

**PARKDALE COMMUNITY AUTHORITY**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2022**

**PARKDALE COMMUNITY AUTHORITY  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Year Ending December 31,**

1/6/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ 21,986,170	\$ 10,703,380
REVENUES			
Interest income	8,782	6,200	15,500
Developer advance	2,268,180	10,367,011	7,340,400
Intergovernmental revenues	4,520	17,884	16,624
Bond issuance - Series 2020A	20,710,000	-	-
Bond issuance - Series 2020B	4,848,000	-	-
Total revenues	<u>27,839,482</u>	<u>10,391,095</u>	<u>7,372,524</u>
TRANSFERS IN	<u>4,874,752</u>	-	-
Total funds available	<u>32,714,234</u>	<u>32,377,265</u>	<u>18,075,904</u>
EXPENDITURES			
General Fund	141,902	108,000	123,000
Debt Service Fund	344,367	1,075,725	1,075,725
Capital Projects Fund	5,367,043	20,490,160	14,466,300
Total expenditures	<u>5,853,312</u>	<u>21,673,885</u>	<u>15,665,025</u>
TRANSFERS OUT	<u>4,874,752</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>10,728,064</u>	<u>21,673,885</u>	<u>15,665,025</u>
ENDING FUND BALANCES	<u>\$ 21,986,170</u>	<u>\$ 10,703,380</u>	<u>\$ 2,410,879</u>
EMERGENCY RESERVE	\$ 200	\$ 200	\$ 200
Series 2020A Capitalized Interest Fund	2,863,046	1,794,321	725,596
Series 2020A Surplus Fund	1,668,657	1,675,707	1,684,994
TOTAL RESERVE	<u>\$ 4,531,903</u>	<u>\$ 3,470,228</u>	<u>\$ 2,410,790</u>

**PARKDALE COMMUNITY AUTHORITY  
GENERAL FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Year Ending December 31,**

1/6/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ (29,882)	\$ 252
<b>REVENUES</b>			
Developer advance	107,500	133,100	119,200
Transfer from Parkdale MD No. 1	4,520	3,896	3,836
Transfer from Parkdale MD No. 2	-	1,138	1
Total revenues	<u>112,020</u>	<u>138,134</u>	<u>123,037</u>
Total funds available	<u>112,020</u>	<u>108,252</u>	<u>123,289</u>
<b>EXPENDITURES</b>			
General and administrative			
Accounting	18,602	28,000	30,000
Audit	-	5,400	6,000
Dues	955	1,918	2,200
Insurance	245	11,942	13,000
Legal	63,770	55,000	60,000
Miscellaneous	949	600	1,000
Legal - election expense	18,009	-	5,000
Transfer of costs from Parkdale MD No. 1	39,372	-	-
Contingency	-	5,140	5,800
Total expenditures	<u>141,902</u>	<u>108,000</u>	<u>123,000</u>
Total expenditures and transfers out requiring appropriation	<u>141,902</u>	<u>108,000</u>	<u>123,000</u>
ENDING FUND BALANCE	<u>\$ (29,882)</u>	<u>\$ 252</u>	<u>\$ 289</u>
EMERGENCY RESERVE	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>
TOTAL RESERVE	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>

**PARKDALE COMMUNITY AUTHORITY  
DEBT SERVICE FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Year Ending December 31,**

1/6/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 4,531,703	\$ 3,470,028
REVENUES			
Interest income	1,318	1,200	3,500
Transfers from Parkdale MD No. 1	-	12,850	12,787
Total revenues	<u>1,318</u>	<u>14,050</u>	<u>16,287</u>
TRANSFERS IN			
Transfers from other funds	<u>4,874,752</u>	-	-
Total funds available	<u>4,876,070</u>	<u>4,545,753</u>	<u>3,486,315</u>
EXPENDITURES			
General and administrative			
Paying agent fees	-	7,000	7,000
Debt Service			
Bond interest - Series 2020A	344,367	1,068,725	1,068,725
Total expenditures	<u>344,367</u>	<u>1,075,725</u>	<u>1,075,725</u>
Total expenditures and transfers out requiring appropriation	<u>344,367</u>	<u>1,075,725</u>	<u>1,075,725</u>
ENDING FUND BALANCE	<u>\$ 4,531,703</u>	<u>\$ 3,470,028</u>	<u>\$ 2,410,590</u>
Series 2020A Capitalized Interest Fund	\$ 2,863,046	\$ 1,794,321	\$ 725,596
Series 2020A Surplus Fund	1,668,657	1,675,707	1,684,994
TOTAL RESERVE	<u>\$ 4,531,703</u>	<u>\$ 3,470,028</u>	<u>\$ 2,410,590</u>

**PARKDALE COMMUNITY AUTHORITY  
CAPITAL PROJECTS FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Year Ending December 31,**

1/6/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 17,484,349	\$ 7,233,100
<b>REVENUES</b>			
Interest income	7,464	5,000	12,000
Developer advance	2,160,680	10,233,911	7,221,200
Bond issuance - Series 2020A	20,710,000	-	-
Bond issuance - Series 2020B	4,848,000	-	-
Total revenues	<u>27,726,144</u>	<u>10,238,911</u>	<u>7,233,200</u>
Total funds available	<u>27,726,144</u>	<u>27,723,260</u>	<u>14,466,300</u>
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	3,279	8,000	7,000
Engineering	4,538	8,000	7,000
Legal	4,489	1,000	1,000
Bond issue costs	1,021,586	-	-
Transfer of costs from Parkdale MD No. 1	3,710	-	-
Capital Projects			
Repay Developer advance	2,168,761	10,239,249	7,230,100
Public improvements	2,160,680	10,233,911	7,221,200
Total expenditures	<u>5,367,043</u>	<u>20,490,160</u>	<u>14,466,300</u>
<b>TRANSFERS OUT</b>			
Transfers to other fund	<u>4,874,752</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>10,241,795</u>	<u>20,490,160</u>	<u>14,466,300</u>
ENDING FUND BALANCE	<u>\$ 17,484,349</u>	<u>\$ 7,233,100</u>	<u>\$ -</u>

**PARKDALE COMMUNITY AUTHORITY  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Parkdale Metropolitan District No. 1 (“District No. 1”), Parkdale Metropolitan District No. 2 (“District No. 2”) and Parkdale Metropolitan District No. 3 (“District No. 3” and, together with District No. 1 and District No. 2, the “Districts”), pursuant to the Colorado Constitution Article XIV, Sections 18(2)(a) and (b) and Sections 29-1-203 and 29-1-203.5, C.R.S. (the “Act”), have entered into that Agreement Establishing the Parkdale Community Authority (The Authority) dated as of February 20, 2020 (as further amended or supplemented from time to time, the “Establishment Agreement”), establishing the Authority to provide the “Services” (as defined in the Establishment Agreement, generally comprised of the street improvements, traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements, and irrigation system improvements contemplated by the Service Plan for the Districts, including the “Public Improvements”) and, in connection therewith, to incur financial obligations on behalf of the Districts.

The Authority has no employees and all administrative functions are contractual.

The Authority 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 Authority 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.

**Revenues**

**Transfers from Other Districts**

The Authority anticipates the collection of taxes by the Districts, which will be transferred to the Authority to fund operating costs of the Authority. The Districts are obligated by the Operating Pledge Agreement to levy the Required Mill Levy. The Required Mill Levy is defined as a maximum operating mill levy of 15.000 mills for each District, to be adjusted for changes in the method of calculating assessed valuation that occur after January 1, 2017. The method of calculating assessed valuation of residential property in the State of Colorado changed from 7.20% to 7.15% on June 3, 2019. Accordingly, the Districts’ maximum operating mill levies have been adjusted to 16.699 mills for each District.

**Interest Income**

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

**Developer Advance**

The Authority is in the development stage. As such, the Authority’s general and administrative expenditures will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the Authority is financially able to reimburse the Developer from bond proceeds, if applicable, and other legally available revenue.

**PARKDALE COMMUNITY AUTHORITY  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General and Administrative**

General and administrative expenditures have been provided based on estimates of the Authority's Board of Directors and consultants and include the services necessary to maintain the Authority's administrative viability such as legal, accounting, insurance and other administrative expenses.

**Capital Outlay**

The Authority anticipates paying and/or reimbursing costs of public improvements in 2022 as reflected in the Capital Projects Fund.

**Debt and Leases**

The District issued Limited Tax Supported (District No. 1) Revenue Bonds, Series 2020A (the Senior Bonds) and Subordinate Limited Tax Supported (District No. 1) Revenue Bonds, Series 2020B (the Subordinate Bonds, and together with the Senior Bonds, the Bonds). The Authority issued the Bonds on August 5, 2020, in the par amounts of \$20,710,000 for the Senior Bonds and \$4,848,000 for the Subordinate Bonds. Proceeds from the sale of the Bonds were used to finance public improvements related to the Development and to pay the costs of issuing the Bonds. A portion of the proceeds of the Senior Bonds were used to: (i) partially fund the Senior Surplus Fund, and; (ii) fund capitalized interest on the Senior Bonds.

Pursuant to Senior and Subordinate Pledge Agreements between the Authority, Parkdale Metropolitan District No. 1 (District No. 1) and the Trustee, the Authority covenants and agrees to require District No. 1, and District No. 1 covenants and agrees, to levy the Senior Required Mill Levy and Subordinate Required Mill Levy upon all taxable property of District No. 1 in accordance with the Senior Pledge Agreement and Subordinate Pledge Agreement, respectively.

The Senior Bonds were issued as two term bonds with the first bearing interest at 5.000% per annum and maturing on December 1, 2040, and the second bearing interest at 5.250% and maturing on December 1, 2050. Interest on the Senior Bonds is payable semiannually to the extent of Senior Pledged Revenue available on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026.

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 Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date at the rate borne by the Senior Bond. In the event that any amount of principal or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on December 1, 2060, the Senior Bonds shall be deemed discharged.

**PARKDALE COMMUNITY AUTHORITY  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

The Senior Bonds are subject to redemption prior to maturity, at the option of the Authority, on September 1, 2025, and on any date thereafter, upon payment of par, accrued interest and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
September 1, 2025, to August 31, 2026	3.00%
September 1, 2026, to August 31, 2027	2.00
September 1, 2027, to August 31, 2028	1.00
September 1, 2028, and thereafter	0.00

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue which means: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; and (c) any other legally available moneys which the Authority determines, in its absolute discretion, to transfer to credit to the Senior Bond Fund.

“Senior Property Tax Revenues” means all moneys derived from imposition by District No. 1 of the Senior Required Mill Levy. Senior Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County and do not include specific ownership tax revenues.

“Senior Specific Ownership Tax Revenues” means the specific ownership taxes remitted to District No. 1 as a result of imposition by District No. 1 of the Senior Required Mill Levy.

The Senior Pledge Agreement requires that District No. 1 impose a Senior Required Mill Levy on all taxable property of District No. 1 each year in an amount sufficient to generate Senior Property Tax Revenues equal to the Annual Financing Costs, but (i) not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2017), and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment), or such lesser mill levy which, if imposed by District No. 1 for collection in the succeeding calendar year, would generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds and any Additional Senior Obligations as they come due, to replenish any reserve fund securing Additional Senior Obligations, and to fully fund the Surplus Fund up to the Maximum Surplus Amount.

The Senior Bonds are additionally secured by capitalized interest which was funded from proceeds of the Senior Bonds in the amount of \$3,206,175 and by amounts, if any, in the Surplus Fund.

Except for an initial deposit of \$1,668,000 from proceeds of the Senior Bonds, the Surplus Fund will be funded solely from Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year up to the Maximum Surplus Amount of \$4,142,000. Amounts on deposit in the Surplus Fund (if any) on the final maturity date of the Senior Bonds shall be applied to the payment of the Senior Bonds. The availability of such amount is to be taken into account in calculating the Senior Required Mill Levy.

Any amount on deposit in the Surplus Fund not applied to payment of the Senior Bonds on their final maturity date shall be released to the Authority for application to any lawful purpose (which may include, but is not limited to, deposit to any fund for payment of Parity Bonds or Subordinate Obligations).



**PARKDALE COMMUNITY AUTHORITY  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

The Subordinate Bonds bear interest at the rate of 7.750% per annum 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. In the event that any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on December 15, 2060, the Subordinate Bonds shall be deemed discharged.

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the Authority, on September 1, 2025, and on any date thereafter, upon payment of par, accrued interest and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
September 1, 2025, to August 31, 2026	3.00%
September 1, 2026, to August 31, 2027	2.00
September 1, 2027, to August 31, 2028	1.00
September 1, 2028, and thereafter	0.00

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue which means: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; and (c) any other legally available moneys which the Authority determines, in its absolute discretion, to credit to the Subordinate Bond Fund. "Subordinate Property Tax Revenues" means all moneys derived from imposition by District No. 1 of the Subordinate Required Mill Levy and excludes Subordinate Specific Ownership Tax Revenues. Subordinate Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

"Subordinate Specific Ownership Tax Revenues" means the specific ownership taxes remitted to District No. 1 as a result of imposition by District No. 1 of the Subordinate Required Mill Levy.

The Subordinate Pledge Agreement requires that District No. 1 impose a Subordinate Required Mill Levy on all taxable property of District No. 1 each year in the amount of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2017) less the Senior Obligation Mill Levy, or such lesser amount determined by the Authority which generates Subordinate Property Tax Revenues sufficient to pay the Subordinate Bonds and any other Additional Subordinate Obligations in full in the year of collection. Senior Obligation Mill Levy is the ad valorem property tax levy required to be imposed by District No. 1 for the payment of Senior Obligations.

**PARKDALE COMMUNITY AUTHORITY  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

**Developer Advances**

The District has outstanding Developer advances. The anticipated Developer advances are as follows:

	Balance at December 31, 2020	Additions	Retirements	Balance at December 31, 2021*	Additions	Retirements	Balance at December 31, 2022*
Developer Advances:							
Operations	\$ 107,500	\$ 133,100	\$ -	\$ 240,600	\$ 119,200	\$ -	\$ 359,800
Capital	-	10,233,911	10,233,911	-	7,221,200	7,221,200	-
Accrued Interest on Developer Advances:							
Operations	1,953	10,574	-	12,527	19,189	-	31,716
Capital	-	5,338	5,338	-	8,900	8,900	-
<b>Total</b>	<b>\$ 109,453</b>	<b>\$ 10,382,923</b>	<b>\$ 10,239,249</b>	<b>\$ 253,127</b>	<b>\$ 7,368,489</b>	<b>\$ 7,230,100</b>	<b>\$ 391,516</b>

\*Estimates

**Reserves**

**Emergency Reserve**

The Authority 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 forecasted budget.**

**PARKDALE COMMUNITY AUTHORITY  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$20,710,000  
Limited Tax Supported (District No. 1)  
Series 2020A  
Dated August 5, 2020  
Interest Rate of 5.00-5.25%  
Payable June 1 and December 1**

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ -	\$ 1,068,725	\$ 1,068,725
2023	-	1,068,725	1,068,725
2024	-	1,068,725	1,068,725
2025	-	1,068,725	1,068,725
2026	220,000	1,068,725	1,288,725
2027	280,000	1,057,725	1,337,725
2028	320,000	1,043,725	1,363,725
2029	340,000	1,027,725	1,367,725
2030	385,000	1,010,725	1,395,725
2031	400,000	991,475	1,391,475
2032	450,000	971,475	1,421,475
2033	470,000	948,975	1,418,975
2034	525,000	925,475	1,450,475
2035	550,000	899,225	1,449,225
2036	605,000	871,725	1,476,725
2037	640,000	841,475	1,481,475
2038	700,000	809,475	1,509,475
2039	735,000	774,475	1,509,475
2040	800,000	737,725	1,537,725
2041	840,000	697,725	1,537,725
2042	915,000	653,625	1,568,625
2043	965,000	605,588	1,570,588
2044	1,045,000	554,925	1,599,925
2045	1,100,000	500,063	1,600,063
2046	1,190,000	442,313	1,632,313
2047	1,255,000	379,838	1,634,838
2048	1,355,000	313,950	1,668,950
2049	1,425,000	242,813	1,667,813
2050	3,200,000	168,000	3,368,000
	<b>\$ 20,710,000</b>	<b>\$ 22,813,865</b>	<b>\$ 43,523,865</b>

No assurance is provided. See summary of significant assumptions.