

RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS

(2022)

The Board of Directors of Pinery Commercial Metropolitan District No. 2 (the “**Board**”), County of Douglas, Colorado (the “**District**”) held a special meeting via teleconference, on Friday, November 19, 2021, at the hour of 11:00 A.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank.]

NOTICE AS TO PROPOSED 2022 BUDGET

**NOTICE OF PUBLIC HEARING ON THE AMENDED 2021 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE PROPOSED 2022 BUDGET**

NOTICE IS HEREBY GIVEN that the Boards of Directors (collectively, the “**Boards**”) of the PINERY COMMERCIAL METROPOLITAN DISTRICT NOS. 1 & 2 (collectively, the “**Districts**”), will hold a meeting via teleconference on Friday, November 19, 2021 at 11:00 A.M., for the purpose of conducting such business as may come before the Boards including a public hearing on the 2021 amended budgets (the “**Amended Budgets**”) and 2022 proposed budgets (the “**Proposed Budgets**”). This meeting can be joined using the following teleconference information:

<https://us06web.zoom.us/j/89618373860>

Meeting ID: 896 1837 3860

Call-In Number: 720-707-2699

NOTICE IS FURTHER GIVEN that Amended Budgets and Proposed Budgets have been submitted to the Districts. A copy of the Amended Budgets and the Proposed Budgets are on file in the office of CliftonLarsonAllen LLP, 8390 E Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection.

Any interested elector of the Districts may file any objections to the Amended Budgets and Proposed Budgets at any time prior to final adoption of the Amended Budgets and Proposed Budgets by the Boards. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARDS OF DIRECTORS:
PINERY COMMERCIAL METROPOLITAN DISTRICT NOS. 1 & 2

/s/ **WHITE BEAR ANKELE TANAKA & WALDRON**
Attorneys at Law

Published in: *Douglas County News-Press*
Published on: November 18, 2021

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 19, 2021, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2022. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2022 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.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2022 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.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 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.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Douglas County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of page intentionally left blank.]

ADOPTED THIS 19TH DAY OF NOVEMBER, 2021.

PINERY COMMERCIAL METROPOLITAN DISTRICT
NO. 2



Craig Campbell (Dec 8, 2021 12:30 MST)

Officer of the District

ATTEST:



Tom Morton (Dec 8, 2021 05:20 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF DOUGLAS
PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on Friday, November 19, 2021, via teleconference as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 19th day of November, 2021.



Tom Morton (Dec 8, 2021 05:20 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

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

1/17/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ 30,181	\$ 152,414
REVENUES			
Property Taxes	35,209	142,985	30,247
Specific Ownership Taxes	3,037	11,971	2,420
Interest income	7	513	100
Other income	-	-	2,233
Total revenues	<u>38,253</u>	<u>155,469</u>	<u>35,000</u>
Total funds available	<u>38,253</u>	<u>185,650</u>	<u>187,414</u>
EXPENDITURES			
General Fund	7,649	31,517	35,000
Debt Service Fund	423	1,719	-
Total expenditures	<u>8,072</u>	<u>33,236</u>	<u>35,000</u>
Total expenditures and transfers out requiring appropriation	<u>8,072</u>	<u>33,236</u>	<u>35,000</u>
ENDING FUND BALANCES	<u>\$ 30,181</u>	<u>\$ 152,414</u>	<u>\$ 152,414</u>

No assurance provided. See summary of significant assumptions.

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

1/17/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
State assessed	\$ 2,800	\$ 600	\$ 600
Vacant land	700,670	2,852,200	3,021,380
Personal property	700	6,900	2,700
Certified Assessed Value	<u>\$ 704,170</u>	<u>\$ 2,859,700</u>	<u>\$ 3,024,680</u>
MILL LEVY			
General	10.000	10.000	10.000
Debt Service	40.000	40.000	0.000
Total mill levy	<u>50.000</u>	<u>50.000</u>	<u>10.000</u>
PROPERTY TAXES			
General	\$ 7,042	\$ 28,597	\$ 30,247
Debt Service	28,167	114,388	-
Budgeted property taxes	<u>\$ 35,209</u>	<u>\$ 142,985</u>	<u>\$ 30,247</u>
BUDGETED PROPERTY TAXES			
General	\$ 7,042	\$ 28,597	\$ 30,247
Debt Service	28,167	114,388	-
	<u>\$ 35,209</u>	<u>\$ 142,985</u>	<u>\$ 30,247</u>

No assurance provided. See summary of significant assumptions.

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

1/17/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	7,042	28,597	30,247
Specific Ownership Taxes	607	2,820	2,420
Interest income	-	100	100
Other income	-	-	2,233
Total revenues	<u>7,649</u>	<u>31,517</u>	<u>35,000</u>
Total funds available	<u>7,649</u>	<u>31,517</u>	<u>35,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	106	430	454
Transfer to District No. 1	7,543	31,087	32,313
Contingency	-	-	2,233
Total expenditures	<u>7,649</u>	<u>31,517</u>	<u>35,000</u>
Total expenditures and transfers out requiring appropriation	<u>7,649</u>	<u>31,517</u>	<u>35,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

1/17/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 30,181	\$ 152,414
REVENUES			
Property Taxes	28,167	114,388	-
Specific Ownership Taxes	2,430	9,151	-
Interest income	7	413	-
Total revenues	<u>30,604</u>	<u>123,952</u>	<u>-</u>
Total funds available	<u>30,604</u>	<u>154,133</u>	<u>152,414</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	423	1,719	-
Total expenditures	<u>423</u>	<u>1,719</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>423</u>	<u>1,719</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 30,181</u>	<u>\$ 152,414</u>	<u>\$ 152,414</u>

No assurance provided. See summary of significant assumptions.

PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County recorded on December 12, 2005 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan, with Pinery Commercial Metropolitan District No. 1 (Operating District), approved by Douglas County on September 26, 2005. The District's service area is located entirely within Douglas County.

The District was established to finance, construct, acquire, operate and maintain both onsite and offsite public facilities and improvements, including sanitation, water, streets, traffic and safety controls and parks and recreation.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$10,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

At a special election of the eligible electors of the District on May 8, 2018, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness of \$600,000,000 for the above listed facilities. The District's qualified voters also authorized the issuance of indebtedness of \$150,000,000 for refunding debt and debt related to intergovernmental agreements and other contracts with public entities.

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 do not occur as expected, and those differences may be material.

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, 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.

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

**PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8% of the property taxes collected.

Net Interest Income

Interest earned on the District's funds has been estimated based on historical earnings.

Expenditures

County Treasurer's Fees

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

Intergovernmental Expenditures - Transfer to Other Districts

The District is obligated to impose a mill levy, not to exceed 10.00 mills, subject to certain adjustments, and remit property taxes derived from such mill levy and a portion of specific ownership taxes applicable to property within the District, after deducting administrative expenditures, to the Operating District.

Debt and Leases

The District has no outstanding debt currently, nor any capital or operating leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to the Operating District, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.