

BUDGET RESOLUTION

(2021)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

At the special meeting of the Board of Directors of the Cottonwood Hollow Residential Metropolitan District, Town of Firestone, County of Weld, Colorado, held at 10:00 a.m. on Tuesday, September 29, 2020, at 1641 California Street, Suite 300, Denver, CO 80202, there were present:

Miles R. Grant
Ronald J. Snow
Otto Aichinger

Also present was Dianne Miller/Michael Davis of Miller & Associates Law Offices, LLC (“District Counsel”)

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a special meeting of the Board of Directors of the District and that a notice of the meeting was posted in at three (3) places within the boundaries of the District and at the «County» County Clerk and Recorder’s Office, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Snow introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT, TOWN OF FIRESTONE, WELD COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2021 AND ENDING ON THE LAST DAY OF DECEMBER, 2021.

WHEREAS, the Board of Directors (the "Board") of the Cottonwood Hollow Residential Metropolitan District (the "District") has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2020; and

WHEREAS, the proposed 2021 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on September 24, 2020, in the Longmont Daily Times-Call, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 10:00 AM on Tuesday, September 29, 2020, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, 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.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT, WELD COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2021 Revenues and 2021 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2021, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2021.

Section 3. 2021 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$28,921, and that the net 2020 valuation for assessment, as certified by the Weld County Assessor, is \$2,871,989 for the purposes of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a tax of 10.070 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2021.

Section 4. 2021 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$159,866 and that the 2020 valuation for assessment, as certified by the Weld County Assessor, is \$ 2,871,989. That for the purposes of meeting all debt retirement expenses of the District during the 2021 budget year, there is hereby levied a tax of 55.664 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2021.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the «County» County Board of County Commissioners, no later than December 15, 2020, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

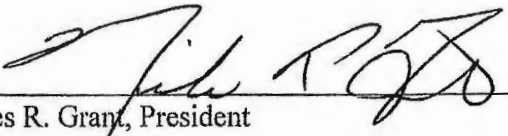
Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

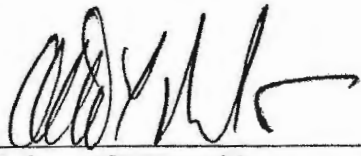
The foregoing Resolution was seconded by Director Grant.

RESOLUTION APPROVED AND ADOPTED ON SEPTEMBER 29, 2020.

COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN
DISTRICT

By: 
Miles R. Grant, President


ATTEST:


~~Ronald J. Snow, Secretary/Treasurer~~
Otto Aichinger, Asst. Secretary

STATE OF COLORADO
COUNTY OF WELD
COTTONWOOD HOLLOW RESIDENTIAL
METROPOLITAN DISTRICT

I, Ronald J. Snow, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of the Cottonwood Hollow Residential Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 10:00 AM on Tuesday, September 29, 2020, at 1641 California Street, Suite 300, Denver, Colorado 80202, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2021; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on September 29, 2020.



~~Ronald J. Snow, Secretary/Treasurer~~
Otto Aichinger, Asst. Secretary

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
GENERAL FUND
2021 ADOPTED BUDGET
WITH 2019 ACTUALS AND 2020 ESTIMATED AMOUNTS**

	2019 Actual	2020 Estimated	2021 Adopted
REVENUES			
Property taxes	\$ 500,318	\$ 937,600	\$ 28,921
Specific ownership taxes	59,200	44,333	2,024
NFURA TIF revenue	81,615	217,300	14,198
Interest	-	4,000	-
Total revenues	<u>641,133</u>	<u>1,203,233</u>	<u>45,143</u>
EXPENDITURES			
Audit	5,500	6,000	6,000
County treasurer fees	6,170	10,900	434
Accounting and legal	58,782	30,000	40,000
Fees	760	500	700
IGA expense	-	307,500	-
Insurance and bonds	2,763	3,000	3,000
NFURA TIF expense	89,011	217,300	14,198
Outside contract services	62,548	-	-
Miscellaneous	556	500	2,000
Emergency reserve	-	36,097	1,400
Total expenditures	<u>226,090</u>	<u>611,797</u>	<u>67,732</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	415,043	591,436	(22,589)
OTHER FINANCING USES			
Transfers to capital projects fund	(477,000)	(700,000)	-
Total other financing uses	<u>(477,000)</u>	<u>(700,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(61,957)	(108,564)	(22,589)
BEGINNING FUND BALANCE	<u>194,546</u>	<u>132,589</u>	<u>24,025</u>
ENDING FUND BALANCE	<u>\$ 132,589</u>	<u>\$ 24,025</u>	<u>\$ 1,436</u>

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021 ADOPTED BUDGET
WITH 2019 ACTUALS AND 2020 ESTIMATED AMOUNTS**

	2019 Actual	2020 Estimated	2021 Adopted
REVENUES			
Property taxes	\$ -	\$ -	\$ 159,866
Specific ownership taxes	-	-	11,191
NFURA TIF revenue	-	-	78,480
Total revenues	<u>-</u>	<u>-</u>	<u>249,537</u>
EXPENDITURES			
Bond interest	-	-	484,167
County treasurer fees	-	-	3,743
NFURA TIF expense	-	-	78,480
Cost of issuance - bonds	-	337,500	-
Underwriter's discount	-	185,000	-
Total expenditures	<u>-</u>	<u>522,500</u>	<u>566,390</u>
EXCESS OF EXPENDITURES OVER REVENUES	-	(522,500)	(316,853)
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	11,250,000	-
Transfers to capital projects fund	-	(8,852,959)	-
Total other financing sources (uses)	<u>-</u>	<u>2,397,041</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	1,874,541	(316,853)
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>	<u>1,874,541</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 1,874,541</u>	<u>\$ 1,557,688</u>

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2021 ADOPTED BUDGET
WITH 2019 ACTUALS AND 2020 ESTIMATED AMOUNTS**

	<u>2019 Actual</u>	<u>2020 Estimated</u>	<u>2021 Adopted</u>
REVENUES			
Total revenues	\$ -	\$ -	\$ -
EXPENDITURES			
<u>Debt Service</u>			
Repayment of developer advances	437,954	1,492,000	-
Interest on developer advances	39,046	138,000	-
<u>Capital Outlay</u>			
Water rights	1,240,790	-	-
Public improvements	533,543	-	7,900,000
Total expenditures	<u>2,251,333</u>	<u>1,630,000</u>	<u>7,900,000</u>
EXCESS OF EXPENDITURES OVER REVENUES	(2,251,333)	(1,630,000)	(7,900,000)
OTHER FINANCING SOURCES			
Transfers from general fund	477,000	700,000	-
Transfers from debt service fund	-	8,852,959	-
Developer advances	1,774,333	-	-
Total other financing sources	<u>2,251,333</u>	<u>9,552,959</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	7,922,959	(7,900,000)
BEGINNING FUND BALANCE	-	-	7,922,959
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 7,922,959</u>	<u>\$ 22,959</u>

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
WELD COUNTY**

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assessed Valuation	\$ 11,680,873	\$ 5,286,288	\$ 4,281,880
TIF			<u>1,409,891</u>
Net Assessed Valuation			<u>2,871,989</u>
 MILL LEVY			
General Fund	61.911	65.277	10.070
Debt Service	-	-	55.664
Abatement Mill Levy		71.638	
Total Mill Levy	<u>61.911</u>	<u>136.915</u>	<u>65.734</u>
 PROPERTY TAXES			
General Fund	723,175	345,073	28,921
Debt Service			159,866
Abatement		378,699	-
Total	<u>\$ 723,175</u>	<u>\$ 723,772</u>	<u>\$ 188,787</u>
Less General Fund TIF Exp			(14,198)
Less Debt Service TIF Exp			(78,480)
Total Certified Property taxes			<u><u>\$ 96,109</u></u>

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
2021 BUDGET**

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized to provide construction, installation, financing and operation of certain public improvements and facilities, including streets, street lighting, traffic and safety controls, water improvements, sanitary sewer and storm drainage improvements, landscaping, and park and recreation improvements. The District prepares its budget on the modified accrual basis of accounting

Revenue

The primary source of funds for 2021 is property taxes. For 2021, the District has imposed a mill levy of 10.070 mills for operations and maintenance (General Fund), generating \$28,291 in property tax revenue. Additionally, the District imposed a Debt Service Fund mill levy of 55.664, generating \$159,866 in property tax revenue. Revenue received from specific ownership taxes, if any, is based on a sharing of the collection of vehicle ownership taxes pooled by the County. The estimate is based on a ratio to property taxes.

Administrative Expenses

Administrative expenses have been budgeted based on estimates of the District's Board of Directors and consultants to include services necessary to maintain the District's administrative viability, such as legal, accounting, managerial, general engineering, insurance, meeting expenses and other administrative costs and expenses.

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of WELD COUNTY, Colorado.

On behalf of the COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 4,288,310 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: 2,871,989 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/15/20 for budget/fiscal year 2021.
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	10.070 mills	\$ 28,921
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.070 mills	\$ 28,921
3. General Obligation Bonds and Interest ^J	55.664 mills	\$ 159,866
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	65.734 mills	\$ 188,787

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4977

Signed:  Title: District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued
COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	<u>Capital Projects</u>
	Series:	<u>Anticipate Issuing General Obligation Bonds in 2020 or early 2021</u>
	Date of Issue:	<u>Pending</u>
	Coupon Rate:	<u>Variable</u>
	Maturity Date:	<u>30 year</u>
	Levy:	<u>55.664</u>
	Revenue:	<u>\$233,704 159,866</u>

2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

CONTRACTS^K:

3.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to report all bond and contractual obligations.