

COTTON RANCH METROPOLITAN DISTRICT

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

December 7, 2007

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

RE: Cotton Ranch Metropolitan District

Attached is the 2008 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 December 4, 2007. 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; 37.069 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 \$14,612,390, the total property tax revenue is \$561,320. 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,



Title District Administrator

Enclosure(s)

COTTON RANCH METROPOLITAN DISTRICT

2008 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.

2008 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 2008 will be 37.069 mills, which will cover the District's scheduled principal and interest payments on the 2006 refunding bonds and enable payment to be made on the District's subordinate bonds as well. The Water Utility Fund earns revenue from tap fees and 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.

RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT

TO ADOPT 2008 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 2008 AND ENDING ON THE LAST DAY OF DECEMBER 2008.

WHEREAS, the Board of Directors of the Cotton Ranch Metropolitan District has appointed a budget committee to prepare and submit a proposed 2008 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 5, 2007 and continued to December 4, 2007, 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 2008, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE COTTON RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2008 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 5, 2007 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$19,654 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 \$541,667, and;

WHEREAS, the 2007 valuation for assessment for the Cotton Ranch Metropolitan District, as certified by the County Assessor is \$14,612,390.

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 2008 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 2007.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2008 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 2008 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 2007.

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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 2008 budget year, there is hereby levied a tax of 37.069 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2007.
- 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 2008 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on December 4, 2007, 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 \$34,340

TOTAL GENERAL FUND: \$34,340

DEBT SERVICE FUND:

Debt Service Expenditures \$560,222

Transfers \$ 16,658

TOTAL DEBT SERVICE FUND: \$576,880

ENTERPRISE FUND:

Current Operating Expenses \$139,986

Repayment of Prepaid Taps \$26,400

TOTAL ENTERPRISE FUND: \$166,386

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RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2008 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2008 budget, set the mill levies and to appropriate sums of money were adopted this 4th day of December, 2007.

Attest: Tandy Horton

Title: Director

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

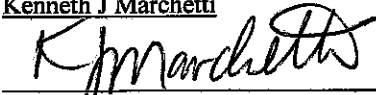
assessed valuation of: (Gross assessed valuation, Line 2 of the Certification of Valuation Form DLG 57) \$ 14,612,390

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) \$ 14,612,390

Submitted: December 4, 2007 for budget/fiscal year 2008
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

PURPOSE	LEVY ²	REVENUE ²
1. General Operating Expenses	1.345 mills	\$ <u>19,653.66</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>19,653.66</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.]	37.069 mills	\$ <u>541,666.68</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 through public hearing 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.]	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]	38.414 mills	\$ <u>561,320.34</u>

Contact person: Kenneth J Marchetti Daytime phone: (970) 926-6060 x8
 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) 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: 28.385
Revenue: \$414,772.69

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: 8.684
Revenue: \$126,893.99
Revenue:

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

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.

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

December 7, 2007

Board of Directors
Cotton Ranch Metropolitan District

I have compiled the accompanying statement of revenues, expenditures and changes in fund balance with budgets of the Cotton Ranch Metropolitan District for the nine month period ended September 30, 2007 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. I also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for calendar year 2007 and the adopted budget for calendar year 2008, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation of historical financial statements is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

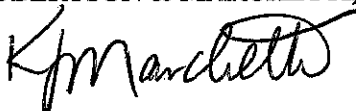
A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying 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.

Management has elected to omit substantially all of the disclosures and the statement of cash flows as of September 30, 2007, required by generally accepted accounting principles. Management has also elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures and statement of cash flows were included in the historical financial statements and if the summary of significant accounting policies were included in the budget and forecast, they might influence the user's conclusions about the District's historical financial position, results of operations, and cash flows and the forecasted results of operations and fund balances. Accordingly, the historical financial statements and forecast are not designed for those who are not informed about such matters.

The actual historical information for calendar year 2006 is presented for comparative purposes only. Such information is taken from the financial statements for the District for the year ended December 31, 2006, which have been audited by Chadwick, Steinkirchner, Davis & Co., P.C. and upon which they expressed an unqualified opinion in their report dated June 4, 2007.

I am not independent with respect to Cotton Ranch Metropolitan District.

ROBERTSON & MARCHETTI, P.C.



Kenneth J. Marchetti, CPA
President

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

Modified Accrual Basis

Printed: 12/07/07

GENERAL FUND	Cal Yr 2006 Actual	Cal Yr 2007 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2007 Forecast	9 Months Ended 09/30/07 Actual	9 Months Ended 09/30/07 Budget	Variance Favorable (Unfavor.)	Cal Yr 2008 Adopted Budget	Budget Assumptions
REVENUE									
Property Taxes for General Operations	12,167	13,475	0	13,475	12,925	13,475	(550)	19,654	Per Above
Specific Ownership (Automobile) Taxes	793	808	0	808	551	539	12	983	5% of Prop Tax
Interest Income	781	155	745	900	763	117	646	333	
Conservation Trust Fund	1,506	1,000	400	1,400	1,046	750	296	1,400	
Other	0		0		0	0	0		
TOTAL REVENUE	15,247	15,439	1,145	16,583	15,285	14,880	405	22,369	
EXPENDITURES									
Accounting & Administration	26,886	25,000	(10,000)	35,000	26,760	18,750	(8,010)	36,750	RMPC Est
Audit	4,350	5,000	(2,210)	7,210	5,000	5,000	0	6,000	RMPC Est
Director Fees			(2,250)	2,250	970	0	(970)	3,000	
Election	7,147	0	0	0	295	0	(295)	1,500	Assume Elect Cancelled
Insurance	1,914	3,000	400	2,600	2,572	3,000	428	2,800	Based on Prior Yr
Landscape Maintenance	0		0		0	0	0		
Legal-General	3,869	6,000	5,200	800	573	4,500	3,927	6,000	Based on Prior Yr
Office Overhead	1,747	1,200	950	250	172	900	728	1,800	Based on Prior Yr
Other Expenses	0		0		0	0	0		
Payroll Taxes			(171)	171	80	0	(80)	240	Based on Prior Yr
Repairs and Maintenance	0		0		0	0	0		
Treasurer's fees	366	404	0	404	388	404	16	590	3% of Prop Tax
Utilities	0		0		0	0	0		
Contingency	0	10,000	10,000	0	0	0	0	10,000	
Overhead Allocated to Water Fund	(18,001)	(15,181)	9,161	(24,343)	0	0	0	(34,340)	See Water Fund
TOTAL EXPENDITURES	28,278	35,423	11,080	24,343	36,810	32,554	(4,256)	34,340	
OP REV OVER (UNDER) EXPEND	(13,031)	(19,984)	12,225	(7,759)	(21,525)	(17,674)	(3,851)	(11,971)	
OTHER FINANCING SOURCES									
Loan Proceeds (Repayment)	(23,639)	(23,639)	0	(23,639)	0	0	0		
Transfer in - Water Fund	25,000	21,000	4,000	25,000	25,000	0	25,000	0	
Transfer in(out) - Debt Service Fund	8,000	16,109	(1,400)	14,709	0	0	0	16,658	
NET REV OVER (UNDER) EXPEND	(3,670)	(6,514)	14,825	8,311	3,475	(17,674)	21,149	4,688	
Fund Balance-Beginning of Year	17,540	10,359	3,511	13,870	13,871	10,359	3,512	22,181	
Fund Balance-End of Year	13,870	3,845	18,336	22,181	17,346	(7,315)	24,661	26,869	

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

Modified Accrual Basis
Printed: 12/07/07

DEBT SERVICE FUND	Cal Yr	Cal Yr	Variance	Cal Yr	9 Months	9 Months	Variance	Cal Yr	
	2006	2007	Favorable	2007	Ended	Ended	Favorable	2008	Budget
	Actual	Adopted	(Unfavor)	Forecast	09/30/07	09/30/07	(Unfavor.)	Adopted	Assumptions
		Budget			Actual	Budget		Budget	
ASSESSED VALUE									
Lower Bench Assessed Value		7,915,400		7,915,400				10,810,190	Per Above
Sky Legend Assessed Value		2,102,950		2,102,950				3,802,200	Per Above
Total Assessed Value		10,018,350		10,018,350				14,612,390	
Debt Service Mill Levy Rate		37.729		37.729				37.069	Gallagherized 35 Mills
Debt Service Property Taxes Levied		377,982		377,982				541,667	
REVENUE									
Property Taxes for Debt Service	398,037	377,982	0	377,982	362,553	377,982	(15,429)	541,667	Per Above
Specific Ownership (Automobile) Taxes	25,985	22,679	0	22,679	15,465	15,119	346	27,083	5% of Prop Tax
Interest Income	14,723	5,670	0	5,670	5,584	4,252	1,332	8,125	
TOTAL REVENUE	438,746	406,331	0	406,331	383,602	397,354	(13,752)	576,875	
EXPENDITURES									
Total 1998 and 1999 Bond Payments	6,183,854								
2006 Refunding Bonds Principal		50,000	0	50,000	0	0	0	150,000	
2006 Refunding Bonds Interest		266,778	0	266,778	133,389	133,389	0	264,778	
Letter of Credit Fees		61,200	61,200	0			0		
2010 Conversion Bonds Principal									
2010 Conversion Bonds Interest									
Payment on Subordinate Bonds Unpaid Interest w/ minimum mill levy of 35 mills Gallag				0				126,894	
Subtotal	6,183,854	377,978	61,200	316,778	133,389	133,389	0	541,672	
Mill Levy necessary to cover Unlimited DS		37.729		37.729				28.385	
Mill Levy to bring D/S mill to 35 mills Gallagherized		0.000		0.000				8.684	
Paying Agent Fees	150	900	(1,400)	2,300	1,150	450	(700)	2,300	
Treasurer's fees	11,978	11,339	0	11,339	10,894	11,339	446	16,250	3% of Prop Tax
TOTAL EXPENDITURES	6,195,982	390,217	59,800	330,417	145,433	145,178	(254)	560,222	
OP REV OVER (UNDER) EXPEND	(5,757,236)	16,114	59,800	75,914	238,170	252,176	(14,006)	16,653	
OTHER FINANCING SOURCES									
Bond Proceeds	6,040,000		0		0	0	0		
Bond Cost of Issuance & Bond Discount	(285,949)		0		0	0	0		
Transfer in from Water & Gen Fund	15,000	0	0	0	0	0	0	0	0 From Water Fund
Transfer Out to General Fund	(8,000)	(16,109)	1,400	(14,709)	0	0	0	(16,658)	To General Fund
NET REV OVER (UNDER) EXPEND	3,815	5	61,200	61,205	238,170	252,176	(14,006)	(5)	
Fund Balance-Beginning of Year	4,809	8,416	208	8,624	8,624	8,416	208	69,829	
Fund Balance-End of Year	8,624	8,421	61,408	69,829	246,794	260,592	(13,798)	69,824	
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

Modified Accrual Basis
Printed: 12/07/07

WATER UTILITY FUND	Cal Yr 2006 Actual	Cal Yr 2007 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2007 Forecast	9 Months Ended 09/30/07 Actual	9 Months Ended 09/30/07 Budget	Variance Favorable (Unfavor.)	Cal Yr 2008 Adopted Budget	Budget Assumptions
REVENUE									
Taps Connected Beginning of Year	84	91		101				173	
Taps Connected - Lower Bench	17	12		19				12	
Taps Connected - Sky Legend		10		53				20	Mgt Est
Taps Connected End of Year	101	113		173				205	
User Fee		50		50				50	
Tap Fee		2,400		2,400				2,400	No Change
Water Charges	44,631	39,000	6,000	45,000	36,469	32,500	3,969	50,000	Incr for SL
Tap Fees - Base Area	40,900	28,800	9,600	38,400	38,400	25,200	13,200	28,800	New Taps Connected
Tap Fees - Sky Legend	50,400	24,000	(24,000)	0	0	21,000	(21,000)	28,800	prepaid taps all used in 08
Prepaid Tap Fees	0		0		0	0	0		Per ASW Agmt
Interest Income	4,385	249	1,599	1,848	528	187	341	2,295	
Other Income (Cost Recovery)	0		0		0	0	0		
TOTAL REVENUE	140,316	92,049	(6,801)	85,248	75,398	78,887	(3,489)	109,895	
EXPENDITURES									
Legal & Engineering - Water	16,874	20,000	12,000	8,000	5,809	15,000	9,191	10,000	Prior Yr
Bad Debt Expense	5,400		0		0	0	0		
Repairs & Maint - Materials & Supplies	293	4,800	0	4,800	1,392	3,429	2,037	4,800	Mgt Est
Repairs & Maint - Labor	7,331	10,000	0	10,000	5,260	8,571	3,311	10,000	Mgt Est
Repairs & Maint - Tap Connections			(8,000)	8,000	5,465	0	(5,465)	8,000	Mgt Est
Repairs & Maint - Pump & Pumphouse	330	1,200	0	1,200	0	800	800	6,810	Computer, New Motor, Repair
New Diversion Structure - Engineering			0	0		0	0	5,000	
New Diversion Structure - Construction			0	0		0	0	35,000	
Tools & Supplies			(1,200)	1,200	638	0	(638)	1,200	Prior Yr
Irrigation System Start Up & Blow Out	1,994	1,800	(322)	2,122	1,000	1,800	800	2,200	Prior Yr
Utility Vehicles & Auto	0	1,200	(4,870)	6,070	6,070	1,050	(5,020)	1,000	
Utilities-Electricity	6,447	9,000	0	9,000	0	0	0	10,000	Mgt Est
Augmentation Water Lease	1,488	1,500	0	1,500	4,375	1,500	(2,875)	1,500	Per Lease Agmt
Town of Gypsum Raw Water Lease			(136)	136	400	0	(400)	136	
System Remedial & Replacement Expenditures			0			0	0	10,000	
Irrigation System As-Built		15,000	0	15,000	0	0	0	0	
Allocated Overhead	18,001	15,181	(9,161)	24,343	0	0	0	34,340	From General Fund
TOTAL EXPENDITURES	58,157	79,681	(11,689)	91,371	30,408	32,150	1,742	139,986	
EXCESS REV OVER (UNDER) EXPEND	82,160	12,368	(18,491)	(6,123)	44,989	46,737	(1,748)	(30,091)	
OTHER FINANCING SOURCES									
Transfer from (to) Debt Service Fund	(15,000)		0		0	0	0		
Transfer from (to) Capital Projects Fund			0			0	0		
Transfer from (to) General Fund	(25,000)	(21,000)	(4,000)	(25,000)	(25,000)	0	(25,000)		
Repayment of Prepaid Taps			(34,704)	(34,704)	(34,704)	0	(34,704)	(26,400)	11 taps @ \$2,400 each
Surplus after Other Financing Sources	42,160	(8,632)	(57,195)	(65,827)	(14,715)	46,737	(61,452)	(56,491)	
Fund Balance-Beginning of Year	81,036	16,621	106,574	123,196	123,195	16,621	106,574	57,369	
Fund Balance-End of Year	123,196	7,990	49,379	57,369	108,480	63,358	45,122	878	

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

Modified Accrual Basis
Printed: 12/07/07

ASSESSED VALUE AND PROPERTY TAXES	Cal Yr 2006 Audited Actual	Cal Yr 2007 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2007 Forecast	9 Months Ended 09/30/07 Actual	9 Months Ended 09/30/07 Budget	Variance Favorable (Unfavor)	Cal Yr 2008 Adopted Budget	Budget Assumptions
ASSESSED VALUE								12	
Incremental AV from Home Construction		7		7					
Beginning of Year Assessed Value	7,693,050	14,000		14,000					
New Construction	259,300	7,808,250		7,808,250					
Valuation Changes	(144,100)	107,150		107,150					
Gallagher Adjustment									
Total End of Year AV w/o Sky Legend	7,808,250	7,915,400		7,915,400	0	0		10,810,190	Total less Sky Legend
Sky Legend Lots Devel (R056059,R056060)	545,820	77		77					
Sky Legend Lot Actual Value		48,000		48,000					
Sky Legend Home Actual Value		400,000		400,000					
Sky Legend Homes Constructed									
Sky Legend Lot Development AV		864,900		864,900					
Sky Legend Home Construction Incremental AV									
Valuation Changes at Sky Legend	692,230								
Gallagher Adjustment									
Total Sky Legend Valuation	1,238,050	2,102,950		2,102,950	545,820	545,820		3,802,200	See 05/07 AV Per Assr
Total AV w/ Sky Legend	9,046,300	10,018,350		10,018,350	545,820	545,820		14,612,390	Final AV
MILL LEVIES									
Operating Mill Levy	1.345	1.345		1.345	1.345	1.345		1.345	No Change
Total Operating Mill Levy	1.345	1.345		1.345	1.345	1.345		1.345	
Refunds & Abatements Mill Levy									
Debt Service Mill Levy	43.886	37.729		37.729	37.729	37.729		37.069	To Cover D/S
Total Mill Levy	45.231	39.074		39.074	39.074	39.074		38.414	
Operating Property Taxes Levied	12,167	13,475		13,475	734	734		19,654	Based on 1.345 Mills
Abatement Property Taxes Levied									
Total Operating Property Tax Levied	12,167	13,475		13,475	734	734		19,654	