

COTTON RANCH METROPOLITAN DISTRICT

December 8, 2011

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203
Filed electronically: dlg-filing@state.co.us

RE: Cotton Ranch Metropolitan District 2012 Budget – LGID #19051

Attached is the 2012 Budget for the Cotton Ranch Metropolitan District in Eagle County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 1, 2011. 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; 61.821 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$11,283,210 the total property tax revenue is \$712,715. 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,



District Administrator

Enclosure(s)

COTTON RANCH METROPOLITAN DISTRICT

2012 BUDGET MESSAGE

Cotton Ranch Metropolitan District is a quasi-municipal corporation organized 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 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.

2012 BUDGET STRATEGY

The primary source of revenue for the District is property taxes. The General Fund operating mill levy is 1.345 mills, which the District uses to cover a portion of its general and administrative expenses. In addition to the operating mill levy, the District's general operations are funded by specific ownership taxes, Conservation Trust Fund receipts, and an allocation of overhead costs to the Water Utility Fund. The Debt Service mill levy for 2011 will be 61.821 mills, which will cover the District's scheduled principal and interest payments on the 2006 refunding bonds, scheduled interest payment on the 2010 conversion bonds, and enable payment to be made on the District's subordinate bonds as well. The Water Utility Fund earns revenue from water user charges.

Interest earned on the District's available funds has been estimated based on an average interest rate. Interest is allocated among the General Fund, Debt Service Fund, and Water Utility Fund.

The District issued refunding bonds in 2006 to refinance its 1998 and 1999 bonds. The 2006 Bonds are serial bonds which bear interest at rates which average approximately 4.75%. The principal and interest payments are budgeted based on the debt amortization schedule which is required pursuant to the bond agreements.

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.

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

Accountant's Compilation Report

October 24, 2011

Board of Directors
Cotton Ranch Metropolitan District
Gypsum, Colorado

I have compiled the accompanying balance sheet of Cotton Ranch Metropolitan District as of September 30, 2011 and the related statement of revenues, expenditures and changes in fund balance with budgets for the nine month period then ended. I also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2011 and the adopted budget for calendar year 2012, in accordance with standards established by the American Institute of Certified Public Accountants.

I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, I participate in the financial management of the District. Management (with my participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. I have prepared these financial statements in my capacity as a consulting financial manager for the District.

My responsibility includes conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with my participation) has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

I also compiled the accompanying 2010 historical financial statements of the District and my report thereon stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management had elected to omit substantially all disclosures and if these omissions had been included, they might influence the user's conclusions about the District's 2010 financial position and results of operations. Accordingly, the 2010 financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Cotton Ranch Metropolitan District because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.


Kenneth J. Marchetti, CPA, President

**COTTON RANCH METROPOLITAN DISTRICT
COMBINED BALANCE SHEET
September 30, 2011
PAGE 1**

ASSETS

	<u>General Fund</u>	<u>Debt Serv Fund</u>	<u>Utility Fund</u>	<u>Fixed Assets & LT Debt</u>	<u>Totals</u>
Current Assets:					
Colorado Business Bank	12,247				12,247
US Bank Money Market	2,751				2,751
ColoTrust	560,174				560,174
ANB Bond Account	0				0
UMB Bond Account	6,000				6,000
Investment in Pooled Cash	(528,999)	512,905	16,095		1
Total Cash in Bank	52,173	512,905	16,095	0	581,173
Due from County Treasurer	0	0			0
Due from Cotton Ranch Bond Partners		0			0
Property Tax Receivable	2,641	74,494			77,136
Tap Fee Receivable			3,600		3,600
Water Usage Fees Rec			28,630		28,630
Holy Cross Deposits	0				0
Interest Receivable	0				0
Accounts Receivable - Misc	0		0		0
Accounts Receivable - Golf Course			3,319		3,319
Prepaid Insurance	0				0
Total Current Assets	54,814	587,399	51,644	0	693,858
Fixed Assets:					
Non-Potable Water System			381,492		381,492
Water Rights			290,233		290,233
Accumulated Depreciation on Fixed Assets			(116,095)	0	(116,095)
Bond Issue Costs				278,859	278,859
Accumulated Amortization on COI				(71,168)	(71,168)
Total Property & Equipment	0	0	555,630	207,691	763,321
TOTAL ASSETS	54,814	587,399	607,274	207,691	1,457,179

LIABILITIES & EQUITY

	<u>General Fund</u>	<u>Debt Serv Fund</u>	<u>Utility Fund</u>	<u>Fixed Assets & LT Debt</u>	<u>Totals</u>
Liabilities:					
Accounts Payable	10,684	0	0		10,684
Interest Payable - 2006 Bonds		0			0
Deferred Property Tax Rev	2,641	74,494			77,136
Bonds Payable - 2002A				2,485,000	2,485,000
Unpaid Interest - 2002A Bonds				1,175,022	1,175,022
Bonds Payable - 2010 Conversion of 2002A				1,000,000	1,000,000
Bonds Payable - 2006 Series				5,245,000	5,245,000
Accd Interest on 2002A Bonds				8,640	8,640
Accd Interest on 2006 Bonds				19,519	19,519
Total Liabilities	13,325	74,494	0	9,933,181	10,021,000
Net Assets:					
Investment in Fixed Assets			555,630	0	555,630
Net of Long Term Debt				(9,725,489)	(9,725,489)
Fund Balance	41,489	512,905	51,644	0	606,038
Ending Net Assets	41,489	512,905	607,274	(9,725,489)	(8,563,821)
Total Liabilities & Net Assets	54,814	587,399	607,274	207,691	1,457,179

See accompanying accountant's report.

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

Printed: 12/08/11

GENERAL FUND	Cal Yr 2010 Audited Final	Cal Yr 2011 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2011 Forecast	9 Months Ended 9/30/11 Actual	9 Months Ended 9/30/11 Budget	Variance Favorable (Unfavor)	Cal Yr 2012 Adopted Budget	Budget Assumptions
Assessed Value	19,787,380	18,548,230		18,548,230			11,283,210	Final AV Cert	
		-6%					-39%		
Operating Mill Levy	1.345	1.345		1.345			1.345		
Debt Service Mill Levy	37.722	37.929		37.929			61.821		
Total Mill Levy	39.067	39.274		39.274			63.166		
REVENUE									
Property Taxes for General Operations	26,598	24,947	0	24,947	22,182	24,947	(2,766)	15,176	
Specific Ownership (Automobile) Taxes	879	1,123	(249)	873	528	748	(220)	668	
Interest Income	493	538	107	645	51	403	(353)	688	
Conservation Trust Fund	2,042	1,400	600	2,000	1,701	1,050	651	2,000	
								Based on Prior Yr	
TOTAL REVENUE	30,013	28,008	457	28,465	24,461	27,149	(2,688)	18,530	
EXPENDITURES									
Accounting & Administration	37,102	36,000	0	36,000	28,857	27,000	(1,857)	36,000	
Audit	5,250	5,250	0	5,250	5,250	5,250	0	5,250	
Director Fees	1,350	2,000	0	2,000	1,275	1,500	225	2,000	
Election	5,171	0	0	0	0	0	0	1,500	
Insurance	2,126	2,400	0	2,400	2,103	2,400	297	2,700	
Landscape Maintenance	0	2,600	(7,400)	10,000	8,428	0	(8,428)	12,000	
Legal-General	1,965	3,000	(1,500)	4,500	4,297	2,250	(2,047)	3,000	
Office Overhead	1,639	2,400	600	1,800	863	1,800	938	2,400	
Other Expenses	26	150	106	44	44	113	68	150	
Payroll Taxes	103	250	150	100	98	188	90	250	
Treasurer's fees	806	748	0	748	671	748	78	455	
Contingency	0	5,000	5,000	0	0	0	0	5,000	
Vehicles	0	0	0	0	0	0	0	0	
Overhead Allocated to Water Fund	(28,769)	(29,899)	1,522	(31,421)	(25,942)	(22,424)	3,518	(35,353)	
								See Water Fund	
TOTAL EXPENDITURES	26,769	29,899	(1,522)	31,421	25,942	18,824	(7,118)	35,353	
OP REV OVER (UNDER) EXPEND	3,244	(1,891)	(1,065)	(2,956)	(1,482)	8,325	(9,807)	(16,823)	
OTHER FINANCING SOURCES									
Transfer in(out) - Debt Service Fund	8,981	11,770	(11,770)	0	0	0	0	5,073	
NET REV OVER (UNDER) EXPEND	12,225	9,879	(12,835)	(2,956)	(1,482)	8,325	(9,807)	(11,750)	
Fund Balance-Beginning of Year	30,746	35,849	7,122	42,971	42,971	35,849	7,122	40,015	
Fund Balance-End of Year	42,971	45,728	(5,713)	40,015	41,489	44,174	(2,685)	28,265	
See Accompanying Accountant's Report	=	=	=	=	=	=	=	=	

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

Printed: 12/08/11

DEBT SERVICE FUND	Cal Yr 2010 Audited Final	Cal Yr 2011 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2011 Forecast	9 Months Ended 9/30/11 Actual	9 Months Ended 9/30/11 Budget	Variance Favorable (Unfavor)	Cal Yr 2012 Adopted Budget	Budget Assumptions
ASSESSED VALUE									
Total Assessed Value	19,787,380	18,548,230		18,548,230	6,546,210		11,283,210		
Debt Service Mill Levy Rate	37.722	37.929		37.929	37.929		61.821		
Debt Service Property Taxes Levied	746,420	703,516		703,516			697,539		
REVENUE									
Property Taxes for Debt Service	745,970	703,516	0	703,516	625,521	703,516	(77,994)	697,539	Per Above
Specific Ownership (Automobile) Taxes	24,660	31,658	(8,794)	22,864	14,889	21,105	(6,217)	27,902	4% of Prop Tax
Interest Income	7,998	3,518	(3,018)	500	906	2,638	(1,732)	698	
TOTAL REVENUE	778,628	738,692	(11,812)	726,880	641,316	727,259	(85,944)	726,138	
EXPENDITURES									
Total 1998 and 1999 Bond Payments									
2006 Refunding Bonds Principal	330,000	390,000	0	390,000	0	0	0	420,000	
2006 Refunding Bonds Interest	247,838	234,225	0	234,225	117,113	117,113	0	218,040	
2010 Conversion Bonds Principal		0	0	0		0	0	0	
2010 Conversion Bonds Interest	57,021	59,500	0	59,500	0	0	0	59,500	
Payment on Subordinate Bonds Unpaid	110,037	18,641	50	18,591	0	0	0	0	
Subtotal	744,895	702,366	50	702,316	117,113	117,113	0	697,540	
Mill Levy to cover Unlimited Tax Bonds	32.084	36.862		36.862				61.821	
Mill Levy to bring D/S mill to 35 mills General	5.638	1.067		1.067				0.000	
Paying Agent Fees	1,075	2,300	(100)	2,400	2,400	1,150	(1,250)	2,600	Based on Prior Yr
Treasurer's fees	22,602	21,105	0	21,105	18,914	21,105	2,192	20,926	3% of Prop Tax
TOTAL EXPENDITURES	768,572	726,771	(50)	725,821	138,426	139,368	942	721,066	
OP REV OVER (UNDER) EXPEND	10,056	12,920	(11,862)	1,059	502,890	587,891	(85,002)	5,072	
OTHER FINANCING SOURCES									
Transfer Out to General Fund	(8,981)	(11,770)	11,770	0	0	0	0	(5,073)	To General Fund
NET REV OVER (UNDER) EXPEND	1,075	1,150	(91)	1,059	502,890	587,891	(85,002)	(1)	
Fund Balance-Beginning of Year	8,940	10,015	0	10,015	10,015	10,015	0	11,074	
Fund Balance-End of Year	10,015	11,165	(91)	11,074	512,905	597,906	(85,002)	11,073	
See Accompanying Accountant's Report	=	=	=	=	=	=	=	=	

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

Printed: 12/08/11

WATER UTILITY FUND	Cal Yr 2010 Audited Final	Cal Yr 2011 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2011 Forecast	9 Months Ended 9/30/11 Actual	9 Months Ended 9/30/11 Budget	Variance Favorable (Unfavor)	Cal Yr 2012 Adopted Budget	Budget Assumptions
Irrigation Customers - Lower Bench		136		136				150	
Irrigation Customers - Sky Legend		50		50				64	
User Fee - Lower Bench		\$56		\$56				\$56	6% increase
User Fee - Sky Legend		\$28.00		\$28.00				\$28	6% increase
Tap Fee		\$2,400		\$2,400				\$2,400	4% Increase
REVENUE									
Water Base Charges - Valley Floor	47,601	45,696	4,109	49,805	41,303	38,080	3,223	50,000	Base Water Charges
Water Overage Charges - Valley	13,861	18,673	(9,727)	8,946	9,550	18,673	(9,123)	10,000	Water Overage Charges
Water Base Charges - Sky Legend	8,784	8,400	1,743	10,143	4,868	4,200	668	10,000	Base Water Charges
Water Overage Charges - Sky Legend	1,505	3,013	(1,687)	1,326	492	2,260	(1,768)	1,500	Water Overage Charges
Tap Fees - Valley Floor	0	0	0	0	0	0	0	0	
Tap Fees - Sky Legend	0	14,400	14,400	14,400	14,400	0	14,400	7,200	
Interest Income	2,326	634	3,366	4,000	2,751	476	2,275	2,800	Prior Yr
Other Income (Cost Recovery)	820	600	600	600	537	0	537	0	
TOTAL REVENUE	74,897	76,416	12,804	89,220	73,900	63,688	10,212	81,500	
EXPENDITURES									
Legal & Engineering - Water	13,363	3,000	(3,000)	6,000	8,440	2,250	(6,190)	3,000	Mgt Est
Repairs & Maint - Materials & Supplies	1,689	3,000	(3,000)	6,000	7,796	2,143	(5,653)	3,000	Mgt Est
Repairs & Maint - Labor	9,809	10,000	0	10,000	10,404	10,000	(404)	10,000	Burn/Dredge Ditches
Repairs & Maint - Tap Connections	0	0	0	0	0	0	0	0	Mgt Est
Repairs & Maint - Pump & Pumhouse	0	3,000	0	3,000	1,695	2,000	305	3,000	Rework 3 pumps, Compu
Irrigation System Start Up & Blow Out	500	2,400	0	2,400	857	2,400	1,543	2,400	Prior Yr
Utilities-Electricity	10,638	11,000	0	11,000	9,454	9,001	(453)	11,330	Mgt Est
Water Billings	6,058	5,700	0	5,700	4,831	4,750	(81)	5,871	
Augmentation Water Lease	1,520	1,520	0	1,520	1,520	1,520	(0)	1,520	Per Lease Agmt
Town of Gypsum Raw Water Lease	136	136	0	136	136	0	(136)	136	Per Lease Agmt
Irrigation System Improvements	472	1,000	0	1,000	0	0	0	5,000	
Allocated Overhead	28,769	29,899	(1,522)	31,421	25,942	22,424	(3,518)	35,353	From General Fund
Contingency	0	10,000	10,000	0	0	0	0	0	
TOTAL EXPENDITURES	72,955	80,655	2,478	78,177	71,076	56,489	(14,588)	80,610	
EXCESS REV OVER(UNDER) EXPEN	1,943	(4,239)	15,282	11,043	2,823	7,200	(4,376)	890	
OTHER FINANCING SOURCES									
Repayment of Prepaid Taps	0	0	0	0	0	0	0	0	
Surplus after Other Financing Source	1,943	(4,239)	15,282	11,043	2,823	7,200	(4,376)	890	
Fund Balance-Beginning of Year	46,878	44,487	4,333	48,820	48,821	44,487	4,334	59,863	
Fund Balance-End of Year	48,820	40,248	19,615	59,863	51,644	51,687	(42)	60,753	
See Accompanying Accountant's Report	<>	=	=	=	=	=	=	=	=

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Eagle County, Colorado.

On behalf of the Cotton Ranch Metropolitan District, the Board of Directors of the Cotton Ranch Metropolitan District

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS

assessed valuation of: (Gross assessed valuation, Line 2 of the Certification of Valuation Form DLG 57) \$ 11,283,210

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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

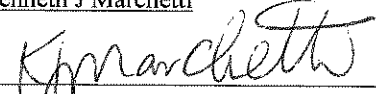
assessed valuation of: (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) \$ 11,283,210

Submitted: December 10, 2011 for budget/fiscal year 2012
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

PURPOSE	LEVY ²	REVENUE ²
1. General Operating Expenses	1.345 mills	\$ <u>15,175.92</u>
2. (MINUS) Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	(0.000) mills	\$ <u>-</u>
SUBTOTAL FOR GENERAL OPERATING:	1.345 mills	\$ <u>15,175.92</u>
3. General Obligation Bonds and Interest [Special Districts must certify separately for each debt pursuant to 29-1-301(1.7),C.R.S.; see page 2 of this form.]	61.821 mills	\$ <u>697,539.33</u>
4. Contractual Obligations Approved at Election [Per 29-1-301(1.7) C.R.S.]	0.000 mills	\$ <u>-</u>
5. Capital Expenditures [These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities <u>through public hearing</u> pursuant to 29-1-301(1.2)C.R.S. and for special districts <u>through approval from the Division of Local Government</u> pursuant to 29-1-302(1.5)C.R.S. or for any taxing entity if <u>approved at election.</u>]	0.000 mills	\$ <u>-</u>
6. Refunds/Abatements	0.000 mills	\$ <u>-</u>
7. Other (specify): _____ [These levies and revenues are for purposes not subject to 29-1-301 C.R.S. that were not reported above]	0.000 mills	\$ <u>-</u>

TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] **63.166** mills **\$ 712,715.25**

Contact person: Kenneth J Marchetti Daytime phone: (970) 926-6060 x8

Signed:  Title: 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) 866-2156.

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 (32-1-1603 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 (32-1-1603, 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:

1. Purpose of Issue: Refund the District's 1998 and 1999A Bonds
Series: GO Refunding Bonds Series 2006
Date of Issue: December 1, 2006
Coupon rate: 4.0% to 4.75%
Maturity Date: December 1, 2022
Levy: 56.548
Revenue: \$638,042.96

2. Purpose of Issue: Refund the District's 1999B Bonds
Series: Limited GO Bonds Series 2002A
Date of Issue: December 15, 2002
Coupon rate: 2.90% to 5.95%
Maturity Date: December 1, 2035
Levy: 0.000
Revenue: \$0.00

3. Purpose of Issue: Required Conversion from Limited GO Bonds Series 2002A to 2010 Unlimited GO Conversion Bonds
Series: 2010 Unlimited GO Conversion Bonds
Date of Issue: January 1, 2010
Coupon rate: 5.95%
Maturity Date: December 1, 2035
Levy: 5.273
Revenue: \$59,496.37

CONTRACTS:

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.

RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT

TO ADOPT 2012 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 2012 AND ENDING ON THE LAST DAY OF DECEMBER 2012.

WHEREAS, the Board of Directors of the Cotton Ranch Metropolitan District has appointed a budget committee to prepare and submit a proposed 2012 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 1, 2011, 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.
- 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 2012, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE COTTON RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2012 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 1, 2011, and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$15,176 and;

WHEREAS, the Cotton Ranch Metropolitan District finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, 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 \$697,539, and;

WHEREAS, the 2011 valuation for assessment for the Cotton Ranch Metropolitan District, as certified by the County Assessor is \$11,283.210.

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 2012 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 2011.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2012 there is hereby levied a temporary tax credit/mill levy reduction of 0.00 mills.
- Section 3. That for the purpose of meeting all capital expenditures of the Cotton Ranch Metropolitan District during the 2012 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 2011.

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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 2012 budget year, there is hereby levied a tax of 61.821 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2011.
- 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 2012 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 1, 2011, 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	<u>\$35,353</u>
TOTAL GENERAL FUND:	\$35,353
DEBT SERVICE FUND:	
Debt Service Expenditures	\$721,066
Transfers	<u>\$5,073</u>
TOTAL DEBT SERVICE FUND:	\$726,139
ENTERPRISE FUND:	
Current Operating Expenses	<u>\$80,610</u>
TOTAL ENTERPRISE FUND:	\$80,610

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RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2012 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2012 budget, set the mill levies and to appropriate sums of money were adopted this 1st day of November, 2011.

Attest: *Christy S. Master*

Title: *President*