

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2022

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado, 80203

Attached are the 2022 budget and budget message for UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT No. 2 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 1, 2021. If there are any questions on the budget, please contact:

Mr. Josh Miller
CliftonLarsonAllen LLP
111 S. Tejon, Suite 705
Colorado Springs, Colorado
Phone: 303-779-5710

I, Josh Miller as District Manager of the Upper Cottonwood Creek Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2022 budget.

By: _____



RESOLUTION
TO ADOPT 2022 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2022 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022,

WHEREAS, the Board of Directors of the Upper Cottonwood Creek Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 1, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$301,634; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$904,929; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2021 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$27,096,110; and

WHEREAS, at an election held on November 5, 2002 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2 OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Upper Cottonwood Creek Metropolitan District No. 2 for calendar year 2022.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2022 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2022 budget year, there is hereby levied a tax of 11.132 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2021.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2022 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the

following "Certification of Tax Levies," there is hereby levied a tax of 33.397 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2022 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2022 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

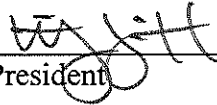
Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2021 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

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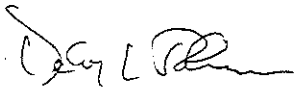
ADOPTED this 1st day of December, 2021.

UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2



President

ATTEST:



Secretary V.A.

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

**UPPER COTTONWOOD CREEK
METROPOLITAN DISTRICT NO. 2**

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO 2
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 1,335,733	\$ 1,387,597	\$ 1,422,746
REVENUES			
Property taxes	1,120,100	1,120,942	1,206,563
Specific ownership tax	121,749	129,090	120,656
Interest income	12,411	1,000	1,000
Other revenue	-	-	5,203
Total revenues	<u>1,254,260</u>	<u>1,251,032</u>	<u>1,333,422</u>
Total funds available	<u>2,589,993</u>	<u>2,638,629</u>	<u>2,756,168</u>
EXPENDITURES			
General Fund	310,501	312,626	337,000
Debt Service Fund	891,895	903,257	907,000
Total expenditures	<u>1,202,396</u>	<u>1,215,883</u>	<u>1,244,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,202,396</u>	<u>1,215,883</u>	<u>1,244,000</u>
ENDING FUND BALANCES	<u>\$ 1,387,597</u>	<u>\$ 1,422,746</u>	<u>\$ 1,512,168</u>

No assurance provided. See summary of significant assumptions.

UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO 2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/7/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Residential	\$ 25,138,740	\$ 25,163,960	\$ 27,092,320
Commercial	15,210	9,220	3,670
Vacant land	420	120	120
Certified Assessed Value	<u>\$ 25,154,370</u>	<u>\$ 25,173,300</u>	<u>\$ 27,096,110</u>
MILL LEVY			
General	11.132	11.132	11.132
Debt Service	33.397	33.397	33.397
Total mill levy	<u>44.529</u>	<u>44.529</u>	<u>44.529</u>
PROPERTY TAXES			
General	\$ 280,018	\$ 280,229	\$ 301,634
Debt Service	840,080	840,713	904,929
Levied property taxes	<u>1,120,098</u>	<u>1,120,942</u>	<u>1,206,563</u>
Adjustments to actual/rounding	2	-	-
Budgeted property taxes	<u>\$ 1,120,100</u>	<u>\$ 1,120,942</u>	<u>\$ 1,206,563</u>
BUDGETED PROPERTY TAXES			
General	\$ 280,025	\$ 280,229	\$ 301,634
Debt Service	840,075	840,713	904,929
	<u>\$ 1,120,100</u>	<u>\$ 1,120,942</u>	<u>\$ 1,206,563</u>

No assurance provided. See summary of significant assumptions.

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO 2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 125	\$ -
REVENUES			
Property taxes	280,025	280,229	301,634
Specific ownership tax	30,437	32,272	30,163
Interest income	164	-	-
Other revenue	-	-	5,203
Total revenues	<u>310,626</u>	<u>312,501</u>	<u>337,000</u>
Total funds available	<u>310,626</u>	<u>312,626</u>	<u>337,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	4,201	4,203	4,525
Intergovernmental expenditures	306,300	308,423	327,272
Operations and maintenance			
Contingency	-	-	5,203
Total expenditures	<u>310,501</u>	<u>312,626</u>	<u>337,000</u>
Total expenditures and transfers out requiring appropriation	<u>310,501</u>	<u>312,626</u>	<u>337,000</u>
ENDING FUND BALANCE	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO 2
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/7/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 1,335,733	\$ 1,387,472	\$ 1,422,746
REVENUES			
Property taxes	840,075	840,713	904,929
Specific ownership tax	91,312	96,818	90,493
Interest income	12,247	1,000	1,000
Total revenues	<u>943,634</u>	<u>938,531</u>	<u>996,422</u>
Total funds available	<u>2,279,367</u>	<u>2,326,003</u>	<u>2,419,168</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	12,603	12,609	13,574
Bond interest - Series 2010	151,125	147,750	144,375
Bond interest - Series 2018	456,300	451,200	445,500
Bond interest - Series 2019	131,867	137,400	136,800
Bond principal - Series 2010	45,000	45,000	50,000
Bond principal - Series 2018	85,000	95,000	95,000
Bond principal - Series 2019	10,000	10,000	15,000
Contingency	-	4,298	6,751
Total expenditures	<u>891,895</u>	<u>903,257</u>	<u>907,000</u>
Total expenditures and transfers out requiring appropriation	<u>891,895</u>	<u>903,257</u>	<u>907,000</u>
ENDING FUND BALANCE	<u>\$ 1,387,472</u>	<u>\$ 1,422,746</u>	<u>\$ 1,512,168</u>

No assurance provided. See summary of significant assumptions.

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Upper Cottonwood Creek Metropolitan District No 2 (the "District") was formed February 6, 2006, when the original Joint Service Plan of Upper Cottonwood Creek Metropolitan District and Old Ranch Metropolitan District was amended. Upper Cottonwood Creek Metropolitan District and Old Ranch Metropolitan District were formed under a Joint Service Plan approved by the City of Colorado Springs on August 27, 2002. The District was formed concurrently with Upper Cottonwood Creek Metropolitan District Nos. 3 – 5.

The District's service area is located entirely within the City of Colorado Springs (the "City"), El Paso County, Colorado. Old Ranch Metropolitan District is responsible for managing the construction of certain public facilities and improvements and for operation and maintenance of the limited list of public improvements which were not conveyed to the City. The District, Upper Cottonwood Creek Metropolitan District, and Upper Cottonwood Creek Metropolitan District Nos. 3 – 5 are responsible for providing the funding for capital improvements and to fund limited ongoing operations. Under the Service Plan, the District has the power to provide public improvements within the boundaries of the District, as described in the Special District Act, Section 32-1-101 of the Colorado Revised Statutes.

District voters approved debt authorization in the amount of \$210,000,000 for payment of capital costs. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20, of the Colorado constitution or any other law. The maximum mill levy for operations and maintenance shall be 10.000 mills, and the mill levy for debt shall not exceed 30.000 mills.

Pursuant to the Service Plan, the District can issue bond indebtedness of up to \$25,000,000.

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 difference 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

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes

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.

Specific Ownership Tax

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 10.000% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately .02%.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.500% of property taxes.

Intergovernmental Expenditures

Intergovernmental expenditures represent transfers to Old Ranch to provide funding for the overall administrative, operating, and capital costs for the Districts.

Debt Service

Principal and interest payments are provided based on the attached debt amortization schedule.

Debt and Leases

On December 3, 2010, the District issued \$2,250,000 in Series 2010 Limited Tax General Obligation Bonds. The Bonds mature on December 1, 2040, and bear an interest rate of 4.750% through December 1, 2011, and 7.500% until December 1, 2040. The proceeds were used to pay for bond issuance costs and to reimburse the Developer for advances made on behalf of the District for capital infrastructure costs.

On April 13, 2018, the District issued \$7,800,000 in Series 2018 Limited Tax General Obligation Bonds. The proceeds were used to pay for bond issuance costs and to pay for Project Costs.

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The Series 2018 bonds bear interest at a rate of 6.000%, payable annually on December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2018. The Series 2018 Bonds mature on December 1, 2047. The Series 2018 Bonds are subject to optional redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, without premium, on December 1, 2027, and on any date thereafter, upon payment of the redemption price plus accrued interest to the redemption date.

On December 17, 2019, the District issued \$2,300,000 in Series 2019 Limited Tax General Obligation Bonds. The proceeds were used to pay for bond issuance costs and to pay for Project Costs.

The Series 2019 bonds bear interest at a rate of 6.000%, payable annually on December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2020. The Series 2019 Bonds mature on November 12, 2049.

The District's current debt service schedule is attached. The District has no capital or operating leases.

Reserves

Emergency Reserves

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.000% of fiscal year spending. Since substantially all funds received by the District subject to TABOR are transferred to Old Ranch Metropolitan District, which pays for all of the Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget. It is accounted for in Old Ranch Metropolitan District.

This information is an integral part of the accompanying budget.

**UPPER COTTONWOOD METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$2,250,000 General Obligation Bonds
Series 2010, Dated December 3, 2010
Interest Rate 4.75% thru December 1, 2011 then 7.5%**

<u>Year Ended December 31,</u>	<u>Principal and Interest Due December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 50,000	\$ 144,375	\$ 194,375
2023	55,000	140,625	195,625
2024	55,000	136,500	191,500
2025	60,000	132,375	192,375
2026	65,000	127,875	192,875
2027	70,000	123,000	193,000
2028	75,000	117,750	192,750
2029	80,000	112,125	192,125
2030	90,000	106,125	196,125
2031	95,000	99,375	194,375
2032	100,000	92,250	192,250
2033	110,000	84,750	194,750
2034	115,000	76,500	191,500
2035	125,000	67,875	192,875
2036	135,000	58,500	193,500
2037	145,000	48,375	193,375
2038	155,000	37,500	192,500
2039	165,000	25,875	190,875
2040	180,000	13,500	193,500
	<u>\$ 1,925,000</u>	<u>\$ 1,745,250</u>	<u>\$ 3,670,250</u>

**UPPER COTTONWOOD METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$7,800,000 Limited Tax General Obligation Bonds
Series 2018, Dated April 13, 2018
Interest Rate 6%**

Year Ended December 31,	Principal and Interest Due December 1		
	Principal	Interest	Total
2022	\$ 95,000	\$ 445,500	\$ 540,500
2023	100,000	439,800	539,800
2024	110,000	433,800	543,800
2025	120,000	427,200	547,200
2026	125,000	420,000	545,000
2027	130,000	412,500	542,500
2028	140,000	404,700	544,700
2029	150,000	396,300	546,300
2030	155,000	387,300	542,300
2031	165,000	378,000	543,000
2032	175,000	368,100	543,100
2033	185,000	357,600	542,600
2034	200,000	346,500	546,500
2035	210,000	334,500	544,500
2036	220,000	321,900	541,900
2037	235,000	308,700	543,700
2038	250,000	294,600	544,600
2039	265,000	279,600	544,600
2040	280,000	263,700	543,700
2041	490,000	246,900	736,900
2042	520,000	217,500	737,500
2043	550,000	186,300	736,300
2044	585,000	153,300	738,300
2045	620,000	118,200	738,200
2046	655,000	81,000	736,000
2047	695,000	41,700	736,700
	\$ 7,425,000	\$ 8,065,200	\$ 15,490,200

**UPPER COTTONWOOD METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$2,300,000 Limited Tax General Obligation Bonds
Series 2019, Dated December 17, 2019
Interest Rate 6%**

Year Ended December 31,	Principal and Interest Due December 1		
	Principal	Interest	Total
2022	\$ 15,000	\$ 136,800	\$ 151,800
2023	15,000	135,900	150,900
2024	15,000	135,000	150,000
2025	15,000	134,100	149,100
2026	15,000	133,200	148,200
2027	15,000	132,300	147,300
2028	15,000	131,400	146,400
2029	15,000	130,500	145,500
2030	15,000	129,600	144,600
2031	20,000	128,700	148,700
2032	20,000	127,500	147,500
2033	20,000	126,300	146,300
2034	20,000	125,100	145,100
2035	25,000	123,900	148,900
2036	25,000	122,400	147,400
2037	25,000	120,900	145,900
2038	30,000	119,400	149,400
2039	30,000	117,600	147,600
2040	30,000	115,800	145,800
2041	35,000	114,000	149,000
2042	35,000	111,900	146,900
2043	40,000	109,800	149,800
2044	40,000	107,400	147,400
2045	40,000	105,000	145,000
2046	45,000	102,600	147,600
2047	45,000	99,900	144,900
2048	785,000	97,200	882,200
2049	835,000	47,456	882,456
	<u>\$ 2,280,000</u>	<u>\$ 3,321,656</u>	<u>\$ 5,601,656</u>

**UPPER COTTONWOOD METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Year Ended December 31,	Total		
	Principal	Interest	Total
2022	\$ 160,000	\$ 726,675	\$ 886,675
2023	170,000	716,325	886,325
2024	180,000	705,300	885,300
2025	195,000	693,675	888,675
2026	205,000	681,075	886,075
2027	215,000	667,800	882,800
2028	230,000	653,850	883,850
2029	245,000	638,925	883,925
2030	260,000	623,025	883,025
2031	280,000	606,075	886,075
2032	295,000	587,850	882,850
2033	315,000	568,650	883,650
2034	335,000	548,100	883,100
2035	360,000	526,275	886,275
2036	380,000	502,800	882,800
2037	405,000	477,975	882,975
2038	435,000	451,500	886,500
2039	460,000	423,075	883,075
2040	490,000	393,000	883,000
2041	525,000	360,900	885,900
2042	555,000	329,400	884,400
2043	590,000	296,100	886,100
2044	625,000	260,700	885,700
2045	660,000	223,200	883,200
2046	700,000	183,600	883,600
2047	740,000	141,600	881,600
2048	785,000	97,200	882,200
2049	835,000	47,456	882,456
	<u>\$ 11,630,000</u>	<u>\$ 13,132,106</u>	<u>\$ 24,762,106</u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the Upper Cottonwood Creek Metropolitan District No. 2,
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Upper Cottonwood Creek Metropolitan District No. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 27,096,110 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 27,096,110 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/08/2021 for budget/fiscal year 2022.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>11.132</u> mills	\$ <u>301,634</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>11.132</u> mills	<u>\$ 301,634</u>
3. General Obligation Bonds and Interest ^J	<u>33.397</u> mills	\$ <u>904,929</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	<u>44.529</u> mills	<u>\$ 1,206,563</u>

Contact person: Carrie Bartow Daytime phone: (719) 635 - 0330

Signed: *Carrie Bartow* Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|--|
| 1. | Purpose of Issue: | Public Infrastructure |
| | Series: | 2010 General Obligation Bonds |
| | Date of Issue: | December 3, 2010 |
| | Coupon Rate: | 4.750% thru December 1, 2011 then 7.500% |
| | Maturity Date: | December 1, 2040 |
| | Levy: | 7.321 |
| | Revenue: | \$198,371 |
| | | |
| 2. | Purpose of Issue: | Public Infrastructure |
| | Series: | 2018 General Obligation Bonds |
| | Date of Issue: | April 13, 2018 |
| | Coupon Rate: | 6.000% |
| | Maturity Date: | December 1, 2047 |
| | Levy: | 20.358 |
| | Revenue: | \$551,623 |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

5.	Purpose of Issue:	Public Infrastructure
	Series:	Series 2019 Limited Tax General Obligation Bonds
	Date of Issue:	12/17/2019
	Coupon Rate:	6.00%
	Maturity Date:	12/1/2049
	Levy:	5.718
	Revenue:	\$154,935

6.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

CONTRACTS^K:

7.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

8.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

STATE OF COLORADO } ss.
COUNTY OF EL PASO }

I, Amy Sweet, Publisher and Executive Editor, or the undersigned Authorized Agent of the Publisher and Executive Editor, do solemnly swear that I am the Publisher and Executive Editor, or Authorized Agent of the Publisher and Executive Editor of The Transcript; that the same is a tri-weekly newspaper and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

22, OCTOBER, A.D. 2021.

And that the last publication of said notice was in the issue of said newspaper dated:

22, OCTOBER, A.D. 2021.

In witness whereof, I have hereunto set my hand this 22nd day of October, A.D. 2021.

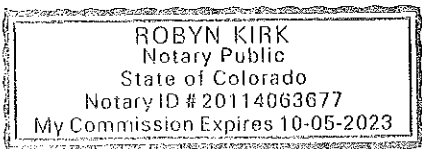
Cathy Reilly

Publisher and Executive Editor / Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 22nd day of October, A.D. 2021.

Robyn Kirk

Notary Public



NOTICE OF HEARING ON PROPOSED 2022 BUDGET AND AND 2021 BUDGET AMENDMENT NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2022 has been submitted to the Upper Cottonwood Creek Metropolitan District No. 2 ("District"). Such proposed budget will be considered at a meeting and public hearing of the Board of Directors of the District to be held at 10:00 a.m. on December 1, 2021, via telephone and videoconference. To attend and participate by telephone, dial 720-547-5281 and enter passcode 923 784 775#. Information regarding public participation by videoconference will be available at least 24 hours prior to the meeting and public hearing online at <http://www.olderanchmetrodistrict.org/> or by contacting Kimbrie Garcia by email at Kimbrie.Garcia@claconnect.com or by telephone at 719-635-0330.

NOTICE IS FURTHER GIVEN that an amendment to the 2021 budget of the District may also be considered at the above-referenced meeting and public hearing of the Board of Directors of the District. A copy of the proposed 2022 budget and the amended 2021 budget, if required, are available for public inspection at the offices of CliftonLarsonAllen LLP, 111 S. Tejon Street, Suite 7015, Colorado Springs, Colorado 80903. Please contact Kimbrie Garcia by email at Kimbrie.Garcia@claconnect.com or by telephone at 719-635-0330 to make arrangements to inspect the budget(s) prior to visiting the foregoing office. Any interested elector within the District may, at any time prior to final adoption of the 2022 budget and the amended 2021 budget, if required, file or register any objections thereto.

UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2
By: /s/ Timothy Seibert, President
Publication Date: October 22, 2021
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