

COTTONWOOD CREEK METROPOLITAN DISTRICT NOS. 1-5

2021 ANNUAL REPORT TO THE CITY OF AURORA

Pursuant to the Service Plan for Cottonwood Creek Metropolitan District Nos. 1-5 (the “Districts”), the Districts are required to provide an annual report to the City of Aurora with regard to the matters below.

To the best of our actual knowledge, for the year ending December 31, 2021, the Districts make the following report:

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

There were no boundary changes made or proposed to the Districts’ boundaries in 2021.

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

The Districts did not enter into any agreements with other governmental entities as of December 31, 2021.

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

As of December 31, 2021, the Districts have not adopted rules and regulations.

4. A summary of any litigation which involves the Districts’ 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, Colorado, and the Public Access to Court Electronic Records (PACER) there is no litigation involving the Districts as of December 31, 2021.

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

As of December 31, 2021, the Districts have not constructed any public improvements.

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

As of December 31, 2021, the Districts have not constructed any facilities or improvements.

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

The 2021 assessed valuation of the Districts are as follows:

District No. 1: \$4,878,935

District No. 2: \$35

District No. 3: \$35

District No. 4: \$35

District No. 5: \$35

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

The 2022 budgets for the Districts are attached hereto as **Exhibit A**. The Districts do not plan to construct any Public Improvements in 2022.

9. Audit of the Districts' 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 No. 1 2021 Audit is not yet available and will be submitted to the City of Aurora under separate cover upon completion. District Nos. 2-5 were inactive in 2021 and do not have an audit or audit exemption approval letter for 2021.

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

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

11. Any inability of the Districts 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 Districts have been able to pay its obligations as they come due.

EXHIBIT A
2022 Budgets

COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 1
2022
BUDGET MESSAGE

Attached please find a copy of the adopted 2022 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 2022 will be property taxes. The district intends to impose a 45.000 mill levy on the property within the district for 2022, which will be dedicated to the General Fund.

Cottonwood Creek Metropolitan District No. 1
Adopted Budget
General Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>7/31/2021</u>	Estimated <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ 249,450	\$ 533,365	\$ 549,627	\$ 549,627	\$ 497,387
Revenues:					
Property taxes	876,426	554,173	554,159	554,173	219,552
Specific ownership taxes	62,103	44,334	22,369	44,500	17,564
Miscellaneous income	-	-	3,793	3,800	-
Interest income	1,460	-	137	200	500
Total revenues	<u>939,989</u>	<u>598,507</u>	<u>580,458</u>	<u>602,673</u>	<u>237,616</u>
Total funds available	<u>1,189,439</u>	<u>1,131,872</u>	<u>1,130,085</u>	<u>1,152,300</u>	<u>735,003</u>
Expenditures:					
Accounting / audit	3,042	6,500	4,269	10,000	10,500
Legal	20,393	33,000	14,123	30,000	33,000
Insurance	3,231	3,300	4,547	4,600	3,300
Election	-	-	-	-	5,000
Miscellaneous	-	2,000	950	2,000	2,000
Maintenance	-	15,000	-	-	15,000
Treasurer's fees	13,146	8,313	8,313	8,313	3,293
Contingency	-	461,965	-	-	60,846
Transfer to Capital projects	600,000	600,000	-	600,000	600,000
Emergency reserve (3%)	-	1,794	-	-	2,064
Total expenditures	<u>639,812</u>	<u>1,131,872</u>	<u>32,202</u>	<u>654,913</u>	<u>735,003</u>
Ending fund balance	<u>\$ 549,627</u>	<u>\$ -</u>	<u>\$ 1,097,883</u>	<u>\$ 497,387</u>	<u>\$ -</u>
Assessed valuation		<u>12,314,959</u>			<u>4,878,935</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, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>7/31/2021</u>	Estimated <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ 251,742	\$ 851,743	\$ 851,742	\$ 851,742	\$ 1,151,742
Revenues:					
Developer advances	-	-	279,614	279,614	-
Transfer from General Fund	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>279,614</u>	<u>879,614</u>	<u>600,000</u>
Total funds available	<u>851,742</u>	<u>1,451,743</u>	<u>1,131,356</u>	<u>1,731,356</u>	<u>1,751,742</u>
Expenditures:					
Capital expenditures	-	1,451,743	279,614	279,614	1,751,742
Repay developer advances	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>1,451,743</u>	<u>279,614</u>	<u>579,614</u>	<u>1,751,742</u>
Ending fund balance	<u>\$ 851,742</u>	<u>\$ -</u>	<u>\$ 851,742</u>	<u>\$ 1,151,742</u>	<u>\$ -</u>

Cottonwood Creek Metropolitan District No. 2
Proposed Budget
General Fund
For the Year ended December 31, 2022

	Inactive Budget <u>2020</u>	Inactive Budget <u>2021</u>	Estimate <u>2021</u>	Proposed Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenues:				
Developer advances	-	-	-	15,000
Interest income	-	-	-	-
Total revenues	-	-	-	15,000
Total funds available	-	-	-	15,000
Expenditures:				
Accounting / audit	-	-	-	2,500
Legal	-	-	-	9,500
Insurance	-	-	-	2,500
Engineering	-	-	-	-
Miscellaneous	-	-	-	-
Maintenance	-	-	-	-
Director's fees	-	-	-	-
Contingency	-	-	-	65
Emergency reserve (3%)	-	-	-	435
Total expenditures	-	-	-	15,000
Ending fund balance	\$ -	\$ -	\$ -	\$ -
Assessed valuation	<u>n/a</u>	<u>n/a</u>		<u>35</u>
Mill Levy	<u>-</u>	<u>-</u>		<u>-</u>

Cottonwood Creek Metropolitan District No. 3
Proposed Budget
General Fund
For the Year ended December 31, 2022

	Inactive Budget <u>2020</u>	Inactive Budget <u>2021</u>	Estimate <u>2021</u>	Proposed Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenues:				
Developer advances	-	-	-	15,000
Interest income	-	-	-	-
Total revenues	-	-	-	15,000
Total funds available	-	-	-	15,000
Expenditures:				
Accounting / audit	-	-	-	2,500
Legal	-	-	-	9,500
Insurance	-	-	-	2,500
Engineering	-	-	-	-
Miscellaneous	-	-	-	-
Maintenance	-	-	-	-
Director's fees	-	-	-	-
Contingency	-	-	-	65
Emergency reserve (3%)	-	-	-	435
Total expenditures	-	-	-	15,000
Ending fund balance	\$ -	\$ -	\$ -	\$ -
Assessed valuation	<u>n/a</u>	<u>n/a</u>		<u>35</u>
Mill Levy	<u>-</u>	<u>-</u>		<u>-</u>

Cottonwood Creek Metropolitan District No. 4
Proposed Budget
General Fund
For the Year ended December 31, 2022

	Inactive Budget <u>2020</u>	Inactive Budget <u>2021</u>	Estimate <u>2021</u>	Proposed Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenues:				
Developer advances	-	-	-	15,000
Interest income	-	-	-	-
Total revenues	-	-	-	15,000
Total funds available	-	-	-	15,000
Expenditures:				
Accounting / audit	-	-	-	2,500
Legal	-	-	-	9,500
Insurance	-	-	-	2,500
Engineering	-	-	-	-
Miscellaneous	-	-	-	-
Maintenance	-	-	-	-
Director's fees	-	-	-	-
Contingency	-	-	-	65
Emergency reserve (3%)	-	-	-	435
Total expenditures	-	-	-	15,000
Ending fund balance	\$ -	\$ -	\$ -	\$ -
Assessed valuation	<u>n/a</u>	<u>n/a</u>		<u>35</u>
Mill Levy	<u>-</u>	<u>-</u>		<u>-</u>

Cottonwood Creek Metropolitan District No. 5
Proposed Budget
General Fund
For the Year ended December 31, 2022

	Inactive Budget <u>2020</u>	Inactive Budget <u>2021</u>	Estimate <u>2021</u>	Proposed Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenues:				
Developer advances	-	-	-	15,000
Interest income	-	-	-	-
Total revenues	-	-	-	15,000
Total funds available	-	-	-	15,000
Expenditures:				
Accounting / audit	-	-	-	2,500
Legal	-	-	-	9,500
Insurance	-	-	-	2,500
Engineering	-	-	-	-
Miscellaneous	-	-	-	-
Maintenance	-	-	-	-
Director's fees	-	-	-	-
Contingency	-	-	-	65
Emergency reserve (3%)	-	-	-	435
Total expenditures	-	-	-	15,000
Ending fund balance	\$ -	\$ -	\$ -	\$ -
Assessed valuation	<u>n/a</u>	<u>n/a</u>		<u>35</u>
Mill Levy	<u>-</u>	<u>-</u>		<u>-</u>