

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
SUMMARY  
2022 BUDGET  
WITH 2020 AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/22

	ESTIMATED 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 132,589	\$ (140,517)	\$ 25,191,714
REVENUES			
Property taxes	722,949	188,787	89,698
Specific ownership taxes	45,163	13,215	3,588
Developer Advance	-	-	233,000
Interest income	4,233	337	25,337
TIF (Tax increment financing)	242,040	92,678	40,000
Bond issuance	-	30,147,000	-
Total revenues	<u>1,014,385</u>	<u>30,442,017</u>	<u>391,623</u>
TRANSFERS IN			
Transfers from Other Funds	<u>1,222,768</u>	-	-
Total funds available	<u>2,369,742</u>	<u>30,301,500</u>	<u>25,583,337</u>
EXPENDITURES			
General Fund	64,723	70,122	85,000
Debt Service Fund	-	82,223	206,294
Capital Projects Fund	-	4,957,440	25,215,086
Total expenditures	<u>64,723</u>	<u>5,109,785</u>	<u>25,506,380</u>
REPAY DEVELOPER ADVANCES			
Repay developer advance	1,146,681	-	-
Repay developer advance - interest	76,087	-	-
Total Repay Developer Advances	<u>1,222,768</u>	-	-
TRANSFERS OUT			
Transfers to Other Funds	<u>1,222,768</u>	-	-
Total expenditures, transfers out and developer advance repayments requiring appropriation	<u>2,510,259</u>	<u>5,109,785</u>	<u>25,506,380</u>
ENDING FUND BALANCES	<u>\$ (140,517)</u>	<u>\$ 25,191,715</u>	<u>\$ 76,957</u>
Emergency Reserve	\$ 31,000	\$ 1,400	\$ 1,000
TOTAL RESERVE	<u>\$ 31,000</u>	<u>\$ 1,400</u>	<u>\$ 1,000</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2022 BUDGET  
WITH 2020 AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/22

ESTIMATED	ESTIMATED	BUDGET
2020	2021	2022

**ASSESSED VALUATION - WELD COUNTY**

Agricultural	\$ 33,500	\$ 33,381	\$ 18,070
State assessed	110,010	129,080	158,410
Vacant land	-	-	276,650
Other	6,737,480	4,125,849	1,793,990
	6,880,990	4,288,310	2,247,120
Adjustments	(1,594,702)	(1,416,321)	(877,533)
Certified Assessed Value	\$ 5,286,288	\$ 2,871,989	\$ 1,369,587

**MILL LEVY**

General	65.277	10.070	10.070
Debt Service	0.000	55.664	55.664
Refund and abatements	71.638	0.000	0.000
Total mill levy	136.915	65.734	65.734

**PROPERTY TAXES**

General	\$ 345,073	\$ 28,921	\$ 13,792
Debt Service	-	159,866	76,236
Refund and abatements	378,698	-	-
	723,771	188,787	90,028
Levied property taxes	723,771	188,787	90,028
Adjustments to actual/rounding	(822)	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	\$ 722,949	\$ 188,787	\$ 90,028

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 722,949</b>	<b>\$ 28,921</b>	<b>\$ 13,792</b>
<b>Debt Service</b>	<b>-</b>	<b>159,866</b>	<b>76,236</b>
<b>ARI</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>\$ 722,949</b>	<b>\$ 188,787</b>	<b>\$ 90,028</b>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
GENERAL FUND  
2022 BUDGET  
WITH 2020 AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/22

	ESTIMATED 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 132,589	\$ (140,517)	(165,496)
REVENUES			
Property taxes	722,949	28,921	13,741
Specific ownership taxes	45,163	2,024	550
Developer Advance	-	-	233,000
Interest income	4,233	-	26
TIF (Tax increment financing)	242,040	14,198	5,000
Total revenues	<u>1,014,385</u>	<u>45,143</u>	<u>252,317</u>
Total funds available	<u>1,146,974</u>	<u>(95,374)</u>	<u>86,821</u>
EXPENDITURES			
Accounting	11,371	51,475	56,623
Auditing	5,700	6,000	6,600
County Treasurer's fee	10,908	434	206
Dues and membership	433	342	400
Insurance	2,510	2,521	2,647
Legal	33,282	3,717	4,089
Directors Fee	-	1,200	2,400
Election expense	-	-	2,500
Miscellaneous	-	418	700
Banking fees	519	1,760	800
Engineering	-	1,698	1,868
Utilities	-	557	613
Contingency	-	-	5,554
Total expenditures	<u>64,723</u>	<u>70,122</u>	<u>85,000</u>
TRANSFERS OUT			
Transfers to Capital Project fund	<u>1,222,768</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,287,491</u>	<u>70,122</u>	<u>85,000</u>
ENDING FUND BALANCES	<u>\$ (140,517)</u>	<u>\$ (165,496)</u>	<u>\$ 1,821</u>
Emergency Reserve	<u>\$ 31,000</u>	<u>\$ 1,400</u>	<u>\$ 1,000</u>
TOTAL RESERVE	<u>\$ 31,000</u>	<u>\$ 1,400</u>	<u>\$ 1,000</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
DEBT SERVICE FUND  
2022 BUDGET  
WITH 2020 AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/22

	ESTIMATED 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 167,314
REVENUES			
Property taxes	-	159,866	75,957
Specific ownership taxes	-	11,191	3,038
Interest income	-	-	121
TIF (Tax increment financing)	-	78,480	35,000
Total revenues	<u>-</u>	<u>249,537</u>	<u>114,116</u>
Total funds available	<u>-</u>	<u>249,537</u>	<u>281,430</u>
EXPENDITURES			
County Treasurer's fee	-	3,743	1,139
Bond interest	-	-	205,155
Contingency	-	78,480	-
Total expenditures	<u>-</u>	<u>82,223</u>	<u>206,294</u>
Total expenditures requiring appropriation	<u>-</u>	<u>82,223</u>	<u>206,294</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 167,314</u>	<u>\$ 75,136</u>
Debt Service Reserve Fund - Series 2021(3) Bonds		7,500	3,500
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 7,500</u>	<u>\$ 3,500</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
CAPITAL PROJECTS FUND  
2022 BUDGET  
WITH 2020 AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/22

	ESTIMATED 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 25,189,896
REVENUES			
Interest income	-	337	25,190
Bond issuance	-	30,147,000	-
Total revenues	<u>-</u>	<u>30,147,337</u>	<u>25,190</u>
Total funds available	<u>1,222,768</u>	<u>30,147,337</u>	<u>25,215,086</u>
EXPENDITURES			
Banking fees	-	5,000	5,000
Bond Issue Costs	-	952,440	-
Capital outlay	-	4,000,000	25,210,086
Total expenditures	<u>-</u>	<u>4,957,440</u>	<u>25,215,086</u>
REPAY DEVELOPER ADVANCES			
Repay developer advance	1,146,681	-	-
Repay developer advance - interest	76,087	-	-
Total Repay Developer Advances	<u>1,222,768</u>	<u>-</u>	<u>-</u>
Total expenditures, transfers out and developer advance repayments requiring appropriation	<u>1,222,768</u>	<u>4,957,440</u>	<u>25,215,086</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 25,189,897</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT  
2022 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 65.734 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  
2022 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 7% 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 0.10%.

**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  
2022 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.**