

**RESOLUTION NO. 2023-11-02**

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE PIONEER COMMUNITY  
AUTHORITY, WELD COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108,  
C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND,  
ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE  
BUDGET YEAR 2024**

A. The Pioneer Community Authority Board of Directors (the “**CAB**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body by October 15, 2023 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 20, 2023, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the CAB.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the CAB.

**NOW, THEREFORE, BE IT RESOLVED BY THE PIONEER COMMUNITY  
AUTHORITY BOARD OF DIRECTORS, WELD COUNTY, COLORADO:**

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the CAB for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the CAB to all appropriate agencies and is made a part of the public records of the CAB.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

RESOLUTION APPROVED AND ADOPTED on November 20, 2023.

**PIONEER COMMUNITY AUTHORITY  
BOARD**

By: Joel Farkas  
President

Attest:

By: Lisa Jacoby  
Secretary

**EXHIBIT A**

Budget

**PIONEER COMMUNITY AUTHORITY BOARD**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

**PIONEER COMMUNITY AUTHORITY BOARD  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,360,815	\$ 29,976,787	\$ 17,368,346
REVENUES			
Interest income	397,687	1,195,148	578,000
Developer advance	145,189	100,000	-
Transfer from Pioneer Metro No. 2	8,734	2,524,053	3,435,264
Transfer from Pioneer Metro No. 3	4,308	3,418	23,080
Transfer from Pioneer Metro No. 4	8,180	8,454	9,391
Transfer from Pioneer Metro No. 5	102,219	379,794	928,890
Other revenue	41,912	-	1,588
Bond issuance - Series 2022	57,290,000	-	-
Bond Issuance - Series 2023	-	181,010	-
Total revenues	<u>57,998,229</u>	<u>4,391,877</u>	<u>4,976,213</u>
TRANSFERS IN	<u>16,158,469</u>	<u>-</u>	<u>-</u>
Total funds available	<u>76,517,513</u>	<u>34,368,664</u>	<u>22,344,559</u>
EXPENDITURES			
General Fund	401,119	648,549	455,000
Debt Service Fund	1,365,568	5,325,069	7,095,000
Capital Projects Fund	28,615,570	11,026,700	5,075,000
Total expenditures	<u>30,382,257</u>	<u>17,000,318</u>	<u>12,625,000</u>
TRANSFERS OUT	<u>16,158,469</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>46,540,726</u>	<u>17,000,318</u>	<u>12,625,000</u>
ENDING FUND BALANCES	<u>\$ 29,976,787</u>	<u>\$ 17,368,346</u>	<u>\$ 9,719,559</u>
EMERGENCY RESERVE	\$ 3,800	\$ 40,000	\$ 31,300
SERIES 2022 CAPITALIZED INTEREST	9,402,747	5,875,772	2,151,922
SERIES 2022 RESERVE FUND	5,493,939	5,493,939	5,493,939
TOTAL RESERVE	<u>\$ 14,900,486</u>	<u>\$ 11,409,711</u>	<u>\$ 7,677,161</u>

No assurance provided. See summary of significant assumptions.

**PIONEER COMMUNITY AUTHORITY BOARD  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (127,985)	\$ (259,968)	\$ 522,095
<b>REVENUES</b>			
Interest income	506	8,612	3,000
Developer advance	145,189	100,000	-
Transfer from Pioneer Metro No. 2	8,734	1,139,276	792,741
Transfer from Pioneer Metro No. 3	4,308	3,418	23,080
Transfer from Pioneer Metro No. 4	8,180	8,454	9,391
Transfer from Pioneer Metro No. 5	102,219	170,852	214,351
Total revenues	269,136	1,430,612	1,042,563
Total funds available	141,151	1,170,644	1,564,658
<b>EXPENDITURES</b>			
General and administrative			
Accounting	101,342	125,000	130,000
Auditing	22,800	15,000	15,000
Dues and licenses	3,709	21,983	25,000
Insurance	25,348	32,203	35,000
Legal	189,872	120,000	135,000
Miscellaneous	2,701	1,470	2,000
Election	3,714	7,733	-
Repay developer advance	-	269,660	-
Contingency	-	-	32,500
Transfers to Pioneer MD No. 3	3,500	-	-
Pond Maintenance	48,133	50,000	75,000
Utilities	-	5,500	5,500
Total expenditures	401,119	648,549	455,000
Total expenditures and transfers out requiring appropriation	401,119	648,549	455,000
ENDING FUND BALANCES	\$ (259,968)	\$ 522,095	\$ 1,109,658
EMERGENCY RESERVE	\$ 3,800	\$ 40,000	\$ 31,300
TOTAL RESERVE	\$ 3,800	\$ 40,000	\$ 31,300

No assurance provided. See summary of significant assumptions.

**PIONEER COMMUNITY AUTHORITY BOARD  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 14,934,795	\$ 11,846,251
<b>REVENUES</b>			
Interest income	141,894	642,806	500,000
Other revenue	-	-	1,588
Transfer from Pioneer Metro No. 2	-	1,384,777	2,642,523
Transfer from Pioneer Metro No. 5	-	208,942	714,539
Total revenues	141,894	2,236,525	3,858,650
<b>TRANSFERS IN</b>			
Transfers from other funds	16,158,469	-	-
Total funds available	16,300,363	17,171,320	15,704,901
<b>EXPENDITURES</b>			
General and administrative			
Paying agent fees	10,500	7,500	7,500
Contingency	-	-	1,588
Bond interest - Series 2020A	-	1,593,719	3,357,062
Bond principal - Series 2022	-	-	5,000
Bond interest - Series 2022	1,355,068	3,723,850	3,723,850
Total expenditures	1,365,568	5,325,069	7,095,000
Total expenditures and transfers out requiring appropriation	1,365,568	5,325,069	7,095,000
ENDING FUND BALANCES	\$ 14,934,795	\$ 11,846,251	\$ 8,609,901
SERIES 2022 CAPITALIZED INTEREST	\$ 9,402,747	\$ 5,875,772	\$ 2,151,922
SERIES 2022 RESERVE FUND	5,493,939	5,493,939	5,493,939
TOTAL RESERVE	\$ 14,896,686	\$ 11,369,711	\$ 7,645,861

No assurance provided. See summary of significant assumptions.

**PIONEER COMMUNITY AUTHORITY BOARD  
CAPITAL PROJECTS FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,488,800	\$ 15,301,960	\$ 5,000,000
<b>REVENUES</b>			
Interest income	255,287	543,730	75,000
Other revenue	41,912	-	-
Bond issuance - Series 2022	57,290,000	-	-
Bond Issuance - Series 2023	-	181,010	-
Total revenues	57,587,199	724,740	75,000
Total funds available	60,075,999	16,026,700	5,075,000
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	15,041	10,000	11,000
Legal	11,877	100,000	100,000
Contingency	-	-	10,000
Water Conservation Pilot Program	49,741	140,000	147,000
Bond Discount	2,350,609	-	-
Bond issue costs	1,749,823	503,260	-
Engineering	41,926	86,000	100,000
Capital outlay	24,396,553	10,187,440	4,707,000
Total expenditures	28,615,570	11,026,700	5,075,000
<b>TRANSFERS OUT</b>			
Transfers to other fund	16,158,469	-	-
Total expenditures and transfers out requiring appropriation	44,774,039	11,026,700	5,075,000
ENDING FUND BALANCES	\$ 15,301,960	\$ 5,000,000	\$ -



**PIONEER COMMUNITY AUTHORITY BOARD  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Pioneer Regional Metropolitan District (“Regional”), Pioneer Metropolitan District No. 1 (“District No. 1”), Pioneer Metropolitan District No. 2 (“District No. 2”), Pioneer Metropolitan District No. 3 (“District No. 3”), Pioneer Metropolitan District No. 4 (“District No. 4”), Pioneer Metropolitan District No. 5 (“District No. 5”) and Pioneer Metropolitan District No. 6 (“District No. 6”), together the CAB Districts, pursuant to Article XIV of the Colorado Constitution and in conformity with the provisions of Sections 29-1-203 and 203.5, C.R.S., have entered into the Pioneer Community Authority Board Establishment Agreement, effective August 26, 2020, and the First Amended and Restated Pioneer Community Authority Board Establishment Agreement, effective September 30, 2020 to organize the Pioneer Community Authority Board (the “CAB”) for the purpose of operating, maintaining, repairing or replacing the Public Improvements as authorized under the Service Plans.

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

The CAB 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 CAB 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 CAB anticipates the collection of taxes by Pioneer Metropolitan District Nos. 2, 3, 4, and 5, which will be transferred to the CAB to fund operational and administrative expenditures. District Nos. 2, 3, 4, and 5, adopted mill levies of 15.000 mills (adjusted) for the general fund which include 10.000 mills (adjusted) for operations and 5.000 mills (adjusted) for the regional mill levy.

**Expenditures**

**General and Administrative**

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

**Capital Outlay**

The CAB participates in an Agricultural Water Conservation Pilot Program (the “Program”) to promote and incentivize water conservation measures to be used by farmers and ranchers. One participation agreement under the Program has been executed whereby the CAB will make annual incentive payments to the participant. Such incentive payments may be a combination of water delivery and/or cash. A cash payment of \$147,000 is budgeted for 2024.

The CAB anticipates infrastructure improvements as noted in the Capital Projects Fund.

**PIONEER COMMUNITY AUTHORITY BOARD  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Series 2020A Subordinate Special Revenue Bonds**

On November 25, 2020 the CAB issued the Series 2020A Bonds in the amount of \$24,592,000. The proceeds from the sale of the 2020A Bonds were used for the purposes of (a) financing the purchase of certain water rights and a portion of the costs of acquiring, constructing, and/or installing certain Water and Wastewater Improvements and (b) paying the costs of issuing the 2020A Bonds and the 2020B Bonds.

The 2020A Bonds bear interest at 6.75%, payable to the extent of the Pledged Revenue available on December 15 each year, commencing on December 15, 2021. Accrued unpaid interest on the 2020A Bonds will compound annually on each December 15, beginning on December 15, 2021, until sufficient Pledged Revenue is available for payment.

The 2020A Bonds are structured as “cash flow” special revenue obligations of the CAB, meaning that no regularly scheduled payments of principal are due on the 2020A Bonds prior to their maturity date. Rather, principal on the 2020A Bonds is payable annually on each December 15 from, and to the extent of, Pledged Revenue on deposit, if any, in the 2020A Bond Fund. The 2020A Bonds mature on December 15, 2050.

The 2020A Bonds are payable from Pledged Revenue on a basis subordinate to the District No. 3 Series 2016 Limited Tax General Obligation Refunding and Improvement Bonds for so long as any 2016 Bonds remain outstanding and subordinate to any 2016 Refunding Bonds for so long as any such 2016 Refunding Bonds remain outstanding.

The 2020A Bonds are secured by and payable solely from the Pledged Revenue consisting of the following revenues:

- (a) prior to the defeasance of the 2016 Bonds, excess revenues, if any, and
- (b) on and after the defeasance of the 2016 Bonds, the following revenues pledged to the CAB by the Pledge Districts (being Pioneer Metropolitan District Nos. 2 and 5) pursuant to their respective Capital Pledge Agreements, net of any costs of collection:
  - (i) all Pledge District Property Tax Revenues;
  - (ii) all Pledge District Specific Ownership Tax Revenues; and
  - (iii) any other legally available moneys which a Pledge District determines, in its absolute discretion, to transfer to the Trustee for credit to the 2020A Bond Fund established pursuant to the 2020A Indenture.

District No. 2 and District No. 5 (the “Pledge Districts”) have each entered into separate Capital Pledge Agreements, pursuant to which, each of the Pledge Districts has pledged the applicable “District Pledged Revenue” (herein, the correlative term for the District No. 2 Pledged Revenue and the District No. 5 Pledged Revenue as defined in the 2020A Indenture and Capital Pledge Agreements) to the repayment of the 2020A Bonds.

The 2020A Bonds are subject to redemption prior to maturity, at the option of the CAB, on December 15, 2025 upon payment of par, accrued interest, and a redemption premium of 3% and on any date thereafter, with a redemption premium declining 1% per year for the next two years and no redemption premium thereafter.

**PIONEER COMMUNITY AUTHORITY BOARD  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

**Series 2020A Subordinate Special Revenue Bonds (continued)**

\$20,608,242 of the net proceeds from the sale of the 2020A Bonds were deposited to the Unrestricted Account of the Project Fund, and the remaining net proceeds of \$2,378,000 were deposited to the Restricted Account of the Project Fund.

The Trustee shall transfer from the Restricted Account to the Unrestricted Account of the Project Fund the Additional Bond Proceeds for each Producing Well determined as described in the Indenture.

Any moneys remaining in the Restricted Account on November 15, 2025 will be used to redeem the 2020A Bonds on December 15, 2025, to the extent possible. In the event that there are moneys remaining in the Restricted Account on November 15, 2025 but such amounts are insufficient to redeem any 2020A Bond on December 15, 2025, such amounts are to be credited to the 2020A Bond Fund.

**Series 2020B Junior Subordinate Special Revenue Draw-Down Bonds**

On November 25, 2020, the CAB issued the Series 2020B Bonds in the amount of \$8,935,000. The proceeds from the sale of the 2020B Bonds are anticipated to be used (a) for the purpose of paying certain costs of issuance of the 2020B Bonds on each draw date and (b) to the developer in exchange for (i) the acquisition by the CAB of certain public Improvements, the costs of which have been verified and certified by an engineer as eligible to be financed and/or reimbursed from debt of the Districts which was approved by the election and/or (ii) funds advanced to the CAB by the developer for the design and construction of certain public Improvements.

The 2020B Bonds will be dated as of their respective Draw Dates, shall mature on December 15, 2050, and shall bear interest at the rate of 7.00% per annum, payable to the extent of Subordinate Pledged Revenue available on each December 15, beginning on the December 15 next succeeding each Draw Date. Accrued unpaid interest on the 2020B Bonds will compound annually on each December 15 at the rate then borne by the 2020B Bonds. All of the outstanding 2020B Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on December 15, 2060.

The 2020B Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue on a basis subordinate to the District No. 3 Series 2016 Limited Tax General Obligation Refunding and Improvement Bonds and any Series 2016 Refunding Bonds, the 2020A Bonds and Parity Bonds (if any). No payments on the 2020B Bonds can be made until the 2016 Bonds and the 2020A Bonds have been fully paid.

Subordinate Pledged Revenue means the District No. 2 Subordinate Pledged Revenue and the District No. 5 Subordinate Pledged Revenue, each consisting of the following revenues:

- (a) prior to the defeasance of the 2016 Bonds, the Pledge District excess revenues and
- (b) on and after the defeasance of the Series 2016 Bonds, the following revenues being pledged pursuant to the Pledge District Capital Pledge Agreement, net of any costs of collection:
  - (i) all Pledge District Subordinate Property Tax Revenues;
  - (ii) all Pledge District Subordinate Specific Ownership Tax Revenues; and
  - (iii) any other legally available moneys which a Pledge District determines, in its absolute discretion, to transfer to the Trustee for credit to the 2020B Bond Fund established pursuant to the 2020B Indenture.

**PIONEER COMMUNITY AUTHORITY BOARD  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

**Series 2022 Special Revenue Bonds**

On July 20, 2022, the CAB issued the Series 2022 Special Revenue Bonds in the amount of \$57,290,000. The 2022 Bonds bear interest at the rate of 6.50% per annum, payable semiannually on June 1 and December 1, beginning on December 1, 2022. Annual mandatory sinking funds principal payments are due on December 1, beginning on December 1, 2024. The 2022 Bonds mature on December 1, 2034.

The 2022 Bonds are secured by and payable solely from the Pledged Revenue consisting of the following revenues:

- (a) all Facilities Fees; and,
- (b) any other legally available moneys which the Authority determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

The 2022 Bonds are subject to redemption prior to maturity, at the option of the CAB, on June 1, 2029 upon payment of par, accrued interest, and a redemption premium of 3% and on any date thereafter, with a redemption premium declining 1% per year for the next two years and not redemption premium thereafter.

The 2022 Bonds are additionally secured by capitalized interest which was funded from proceeds of the 2022 Bonds in the amount of \$10,664,530, by the Reserve Fund which was funded from proceeds of the 2022 Bonds in the amount of \$5,493,939, and by amounts, if any, on deposit in the Surplus Fund which will be funded from Pledged Revenue up to the Maximum Surplus Amount of \$5,493,939 or 10% of the principal amount of the 2022 Bonds outstanding on December 2 of each year.

**Series 2023B Junior Subordinate Special Revenue Draw-Down Bonds**

On March 17, 2023, the CAB issued the Series 2023B Junior Subordinate Special Revenue Draw-Down Bonds in the par amount up to \$32,225,000. The 2023 Bonds bear interest at a rate of 7.000% and mature on December 1, 2053. Principal and interest are payable annually on December 15, beginning on December 15, 2023. As a result of the issuance of the 2023B Bonds, the 2020B Bonds were cancelled. No draws had been made against the 2020B Bonds at the time of issuance of the 2023B Bonds.

The CAB has no operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

The CAB has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2024, as defined under TABOR.

**This information is an integral part of the accompanying forecasted budget.**

**Pioneer Community Authority Board  
Schedule of Debt and Developer Advances**

	<b>Balance at December 31, 2022</b>	<b>Additions*</b>	<b>Payments*</b>	<b>Balance at December 31, 2023*</b>
Series 2020A Bonds - Principal	\$ 24,592,000	\$ -	\$ -	\$ 24,592,000
Series 2020A Bonds - Interest	3,621,444	1,904,407	1,593,719	3,932,132
Series 2022 Bonds - Principal	57,290,000	-	-	57,290,000
Series 2022 Bonds - Interest	-	3,723,850	3,723,850	-
Series 2023 Bonds - Principal	-	181,010	-	181,010
Series 2023 Bonds - Interest	-	10,032	-	10,032
Developer advance payable	145,189	100,000	245,189	-
Accrued interest on advances	7,653	16,818	24,471	-
	<b>\$ 85,656,286</b>	<b>\$ 5,936,117</b>	<b>\$ 5,587,229</b>	<b>\$ 86,005,174</b>
	<b>Balance at December 31, 2023*</b>	<b>Additions*</b>	<b>Payments*</b>	<b>Balance at December 31, 2024*</b>
Series 2020A Bonds - Principal	\$ 24,592,000	\$ -	\$ -	\$ 24,592,000
Series 2020A Bonds - Interest	3,932,132	1,925,379	3,357,062	2,500,449
Series 2022 Bonds - Principal	57,290,000	-	-	57,290,000
Series 2022 Bonds - Interest	-	3,723,850	3,723,850	-
Series 2023 Bonds - Principal	181,010	-	-	181,010
Series 2023 Bonds - Interest	10,032	13,373	-	23,405
	<b>\$ 86,005,174</b>	<b>\$ 5,662,602</b>	<b>\$ 7,080,912</b>	<b>\$ 84,586,864</b>

\*Estimated amounts

I, Lisa A. Jacoby, hereby certify that I am the duly appointed Secretary of the Pioneer Community Authority Board, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Pioneer Community Authority Board of Directors held on November 20, 2023.

*Lisa Jacoby*

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Secretary