

**BUDGET RESOLUTION**

**(2024)**

**CERTIFIED COPY OF RESOLUTION**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF WELD )

At the special meeting of the Board of Directors of Cottonwood Thermo Metropolitan District, City of Fort Lupton, County of Weld, Colorado, held at 4:00 PM on Wednesday, October 18, 2023, by videoconference at <https://us06web.zoom.us/j/88341108038>, and by teleconference at (720) 707-2699, Meeting ID: 883 4110 8038, there were present:

Marvin Davis  
Leslie Hebron-Brown  
Robert Eck II  
Donald R. Guerra  
Eleanor T. Righeimer

Also present was Michael Davis, and Marisa Davis of the Law Office of Michael E. Davis, LLC (“District Counsel”); and Jim Righeimer.

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 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 Righeimer 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 THERMO METROPOLITAN DISTRICT, 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 Thermo 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, 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, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 4:00 PM on Wednesday, October 18, 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 THERMO METROPOLITAN DISTRICT, 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.

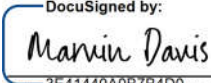
Section 5. Certification of Mill Levies. For the purposes of meeting all of the District's general operating expenses, debt service obligations, contractual obligations, and capital expenditure obligations, as well as funding any applicable refunds or abatements during the 2024 budget year, the applicable 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.

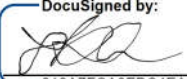
The foregoing Resolution was seconded by Director Guerra.

RESOLUTION APPROVED AND ADOPTED ON OCTOBER 18, 2023.


COTTONWOOD THERMO METROPOLITAN DISTRICT

By:   
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Marvin Davis, President

ATTEST:

  
019A7FCA0EBC4EA...  
Leslie Hebron-Brown, Secretary/Treasurer

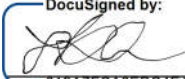
APPROVED AS TO FORM:  
LAW OFFICE OF MICHAEL E. DAVIS, LLC  
As General Counsel to the District

  
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STATE OF COLORADO  
COUNTY OF WELD  
COTTONWOOD THERMO METROPOLITAN DISTRICT

I, Leslie Hebron-Brown, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Cottonwood Thermo 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 4:00 PM on Wednesday, October 18, 2023, at Fort Lupton Recreation Center, 203 South Harrison Ave, Fort Lupton, CO 80621, by videoconference at <https://us06web.zoom.us/j/88341108038>, and by teleconference at (720) 707-2699, Meeting ID: 883 4110 8038, 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 October 18, 2023.

DocuSigned by:  
  
019A7ECA0EBC4EA  
\_\_\_\_\_  
Leslie Hebron-Brown, Secretary/Treasurer

**EXHIBIT A**  
**2024 BUDGET DOCUMENT & BUDGET MESSAGE FOR**  
**COTTONWOOD THERMO METROPOLITAN DISTRICT**  
**2024 Adopted Budget**

	<u>General/Operating Fund</u>				
	<u>2022 Actual</u>	<u>2023 Adopted</u>	<u>2023 Projected</u>	<u>2023 Variance</u>	<u>2024 Adopted</u>
Beginning Funds Available	N/A	0	0	0	172,500
<u>Revenue and Other Financing Sources</u>					
Property Taxes	0	0	0	0	0
Specific Ownership Taxes	0	0	0	0	0
Developer Advances	0	48,000	192,500	144,500	48,000
Other Income (incl. Abatements)	0	0	0	0	0
Total Revenue	0	48,000	192,500	144,500	48,000
Total Funds Available	N/A	48,000	192,500	144,500	220,500
<u>Expenditures</u>					
Administrative	0	1,000	0	(1,000)	1,000
Contract Services	0	1,000	0	(1,000)	1,000
Insurance and SDA Membership	0	2,500	0	(2,500)	2,500
Accounting and Legal Fees	0	20,000	20,000	0	24,000
Elections	0	0	0	0	0
Repair and Maintenance	0	0	0	0	0
Supplies	0	500	0	(500)	500
Capital Outlay	0	23,000	0	(23,000)	19,000
Repayment of Developer Advance	0	0	0	0	0
County Treasurer's Fees	0	0	0	0	0
Dues	0	0	0	0	0
Directors' Fees	0	0	0	0	0
Other	0	0	0	0	0
Total Expenditures	<u>0</u>	<u>48,000</u>	<u>20,000</u>	<u>(28,000)</u>	<u>48,000</u>
Ending Fund Balance	N/A	0	172,500	172,500	172,500
Net Change in Fund Balance	N/A	0	172,500	172,500	0
Emergency Reserve	N/A	N/A	N/A	N/A	N/A
Ending Available Funds	N/A	0	172,500	172,500	172,500
Assessed Valuation	N/A	N/A	0	N/A	29,090
Mill Levy-General	0	0	0	N/A	0
Property Taxes	0	0	0	N/A	0
Refunds/Abatements	0	0	0	N/A	0
Refund/Abatement Mill Levy	0	0.000	0.000	N/A	0.000
Total mill levy	0	0.000	0.000	N/A	0.000

**COTTONWOOD THERMO METROPOLITAN DISTRICT  
BUDGET MESSAGE**

**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Disclosures contained in this budget message, as presented by management, are those that are believed to be significant as of the date that the Budget is filed with the Division of Local Government and are not intended to be all inclusive. The disclosures are intended to describe assumptions used during the preparation of the annual Budget. Actual results may differ from the prospective results contained in the Budget.

Services Provided. The District was organized to provide financing, construction, installation, acquisition, and operation of certain public improvements and facilities pursuant to its service plan and applicable law. Such public improvements and facilities include, among other things, streets, street lighting, traffic and safety controls, water improvements, sanitary sewer and storm drainage improvements, landscaping, and park and recreation improvements. The District has no employees, and all operations and administrative functions are contracted. The District prepares its budget on the modified accrual basis of accounting.

Revenue. The primary source of funds for operations, administration and capital expenditures during the budget year is developer advances. The District does not anticipate any revenue that is subject to TABOR, and therefore the Budget contains no TABOR emergency reserve fund.

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.