

PARKLANDS VILLAGE 2 METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2022

**PARKLANDS VILLAGE 2 METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	-	33,500
Intergovernmental revenue	-	-	6
Total revenues	<u>-</u>	<u>-</u>	<u>33,506</u>
Total funds available	<u>-</u>	<u>-</u>	<u>33,506</u>
EXPENDITURES			
General and administrative			
Accounting	-	-	8,000
Dues and licenses	-	-	1,000
Insurance and bonds	-	-	2,500
Legal services	-	-	14,500
Election expense	-	-	1,000
Contingency	-	-	6,000
Total expenditures	<u>-</u>	<u>-</u>	<u>33,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>33,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>

No assurance is provided. See summary of significant assumptions.

PARKLANDS VILLAGE 2 METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/12/22

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Agricultural	\$	1,706	\$	1,706	\$	1,464
Certified Assessed Value	\$	1,706	\$	1,706	\$	1,464

MILL LEVY

General	0.000	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000	0.000

PROPERTY TAXES

Budgeted property taxes	\$	-	\$	-	\$	-
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BUDGETED PROPERTY TAXES

General	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-

No assurance is provided. See summary of significant assumptions.

PARKLANDS VILLAGE 2 METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services

The District was formed by District Court Order in February 2008 and held its organizational meeting on February 21, 2008. The District was organized under a Service Plan approved by the City of Aurora to provide financing for the design, acquisition, installation, construction, operation and maintenance of public improvements as generally described in the Special District Act, except for fire protection facilities and services, television relay and translation facilities, or a public golf course. The District would have to enter into a separate intergovernmental agreement with the City to provide or install these services that are prohibited under the Service Plan. The District's service area is located in the City of Aurora in Arapahoe County, Colorado. Under the Service Plan, Flat Rock Metropolitan District No. 1 is the Operating District related to Flat Rock Metropolitan District Nos. 2-8 as the Taxing Districts.

Flat Rock Metropolitan District Nos. 5-8 changed their names by court order on March 10, 2016, to Parklands Village 2 Metropolitan District Nos. 1-4, respectively.

During 2015, a different ownership group took control of Parklands Village 2 Metropolitan District Nos. 1-4, with Parklands Village 2 Metropolitan District No. 1 (District No. 1) being the New Operating District for Parklands Village 2 Metropolitan District Nos. 2-4, the New Taxing Districts.

On November 6, 2007, the District voters approved authorization to increase property taxes \$15,000,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. The District voters approved authorization of fees up to \$15,000,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. The District voters approved authorization to increase property taxes \$750,000,000 annually to pay obligations pursuant to intergovernmental agreements, its service plan, or contracts with private parties. Debt authorization was approved in the amount of \$2,500,000,000 for the above listed facilities and \$250,000,000 for refunding debt. The voters also authorized debt of \$250,000,000 for the costs of operating and maintaining the District's systems and \$500,000,000 for the repayment of intergovernmental agreements or contracts with private parties. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law. Pursuant to the Service Plan, the Districts are collectively limited to issuing debt in the amount of \$250,000,000. The Districts also have a maximum mill levy of 50 mills that they can levy for debt service purposes or any debt that is in excess of fifty percent (50%) of the District's assessed valuation. The maximum mill levy may be adjusted for changes in the ratio of actual value to assessed value of property within the District. The adjusted maximum debt service mill levy is 55.664.

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.

**PARKLANDS VILLAGE 2 METROPOLITAN DISTRICT NO. 1
2022 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.

The District did not levy any property taxes for collection in 2022.

Pursuant to the Service Plan, the District is required to levy the Aurora Regional Improvements (“ARI”) Mill Levy, in the first year the District imposes a debt service mill levy and for each year thereafter. The ARI Mill Levy will be one mill for each of the first twenty years. The ARI Mill Levy will increase to 5 mills in year twenty-one and will continue at that level until the earlier of year forty or the date when bonds have been repaid. The ARI Mill Levy will then be imposed for ten additional years at the average debt service mill levy imposed by the District for the ten years prior to the date of repayment of the debt. As the District has not yet imposed a debt service mill levy, the ARI Mill Levy has not been levied.

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures for 2022 are 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

Pursuant to the Service Plan, the Taxing Districts are required to transfer any property tax revenues received to the Operating District to be used for administrative expenditures. The revenue budgeted for 2022 represents amounts to be received from Parklands Village 2 Metropolitan District Nos. 2-4.

Expenditures

Administrative Expenditures

District No. 1, as the Operating District, will provide all of the administrative and operating expenditures, which include the services necessary to maintain the Districts’ administrative viability such as legal, management, accounting, insurance, banking, and meetings expense for the Taxing Districts – Parklands Village 2 Metropolitan District Nos. 2-4.

**PARKLANDS VILLAGE 2 METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Developer Advances

The District's debt is comprised of developer advances, which are not general obligation debt. As of December 31, 2020, the District had \$97,574 in outstanding developer advances and interest accrued at 8%. Repayment of advances is subject to annual appropriation if and when eligible funds become available. See below for the anticipated developer advance activity.

	<u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2021</u>
Developer Advance				
Principal	\$ 63,075	\$ -	\$ -	\$ 63,075
Accrued interest	34,499	5,046	-	39,545
	<u>\$ 97,574</u>	<u>\$ 5,046</u>	<u>\$ -</u>	<u>\$ 102,620</u>
	<u>12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2022</u>
Developer Advance				
Principal	\$ 63,075	\$ 33,500	\$ -	\$ 96,575
Accrued interest	39,545	6,386	-	45,931
	<u>\$ 102,620</u>	<u>\$ 39,886</u>	<u>\$ -</u>	<u>\$ 142,506</u>

The District has no operating or capital leases.

Reserves

Emergency Reserves

District No. 1, as the operating district, will provide for an emergency reserve fund equal to at least 3% of fiscal year spending for Parkland Village 2 Metropolitan District Nos. 1-4, as defined under TABOR.

This information is an integral part of the accompanying budget.