

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 335,863	\$ 24,319,601	\$ 2,289,280
REVENUES			
Property taxes	188,574	90,033	413,402
Specific ownership taxes	14,111	8,450	24,804
Developer Advance	3,026,241	96,651	-
Interest income	4,400	40,626	28,195
TIF (Tax increment financing)	44,828	47,478	305,116
Bond issuance	30,147,000	-	-
Total revenues	<u>33,425,154</u>	<u>283,238</u>	<u>771,517</u>
TRANSFERS IN			
Transfers from Other Funds	<u>82,874</u>	<u>-</u>	<u>-</u>
Total funds available	<u>33,843,891</u>	<u>24,602,839</u>	<u>3,060,797</u>
EXPENDITURES			
General Fund	141,547	125,000	111,500
Debt Service Fund	203,394	130,291	635,464
Capital Projects Fund	6,070,234	22,058,268	2,310,345
Total expenditures	<u>6,415,175</u>	<u>22,313,559</u>	<u>3,057,309</u>
REPAY DEVELOPER ADVANCES			
Repay developer advance	3,026,241	-	-
Repay developer advance - interest	-	-	-
Total Repay Developer Advances	<u>3,026,241</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to Other Funds	<u>82,874</u>	<u>-</u>	<u>-</u>
Total expenditures, transfers out and developer advance repayments requiring appropriation	<u>9,524,290</u>	<u>22,313,559</u>	<u>3,057,309</u>
ENDING FUND BALANCES	<u>\$ 24,319,601</u>	<u>\$ 2,289,280</u>	<u>\$ 3,488</u>
Emergency Reserve	\$ 1,138	\$ 675	\$ 3,429
TOTAL RESERVE	<u>\$ 1,138</u>	<u>\$ 675</u>	<u>\$ 3,429</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION - WELD COUNTY</b>			
Residential - Single Family	\$ -	\$ -	\$ 126,310
Commercial	-	-	11,050
Oil & Gas	-	-	10,080,620
Agricultural	33,381	18,081	31,570
State assessed	129,080	158,410	8,880
Vacant land	-	276,650	464,220
Personal property	-	-	277,170
Other	4,125,849	1,793,990	-
	<u>4,288,310</u>	<u>2,247,120</u>	<u>10,999,820</u>
TIF District Increment	(1,416,321)	(877,533)	(4,671,037)
Certified Assessed Value	<u>\$ 2,871,989</u>	<u>\$ 1,369,587</u>	<u>\$ 6,328,783</u>
<b>MILL LEVY</b>			
General	10.070	10.070	10.006
Debt Service	55.664	55.664	55.315
Total mill levy	<u>65.734</u>	<u>65.734</u>	<u>65.321</u>
<b>PROPERTY TAXES</b>			
General	\$ 28,921	\$ 13,792	\$ 63,326
Debt Service	159,866	76,237	350,076
Levied property taxes	188,787	90,029	413,402
Adjustments to actual/rounding	(213)	5	-
Budgeted property taxes	<u>\$ 188,574</u>	<u>\$ 90,034</u>	<u>\$ 413,402</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 28,888</b>	<b>\$ 13,793</b>	<b>\$ 63,326</b>
Debt Service	<b>159,686</b>	<b>76,241</b>	<b>350,076</b>
	<u><b>\$ 188,574</b></u>	<u><b>\$ 90,034</b></u>	<u><b>\$ 413,402</b></u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
GENERAL FUND  
2023 BUDGET  
WITH 2021 AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 27,268	\$ 6,518	675
REVENUES			
Property taxes	28,888	13,793	63,326
Specific ownership taxes	2,162	1,294	3,800
Developer Advance	-	96,651	-
Interest income	6	146	450
TIF (Tax increment financing)	6,867	7,273	46,738
Total revenues	<u>37,923</u>	<u>119,157</u>	<u>114,313</u>
TRANSFERS IN			
Transfers from Other Funds	<u>82,874</u>	-	-
Total funds available	<u>148,065</u>	<u>125,675</u>	<u>114,988</u>
EXPENDITURES			
Accounting	68,835	65,000	30,000
Auditing	4,700	13,200	6,600
County treasurer's fee	433	207	950
Dues and membership	342	1,238	1,300
Insurance	2,596	2,970	3,200
Legal	50,011	25,000	30,000
Election expense	8,139	2,500	2,500
Directors Fee	1,200	2,400	2,400
Miscellaneous	3,046	700	700
Banking fees	-	800	800
Engineering	1,698	-	2,000
Utilities	547	613	650
Contingency	-	10,372	30,400
Total expenditures	<u>141,547</u>	<u>125,000</u>	<u>111,500</u>
Total expenditures and transfers out requiring appropriation	<u>141,547</u>	<u>125,000</u>	<u>111,500</u>
ENDING FUND BALANCES	<u>\$ 6,518</u>	<u>\$ 675</u>	<u>\$ 3,488</u>
Emergency Reserve	\$ 1,138	\$ 675	\$ 3,429
Available or Surplus Pledged Revenue Funds	-	-	-
TOTAL RESERVE	<u>\$ 1,138</u>	<u>\$ 675</u>	<u>\$ 3,429</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 6,210	\$ -
REVENUES			
Property taxes	159,686	76,240	350,076
Specific ownership taxes	11,949	7,156	21,005
Interest income	8	480	6,005
TIF (Tax increment financing)	37,961	40,205	258,378
Total revenues	<u>209,604</u>	<u>124,081</u>	<u>635,464</u>
Total funds available	<u>209,604</u>	<u>130,291</u>	<u>635,464</u>
EXPENDITURES			
County Treasurer's fee	2,395	1,146	5,251
Bond interest	200,999	129,145	630,213
Total expenditures	<u>203,394</u>	<u>130,291</u>	<u>635,464</u>
Total expenditures requiring appropriation	<u>203,394</u>	<u>130,291</u>	<u>635,464</u>
ENDING FUND BALANCES	<u>\$ 6,210</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 308,595	\$ 24,306,873	\$ 2,288,605
REVENUES			
Interest income	4,386	40,000	21,740
Bond issuance	30,147,000	-	-
Developer advance	3,026,241	-	-
Total revenues	<u>33,177,627</u>	<u>40,000</u>	<u>21,740</u>
Total funds available	<u>33,486,222</u>	<u>24,346,873</u>	<u>2,310,345</u>
EXPENDITURES			
Accounting	8,601	20,000	20,000
Legal	38,058	22,000	25,000
Paying agent fees	5,000	5,000	5,000
Bond Issue Costs	952,440	-	-
Engineering	12,684	11,268	10,000
Capital outlay	5,053,451	22,000,000	2,250,345
Total expenditures	<u>6,070,234</u>	<u>22,058,268</u>	<u>2,310,345</u>
TRANSFERS OUT			
Transfers to General Fund	<u>(82,874)</u>	-	-
REPAY DEVELOPER ADVANCES			
Repay developer advance	(3,026,241)	-	-
Repay developer advance - interest	-	-	-
Total Repay Developer Advances	<u>(3,026,241)</u>	-	-
Total expenditures, transfers out and developer advance repayments requiring appropriation	<u>27,037,885</u>	<u>22,058,268</u>	<u>2,310,345</u>
ENDING FUND BALANCES	<u>\$ 24,306,873</u>	<u>\$ 2,288,605</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Cottonwood Hollow Commercial Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on December 2, 2004 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area boundaries are located entirely in the Town of Firestone (Town), County of Weld, Colorado.

The District operates under a Service Plan approved by the Town on October 14, 2004 and as Amended and Restated on April 5, 2019. Pursuant to the Service Plan, the District was organized for the purpose of financing streets, street lighting, traffic and safety controls, water, landscaping, storm drainage and park and recreation improvements, all in accordance with its Service Plan. When completed, improvements shall be dedicated to the Town or other governmental entities, all for the use and benefit of residents and taxpayers, or operated and maintained by contract with a Homeowners' Association formed for the Cottonwood Hollow subdivision.

On November 6, 2014, the District's voters authorized total indebtedness of \$11,000,000 for the purpose of providing Public Improvements and \$5,500,000 for the purpose of Debt for Operations and \$16,500,000 for refunding of debt. The election also approved an annual increase in property taxes of \$11,000,000 without limitation of rate, to pay the District's operation and maintenance costs.

The Maximum Mill Levies shall not exceed fifty (50) mills for debt service purposes and shall not exceed ten (10) mills for administration and operating expenses. If, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the Maximum Combined Mill Levy may be increased or decreased to reflect such changes, such increases or decreases. The adjusted maximum mill levy is 65.321 mills.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other District organization, nor is the District a component unit of any other primary governmental entity.

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.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
2023 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 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.

**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 6% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.90%.

**Tax Increment Financing (TIF)**

Pursuant to a cooperation agreement with Northern Firestone Urban Renewal Authority (NFURA), NFURA remits to the District the portion of revenues which it receives as a result of Tax Incremental Revenues attributable to the District's current mill levy.

**Expenditures**

**Administrative Expenditures**

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, banking, meeting expense, and other administrative expenses. These costs are allocated to each Fund as deemed appropriate to capture actual use by the individual Funds.



**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**County Treasurer’s Fees**

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

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2021(3) Bonds (discussed under Debt and Leases).

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

**Debt and Leases**

In June 2021, the District issued \$30,147,000 in Series 2021(3) Limited Tax Obligation Bonds. The Bonds shall constitute limited tax general obligations of the District secured by and payable from the pledged revenues. The Bonds are cash flow bonds due on December 15, 2051 at an interest rate of 5.00%.

The District has no 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.**