

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025**

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 4,256,128	\$ 3,153,360	\$ 1,284,687
REVENUES			
Property taxes	408,742	654,783	346,421
Specific ownership taxes	30,557	37,634	25,856
Interest Income	201,655	45,042	37,700
Developer advance	126,343	-	-
Other Revenue	-	686	-
Intergovernmental revenues	-	1,112,587	-
TIF Revenue	300,549	476,167	299,979
Total revenues	<u>1,067,846</u>	<u>2,326,899</u>	<u>709,956</u>
Total funds available	<u>5,323,974</u>	<u>5,480,259</u>	<u>1,994,643</u>
EXPENDITURES			
General Fund	184,435	160,829	183,400
Debt Service Fund	635,415	1,007,079	580,270
Capital Projects Fund	1,350,764	3,027,664	1,227,742
Total expenditures	<u>2,170,614</u>	<u>4,195,572</u>	<u>1,991,412</u>
Total expenditures and transfers out requiring appropriation	<u>2,170,614</u>	<u>4,195,572</u>	<u>1,991,412</u>
ENDING FUND BALANCES	<u>\$ 3,153,360</u>	<u>\$ 1,284,687</u>	<u>\$ 3,231</u>
EMERGENCY RESERVE	\$ 3,600	\$ 5,600	\$ 3,200
TOTAL RESERVE	<u>\$ 3,600</u>	<u>\$ 5,600</u>	<u>\$ 3,200</u>

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION			
Residential	\$ 126,310	\$ 1,243,360	\$ 2,492,660
Commercial	11,050	11,620	-
Oil and Gas	10,080,620	14,786,760	5,598,040
Agricultural	31,570	30,340	30,340
State assessed	8,880	48,190	5,660
Vacant land	464,220	17,620	9,250
Personal property	277,170	-	1,138,610
Other	-	-	-
	<u>10,999,820</u>	<u>16,137,890</u>	<u>9,274,560</u>
TIF District Increment	(4,671,037)	(6,993,506)	(4,304,109)
Certified Assessed Value	<u>\$ 6,328,783</u>	<u>\$ 9,144,384</u>	<u>\$ 4,970,451</u>
MILL LEVY			
General	10.006	10.366	10.677
Debt Service	55.315	57.301	59.019
Total mill levy	<u>65.321</u>	<u>67.667</u>	<u>69.696</u>
PROPERTY TAXES			
General	\$ 63,326	\$ 94,791	\$ 53,070
Debt Service	350,077	523,982	293,351
Levied property taxes	413,403	618,773	346,421
Adjustments to actual/rounding	(4,661)	36,010	-
Budgeted property taxes	<u>\$ 408,742</u>	<u>\$ 654,783</u>	<u>\$ 346,421</u>
ASSESSED VALUATION			
TIF District Increment	\$ 4,671,037	\$ 6,993,506	\$ 4,304,109
Certified Assessed Value	<u>\$ 4,671,037</u>	<u>\$ 6,993,506</u>	<u>\$ 4,304,109</u>
MILL LEVY			
General	10.006	10.366	10.677
Debt Service	55.315	57.301	59.019
Total mill levy	<u>65.321</u>	<u>67.667</u>	<u>69.696</u>
PROPERTY TAXES			
General	\$ 46,738	\$ 72,495	\$ 45,955
Debt Service	258,378	400,735	254,024
Budgeted property taxes	<u>\$ 305,116</u>	<u>\$ 473,230</u>	<u>\$ 299,979</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 62,612</u>	<u>\$ 100,307</u>	<u>\$ 53,070</u>
Debt Service	<u>346,130</u>	<u>554,476</u>	<u>293,351</u>
	<u>\$ 408,742</u>	<u>\$ 654,783</u>	<u>\$ 346,421</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 5	\$ 59,340	\$ 81,945
REVENUES			
Property taxes	62,612	100,307	53,070
Specific ownership taxes	4,681	5,766	3,961
TIF Revenue	46,039	72,945	45,955
Interest Income	4,095	3,730	1,700
Other Revenue	-	686	-
Developer advance	126,343	-	-
Total revenues	<u>243,770</u>	<u>183,434</u>	<u>104,686</u>
TRANSFERS IN			
Total funds available	<u>243,775</u>	<u>242,774</u>	<u>186,631</u>
EXPENDITURES			
General and administrative			
Accounting	58,821	42,716	44,000
Auditing	12,000	3,000	3,000
County Treasurer's Fee	939	2,509	1,485
Directors' fees	1,500	2,400	1,500
Dues and Membership	358	443	500
Insurance	6,030	6,631	7,000
District management	2,000	5,000	6,000
Legal	37,525	22,708	25,000
Miscellaneous	392	692	400
Election	1,733	-	5,000
Website	-	-	2,000
Contingency	-	-	315
Operations and maintenance			
Repairs and maintenance	5,888	-	3,200
Irrigation	-	-	7,000
Landscaping	35,427	59,348	50,000
Pest control	-	-	2,000
Snow removal	4,940	2,782	10,000
Utilities	16,882	12,600	15,000
Total expenditures	<u>184,435</u>	<u>160,829</u>	<u>183,400</u>
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	<u>184,435</u>	<u>160,829</u>	<u>183,400</u>
ENDING FUND BALANCES	<u>\$ 59,340</u>	<u>\$ 81,945</u>	<u>\$ 3,231</u>
EMERGENCY RESERVE	<u>\$ 3,600</u>	<u>\$ 5,600</u>	<u>\$ 3,200</u>
TOTAL RESERVE	<u>\$ 3,600</u>	<u>\$ 5,600</u>	<u>\$ 3,200</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 2,092	\$ 6,511	\$ -
REVENUES			
Property taxes	346,130	554,476	293,351
Specific ownership taxes	25,876	31,868	21,895
TIF Revenue	254,510	403,222	254,024
Interest Income	13,318	11,002	11,000
Other Revenue	-	-	-
Total revenues	<u>639,834</u>	<u>1,000,568</u>	<u>580,270</u>
Total funds available	<u>641,926</u>	<u>1,007,079</u>	<u>580,270</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	5,192	13,871	8,211
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	2,059
Debt Service			
Bond interest	626,223	989,208	566,000
Total expenditures	<u>635,415</u>	<u>1,007,079</u>	<u>580,270</u>
Total expenditures and transfers out requiring appropriation	<u>635,415</u>	<u>1,007,079</u>	<u>580,270</u>
ENDING FUND BALANCES	<u>\$ 6,511</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
 CAPITAL PROJECTS FUND
 2025 BUDGET
 WITH 2023 ACTUAL AND 2024 ESTIMATED
 For the Years Ended and Ending December 31,**

1/26/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 4,254,031	\$ 3,087,509	\$ 1,202,742
REVENUES			
Interest Income	184,242	30,310	25,000
Intergovernmental revenues	-	1,112,587	-
Total revenues	<u>184,242</u>	<u>1,142,897</u>	<u>\$ 25,000</u>
Total funds available	<u>4,438,273</u>	<u>4,230,406</u>	<u>\$ 1,227,742</u>
EXPENDITURES			
General and Administrative			
Accounting	22,764	9,636	9,000
Legal	10,945	8,268	24,000
Paying agent fees	-	5,000	5,000
Capital Projects			
Engineering	6,662	4,760	4,000
Capital outlay	1,310,393	3,000,000	1,185,742
Total expenditures	<u>1,350,764</u>	<u>3,027,664</u>	<u>\$ 1,227,742</u>
Total expenditures and transfers out requiring appropriation	<u>1,350,764</u>	<u>3,027,664</u>	<u>1,227,742</u>
ENDING FUND BALANCES	<u>\$ 3,087,509</u>	<u>\$ 1,202,742</u>	<u>\$ -</u>

**COTTONWOOD HOLLOW RESIDENTIAL METRO DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Cottonwood Hollow Residential 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 Second Amended and Restated Service Plan approved by the Town on May 26, 2021. 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 55.664 mills for debt service purposes and shall not exceed 10.070 mills for administration and operating expenses. If, on or after January 1, 2021, 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 69.696 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
2025 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 2025, SB22-238, SB23B-001, SB 24-233 and HB24B-1001 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 RESIDENTIAL METRO DISTRICT
2025 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 Service

There is no debt amortization schedule provided for the Series 2021(3) Bonds (discussed under Debt and Leases) as the Bonds are cash flow bonds and the timing of payments are unknown.

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.