

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2023

The Board of Directors of Pinery Commercial Metropolitan District No. 1 (the “**Board**”), Douglas County, Colorado (the “**District**”), held a regular meeting, via teleconference on Friday, November 4, 2022, 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.

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NOTICE AS TO PROPOSED 2023 BUDGET

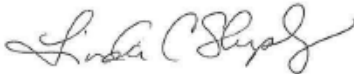
Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Pinery Commercial MD1- 2 ** (WBA)
c/o White Bear Ankele
2154 E. Commons Ave. Ste. 2000
Centennial CO 80122

AFFIDAVIT OF PUBLICATION

State of Colorado)
County of Douglas) ss

This Affidavit of Publication for the Douglas County News Press, a weekly newspaper, printed and published for the County of Douglas, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 11/3/2022, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.

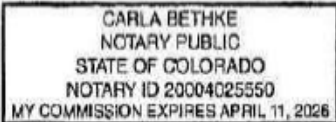


For the Douglas County News-Press

State of Colorado)
County of Arapahoe) ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 11/3/2022, Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-665870
Carla Bethke
Notary Public
My commission ends April 11, 2026



Public Notice

**NOTICE OF PUBLIC HEARING
ON THE AMENDED 2022 BUDGETS
AND
NOTICE OF PUBLIC HEARING
ON THE PROPOSED 2023 BUDGETS**

NOTICE IS HEREBY GIVEN that the Boards of Directors (collectively the "Boards") of the PINERY COMMERCIAL METROPOLITAN DISTRICT NOS. 1 AND 2 (collectively the "Districts"), will hold a meeting via teleconference on November 4, 2022 at 11:00 a.m., for the purpose of conducting such business as may come before the Boards including a public hearing on the 2023 proposed budgets (the "Proposed Budgets"). The necessity may also arise for an amendment to the 2022 budgets (the "Amended Budgets"). This meeting can be joined using the following teleconference information:

<https://us06web.zoom.us/j/83911849110>;
Meeting ID: 839 1184 9110; Call-In: 796-707-9696

NOTICE IS FURTHER GIVEN that the Proposed Budgets and Amended Budgets (if applicable) have been submitted to the Districts. A copy of the Proposed Budgets and Amended Budgets are on file in the office of Clifton-Larson-Allen, LLP, 8390 E Crescent Pkwy #300, Englewood, CO 80111, where the same are open for public inspection.

Any interested member of the Districts may file any objections to the Proposed Budgets and Amended Budgets at any time prior to final adoption of the Proposed Budgets or the Amended 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**, quasi-municipal corporations and political subdivisions of the State of Colorado

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

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WHEREAS, the Board has designated 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 and interested electors were given the opportunity to register their protest to the proposed budget prior to the 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 2023. 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 2023 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 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.

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

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

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. 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 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. 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 10. 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.

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ADOPTED NOVEMBER 4, 2022.

DISTRICT:

PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado


By: 
Craig Campbell (Nov 22, 2022 15:37 MST)
Officer of the District

Attest:

By: 
Tom Morton (Nov 22, 2022 14:38 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. 1

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 via teleconference on Friday, November 4, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ___ day of November, 2022.


Tom Morton (Nov 22, 2022 14:38 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

10/10/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 8/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (15,984)	\$ 3,056	\$ 9,171	\$ 9,171	\$ 10,454
REVENUES					
Property taxes	950	190	190	190	705
Specific ownership tax	92	15	12	15	63
Interest income	2	10	11	15	27
Developer Advance	109,885	82,000	20,000	30,000	80,000
Transfers from District No. 2	30,981	32,313	32,272	33,413	33,390
Total revenues	<u>141,910</u>	<u>114,528</u>	<u>52,485</u>	<u>63,633</u>	<u>114,185</u>
Total funds available	<u>125,926</u>	<u>117,584</u>	<u>61,656</u>	<u>72,804</u>	<u>124,639</u>
EXPENDITURES					
General Fund	116,744	114,000	47,092	62,350	105,000
Debt Service Fund	11	-	-	-	-
Total expenditures	<u>116,755</u>	<u>114,000</u>	<u>47,092</u>	<u>62,350</u>	<u>105,000</u>
Total expenditures and transfers out requiring appropriation	<u>116,755</u>	<u>114,000</u>	<u>47,092</u>	<u>62,350</u>	<u>105,000</u>
ENDING FUND BALANCES	<u>\$ 9,171</u>	<u>\$ 3,584</u>	<u>\$ 14,564</u>	<u>\$ 10,454</u>	<u>\$ 19,639</u>
EMERGENCY RESERVE	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>
TOTAL RESERVE	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>

No assurance provided. See summary of significant assumption.

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

10/10/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 8/31/2022	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION					
Vacant land	\$ 19,010	\$ 19,010	\$ 19,010	\$ 19,010	\$ 70,490
Certified Assessed Value	<u>\$ 19,010</u>	<u>\$ 19,010</u>	<u>\$ 19,010</u>	<u>\$ 19,010</u>	<u>\$ 70,490</u>
MILL LEVY					
General	10.000	10.000	10.000	10.000	10.000
Debt Service	40.000	0.000	0.000	0.000	0.000
Total mill levy	<u>50.000</u>	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>
PROPERTY TAXES					
General	\$ 190	\$ 190	\$ 190	\$ 190	\$ 705
Debt Service	760	-	-	-	-
Budgeted property taxes	<u>\$ 950</u>	<u>\$ 190</u>	<u>\$ 190</u>	<u>\$ 190</u>	<u>\$ 705</u>
BUDGETED PROPERTY TAXES					
General	\$ 190	\$ 190	\$ 190	\$ 190	\$ 705
Debt Service	760	-	-	-	-
	<u>\$ 950</u>	<u>\$ 190</u>	<u>\$ 190</u>	<u>\$ 190</u>	<u>\$ 705</u>

No assurance provided. See summary of significant assumption.

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

10/10/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 8/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (16,799)	\$ 1,426	\$ 7,533	\$ 7,533	\$ 8,816
REVENUES					
Property taxes	190	190	190	190	705
Specific ownership tax	18	15	12	15	63
Interest income	2	10	11	15	27
Developer advance	109,885	82,000	20,000	30,000	80,000
Transfers from District No. 2	30,981	32,313	32,272	33,413	33,390
Total revenues	<u>141,076</u>	<u>114,528</u>	<u>52,485</u>	<u>63,633</u>	<u>114,185</u>
Total funds available	<u>124,277</u>	<u>115,954</u>	<u>60,018</u>	<u>71,166</u>	<u>123,001</u>
EXPENDITURES					
General and administrative					
Accounting	19,469	23,100	6,974	10,000	20,000
Auditing	4,700	4,900	-	-	4,900
County Treasurer's fee	3	3	3	3	11
Dues and licenses	631	750	638	638	750
Insurance and bonds	5,659	6,850	5,409	5,409	6,850
Legal services	25,748	27,000	6,447	10,000	20,000
Election expense	-	1,000	1,934	2,300	1,500
Miscellaneous	82	100	-	-	100
Contingency	-	5,297	-	-	5,889
Utilities	10,284	15,000	9,943	14,000	15,000
Landscaping	50,168	30,000	15,744	20,000	30,000
Total expenditures	<u>116,744</u>	<u>114,000</u>	<u>47,092</u>	<u>62,350</u>	<u>105,000</u>
Total expenditures and transfers out requiring appropriation	<u>116,744</u>	<u>114,000</u>	<u>47,092</u>	<u>62,350</u>	<u>105,000</u>
ENDING FUND BALANCE	<u>\$ 7,533</u>	<u>\$ 1,954</u>	<u>\$ 12,926</u>	<u>\$ 8,816</u>	<u>\$ 18,001</u>
EMERGENCY RESERVE	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>
TOTAL RESERVE	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>

No assurance provided. See summary of significant assumption.

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

10/10/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 8/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 815	\$ 1,630	\$ 1,638	\$ 1,638	\$ 1,638
REVENUES					
Property taxes	760	-	-	-	-
Specific ownership tax	74	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,649</u>	<u>1,630</u>	<u>1,638</u>	<u>1,638</u>	<u>1,638</u>
EXPENDITURES					
County Treasurer's fee	11	-	-	-	-
Bond interest	-	-	-	-	-
Paying agent fees	-	-	-	-	-
Contingency	-	-	-	-	-
Total expenditures	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 1,638</u>	<u>\$ 1,630</u>	<u>\$ 1,638</u>	<u>\$ 1,638</u>	<u>\$ 1,638</u>

No assurance provided. See summary of significant assumption.

**PINERY COMMERCIAL METROPOLITAN DISTRICT NO.1
2023 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. 2, 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 Consolidated 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.

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

**PINERY COMMERCIAL METROPOLITAN DISTRICT NO.1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

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 page of the budget using the adopted mill levy imposed by the District.

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 9% of the property taxes collected.

Net Interest Income

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

Developer Advance

The District is in the development stage. As such, operating and administrative expenditures of the District will be mainly funded by the Developer. Capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Intergovernmental Revenue – Transfers from Other Districts

The District will handle operating and administrative functions for all Districts. Pinery Commercial Metropolitan District No. 2 is expected to remit net tax revenues from its operations mill levy to the District to cover its share of operating and administrative costs.

Expenditures

General, Administrative and Operating Expenditures

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance and meeting expense. Estimated operating expenditures, including landscaping and utilities, were also included in the General Fund budget.

County Treasurer's Fees

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

**PINERY COMMERCIAL METROPOLITAN DISTRICT NO.1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Capital Outlay

The District anticipates capital outlay as outlined in the Capital Project Fund.

Debt and Leases

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

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.