

COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 1

2019 ANNUAL REPORT TO THE CITY OF AURORA

Pursuant to the Service Plan for the Cottonwood Creek Metropolitan District Nos. 1-5, the Districts are required to provide an annual report to the City of Aurora with regard to the matters below. Please note that Cottonwood Creek Metropolitan District Nos. 2-5 declared inactive status on December 18, 2017, therefore, this report is only for Cottonwood Creek Metropolitan District No. 1 (the “District”).

To the best of our actual knowledge, for the year ending December 31, 2019, the District makes the following report:

1. Boundary changes made or proposed to the District’s boundaries as of December 31 of the prior year.

There were no boundary changes made or proposed in 2019.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year.

The Intergovernmental Agreement dated August 11, 2014, by and between the City of Aurora and Cottonwood Creek Metropolitan District Nos. 1-5, was amended by that First Amendment dated March 4, 2019. No additional intergovernmental agreements were entered into as of December 31, 2019.

3. Copies of the District’s rules and regulations, if any, as of December 31 of the prior year.

The District has not adopted rules and regulations.

4. A summary of any litigation which involves the District’s Public Improvements as of December 31 of the prior year.

To our actual knowledge, based on a review of the court records in Arapahoe County, there is no litigation involving the District as of December 31, 2019.

5. Status of the District’s construction of the Public Improvements as of December 31 of the prior year.

No public improvements were constructed by the District in 2019.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

No facilities or improvements were constructed by the District that were dedicated to and accepted by the City of Aurora in 2019.

7. The assessed valuation of the District for the current year.

The 2019 assessed valuation of the District is attached hereto as **Exhibit A**.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

The 2020 budget is attached hereto as **Exhibit B**. The District does not intend to construct any Public Improvements in 2020.

9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable.

The District is currently exempt from audit, pursuant to § 29-1-604, C.R.S. A copy of the June 19, 2020 letter from the Office of the State Auditor for the State of Colorado approving the District's Application for Exemption from Audit is attached hereto as **Exhibit C**.

10. Notice of any uncured events of default by the District, which continues beyond a ninety (90) day period, under any Debt instrument.

There are no uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

The District has been able to pay its obligations as they come due.

EXHIBIT A
2019 Assessed Valuation

CERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: November 27, 2019

NAME OF TAX ENTITY: COTTONWOOD CREEK METRO DIST #1

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2019:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	3,146,994
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: †	2.	\$	19,476,136
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	19,476,136
5. NEW CONSTRUCTION: *	5.	\$	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): †	9.	\$	16,417,498
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

† This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

† Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	19,318,093
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	18,762,853
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0
DELETIONS FROM TAXABLE REAL PROPERTY			
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0
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NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT B
2020 Budget

COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 1
2020
BUDGET MESSAGE

Attached please find a copy of the adopted 2020 budget for the Cottonwood Creek Metropolitan District No. 1.

The Cottonwood Creek Metropolitan District No. 1 has adopted budgets for two funds, a General Fund to provide for the payment of general operating and maintenance expenditures and transfers to the Capital Projects Fund; and a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the District.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary source of revenue for the District in 2020 will be property taxes. The District intends to impose a 45.000 mill levy on the property within the District for 2020, which will be dedicated to the General Fund.

Cottonwood Creek Metropolitan District No. 1
Adopted Budget
General Fund
For the Year ended December 31, 2020

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>8/31/2019</u>	Estimated <u>2019</u>	Adopted Budget <u>2020</u>
Beginning fund balance	\$ 192,155	\$ 315,818	\$ 216,837	\$ 216,837	\$ 240,979
Revenues:					
Property taxes	139,117	141,615	141,615	141,615	876,426
Specific ownership taxes	10,109	11,329	6,167	9,200	70,114
Developer advances	-	-	-	-	-
Interest income	-	-	28	-	-
Total revenues	<u>149,226</u>	<u>152,944</u>	<u>147,810</u>	<u>150,815</u>	<u>946,540</u>
Total funds available	<u>341,381</u>	<u>468,762</u>	<u>364,647</u>	<u>367,652</u>	<u>1,187,519</u>
Expenditures:					
Accounting / audit	2,491	4,500	1,630	3,500	6,500
Legal	15,749	20,000	6,967	16,000	30,000
Insurance	3,217	3,400	3,048	3,048	3,300
Election	-	-	-	-	3,000
Miscellaneous	1,000	2,000	-	2,000	2,000
Maintenance	-	15,000	-	-	15,000
Director's fees	-	-	-	-	-
Treasurer's fees	2,087	2,124	2,125	2,125	13,146
Repay developer advance	-	-	-	-	-
Contingency	-	320,391	-	-	512,779
Transfer to Capital projects	100,000	100,000	-	100,000	600,000
Emergency reserve (3%)	-	1,347	-	-	1,794
Total expenditures	<u>124,544</u>	<u>468,762</u>	<u>13,770</u>	<u>126,673</u>	<u>1,187,519</u>
Ending fund balance	<u>\$ 216,837</u>	<u>\$ -</u>	<u>\$ 350,877</u>	<u>\$ 240,979</u>	<u>\$ -</u>
Assessed valuation		<u>3,146,994</u>			<u>19,476,136</u>
Mill Levy		<u>45.000</u>			<u>45.000</u>

Cottonwood Creek Metropolitan District No. 1
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2020

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>8/31/2019</u>	Estimated <u>2019</u>	Adopted Budget <u>2020</u>
Beginning fund balance	\$ 51,743	\$ 51,743	\$ 151,743	\$ 151,743	\$ 100,000
Revenues:					
Developer advances	-	-	-	-	-
Transfer from General Fund	100,000	100,000	-	100,000	600,000
Interest income	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Bond proceeds subordinate	-	-	-	-	-
	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>600,000</u>
Total revenues					
	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>600,000</u>
Total funds available	<u>151,743</u>	<u>151,743</u>	<u>151,743</u>	<u>251,743</u>	<u>700,000</u>
Expenditures:					
Issuance costs	-	-	-	-	-
Organization costs	-	-	-	-	-
Accounting	-	-	-	-	-
Legal	-	-	-	-	-
Capital expenditures	-	151,743	-	151,743	700,000
Repay developer advances	-	-	-	-	-
Repay developer advances - interest	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
	<u>-</u>	<u>151,743</u>	<u>-</u>	<u>151,743</u>	<u>700,000</u>
Total expenditures					
	<u>-</u>	<u>151,743</u>	<u>-</u>	<u>151,743</u>	<u>700,000</u>
Ending fund balance	<u>\$ 151,743</u>	<u>\$ -</u>	<u>\$ 151,743</u>	<u>\$ 100,000</u>	<u>\$ -</u>

EXHIBIT C

Colorado State Auditor Approval Letter for Exemption from 2019 Audit



Office of the State Auditor

Dianne E. Ray, CPA
State Auditor

June 19, 2020

Board Of Directors
Cottonwood Creek Metropolitan District No. 1
2154 E. Commons Ave. Suite 2000
Centennial, CO 80122

RE: 1340.01

To Whom it May Concern:

We have reviewed the *Application for Exemption from Audit* of the Cottonwood Creek Metropolitan District No. 1. Based on our review, the application for the year ended 12/31/2019 is approved.

If we may be of any assistance to you, please feel free to call us at 303-869-3000. For further resources see our web site at: www.colorado.gov/auditor

Sincerely,

Crystal L. Dorsey, CPA
Local Government Audit Manager

cc: Colorado Department of Local Affairs
Division of Local Governments



We Set the Standard for Good Government

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