

BUDGET RESOLUTION

(2024)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

At the regular meeting of the Board of Directors of Cottonwood Greens Metropolitan District No. 5, City of Fort Lupton, County of Weld, Colorado, held at 11:30 AM on Tuesday, November 28, 2023, at 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111, by videoconference and by teleconference, there were present:

Robert A. Lembke
Ronald E. von Lembke
Joshua Shipman
Andrew R. Damiano
Jason VonLembke

Also present was Michael Davis and Marisa Davis of the Law Office of Michael E. Davis, 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 regular meeting of the Board of Directors of the District and that a notice of the meeting was posted on the District’s public website or at a public place within the boundaries of the District pursuant to applicable statutes and at the Weld County Clerk and Recorder’s Office, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Damiano 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 DEFRAID 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 GREENS METROPOLITAN DISTRICT NO. 5, CITY OF FORT LUPTON, WELD COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024 AND ENDING ON THE LAST DAY OF DECEMBER, 2024.

WHEREAS, the Board of Directors (the “Board”) of the Cottonwood Greens Metropolitan District No. 5 (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, 2023; and

WHEREAS, the proposed 2024 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 October 26, 2023 in the Fort Lupton Press, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 11:30 AM on Tuesday, November 28, 2023, 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 COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 5, WELD COUNTY, COLORADO, AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein (the “Budget”), including without limitation the estimated revenues and expenditures for each fund included therein, is hereby approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor’s Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Appropriations. The amounts set forth as expenditures for each fund in the Budget are hereby appropriated for each such fund.

Section 3. Mill Levy Adjustment. When developing the Budget, consideration was given to any changes in method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines that in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 4. Budget Certification. The Budget shall be certified by a director on the board of directors of the District and shall be made a part of the public records of the District.

Section 5. Certification of Mill Levies. For the purposes of meeting all of the District's general operating expenses, debt service obligations, contractual obligations, and capital expenditure obligations, as well as funding any applicable refunds or abatements during the 2024 budget year, the applicable mill levies set forth in the Budget are hereby adopted and approved. The attorney, accountant or manager for the District is hereby authorized and directed to certify to the Weld County Board of County Commissioners, no later than January 10, 2024, the mill levies for the District as set forth in the Budget. Such certification shall be in compliance with the requirements of Colorado law.

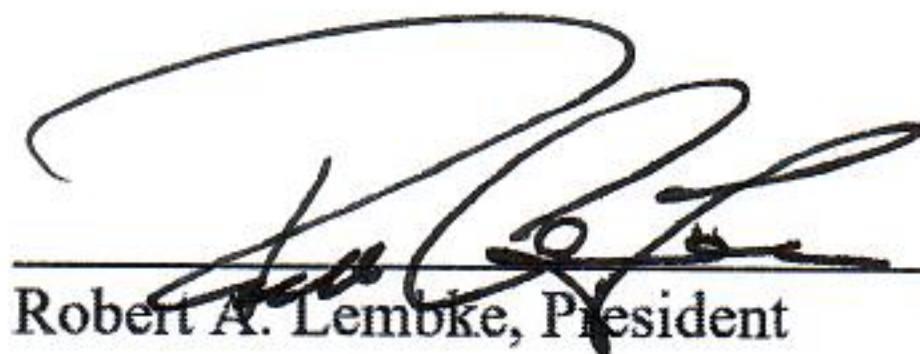
Section 6. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the Budget, and budget message with the Division of Local Government by January 30 of the ensuing year.

The foregoing Resolution was seconded by Director J. VonLembke.

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 28, 2023.

COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 5

By:



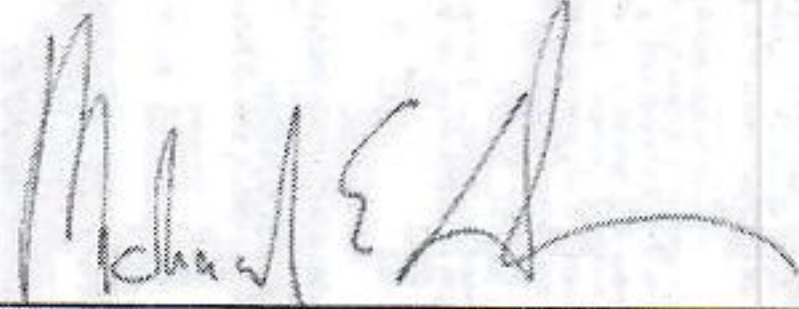
Robert A. Lembke, President

ATTEST:



Ronald E. von Lembke, Secretary/Treasurer

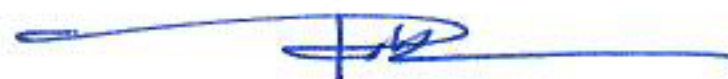
APPROVED AS TO FORM:
LAW OFFICE OF MICHAEL E. DAVIS, LLC
As General Counsel to the District



STATE OF COLORADO
COUNTY OF WELD
COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 5

I, Ronald E. von Lembke, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Cottonwood Greens Metropolitan District No. 5 (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 11:30 AM on Tuesday, November 28, 2023, at 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111, by videoconference at <https://us06web.zoom.us/j/82637555286>, and by teleconference at (720) 707-2699, Meeting ID: 826 3755 5286, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; 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 November 28, 2023.



Ronald E. von Lembke, Secretary/Treasurer

EXHIBIT A
2024 BUDGET BUDGET DOCUMENT & BUDGET MESSAGE FOR
COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 5

COTTONWOOD GREENS METRO DISTRICT NO. 5
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Agricultural	-	1,960	1,810
State assessed	-	65,430	-
Oil and gas	-	22,130	101,550
	-	89,520	103,360
Certified Assessed Value	\$ 119,180	\$ 89,520	\$ 103,360
 MILL LEVY			
General	55.664	55.783	55.783
Total mill levy	55.664	55.783	55.783
 PROPERTY TAXES			
General	\$ 6,634	\$ 4,994	\$ 5,766
Levied property taxes	6,634	4,994	5,766
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 6,634	\$ 4,994	\$ 5,766
 BUDGETED PROPERTY TAXES			
General	\$ 6,634	\$ 4,994	\$ 5,766

**COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,211	\$ 29,604	\$ 48,264
REVENUES			
Property taxes	6,634	4,994	5,766
Specific ownership taxes	393	208	231
Interest income	24	-	-
Developer advance	70,000	50,000	-
Total revenues	<u>77,051</u>	<u>55,202</u>	<u>5,997</u>
Total funds available	<u>78,262</u>	<u>84,806</u>	<u>54,261</u>
EXPENDITURES			
General and administrative			
Accounting	21,574	13,538	14,892
County Treasurer's fee	100	75	86
Directors' fees	-	3,700	3,000
Dues and membership	495	550	550
Insurance	1,201	2,608	2,700
District management	5,780	5,000	5,000
Legal	15,820	6,788	7,467
Miscellaneous	-	-	1,355
Payroll taxes	-	283	230
Contingency	-	-	14,382
Accounting consulting	3,688	4,000	4,400
Total expenditures	<u>48,658</u>	<u>36,542</u>	<u>54,061</u>
Total expenditures and transfers out requiring appropriation	<u>48,658</u>	<u>36,542</u>	<u>54,061</u>
ENDING FUND BALANCES	<u>\$ 29,604</u>	<u>\$ 48,264</u>	<u>\$ 200</u>
EMERGENCY RESERVE	\$ 300	\$ 200	\$ 200
AVAILABLE FOR OPERATIONS	29,304	48,064	-
TOTAL RESERVE	<u>\$ 29,604</u>	<u>\$ 48,264</u>	<u>\$ 200</u>

No assurance provided. See summary of significant assumptions.

COTTONWOOD GREENS METRO DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the city of Fort Lupton in Weld County, Colorado.

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

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.

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:

**COTTONWOOD GREENS METRO DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

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. The budget assumes that specific ownership taxes are allocated to the General Fund.

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures are to be funded by the Developer. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse others from bond proceeds and other available revenue.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

Expenditures

General and Administrative Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance and other administrative expenses.

County Treasurer's Collection Fees

County Treasurer's collection fees have been computed at 1.50% of property taxes.

**COTTONWOOD GREENS METRO DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debts and Leases

Leases

The District has no operating or capital 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.