to a contract between the District and Farrington for the construction of the Green Valley Ranch Active Adult Community Clubhouse (the “Clubhouse Contract”). On September 15, 2022, Farrington filed a motion to add the District as a party and also filed an answer to the Complaint (the “Answer”). The Answer included crossclaims against the District alleging breach of contract, or unjust enrichment in the alternative, for failure and/or refusal to pay Farrington for work performed under the Clubhouse Contract and requesting a judgment to entitle Farrington to foreclose a mechanic’s lien on the structure and improvements related to the Clubhouse Contract. On January 31, 2023, the Adams County District Court filed an Order for Dismissal with Prejudice dismissing all claims raised by the Plaintiff in the Complaint. Any and all liabilities that have been asserted by Farrington against the District were assigned to and accepted by Clayton on April 21, 2023.

5. Status of the District’s construction of the public improvements as of December 31 of the prior year.

The District commenced and continued construction of various public improvements consistent with the approved development plans, which will or have already been dedicated to the City, the District, or other appropriate entity. Public improvements include the Green Valley Ranch Active Adult Community Clubhouse, multiple parks and landscaping improvements (e.g., PA-14 Park, Filing No. 3 Park; Filing No. 5 Park) street improvements, and improvements to the Tributary-T drainage channel. Certain of the District’s contracts related the construction of 48th Avenue from Picadilly Road to Tibet Road, Tibet Road Phase 1 from 38th Avenue to east of Tributary-T Phase 1, and Tibet Road Phase 2 from E. 48th Avenue to east of Tributary-T Phase 1 were assigned to Second Creek Ranch Metropolitan District on April 21, 2023 for completion of construction.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

The District conveyed certain real property for use as a public street and thoroughfare to the City via Special Warranty Deed, dated June 16, 2022, and recorded in the real property records of the Adams County Clerk and Recorder at Reception No. 2022000056019. The District conveyed certain real property for use as a public street and thoroughfare to the City via Special Warranty Deed, dated May 15, 2023, and recorded in the real property records of the Adams County Clerk and Recorder at Reception No. 202300003133.

7. The assessed valuation of the District for the current year.

The assessed valuation of the District for 2023 is \$21,158,980.

8. Current year budget including a description of the public improvements to be constructed in such year.

A copy of the District's 2023 budget is attached hereto as **Exhibit A**. See response to Question 5 above for a description of the public improvements to be constructed in 2023.

9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

At the time of filing the 2021 Annual Report, an audit of District was not yet complete and the District had applied to the Office of the State Auditor for an extension of time to file the 2021 audited financial statements. As a result, the audited financial statements for the District for the fiscal year ending December 31, 2021 are attached hereto as **Exhibit B**.

At the time of filing this 2022 Annual Report, the audited financial statements for the District for the year ending December 31, 2022 are not yet available.

10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument.

As of the date of submission of this 2022 Annual Report, the District is not aware of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

As of the date of submission of this 2022 Annual Report, the District is not aware of any inability of the District to pay its obligations as they come due in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

For the year ending December 31, 2022, the District makes the following report pursuant to Section 32-1-207(3)(c), C.R.S.:

(a) Boundary changes made.

The District had no boundary changes in 2022.

(b) Intergovernmental agreements entered into or terminated with other governmental entities.

See Section 2 above.

(c) Access information to obtain a copy of rules and regulations adopted by the board.

For information concerning rules and regulations adopted by the District please contact the District's General Counsel:

Jennifer L. Ivey, Esq.
Icenogle Seaver Pogue, P.C.
4725 S. Monaco St., Suite 360
Denver, CO 80237

(d) A summary of litigation involving public improvements owned by the special district.

See Section 4 above.

(e) The status of the construction of public improvements by the special district.

See Section 5 above.

(f) A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.

See Section 6 above.

(g) The final assessed valuation of the special district as of December 31 of the reporting year.

See Section 7 above.

(h) A copy of the current year's budget.

See Section 8 above.

(i) A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

See Section 9 above.

(j) Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.

See Section 10 above.

(k) Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

See Section 11 above.

EXHIBIT A

2023 Budget

STATE OF COLORADO
CITY OF AURORA, COUNTY OF ADAMS
GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
2023 BUDGET RESOLUTION

The Board of Directors of the Green Valley Ranch East Metropolitan District No. 6, City of Aurora, Adams County, Colorado held a special meeting on Monday, December 12, 2022, at the hour of 8:30 AM., via video conference at <https://us06web.zoom.us/j/85477910820?pwd=SXIXTDZaY3IybEQvWFhpeG4wSUFSZz09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 854 7791 0820, Passcode: 469180.

The following members of the Board of Directors were present:

President: Brandon Wyszynski
Treasurer: Dan Bergander
Assistant Secretary: Paula Ann Burton

Also present were: Celeste Terrell and Deb Sedgeley, CliftonLarsonAllen LLP; Corey Pilato, Jerry Jacobs and Brittany Barnett, Timberline District Consulting, LLC; Jennifer L. Ivey, and Karlie R. Ogden Icenogle Seaver Pogue, P.C.; and 14 members of the public.

Ms. Ivey reported that proper notice was made to allow the Board of Directors of the Green Valley Ranch East Metropolitan District No. 6 to conduct a public hearing on the 2023 budget and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a special meeting of the Board of Directors of the District and that a notice of special meeting was posted in the designated public place within the boundaries of the District, southeast corner of 48th Avenue and Picadilly Road, no less than twenty-four hours prior to the holding of the meeting, and to the best of her knowledge, remains posted to the date of this meeting.

Thereupon, Director Burton introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6, CITY OF AURORA, ADAMS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors (the “Board”) of the Green Valley Ranch East Metropolitan District No. 6 (the “District”) has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2022; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Friday, December 9, 2022, in the *Denver Post*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division of Local Government pursuant to Section 29-1-302(1), C.R.S.; and an original publisher’s Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Monday, December 12, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Section 29-1-301, C.R.S., and Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6, CITY OF AURORA, ADAMS COUNTY, COLORADO:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2023. In the event the final assessed valuation provided by the Adams County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Dan Bergander, Treasurer of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2023 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$-0- and that the 2022 valuation for assessment, as certified by the Adams County Assessor, is \$21,158,980. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 6. 2023 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget

for the Debt Service Fund for debt retirement expense is \$1,196,350 and that the 2022 valuation for assessment, as certified by the Adams County Assessor, is \$21,158,980. That for the purposes of meeting all debt retirement expenses of the District during the 2023 budget year, there is hereby levied a tax of 56.541 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 7. 2023 Levy of Contractual Debt Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Contract Debt Fund for contractual debt expense is \$12,145 and that the 2022 valuation for assessment, as certified by the Arapahoe County Assessor, is \$21,158,980. That for the purposes of meeting all debt retirement expenses of the District during the 2023 budget year, there is hereby levied a tax of 0.574 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 8. 2023 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Section 2 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of Adams County on or before December 15, 2022, for collection in 2023.

Section 9. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Adams County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

[The remainder of this page is intentionally left blank.]

The foregoing Resolution was seconded by Director Bergander.

RESOLUTION APPROVED AND ADOPTED THIS 12TH DAY OF DECEMBER 2022.

GREEN VALLEY RANCH EAST METROPOLITAN
DISTRICT NO. 6

DocuSigned by:
Brandon Wyszynski
9E8B75DB3C664FC...
By: Brandon Wyszynski
Its: President

ATTEST:

DocuSigned by:
PAULA A BURTON
24B61F7BDEF545C...
By: Paula Ann Burton
Its: Assistant Secretary

STATE OF COLORADO
CITY OF AURORA, COUNTY OF ADAMS
GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6

I, Paula Ann Burton, hereby certify that I am a director and the duly elected and qualified Assistant Secretary of the Green Valley Ranch East Metropolitan District No. 6, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a special meeting of the Board of Directors of the Green Valley Ranch East Metropolitan District No. 6 held on Monday, December 12, 2022, via video conference at <https://us06web.zoom.us/j/85477910820?pwd=SXIXTDZaY3IybEQvWFhpeG4wSUFSSZz09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 854 7791 0820, Passcode: 469180, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 12th day of December 2022.

DocuSigned by:
PAULA A BURTON
24861F7BDEF545C
Paula Ann Burton, Assistant Secretary

[SEAL]



EXHIBIT A

Affidavit
Notice as to Proposed 2023 Budget

SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said Counties of Arapahoe, Adams and Denver for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period 1 of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated November 24 A.D. 2022 and that the last publication of said notice was in the issue of said newspaper dated November 24 A.D. 2022.

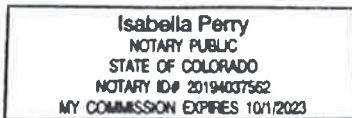
I witness whereof I have hereunto set my hand this 24th day of November A.D. 2022.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 24th day of November A.D. 2022.



Notary Public



**NOTICE AS TO PROPOSED 2023 BUDGET AND HEARING
GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6**

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6 for the ensuing year of 2023. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of the Green Valley Ranch East Metropolitan District No. 6 to be held at 1:00 P.M., on Tuesday, December 6, 2022. The meeting will be held via video conference at <https://us02web.zoom.us/j/89183878283?pwd=ZFJVUXFzNzAyT0Y3NFRpWE50WVNZZz09> and via telephone conference at Dial-In: 1-253-215-8782, Meeting ID: 891 6387 8283, Passcode: 944218. Any interested elector within the Green Valley Ranch East Metropolitan District No. 6 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2023 budget.

BY ORDER OF THE
BOARD OF DIRECTORS:
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 6
By: /s/ ICENOGLIE | SEAVER | POGUE
A Professional Corporation

Publication: November 24, 2022
Sentinel

**NOTICE AS TO PROPOSED 2023 BUDGET AND HEARING
GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6**

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the **GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6** for the ensuing year of 2023. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Green Valley Ranch East Metropolitan District No. 6 to be held at 8:30 A.M., on Monday, December 12, 2022. The meeting will be held via video conference at <https://us06web.zoom.us/j/85477910820?pwd=SXIXTDZaY3IybEQvWFhpeG4wSUF5Sz09> and via telephone conference at Dial-In: 1 719 359 4580, Meeting ID: 854 7791 0820, Passcode: 469180. Any interested elector within the Green Valley Ranch East Metropolitan District No. 6 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2023 budget.

BY ORDER OF THE BOARD OF DIRECTORS:
GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6

By: /s/ ICENOGLE | SEAYER | POGUE
A Professional Corporation

Publish In: *Denver Post*
Publish On: Friday, December 9, 2022

EXHIBIT B

Budget Document
Budget Message

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6

ANNUAL BUDGET

FOR YEAR ENDING DECEMBER 31, 2023

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 28,171,556	\$ 11,813,717	\$ 7,130,710
REVENUES			
Property Taxes	176,199	783,879	1,196,350
Property taxes - ARTA	17,619	7,970	12,145
Specific ownership tax	137	51,525	84,595
Interest Income	10,547	93,005	74,100
Developer Advance	4,470,849	9,100,000	10,932,355
Other revenue	-	-	2,000
Total revenues	<u>4,675,351</u>	<u>10,036,379</u>	<u>12,301,545</u>
TRANSFERS IN	<u>1,682</u>	<u>1,472</u>	<u>-</u>
Total funds available	<u>32,848,589</u>	<u>21,851,568</u>	<u>19,432,255</u>
EXPENDITURES			
General Fund	17,778	8,500	15,095
Debt Service Fund	2,563,262	2,572,358	5,700,000
Capital Projects Fund	18,452,150	12,138,528	10,935,000
Total expenditures	<u>21,033,190</u>	<u>14,719,386</u>	<u>16,650,095</u>
TRANSFERS OUT	<u>1,682</u>	<u>1,472</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>21,034,872</u>	<u>14,720,858</u>	<u>16,650,095</u>
ENDING FUND BALANCES	<u>\$ 11,813,717</u>	<u>\$ 7,130,710</u>	<u>\$ 2,782,160</u>

No assurance provided. See summary of significant assumptions.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/18/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Residential - Single Family	\$ 237,180	\$ 5,236,120	\$ 11,551,960
Agricultural	22,330	270	12,510
State assessed	150	42,020	381,540
Vacant land	2,905,810	8,636,280	9,000,360
Commercial	-	167,640	212,610
Certified Assessed Value	\$ 3,165,470	\$ 14,082,330	\$ 21,158,980

MILL LEVY

Debt Service	55.664	55.664	56.541
ARI/ARTA	5.566	0.566	0.574
Total mill levy	61.230	56.230	57.115

PROPERTY TAXES

Debt Service	\$ 176,203	\$ 783,879	1,196,350
ARI/ARTA	17,619	7,970	12,145
Levied property taxes	193,822	791,849	1,208,495
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 193,822	\$ 791,849	\$ 1,208,495

BUDGETED PROPERTY TAXES

Debt Service	\$ 176,203	\$ 783,879	\$ 1,196,350
ARI/ARTA	17,619	7,970	12,145
	\$ 193,822	\$ 791,849	\$ 1,208,495

No assurance provided. See summary of significant assumptions.

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 229	\$ (1,472)	\$ -
REVENUES			
Property taxes - ARTA	17,619	7,970	12,145
Specific ownership tax	12	525	850
Interest Income	128	5	100
Other revenue	-	-	2,000
Total revenues	<u>17,759</u>	<u>8,500</u>	<u>15,095</u>
TRANSFERS IN			
Transfers from Other Funds	<u>-</u>	<u>1,472</u>	<u>-</u>
Total funds available	<u>17,988</u>	<u>8,500</u>	<u>15,095</u>
EXPENDITURES			
General and administrative			
Treasurer fees - ARTA	266	120	182
Intergovernmental transfer - Second Creek Ranch	12	530	950
Payment to ARI/ARTA	17,500	7,850	11,963
Contingency	-	-	2,000
Total expenditures	<u>17,778</u>	<u>8,500</u>	<u>15,095</u>
Total expenditures and transfers out requiring appropriation	<u>19,460</u>	<u>8,500</u>	<u>15,095</u>
ENDING FUND BALANCE	<u>\$ (1,472)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 11,165,192	\$ 8,783,544	\$ 7,128,065
REVENUES			
Property Taxes	176,199	783,879	1,196,350
Specific ownership tax	125	51,000	83,745
Interest Income	5,290	82,000	74,000
Total revenues	<u>181,614</u>	<u>916,879</u>	<u>1,354,095</u>
Total funds available	<u>11,346,806</u>	<u>9,700,423</u>	<u>8,482,160</u>
EXPENDITURES			
Debt Service			
County Treasurer's Fees	2,662	11,758	17,945
Bond Interest	2,553,600	2,553,600	2,553,600
Repayment of 2020 subordinate bonds	-	-	3,120,000
Paying Agent Fees	7,000	7,000	7,000
Contingency	-	-	1,455
Total expenditures	<u>2,563,262</u>	<u>2,572,358</u>	<u>5,700,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,563,262</u>	<u>2,572,358</u>	<u>5,700,000</u>
ENDING FUND BALANCE	<u>\$ 8,783,544</u>	<u>\$ 7,128,065</u>	<u>\$ 2,782,160</u>
CAPITALIZED INTEREST	\$ 4,245,969	\$ 2,460,505	\$ -
SURPLUS FUND	4,537,575	4,667,560	2,782,160
TOTAL RESERVE	<u>\$ 8,783,544</u>	<u>\$ 7,128,065</u>	<u>\$ 2,782,160</u>

No assurance provided. See summary of significant assumptions.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 17,006,135	3,031,645	\$ 2,645
REVENUES			
Interest Income	5,129	11,000	-
Developer Advance	4,470,849	9,100,000	10,932,355
Total revenues	<u>4,475,978</u>	<u>9,111,000</u>	<u>10,932,355</u>
TRANSFERS IN			
Transfers from Other Funds	<u>1,682</u>	<u>-</u>	<u>-</u>
Total funds available	<u>21,483,795</u>	<u>12,142,645</u>	<u>10,935,000</u>
EXPENDITURES			
Capital Projects			
Accounting	8,950	15,000	20,000
Licenses, Fees, Permits	-	3,687	4,000
Legal	112,777	100,000	120,000
Cost of Issuance	-	5,000	-
Engineering	101,424	146,000	175,000
Landscaping	240,311	181,959	1,512,000
Streets	9,160,387	3,500,000	4,289,000
Sanitary Sewer	1,745,010	-	-
Water	655,017	-	-
Storm Drainage	-	4,100,000	2,738,000
Parks and Recreation	2,896,274	1,300,000	1,515,000
Clubhouse	3,225,179	20,000	560,000
Clubhouse furniture and equipment	306,821	30,000	-
Capital Outlay	-	159,930	-
Payment for 38th Ave. improvements	-	2,574,000	-
Contingency	-	2,952	2,000
Total expenditures	<u>18,452,150</u>	<u>12,138,528</u>	<u>10,935,000</u>
TRANSFERS OUT			
Transfers to Other Fund	<u>-</u>	<u>1,472</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>18,452,150</u>	<u>12,140,000</u>	<u>10,935,000</u>
ENDING FUND BALANCE	<u>\$ 3,031,645</u>	<u>\$ 2,645</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized by Court Order dated November 15, 2004, to provide financing for the construction and installation of regional public improvements, including streets, traffic safety, water, sanitary sewer, park and recreation, public transportation, mosquito control, fire protection, and television relay improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District's service plan does not authorize the District to provide fire protection or television relay services unless the District enters into an intergovernmental agreement with the City of Aurora (City). The District was formed in conjunction with seven other metropolitan districts: Aerotropolis Area Coordinating Metropolitan District ("AACMD") (formerly known as Green Valley Ranch East Metropolitan District No. 1), Aurora Highlands Metropolitan District Nos. 1-3 (formerly known as Green Valley Ranch East Metropolitan District Nos. 2-4), Green Valley Aurora Metropolitan District No. 1 (formerly known as Green Valley Ranch East Metropolitan District No. 5), and Green Valley Ranch East Metropolitan District Nos. 7-8 (collectively the "Districts"). It is anticipated that the Districts will enter into an intergovernmental agreement which shall govern the relationships between and among the Districts with respect to the financing, construction, and operation of the regional public improvements. The District's service area is located in Adams County, Colorado, entirely within the City.

On November 2, 2004, the District voters approved a mill levy increase to generate property taxes of up to \$5,000,000 annually to pay, in part, the District's general cost of operations and maintenance. The mill levy is on all taxable property within the District for collection in 2005 and each year thereafter. Furthermore, the voters authorized the District to collect and expend levied taxes and any other income of the District without regard to any limitations imposed by TABOR. The total debt authorized for all services and improvements was \$2,405,000,000, but the District's service plan limits the total debt issuance to \$200,000,000, with a maximum debt mill levy of 50.000 mills.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to the financing and construction of the regional public improvements, and the repayment of the associated debt.

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.

The budgets are in accordance with the TABOR Amendment limitation. Emergency reserves required under TABOR have been provided.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues

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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget.

Aurora Regional Transportation Authority (ARTA) Mill Levy

The District entered into an agreement with the Aurora Regional Transportation Authority (ARTA) in order to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements. This agreement allows ARTA to directly impose the ARTA Mill Levy of 5.000 mills on all taxable property within the District. Additionally, the District will levy an additional 0.574 mills to account for the changes in calculating residential assessed value, which will be remitted to ARTA

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.

Developer Advances

The District anticipates developer advances in 2023 to fund capital expenditures. Developer advances are to be recorded as revenue for budget purposes and may be repaid to the Developer in future years from unpledged revenues or bond proceeds.

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based upon an average interest rate of approximately 1.50%.

Expenditures

Intergovernmental Transfers

The District has budgeted the transfer of net operational revenues (less ARTA Mill Levy revenue) to Second Creek Ranch Metropolitan District (SCR). SCR will coordinate the payment of administrative expenditures for the District, which include the services necessary to maintain the District's viability such as legal, accounting, managerial, general engineering, insurance, meeting, and other administrative expenses. Net taxes from the imposition of the ARTA mill levy will be paid to ARTA.

County Treasurer's Fees

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

Debt Service

Interest payments have been budgeted on the Districts anticipated Series 2020 bonds per the attached amortization schedule.

Capital Expenditures

Capital expenditures are detailed on page 5 of the 2023 budget.

Debt and Leases

Senior Bonds

The District issued the General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2020A3 (Senior Bonds) on July 29, 2020, in the par amount of \$43,590,000. Proceeds from the sale of the Senior Bonds were used to: (a) pay Project Costs; (b) pay capitalized interest on the Senior Bonds; (c) fund an Initial Deposit to the Surplus Fund; and (d) pay costs of issuance of the Bonds.

The Senior Bonds were issued as two term bonds with the first bearing interest at 5.250% and maturing on December 1, 2032, and the second bearing interest at 5.875% and maturing on December 1, 2050. The Senior Bonds are payable semiannually on June 1 and December 1, beginning on December 1, 2020, to the extent of available Senior Pledged Revenue. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2028. To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond. In the event that any amount of principal of or interest on the Bonds remains unpaid after the application of available Pledged Revenue on December 1, 2060, such unpaid amounts shall be deemed discharged.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on September 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of 3% declining 1% per year for the next two years and no redemption premium thereafter.

The Senior Bonds are secured by and payable from Senior Pledged Revenue which means:

- (a) all Senior Property Tax Revenues;
- (b) all Senior Specific Ownership Tax Revenues;
- (c) all Capital Fees; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Pursuant to the Senior Indenture, prior to the Conversion Date, the District has covenanted to impose a Senior Required Mill Levy upon all taxable property of the District each year in an amount that generates Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due (less any amounts then on deposit in the Senior Bond Fund and, solely as provided in the Indenture, the Surplus Fund), but not in excess of 50 mills (subject to adjustment described below). For so long as the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 50 mills (subject to adjustment), or such lesser amount that will generate Senior Property Tax Revenues (A) sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due and to fully fund the Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Bond Fund and the Surplus Fund, will pay the Senior Bonds in full in the year such levy is collected. In the event that the method of calculating assessed valuation is changed after January 1, 2004, the minimum mill levy of 50 mills and the maximum mill levy of 50 mills will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that 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 (for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation).

The Bonds are additionally secured by capitalized interest which was funded from the proceeds of the Senior Bonds and by amounts, if any, in the Surplus Fund. Except for the Initial Deposit of \$4,359,000 from proceeds of the Senior Bonds, the Surplus Fund shall not be funded with proceeds of the Senior Bonds. Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$8,718,000.

Subordinate Bonds

The Budget anticipates that Subordinate Bonds in the par amount of \$3,035,000 will be issued to the Developer in 2021 up to the par amount on a drawdown basis. The Subordinate Bonds are assumed to bear interest at the initial rate of 6.000% per annum, which rate is anticipated to increase to 8.000% beginning December 16, 2025, and are payable annually on December 15, beginning December 15, 2020, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2050. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Developer Advances

Funds have been advanced to the District by the Developer under an Advance and Reimbursement Agreement for operations and capital expenditures. The District shall reimburse the Developer for such advances together with interest at the rate of 7% per annum. Developer advances are not general obligation debt. Repayment is subject to annual appropriation if, and when, eligible funds become available. See below for the anticipated activity of developer advances.

	Balance <u>12/31/2021</u>	Additions	Deletions	Balance <u>12/31/2022</u>
Developer advances				
Principal - Operations	\$ 184,015	\$ -	\$ -	\$ 184,015
Principal - Capital	4,495,100	-	-	4,495,100
Principal - Capital Contracts	-	9,100,000	-	9,100,000
Interest - Operations	28,621	12,881	-	41,502
Interest - Capital	69,873	314,657	-	384,530
Interest - Capital Contracts	-	318,500	-	318,500
	<u>\$ 4,777,609</u>	<u>\$ 9,746,038</u>	<u>\$ -</u>	<u>\$ 14,523,647</u>

	Balance <u>12/31/2022</u>	Additions	Deletions	Balance <u>12/31/2023</u>
Developer advances				
Principal - Operations	\$ 184,015	\$ -	\$ -	\$ 184,015
Principal - Capital	4,495,100	-	-	4,495,100
Principal - Capital Contracts	9,100,000	10,932,355	-	20,032,355
Interest - Operations	41,502	12,881	-	54,383
Interest - Capital	384,530	314,657	-	699,187
Interest - Capital Contracts	318,500	1,019,632	-	1,338,132
	<u>\$ 14,523,647</u>	<u>\$ 12,279,525</u>	<u>\$ -</u>	<u>\$ 26,803,173</u>

The District has no operating or capital leases.

Reserves

Emergency Reserve

Since all revenues subject to TABOR are transferred to SCR, no Emergency Reserve has been provided for. The Emergency Reserve is reflected in the budget of SCR.

This information is an integral part of the accompanying budget.

**GREEN VALLEY RANCH METROPOLITAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31, Year	General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2020A Issued July 29, 2020 Principal Due December 1 Interest Rate 5.25% - 5.875% Payable June 1 and December 1		
	Principal	Interest	Total
2023	\$ -	\$ 2,553,600	\$ 2,553,600
2024	-	2,553,600	2,553,600
2025	-	2,553,600	2,553,600
2026	-	2,553,600	2,553,600
2027	-	2,553,600	2,553,600
2028	90,000	2,553,600	2,643,600
2029	95,000	2,548,875	2,643,875
2030	260,000	2,543,888	2,803,888
2031	270,000	2,530,238	2,800,238
2032	455,000	2,516,063	2,971,063
2033	480,000	2,492,175	2,972,175
2034	685,000	2,463,975	3,148,975
2035	725,000	2,423,731	3,148,731
2036	960,000	2,381,138	3,341,138
2037	1,015,000	2,324,738	3,339,738
2038	1,275,000	2,265,106	3,540,106
2039	1,350,000	2,190,200	3,540,200
2040	1,640,000	2,110,888	3,750,888
2041	1,740,000	2,014,538	3,754,538
2042	2,065,000	1,912,313	3,977,313
2043	2,190,000	1,790,994	3,980,994
2044	2,555,000	1,662,331	4,217,331
2045	2,705,000	1,512,225	4,217,225
2046	3,120,000	1,353,306	4,473,306
2047	3,300,000	1,170,006	4,470,006
2048	3,765,000	976,131	4,741,131
2049	3,985,000	754,938	4,739,938
2050	8,865,000	520,819	9,385,819
	<u>\$ 43,590,000</u>	<u>\$ 57,780,216</u>	<u>\$ 101,370,216</u>

No assurance provided. See summary of significant assumptions.

EXHIBIT C

Certification of Tax Levy

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ADAMS COUNTY, Colorado.

On behalf of the GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 21,158,980 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 21,158,980 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/11/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest ^J	56.541 mills	\$ 1,196,350
4. Contractual Obligations ^K	0.574 mills	\$ 12,145
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	57.115 mills	\$ 1,208,495

Contact person: Debra L Sedgeley Daytime phone: (303) 779-5710

Signed: _____ Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|-----------------------------|
| 1. | Purpose of Issue: | Infrastructure Improvements |
| | Series: | 2020 |
| | Date of Issue: | July 29, 2020 |
| | Coupon Rate: | 5.25% - 5.875% |
| | Maturity Date: | December 31, 2050 |
| | Levy: | 56.541 |
| | Revenue: | \$1,196,350 |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|---|
| 3. | Purpose of Contract: | ARI/ARTA |
| | Title: | IGA Regarding Imposition, Collection, and Transfer of ARI Mill Levies |
| | Date: | 10/12/2021 |
| | Principal Amount: | N/A |
| | Maturity Date: | N/A |
| | Levy: | 0.574 |
| | Revenue: | \$12,145 |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Green Valley Ranch East Metropolitan District No. 6 of Adams County, Colorado on this 12th day of December 2022.

DocuSigned by:
PAULA A BURTON
24B81F7BDEF545C...

Paula Ann Burton, Assistant Secretary

S E A L



EXHIBIT B

2021 Audit

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
Adams County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
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Board of Directors
Green Valley Ranch East Metropolitan District No. 6
Adams County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Green Valley Ranch East Metropolitan District No. 6 (the "District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Green Valley Ranch East Metropolitan District No. 6 as of December 31, 2021, and the respective changes in financial position 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 (GAAP), 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks 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 judgment, 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 with 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.

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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 listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

The other 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 them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

September 15, 2022

BASIC FINANCIAL STATEMENTS

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	\$ 12,191,438
Receivable - County Treasurer	1,983
Property Taxes Receivable	791,849
Due from Green Valley Aurora MD No. 1	726,896
Due from Other Districts	900
Capital Assets Not Being Depreciated	18,373,701
Total Assets	32,086,767
LIABILITIES	
Accounts Payable	894,745
Retainage Payable	212,617
Due to Other Districts	138
Accrued Interest Payable	212,800
Noncurrent Liabilities:	
Due in More Than One Year	48,367,609
Total Liabilities	49,687,909
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	791,849
Total Deferred Inflows of Resources	791,849
NET POSITION	
Net Investment in Capital Assets	(2,464,005)
Restricted for:	
Emergency Reserves	540
Unrestricted	(15,929,526)
Total Net Position	\$ (18,392,991)

See accompanying Notes to Basic Financial Statements.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 139,505	\$ -	\$ -	\$ (139,505)	
Long-Term Debt	2,644,567	-	-	(2,644,567)	
Public Works - Transfer of Capital Assets to Other Governments	11,132,421	-	-	(11,132,421)	
Total Governmental Activities	\$ 13,916,493	\$ -	\$ -	(13,916,493)	
GENERAL REVENUES					
Property Taxes				193,818	
Specific Ownership Tax				137	
Interest Income				10,547	
Total General Revenues				204,502	
CHANGE IN NET POSITION				(13,711,991)	
Net Position - Beginning of Year				(4,681,000)	
NET POSITION - END OF YEAR				\$ (18,392,991)	

See accompanying Notes to Basic Financial Statements.

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	\$ 15,986	\$ 8,781,741	\$ 3,393,711	\$ 12,191,438
Receivable - County Treasurer	180	1,803	-	1,983
Property Taxes Receivable	7,970	783,879	-	791,849
Due from Green Valley Aurora MD No. 1	-	-	726,896	726,896
Accounts Receivable	-	-	900	900
Total Assets	\$ 24,136	\$ 9,567,423	\$ 4,121,507	\$ 13,713,066
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 17,500	\$ -	\$ 877,245	\$ 894,745
Retainage Payable	-	-	212,617	212,617
Due to Other Districts	138	-	-	138
Total Liabilities	17,638	-	1,089,862	1,107,500
 DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	7,970	783,879	-	791,849
Total Deferred Inflows of Resources	7,970	783,879	-	791,849
 FUND BALANCES (DEFICITS)				
Restricted For:				
Emergency Reserves	540	-	-	540
Debt Service	-	8,783,544	-	8,783,544
Capital Projects	-	-	3,031,645	3,031,645
Unassigned	(2,012)	-	-	(2,012)
Total Fund Balances (Deficits)	(1,472)	8,783,544	3,031,645	11,813,717
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances				
	\$ 24,136	\$ 9,567,423	\$ 4,121,507	
 Amounts reported for governmental activities in the statement of net position are different because:				
Capital Assets used in governmental activities are not financials resources and, therefore, are not reported in the funds.				
Capital Assets, Net				18,373,701
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 Payable on Bonds				(212,800)
Bonds Payable				(43,590,000)
Developer Advance				(4,679,115)
Developer Advance Interest Payable				(98,494)
Net Position of Governmental Activities				\$ (18,392,991)

See accompanying Notes to Basic Financial Statements.

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 17,619	\$ 176,199	\$ -	\$ 193,818
Specific Ownership Tax	12	125	-	137
Interest Income	128	5,290	5,129	10,547
Total Revenues	<u>17,759</u>	<u>181,614</u>	<u>5,129</u>	<u>204,502</u>
EXPENDITURES				
Current:				
Accounting	-	-	8,950	8,950
Legal	-	-	112,777	112,777
County Treasurer's Fees	266	2,662	-	2,928
Intergovernmental Expenditure - SCR MD	12	-	-	12
Payment to ARI/ARTA	17,500	-	-	17,500
Debt Service:				
Bond Interest - Series 2020A	-	2,553,600	-	2,553,600
Paying Agent Fees	-	7,000	-	7,000
Capital Projects	-	-	18,330,423	18,330,423
Total Expenditures	<u>17,778</u>	<u>2,563,262</u>	<u>18,452,150</u>	<u>21,033,190</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19)	(2,381,648)	(18,447,021)	(20,828,688)
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	-	4,470,849	4,470,849
Transfers from (to) Other Funds	(1,682)	-	1,682	-
Total Other Financing Sources (Uses)	<u>(1,682)</u>	<u>-</u>	<u>4,472,531</u>	<u>4,470,849</u>
NET CHANGE IN FUND BALANCES	(1,701)	(2,381,648)	(13,974,490)	(16,357,839)
Fund Balances - Beginning of Year	<u>229</u>	<u>11,165,192</u>	<u>17,006,135</u>	<u>28,171,556</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (1,472)</u>	<u>\$ 8,783,544</u>	<u>\$ 3,031,645</u>	<u>\$ 11,813,717</u>

See accompanying Notes to Basic Financial Statements.

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS) OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Governmental Funds \$ (16,357,839)

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.

Capital Outlay	18,330,423
Transfer of Capital Assets to Other Governments	(11,132,421)

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 governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items as follows:

Developer Advance	(4,470,849)
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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	<u>(81,305)</u>
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Changes in Net Position of Governmental Activities	<u><u>\$ (13,711,991)</u></u>
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**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 17,619	17,619	\$ -
Specific Ownership Taxes	1,233	12	(1,221)
Interest Income	-	128	128
Other Revenue	3,000	-	(3,000)
Total Revenues	<u>21,852</u>	<u>17,759</u>	<u>(4,093)</u>
EXPENDITURES			
Current:			
County Treasurer's Fee - ARTA	265	266	(1)
Payment to ARI/ARTA	17,502	17,500	2
Intergovernmental Expenditure - SCR MD	1,233	12	1,221
Contingency	3,000	-	3,000
Total Expenditures	<u>22,000</u>	<u>17,778</u>	<u>4,222</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(148)	(19)	129
OTHER FINANCING SOURCES (USES)			
Transfers from (to) Other Funds	-	(1,682)	(1,682)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,682)</u>	<u>(1,682)</u>
NET CHANGE IN FUND BALANCE	(148)	(1,701)	(1,553)
Fund Balance - Beginning of Year	<u>148</u>	<u>229</u>	<u>81</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ (1,472)</u>	<u>\$ (1,472)</u>

See accompanying Notes to Basic Financial Statements.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 DEFINITION OF REPORTING ENTITY

Green Valley Ranch East Metropolitan District No. 6 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, located entirely in the City of Aurora, Adams County, Colorado, was organized on November 15, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide financing for the construction and installation of regional public improvements, including streets, traffic safety, water, sanitary sewer, park and recreation, public transportation, mosquito control, fire protection, and television relay improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District was formed in conjunction with seven other metropolitan districts: Aerotropolis Area Coordinating Metropolitan District (AACMD) (formerly known as Green Valley Ranch East Metropolitan District No. 1), Aurora Highlands Metropolitan District Nos. 1-3 (TAH 1-3) (formerly known as Green Valley Ranch East Metropolitan District Nos. 2-4), Green Valley Aurora Metropolitan District No. 1 (GVA) (formerly known as Green Valley Ranch East Metropolitan District No. 5), and Green Valley Ranch East Metropolitan District Nos. 7-8 (collectively the GVRE Districts). It is anticipated that the Districts will enter into an intergovernmental agreement which shall govern the relationships between and among the Districts with respect to the financing, construction, and operation of the regional public improvements.

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.

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.

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.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of 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 the 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.

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 District 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. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has 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 due.

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.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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 sale 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.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Deficits

At December 31, 2021, the General Fund had a deficit balance of \$(1,472). This deficit is anticipated to be eliminated with interfund transfers in 2022.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position and Balance Sheet:

Cash and Investments - Restricted	\$ 12,191,438
Total Cash	\$ 12,191,438

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

Deposits with Financial Institutions	\$ 187,725
Investments	12,003,713
Total Cash and Investments	\$ 12,191,438

Cash Deposits

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.

On December 31, 2021, the District's cash deposits had a bank balance and a carrying balance of \$187,725.

Investments

The District's formal investment policy is to follow 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 or investment custodial 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 VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities of the World Bank
- . Certain international agency securities
- . 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 collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 12,003,713

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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. 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 is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 CAPITAL ASSETS

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

<u>By Classification</u>	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
Capital Assets, Not Being Depreciated				
Construction in Process	\$ 11,175,699	\$ 18,330,423	\$ 11,132,421	\$ 18,373,701
Total Capital Assets, Not Being Depreciated	11,175,699	18,330,423	11,132,421	18,373,701
Governmental Activities - Net Capital Assets	\$ 11,175,699	\$ 18,330,423	\$ 11,132,421	\$ 18,373,701

Construction in Process consists of public improvements authorized in the District's Service Plan, such as street, water, sewer, and park and recreation improvements. It is anticipated that these improvements, with the exception of certain park and recreation improvements, will be transferred to the City for ownership, operation, and maintenance.

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Bonds Payable:					
General Obligation Bonds - 2020A(3)	\$ 43,590,000	\$ -	\$ -	\$ 43,590,000	\$ -
Subtotal of Bonds Payable	43,590,000	-	-	43,590,000	-
Other Debts:					
Developer Advance - Operations	184,015	-	-	184,015	-
Developer Advance - Capital	24,251	4,470,849	-	4,495,100	-
Accrued Interest on:					
Developer Advance - Operations	15,740	12,881	-	28,621	-
Developer Advance - Capital	1,449	68,424	-	69,873	-
Subtotal of Other Debts	225,455	4,552,154	-	4,777,609	-
Total Long-Term Obligations	\$ 43,815,455	\$ 4,552,154	\$ -	\$ 48,367,609	\$ -

\$43,590,000 Senior General Obligation Bonds, Series 2020A(3), dated July 29, 2020, with interest of 5.25%. The District issued the Series 2020A(3) Bonds (Senior Bonds) to pay project costs and costs of issuance. Interest is payable semiannually on June 1 and December 1. The bonds are term bonds due December 1, 2050, with mandatory sinking fund redemptions beginning December 1, 2028, and on every December 1 thereafter. All of the bonds are subject to redemption prior to maturity at the option of the District on September 1, 2025, and on any date thereafter without call premium.

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$43,590,000 Senior General Obligation Bonds, Series 2020A(3) (Continued)

Pursuant to the Senior Indenture, prior to the Conversion Date, the District has covenanted to impose a Senior Required Mill Levy upon all taxable property of the District each year in an amount that generates Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due (less any amounts then on deposit in the Senior Bond Fund and, solely as provided in the Indenture, the Surplus Fund), but not in excess of 50 mills (subject to adjustment described below). For so long as the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 50 mills (subject to adjustment), or such lesser amount that will generate Senior Property Tax Revenues (A) sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due and to fully fund the Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Bond Fund and the Surplus Fund, will pay the Senior Bonds in full in the year such levy is collected. In the event that the method of calculating assessed valuation is changed after January 1, 2004, the minimum mill levy of 50 mills and the maximum mill levy of 50 mills will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that 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 (for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation).

The Bonds are additionally secured by capitalized interest which was funded from the proceeds of the Senior Bonds and by amounts, if any, in the Surplus Fund. Except for the Initial Deposit of \$4,359,000 from proceeds of the Senior Bonds, the Surplus Fund shall not be funded with proceeds of the Senior Bonds. Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$8,718,000.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 2,553,600	\$ 2,553,600
2023	-	2,553,600	2,553,600
2024	-	2,553,600	2,553,600
2025	-	2,553,600	2,553,600
2026	-	2,553,600	2,553,600
2027-2031	715,000	12,730,201	13,445,201
2032-2036	3,305,000	12,277,082	15,582,082
2037-2041	7,020,000	10,905,470	17,925,470
2042-2046	12,635,000	8,231,169	20,866,169
2047-2050	19,915,000	3,421,894	23,336,894
Total	<u>\$ 43,590,000</u>	<u>\$ 60,333,816</u>	<u>\$ 103,923,816</u>

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate General Obligation Limited Tax Bonds, Series 2020B(3), in the amount of \$3,035,000 (Subordinate Bonds) were included with the issuance of the Senior Bonds but were not issued on the closing date. It is anticipated that the Subordinate Bonds will be issued in 2022.

Authorized Debt

On November 8, 2016, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$52,000,000,000 for general obligation bonds at an interest rate not to exceed 12% per annum. On December 31, 2020, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

	Authorized November 8, 2016 Election	Authorization Used 2020 Senior Bonds	Remaining at December 31, 2021
Streets	\$ 4,000,000,000	\$ 23,993,500	\$ 3,976,006,500
Water	4,000,000,000	9,949,300	3,990,050,700
Sanitary Sewer	4,000,000,000	6,053,700	3,993,946,300
Parks and Recreation	4,000,000,000	3,593,500	3,996,406,500
Mosquito Control	4,000,000,000	-	4,000,000,000
Public Transportation	4,000,000,000	-	4,000,000,000
Fire Protection	4,000,000,000	-	4,000,000,000
Traffic and Safety	4,000,000,000	-	4,000,000,000
Television Relay and Translation	4,000,000,000	-	4,000,000,000
Operations and Maintenance	4,000,000,000	-	4,000,000,000
Intergovernmental Contracts	4,000,000,000	-	4,000,000,000
Security	4,000,000,000	-	4,000,000,000
Refunding	4,000,000,000	-	4,000,000,000
Total	<u>\$ 52,000,000,000</u>	<u>\$ 43,590,000</u>	<u>\$ 51,956,410,000</u>

The District's First Amended and Restated Service Plan limits the total debt issuance to \$4,000,000,000, with a maximum debt mill levy of 50.000 mills.

Developer Advances

Advance and Reimbursement Agreement

The District entered into an Advance and Reimbursement Agreement with HC Development & Management Services, Inc. (HC) on July 19, 2005. HC agreed to advance funds to the District for construction, maintenance, and operation costs. The District agreed to reimburse HC for the advances plus accrued interest at the rate of 7% per annum, subject to annual appropriation from available funds not otherwise required for operations, capital improvements, or debt service costs. As of December 31, 2021, outstanding advances under the agreement totaled \$212,636, including \$28,621 of accrued interest.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Advance and Reimbursement and Facilities Acquisition Agreement

The District entered into an Advance and Reimbursement and Facilities Acquisition Agreement with Clayton Properties Group II, Inc. (the Developer) on July 15, 2020. The Developer agreed to advance funds to the District for organizational, maintenance, and operations costs, as well as to provide for the acquisition of capital improvements from the Developer. The District agreed to reimburse the Developer for the advances plus accrued interest at the rate of 8% per annum, subject to annual appropriation from bond proceeds and other available funds not otherwise required for operations, capital improvements, or debt service costs. On December 31, 2021, the amount owing under this agreement was \$4,564,973, including \$69,873 of accrued interest.

Advance and Reimbursement Agreement for District Funded Public Improvement Contracts

On August 20, 2021, the District entered into an Advance and Reimbursement Agreement for District Funded Public Improvement Contracts (Contract Agreement) with the Developer. The District currently has insufficient funds to finance the construction of certain public improvements that the District wishes to enter into via contracts for construction. The Developer has determined to advance funds directly to the District for payment of the construction contracts that the District will enter into. This Contract Agreement shall only be applicable to advances made to the District for public improvements constructed pursuant to a contract or contracts awarded by the District. All other advances made to the District for organization, maintenance and operations, and other capital costs shall be governed by the above 2020 Advance and Reimbursement and Facilities Acquisition Agreement.

The Developer agrees to advance funds under the Contract Agreement up to a maximum amount of \$27,500,550. Concurrently with the execution of the Contract Agreement, the Developer delivered to the District irrevocable letters of credit naming the District as sole beneficiary in the amount of \$7,369,984 for contracts that the District intends to enter into. Letters of credit may also be provided from time to time for other necessary public improvements that the District agrees to construct. Subject to annual appropriation, advances shall bear simple interest at the rate of 7% per annum from the date of each advance. The Contract Agreement shall expire 40 years after the effective date, and any amount of principal and interest outstanding on such date shall forever be discharged. As of December 31, 2021, no advances had been received from the Developer under the Contract Agreement.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

The net investment in capital assets of net position consists of capital assets that will be owned by the District, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2021, the District's net investment in capital assets was calculated as follows:

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 NET POSITION (CONTINUED)

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 4,787,748
Less Capital Related Debt:	
Noncurrent Portion of Long-Term Obligations	(7,802,426)
Plus:	
Unspent Bond Proceeds	550,673
Net Investment in Capital Assets	\$ (2,464,005)

The restricted net position includes assets 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 a restricted net position as of December 31, 2021, of \$540 for emergency reserves.

The unrestricted component of net positions is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District has a deficit in unrestricted net position as of December 31, 2021. This deficit amount is the result of the District's use of bond proceeds to reimburse other governmental entities for capital improvements not owned by the District and for the cost of issuing the Senior Bonds.

NOTE 7 RELATED PARTIES

The property within the District is owned by and is being developed by Clayton Properties Group II, Inc. (the Developer). The Developer is the owner of Oakwood Homes (Oakwood) and is successor in other Oakwood related entities including HC. The Developer continues to operate under the business name of Oakwood Homes within the development. During 2021, a majority of the members of the Board of Directors were officers of, employees of, or associated with the Developer or Oakwood and may have conflicts of interest in dealing with the District. The Developer will also be the owner of the District's Subordinate Bonds.

NOTE 8 AGREEMENTS

Restated Agreement for Reimbursement of Costs

The District, Green Valley Ranch East Metropolitan District No. 7 (District No. 7), and Town Center Metropolitan District (Town) entered into a Restated Agreement for Reimbursement of Costs dated January 11, 2017 (Cost Reimbursement Agreement). Pursuant to the Cost Reimbursement Agreement, the District and District No. 7 agreed to reimburse Town for 75% of Town's costs of certain street improvements previously expended by Town, as well interest at the rate of 8% per annum on said amount. Upon the issuance of the District's Senior Bonds, \$2,180,687 was paid to Town, which included \$1,136,066 of accrued interest, in satisfaction of the District's obligation under the Cost Reimbursement Agreement.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 AGREEMENTS (CONTINUED)

Funding and Reimbursement Agreement

On July 22, 2020, the District, District No. 7, and Second Creek Ranch Metropolitan District (SCR), Green Valley Aurora Metropolitan District No. 1 (GVA), and the Developers entered into a Funding and Reimbursement Agreement (FRA). Pursuant to the FRA, the District agreed to assume the existing repayment obligation of GVA for the remaining 25% of Town's street improvement costs. Upon issuance of the District's Senior Bonds, the District paid \$726,896 to Town, which included \$378,689 of accrued interest, on behalf of GVA. GVA shall repay the amount owing, plus interest at the rate of 8% per annum, by imposing a "Repayment Fee" on the future sale of all property within GVA.

Aurora Regional Improvement Authority No. 2

The District and the City, along with other metropolitan districts in the regional area, entered into an Aurora Regional Improvement Authority No. 2 Establishment Agreement on August 24, 2006, that established an Aurora Regional Improvements Authority (ARIA) to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, or financing of certain community improvement projects that will provide various functions, services, and facilities within or for the benefit of the City and member districts. On September 21, 2021, the District sent notice to all members of the ARIA that it was withdrawing from the ARIA effective November 20, 2021.

IGA Regarding Imposition, Collection and Transfer of ARI Mill Levies

On October 12, 2021, the District entered into an Intergovernmental Agreement with the Aerotropolis Regional Transportation Authority (ARTA) (ARI Mill Levies IGA). Green Valley Ranch East Metropolitan District Nos. 7 and 8 and the Aerotropolis Area Coordinating Metropolitan District were also parties to the ARTA Mill Levy IGA, which allows ARTA to directly impose the ARTA Mill Levy of 5.000 mills on all taxable property within the District for the purpose of providing funding for the planning, design, acquisition, construction, installation, relocation, and/or redevelopment of regional transportation improvements. Additionally, the District will levy additional mills to account for any change in calculating the residential assessment valuation, which is to be remitted to ARTA within sixty days of collection. For collection year 2021, the District levied 0.556 mills. As of December 31, 2021, the District had collected \$17,500 of additional ARTA Mill Levy taxes, which were remitted to ARTA in 2022.

IGA Regarding Regional Transportation System Project Funding and Construction

Contemporaneously with the execution of the ARI Mill Levies IGA above, the District entered into an Intergovernmental Agreement Regarding Regional Transportation System Project Funding and Construction with ARTA to facilitate the timely and efficient completion of seven Projects: 38th Avenue (Picadilly to Tibet), 38th Avenue (Tibet to E470), 48th Avenue (Rome to Tibet), 48th Avenue (Tibet to E470), Picadilly Road (38th to 48th), Picadilly Road (48th to 52nd), and Picadilly Road (52nd to 56th) (collectively, the Projects). The Projects are components of ARTA's capital plan. It is ARTA's intention to facilitate the completion of the Projects with the issuance of future bonds. ARTA currently does not have adequate funds to complete the Projects. The District may have available or may be able to secure adequate funds and may be willing to fund a portion of the Projects on the condition that ARTA will reimburse the District for the actual costs incurred up to a maximum combined reimbursement amount of \$12,882,515 for the seven Projects. This amount shall be adjusted upward at the rate of 4% per year. Upon completion of any Project or portion

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 AGREEMENTS (CONTINUED)

IGA Regarding Regional Transportation System Project Funding and Construction (Continued)

thereof, the District will provide a written report to ARTA detailing the actual project costs, along with a certification from an independent professional engineer, prior to any reimbursement from ARTA. Actual project costs and any amounts due to the District from ARTA shall not accrue interest at any time.

IGA Regarding Construction and Funding of 38th Avenue Improvements

On July 23, 2021, the District and Tower Metropolitan District (TMD) entered into an Intergovernmental Agreement Regarding the Construction and Funding of 38th Avenue Improvements. One of the projects contemplated to be constructed in the above agreement with ARTA is 38th Avenue (Picadilly to Tibet). TMD is in the process of developing the south half of 38th Avenue from Picadilly Road on the west to Tibet Street on the east. In order to take advantage of cost and other efficiencies of constructing the entirety of this portion of 38th Avenue, the District has asked that TMD also construct the northern half in conjunction with and at the same time as it constructs the southern half. The District will pay TMD an amount not to exceed \$2,574,000 for this work. TMD will coordinate the implementation and oversight of the construction work. The District will engage an independent engineer to coordinate District communications with TMD. Subsequent to December 31, 2021, the District remitted \$1,981,980 to TMD as the first progress under this agreement.

IGA Concerning District Operations and Funding

On July 15, 2020, the District entered into an Intergovernmental Agreement Concerning District Operations and Funding (Operations and Funding IGA) with District No. 7, SCR, Green Valley Ranch Metropolitan District No. 8 (District No. 8), and Central Adams County Water and Sanitation District (CACWSD) (collectively, the IGA Districts). The Operations and Funding IGA sets forth the IGA Districts' respective roles, responsibilities, and obligations with respect to the provision of administrative services, ownership, operation and maintenance of public improvements and funding of the same, and to reflect agreed upon limitations of certain fees of the IGA Districts.

The IGA Districts agree that the net proceeds of bonds or other indebtedness shall be first used to repay obligations due to the Developer for public improvements that benefit the IGA Districts. All public improvements funded by the IGA Districts will be either dedicated to the City or other governmental entity or will be owned and operated by SCR. SCR will act as the Operator of the IGA District owned improvements and will act as District Administrator on behalf of the IGA Districts. As such, each IGA District shall impose ad valorem property taxes and/or fees sufficient to fund the operation and maintenance costs of the IGA District owned improvements within their respective IGA District and the costs of administrative services. The IGA Districts may impose reasonable fees for the use of the IGA District owned improvements by IGA district residents provided that all such revenues are used to pay the costs of financing, administering, operating, and maintaining the IGA District owned improvements.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 AGREEMENTS (CONTINUED)

Waiver and Release

The property within AACMD, TAH 1-3, and GVA is being developed by Green Valley Aurora LLC and Aurora Highlands LLC (AACMD Developer). On July 22, 2020, the AACMD Developer executed a waiver and release of any and all rights to further payments or reimbursements for advances made on or before April 1, 2007, from the GVRE Districts, SCR, Town, First Creek Ranch Metropolitan District, and Central Adams County Water and Sanitation District. On July 22, 2020, the Developer executed a waiver and release of any and all rights to further payments or reimbursements made through October 31, 2012, and made on or before April 2, 2007, from the other above-mentioned districts.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). 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, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which 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.

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.

GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On November 8, 2016, a majority of the District's electors authorized fees and tax levies to produce fees and taxes of an additional \$4,000,000,000 annually without regard to any limitations under TABOR.

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.

NOTE 11 CONSTRUCTION COMMITMENTS

As of December 31, 2021, the District had unexpended construction related contract commitments of approximately \$3,765,334.

SUPPLEMENTARY INFORMATION

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 176,203	176,199	\$ (4)
Specific Ownership Tax	12,334	125	(12,209)
Interest Income	50,000	5,290	(44,710)
Total Revenues	<u>238,537</u>	<u>181,614</u>	<u>(56,923)</u>
EXPENDITURES			
Current:			
County Treasurer's Fee	2,643	2,662	(19)
Bond Interest - Series 2020A	2,553,600	2,553,600	-
Paying Agent Fees	5,000	7,000	(2,000)
Contingency	3,757	-	3,757
Total Expenditures	<u>2,565,000</u>	<u>2,563,262</u>	<u>1,738</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,326,463)	(2,381,648)	(55,185)
Fund Balance - Beginning of Year	<u>11,162,806</u>	<u>11,165,192</u>	<u>2,386</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 8,836,343</u></u>	<u><u>\$ 8,783,544</u></u>	<u><u>\$ (52,799)</u></u>

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 42,000	\$ 5,129	\$ (36,871)
Total Revenues	<u>42,000</u>	<u>5,129</u>	<u>(36,871)</u>
EXPENDITURES			
Capital:			
Accounting	-	8,950	(8,950)
Legal	-	112,777	(112,777)
Cost of Issuance	100,000	-	100,000
Landscaping	-	240,311	(240,311)
Clubhouse	-	3,225,179	(3,225,179)
Clubhouse Furniture and Equipment	-	306,821	(306,821)
Streets	10,000,000	9,160,387	839,613
Engineering	10,000	101,424	(91,424)
Sewer	3,000,000	1,745,010	1,254,990
Water	4,950,000	655,017	4,294,983
Parks and Recreation	2,000,000	2,896,274	(896,274)
Contingency	25,045	-	25,045
Total Expenditures	<u>20,085,045</u>	<u>18,452,150</u>	<u>1,632,895</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,043,045)	(18,447,021)	1,596,024
OTHER FINANCING SOURCES (USES)			
Developer Advance	-	4,470,849	4,470,849
Bond Issuance - Subordinate	3,035,000	-	(3,035,000)
Transfers from (to) Other Funds	-	1,682	1,682
Total Other Financing Sources (Uses)	<u>3,035,000</u>	<u>4,472,531</u>	<u>1,437,531</u>
NET CHANGE IN FUND BALANCE	(17,008,045)	(13,974,490)	3,033,555
Fund Balance - Beginning of Year	<u>17,008,045</u>	<u>17,006,135</u>	<u>(1,910)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 3,031,645</u>	<u>\$ 3,031,645</u>

OTHER INFORMATION

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

<u>Bonds and Interest Maturing in the Year Ending December 31,</u>	\$43,590,000 General Obligation Bonds Series 2020A(3) Issued July 29, 2020 Principal Due December 1 Interest Rate 5.25-5.875% Payable June 1 and December 1		
	Principal	Interest	Total
2022	\$ -	\$ 2,553,600	\$ 2,553,600
2023	-	2,553,600	2,553,600
2024	-	2,553,600	2,553,600
2025	-	2,553,600	2,553,600
2026	-	2,553,600	2,553,600
2027	-	2,553,600	2,553,600
2028	90,000	2,553,600	2,643,600
2029	95,000	2,548,875	2,643,875
2030	260,000	2,543,888	2,803,888
2031	270,000	2,530,238	2,800,238
2032	455,000	2,516,063	2,971,063
2033	480,000	2,492,175	2,972,175
2034	685,000	2,463,975	3,148,975
2035	725,000	2,423,731	3,148,731
2036	960,000	2,381,138	3,341,138
2037	1,015,000	2,324,738	3,339,738
2038	1,275,000	2,265,106	3,540,106
2039	1,350,000	2,190,200	3,540,200
2040	1,640,000	2,110,888	3,750,888
2041	1,740,000	2,014,538	3,754,538
2042	2,065,000	1,912,313	3,977,313
2043	2,190,000	1,790,994	3,980,994
2044	2,555,000	1,662,331	4,217,331
2045	2,705,000	1,512,225	4,217,225
2046	3,120,000	1,353,306	4,473,306
2047	3,300,000	1,170,006	4,470,006
2048	3,765,000	976,131	4,741,131
2049	3,985,000	754,938	4,739,938
2050	8,865,000	520,819	9,385,819
Total	\$ 43,590,000	\$ 60,333,816	\$ 103,923,816

**GREEN VALLEY RANCH EAST METROPOLITAN DISTRICT NO. 6
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021**

Year Ended December 31,	Assessed Valuation for Current Year Property Tax Levy	Mills Levied for			Total Property Taxes		Percent Collected to Levied
		General	Debt Service	ARI/ARTA	Levied	Collected	
2017	\$ 10	0.000	0.000	0.000	\$ -	\$ -	N/A
2018	10	0.000	0.000	0.000	-	-	N/A
2019	10	55.277	0.000	0.000	1	-	N/A
2020	26,880	0.000	55.664	5.566	1,646	1,647	100.06%
2021	3,165,470	0.000	55.664	5.566	193,822	193,818	100.00%

Estimated for the
Calendar Year Ending
December 31,

2022	\$ 14,082,330	0.000	55.664	0.566	\$ 791,849		
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Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.