

Cotton Ranch Metropolitan District

January 26, 2024

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

Re: Cotton Ranch Metropolitan District Budget; LGID #19051

Attached is the 2024 Budget for the Cotton Ranch Metropolitan District in Eagle County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This Budget was adopted on November 14, 2023. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, telephone number 970-926-6060.

The mill levy certified to the County Commissioners of Eagle County is 1.345 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 22.286 mills for G.O. bonds; 0.0 mills for refunds/abatements; and 0.387 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$23,721,360, the total property tax revenue is \$551,379.29. A copy of the certification of mill levies sent to the County Commissioners for Eagle County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Eagle County, Colorado.

Sincerely,



Kenneth J. Marchetti
District Administrator

Enclosure(s)

COTTON RANCH METROPOLITAN DISTRICT

2024 BUDGET MESSAGE

Cotton Ranch Metropolitan District is a quasi-municipal corporation organized in 1994 and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide roads, drainage, landscaping, water, sewer, and recreation facilities in the service area located in Eagle County, Colorado. The District issued bonds to pay for the initial installation of the main infrastructure like roads, water distribution and sewer collection systems but those systems have been turned over to the Town of Gypsum and the Town operates those systems. The District continues to operate a raw irrigation water distribution system.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2024 BUDGET STRATEGY

The primary source of revenue for the District is property taxes which are primarily used to cover the District's debt service payments but are also used to cover a portion of the District's overhead. In addition to property taxes, the District collects user fees which cover the cost of operating the raw irrigation water system including the associated overhead.

A reserve for emergencies has been provided for in the General Fund in accordance with the TABOR amendment. Any remaining General Fund balance is considered to be reserved for future operations. The Debt Service Fund balance is reserved for future payment of general obligation principal, interest, and related costs. The Water Utility Fund balance is reserved for future operations and replacements.

RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT

TO ADOPT 2024 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE COTTON RANCH METROPOLITAN DISTRICT, 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 of the Cotton Ranch Metropolitan District has appointed a budget committee to prepare and submit a proposed 2024 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on November 14, 2023, and interested taxpayers 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/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Cotton Ranch Metropolitan District for the year stated above, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent specific capital expenditures budgeted and forecasted for the current year are unable to be completed by the end of the current year, the budget for such expenditures shall be transferred into next year's budget and the budgeted beginning fund balance for next year's budget shall be updated to reflect such changes.

Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

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RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2024, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE COTTON RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2024 BUDGET YEAR.

WHEREAS, the Board of Directors of the Cotton Ranch Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on November 14, 2023, and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$31,905.23 and;

WHEREAS, the Cotton Ranch Metropolitan District hereby documents its intent to preserve its voter approved operating mill levy rate of 1.345 mills and to provide property tax relief by a temporary reduction in property taxes in the amount of \$9,180.17 in accordance with C.R.S. 39-1-111.5, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$528,654.23, and;

WHEREAS, the 2023 valuation for tax assessments collected in 2024 for the Cotton Ranch Metropolitan District, as certified by the County Assessor is \$23,721,360.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the COTTON RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Cotton Ranch Metropolitan District during the 2024 budget year, there is hereby levied a tax of 1.345 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.
- Section 2. That for the purposes of rendering a temporary credit/refund during budget year 2024 there is hereby levied a temporary tax credit/mill levy reduction of 0.387 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.
- Section 3. That for the purpose of meeting all capital expenditures of the Cotton Ranch Metropolitan District during the 2024 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

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RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

Section 4. That for the purpose of meeting all payments for bonds and interest of the Cotton Ranch Metropolitan District during the 2024 budget year, there is hereby levied a tax of 22.286 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

Section 5. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Cotton Ranch Metropolitan District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Cotton Ranch Metropolitan District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

TO APPROPRIATE SUMS OF MONEY
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE COTTON RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2024 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 14, 2023, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COTTON RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND:

Current Operating Expenses \$20,493

TOTAL GENERAL FUND: \$20,493

DEBT SERVICE FUND:

Debt Service Expenditures \$574,509

TOTAL DEBT SERVICE FUND: \$574,509

ENTERPRISE FUND:

Current Operating Expenses \$350,733

TOTAL ENTERPRISE FUND: \$350,733

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RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2024 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2024 budget, set the mill levies and to appropriate sums of money were adopted this 14th day of November, 2023.

Attest: 

Title: President

COTTON RANCH METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Actual, Budget and Forecast for the Periods Indicated

GENERAL FUND	Cal Yr 2022 Audited Actual	2023 Adopted Budget	2023 Forecast	2024 Adopted Budget
Assessed Value	16,468,230	16,239,580	16,239,580	23,721,360
Percent Change	7%	-1%	-1%	46%
Operating Mill Levy	1.345	1.345	1.345	1.345
Temporary Mill Levy Credit				(0.387)
Debt Service Mill Levy	36.000	34.000	34.000	22.286
Total Mill Levy	37.345	35.345	35.345	23.243
REVENUE				
Property Taxes for General Operatio	22,142	21,842	21,842	31,905
Temporary Mill Levy Credit	0			(9,180)
Specific Ownership (Auto) Taxes	1,196	983	983	1,023
Interest Income	2,389	5,146	7,200	5,954
Conservation Trust Fund	2,625	2,550	2,550	2,550
Other	0	0	1,278	
TOTAL REVENUE	28,351	30,522	33,853	32,251
EXPENDITURES				
Accounting & Administration	27,055	35,984	35,984	37,423
Audit	5,500	5,625	5,625	5,850
Director Fees	0	2,100	2,900	2,500
Election	797	3,240	861	
Insurance	5,018	5,457	5,257	5,700
Legal-General	993	3,990	1,000	1,500
Other Expenses	0	600	600	600
Office Overhead	1,985	2,850	2,000	2,000
Payroll Taxes	0	179	218	225
Treasurer's fees	665	655	655	682
Contingency	0	5,000	0	5,000
Overhead Allocated to Water Fund	(14,004)	(21,894)	(18,367)	(20,493)
Overhead Allocated to Dt Svd Fund	(14,004)	(21,894)	(18,367)	(20,493)
TOTAL EXPENDITURES	14,004	21,894	18,367	20,493
REV OVER (UNDER) EXPEND	14,347	8,628	15,486	11,758
Fund Balance-Beginning of Year	140,275	152,206	154,622	170,108
Fund Balance-End of Year	154,622	160,834	170,108	181,866
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No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

COTTON RANCH METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Actual, Budget and Forecast for t Printed:

	Cal Yr 2022 Audited Actual	2023 Adopted Budget	2023 Forecast	2024 Adopted Budget
DEBT SERVICE FUND				
ASSESSED VALUE				
Total Assessed Value	16,468,230	16,239,580	16,239,580	23,721,360
Percent Change	7%	-1%	-1%	46%
Debt Service Mill Levy Rate	36.000	34.000	34.000	22.286
Debt Service Property Taxes Levied	592,856	552,146	552,146	528,649
REVENUE				
Property Taxes for Debt Service	592,651	552,146	552,146	528,654
Specific Ownership (Auto) Taxes	31,999	24,847	24,847	23,789
Interest Income	8,918	19,325	19,325	9,131
Abatement Interest	(1)			
TOTAL REVENUE	633,567	596,317	596,317	561,574
EXPENDITURES				
2021 Refunding Bonds Principal	400,000	400,000	400,000	440,000
2021 Refunding Bonds Interest	175,307	165,747	165,747	96,556
Subtotal	575,307	565,747	565,747	536,556
Paying Agent Fees	2,400	2,000	1,000	1,600
Treasurer's fees	17,808	16,564	16,564	15,860
Overhead Allocated from General F	14,004	21,894	18,367	20,493
TOTAL EXPENDITURES	609,518	606,204	601,678	574,509
OP REV OVER (UNDER) EXPEND	24,049	(9,887)	(5,360)	(12,935)
OTHER FINANCING SOURCES				
Bond/Loan Proceeds	0			
Bond Redemption	0			
Bond Cost of Issuance	0			
Contingency				
NET REV OVER (UNDER) EXPEND	24,049	(9,887)	(5,360)	(12,935)
Fund Balance-Beginning of Year	184,213	202,889	208,262	202,901
Fund Balance-End of Year	208,262	193,002	202,901	189,967

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No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

COTTON RANCH METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Actual, Budget and Forecast for t Printed:

WATER UTILITY FUND	Cal Yr Ended Audited Actual	2023 Adopted Budget	2023 Forecast	2024 Adopted Budget
Irrigation Customers - Valley	176	179	180	180
Irrigation Customers - Sky Legend	92	96	96	96
Irrigation Customers - Villas	66	66	66	66
User Fee - Valley Floor	\$82	\$84	\$84	\$87
User Fee - Sky Legend	\$41	\$42	\$42	\$44
User Fee - - Villas	\$20.50	\$21	\$21	\$21.75
Tap Fee	\$2,850	\$2,900	\$2,900	\$2,950
REVENUE				
Water Base Charges - Valley Floor	86,450	90,216	90,720	93,960
Water Base Charges - Val Rd Trees	7,380	7,560	7,560	7,830
Water Base Charges - Villas	8,118	8,316	8,316	8,613
Water Overage Charges - Valley	13,890	24,401	14,329	14,759
Water Base Charges - Sky Legend	22,596	24,192	24,192	25,056
Water Overage Charges - Sky Legend	29,474	10,927	31,985	32,945
Broken Meter Fees	1,200			
Title Stmt Prep & Reconnect Fees	1,900	2,200	2,200	2,266
Late Fees / Finance Charges	1,729	2,730	2,730	2,811
Tap Fees - Valley Floor	11,200	5,800	5,800	5,900
Tap Fees - Sky Legend	11,300	0	0	0
Tap Fees - Villas	0			
Meter Fees	7,420		1,130	
Interest Income	5,221	9,859	14,341	14,572
Other Income	214	0	180	
TOTAL REVENUE	208,093	186,200	203,482	208,712
EXPENDITURES				
Legal & Engineering - Water	38	3,400	3,400	3,500
Valley Floor-Materials & Supplies	10,339	2,700	2,700	2,800
Sky Legend-Materials & Supplies	384	2,700	14,836	2,800
Operations Mgr & Repair Labor	54,853	61,182	61,182	63,000
R&M-Non Routine (Comcast in '20)	0	5,562	5,562	5,730
Repairs & Maint - Pump & Pumphou	0	10,127	10,127	2,000
Ditch/Pond Maint	4,413	5,000	5,000	20,150
Irrigation System Start Up & Blow O	945	0	0	0
Utility Vehicles & Auto	0	530	530	550
Utilities-Electricity	10,715	12,863	12,863	13,500
Water Billings and Meter Reads	11,569	12,833	12,833	13,220
Augmentation Water Lease	1,607	1,809	1,809	1,860
Town of Gypsum Raw Water Lease	0	0	0	0
Locates	9,735	10,800	10,800	11,130
Pump Sys Major Rep & Replace	975	5,562	5,562	170,000
Allocated Overhead	14,004	21,894	18,367	20,493
Contingency	0	20,000	20,000	20,000
TOTAL EXPENDITURES	119,576	176,961	185,570	350,733
EXCESS REV OVER(UNDER) EXP	88,516.64	9,240	17,912	(142,021.81)
OTHER FINANCING SOURCES				
Transfer from (to) Debt Service Fun	0			
Transfer from (to) General Fund	0			
Repayment of Prepaid Taps	0			
Surplus after Other Financing Sou	88,517	9,240	17,912	(142,022)
Fund Balance-Beginning of Year	217,399	281,696	305,916	323,828
Fund Balance-End of Year	305,916	290,936	323,828	181,806

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Eagle County, Colorado.

On behalf of the Cotton Ranch Metropolitan District

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Cotton Ranch Metropolitan District

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 23,721,360

(Gross^D assessed valuation, Line 2 of the Certification of Valuation From 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:

\$ 23,721,360

(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: 1/5/2024

for budget/fiscal year 2024.

(not later than Dec 15)

PURPOSE (see end notes for definitions and examples)

LEVY²

REVENUE²

1. General Operating Expenses ^H	1.345	mills	\$ 31,905.23
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	(0.387)	mills	\$ (9,180.17)
SUBTOTAL FOR GENERAL OPERATING:	0.958	mills	\$ 22,725.06
3. General Obligation Bonds and Interest ^J	22.286	mills	\$ 528,654.23
4. Contractual Obligations ^K	0.000	mills	\$ -
5. Capital Expenditures ^L	0.000	mills	\$ -
6. Refunds/Abatements ^M	0.000	mills	\$ -
7. Other ^N (specify): _____	0.000	mills	\$ -
	0.000	mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	23.244	mills	\$ 551,379.29

Contact person: Kenneth J. Marchetti

Daytime phone: (970) 926-6060 ext 8

Signed: 

Title: District Administrator

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, Colorado 80203. Questions? Call DLG (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

Cotton Ranch Metropolitan District

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES

FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, 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: Refunding of the GO Refunding Notes Series 2017, 2019 and 2020, redemption of \$950,000 of Series 2002A Converted Bonds and Payment of 2002A Prior Years Unpaid Interest
 Series: 2021 General Obligation Refunding Note
 Date of Issue: December 1, 2021
 Coupon rate: 2.39%
 Maturity Date: December 1, 2035
 Levy: 22.286
 Revenue: \$528,654.23

- 2. Purpose of Issue:
 Series:
 Date of Issue:
 Coupon rate:
 Maturity Date:
 Levy:
 Revenue:

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

CONTRACTS^K:

- 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.