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Accountant's Compilation Report

Board of Directors
Parkdale Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Parkdale Metropolitan District No. 1 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Parkdale Metropolitan District No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 16, 2019

**PARKDALE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2020 BUDGET
WITH 2019 ESTIMATED**

For the Years Ending December 31,

12/26/2019

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ (14,786)	\$ 652
REVENUES			
Property taxes	-	2,133	2,707
Specific ownership taxes	-	110	135
Developer advance	4,419	50,000	46,000
Transfer from District No. 2	-	4,129	1,724
Total revenues	<u>4,419</u>	<u>56,372</u>	<u>50,566</u>
Total funds available	<u>4,419</u>	<u>41,586</u>	<u>51,218</u>
EXPENDITURES			
General and administrative			
Accounting	3,634	15,000	15,000
County Treasurer's fee	-	32	41
Dues	-	-	500
Insurance	3,639	902	2,000
Legal	11,932	25,000	25,000
Contingency	-	-	7,459
Total expenditures	<u>19,205</u>	<u>40,934</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>19,205</u>	<u>40,934</u>	<u>50,000</u>
ENDING FUND BALANCE	<u>\$ (14,786)</u>	<u>\$ 652</u>	<u>\$ 1,218</u>
EMERGENCY RESERVE	\$ -	\$ 200	\$ 200
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 200</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**PARKDALE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET**

WITH 2019 ESTIMATED

For the Years Ending December 31,

12/26/2019

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
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ASSESSED VALUATION

Residential	\$ -	\$ 17,827	\$ 111,076
Oil and Gas	-	-	8,036
Agricultural	-	20,358	42,601
State assessed	-	396	410
	-	38,581	162,123
Adjustments	-	-	-
Certified Assessed Value	\$ -	\$ 38,581	\$ 162,123

MILL LEVY

General	0.000	55.277	16.699
Total mill levy	0.000	55.277	16.699

PROPERTY TAXES

General	\$ -	\$ 2,133	\$ 2,707
Levied property taxes	-	2,133	2,707
Budgeted property taxes	\$ -	\$ 2,133	\$ 2,707

BUDGETED PROPERTY TAXES

General	\$ -	\$ 2,133	\$ 2,707
	\$ -	\$ 2,133	\$ 2,707

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**PARKDALE METROPOLITAN DISTRICT NO. 1
2020 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 Boulder County on May 11, 2018 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Erie on October 24, 2017. The District's service area is located entirely within the Town of Erie, in Boulder County, Colorado.

The District was established, in conjunction with Parkdale Metropolitan District Nos. 2 and 3 (along with the District, the "Districts"), to plan for, design, acquire, construct, install, and finance certain public improvements.

Pursuant to the Amended and Restated Service Plan, the Districts are permitted to issue bond indebtedness in an aggregate principal amount not to exceed \$100,000,000. In the future, the Districts 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 Districts' service area; however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

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

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.

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 District's Amended and Restated Service Plan allows for a maximum operating mill levy of 15.000 mills, 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 District's maximum operating mill levy has been adjusted to 16.699 mills.

The District's Amended and Restated Service Plan allows for a maximum debt mill levy of 50.000 mills, 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 District's maximum debt mill levy has been adjusted to 55.663 mills

**PARKDALE METROPOLITAN DISTRICT NO. 1
2020 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 5% of the property taxes collected.

Developer Advance

The District is in the development stage. As such, the District'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 District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Expenditures

General and Administrative

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

County Treasurer's Fees

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

Debt and Leases

The District has no debt or operating or capital 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 forecasted budget.