

COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/15/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 3,118,407	\$ 3,225,038	\$ 3,275,778
REVENUES			
Property taxes	85,600	279	602
Specific ownership taxes	8,438	18	24
Interest income	2,514	108,174	130,000
TIF revenue	58,728	151	401
Total revenues	<u>155,280</u>	<u>108,622</u>	<u>131,027</u>
Total funds available	<u>3,273,687</u>	<u>3,333,660</u>	<u>3,406,805</u>
EXPENDITURES			
General Fund	48,649	57,882	48,000
Total expenditures	<u>48,649</u>	<u>57,882</u>	<u>48,000</u>
Total expenditures and transfers out requiring appropriation	<u>48,649</u>	<u>57,882</u>	<u>48,000</u>
ENDING FUND BALANCES	<u>\$ 3,225,038</u>	<u>\$ 3,275,778</u>	<u>\$ 3,358,805</u>
EMERGENCY RESERVE	\$ 4,600	\$ 3,300	\$ 4,000
TOTAL RESERVE	<u>\$ 4,600</u>	<u>\$ 3,300</u>	<u>\$ 4,000</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/15/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Agricultural	9,550	6,380	6,140
State assessed	10,520	10	1,520
Vacant land	2,120	20	20
Personal property	-	1,560	-
Other	2,354,080	-	11,270
	<u>2,376,270</u>	<u>7,970</u>	<u>18,950</u>
TIF District Increment	(993,927)	(2,790)	(7,576)
Certified Assessed Value	<u>\$ 1,382,343</u>	<u>\$ 5,180</u>	<u>\$ 11,374</u>
 MILL LEVY			
General	60.000	53.941	52.928
Total mill levy	<u>60.000</u>	<u>53.941</u>	<u>52.928</u>
 PROPERTY TAXES			
General	\$ 82,941	\$ 279	\$ 602
Levied property taxes	82,941	279	602
Adjustments to actual/rounding	2,659	-	-
Budgeted property taxes	<u>\$ 85,600</u>	<u>\$ 279</u>	<u>\$ 602</u>
 ASSESSED VALUATION			
TIF District Increment	\$ 993,927	\$ 2,790	\$ 7,576
Certified Assessed Value	<u>\$ 993,927</u>	<u>\$ 2,790</u>	<u>\$ 7,576</u>
 MILL LEVY			
General	60.000	53.941	52.928
Total mill levy	<u>60.000</u>	<u>53.941</u>	<u>52.928</u>
 PROPERTY TAXES			
General	\$ 59,636	\$ 151	\$ 401
Levied property taxes	59,636	151	401
Budgeted property taxes	<u>\$ 59,636</u>	<u>\$ 151</u>	<u>\$ 401</u>
 BUDGETED PROPERTY TAXES			
General	<u>\$ 85,600</u>	<u>\$ 279</u>	<u>\$ 602</u>
	<u>\$ 85,600</u>	<u>\$ 279</u>	<u>\$ 602</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/15/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 3,118,407	\$ 3,225,038	\$ 3,275,778
REVENUES			
Property taxes	85,600	279	602
Specific ownership taxes	8,438	18	24
TIF revenue	58,728	151	401
Interest income	2,514	108,174	130,000
Total revenues	<u>155,280</u>	<u>108,622</u>	<u>131,027</u>
Total funds available	<u>3,273,687</u>	<u>3,333,660</u>	<u>3,406,805</u>
EXPENDITURES			
General and administrative			
Accounting	28,298	28,418	20,000
Auditing	-	5,500	-
County Treasurer's fee	1,244	4	9
Directors' fees	-	2,500	2,500
Dues and membership	305	314	500
Insurance	2,971	3,276	3,500
Legal	13,699	15,140	18,000
Miscellaneous	905	1,000	1,000
Election	1,227	1,730	-
Contingency	-	-	2,491
Total expenditures	<u>48,649</u>	<u>57,882</u>	<u>48,000</u>
Total expenditures and transfers out requiring appropriation	<u>48,649</u>	<u>57,882</u>	<u>48,000</u>
ENDING FUND BALANCES	<u>\$ 3,225,038</u>	<u>\$ 3,275,778</u>	<u>\$ 3,358,805</u>
EMERGENCY RESERVE	<u>\$ 4,600</u>	<u>\$ 3,300</u>	<u>\$ 4,000</u>
TOTAL RESERVE	<u>\$ 4,600</u>	<u>\$ 3,300</u>	<u>\$ 4,000</u>

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
2024 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, First Amendment to the Service Plan approved on October 12, 2012 and the Second Amendment to the Service Plan approved on June 24, 2014. 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 4, 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 Amended and Restated Service Plan adjusted the Mill Levy to the following. The Maximum Operation and Maintenance Mill Levy, which shall be subject to a Mill Levy Adjustment, shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Operation and Maintenance Costs, and shall be 50.000 mills until such time that the District issues Debt. After the District issues Debt, the Maximum Operation and Maintenance Mill Levy shall be ten (10) mills. The Maximum Operation and Maintenance Mill Levy shall apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users until such time as End Users cast the majority of affirmative votes taken by the District's Board of Directors at a meeting authorizing an increase of such Maximum Operation and Maintenance Mill Levy, at which time the mill levy may be such amount as is necessary to pay the Operation and Maintenance Cost.

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 COMMERCIAL METROPOLITAN DISTRICT
2024 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.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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 4% 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 4%.

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.

**COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

County Treasurer's Fees

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

Debt and Leases

Debt and Leases

The District has no debt and 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.