

COTTON RANCH METROPOLITAN DISTRICT

Filed electronically to dlg-filing@state.co.us
LGID# 19051

December 7, 2012

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

RE: Cotton Ranch Metropolitan District 2013 Budget – LGID #19051

Attached is the 2013 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 13, 2012. 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; 60.901 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 \$11,328,190 the total property tax revenue is \$705,135. 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

2013 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.

2013 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 2012 will be 60.901 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

November 5, 2012

Board of Directors
Cotton Ranch Metropolitan District
Gypsum, Colorado

I have compiled the accompanying balance sheet of Cotton Ranch Metropolitan District as of October 31, 2012 and the related statement of revenues, expenditures and changes in fund balance with budgets for the ten 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, 2012 and the adopted budget for calendar year 2013, 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.

The actual historical information for calendar year 2011 is presented for comparative purposes only. Such information is taken from the financial statements for the District which have been audited by Chadwick, Steinkirchner, Davis & Co., PC and upon which they expressed an unqualified opinion in their report dated March 23, 2012.

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

October 31, 2012

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 | 20,656 | | | | 20,656 |
| US Bank Money Market | 23,666 | | | | 23,666 |
| ColoTrust | 612,342 | | | | 612,342 |
| ANB Bond Account | 0 | | | | 0 |
| UMB Bond Account | 6,001 | | | | 6,001 |
| Investment in Pooled Cash | (622,090) | 573,189 | 48,901 | | 0 |
| Total Cash in Bank | 40,574 | 573,189 | 48,901 | 0 | 662,664 |
| Due from County Treasurer | 0 | 0 | | | 0 |
| Due from Cotton Ranch Bond Partners | | 844 | | | 844 |
| Property Tax Receivable | 812 | 37,341 | | | 38,153 |
| Tap Fee Receivable | | | 3,600 | | 3,600 |
| Water Usage Fees Rec | | | 24,266 | | 24,266 |
| Holy Cross Deposits | 0 | | | | 0 |
| Interest Receivable | 0 | | | | 0 |
| Accounts Receivable - Misc | 0 | | 0 | | 0 |
| Accounts Receivable - Golf Course | | | 5,453 | | 5,453 |
| Prepaid Insurance | 0 | | | | 0 |
| Total Current Assets | 41,386 | 611,374 | 82,220 | 0 | 734,980 |
| Fixed Assets: | | | | | |
| Non-Potable Water System | | | 381,492 | | 381,492 |
| Water Rights | | | 303,297 | | 303,297 |
| Accumulated Depreciation on Fixed Assets | | | (125,632) | 0 | (125,632) |
| Bond Issue Costs | | | | 278,859 | 278,859 |
| Accumulated Amortization on COI | | | | (88,597) | (88,597) |
| Total Property & Equipment | 0 | 0 | 559,157 | 190,262 | 749,419 |
| TOTAL ASSETS | 41,386 | 611,374 | 641,376 | 190,262 | 1,484,399 |

LIABILITIES & EQUITY

Subordinate
GO Bonds

| | <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 | 6,341 | 0 | 0 | | 6,341 |
| Interest Payable - 2006 Bonds | | 0 | | | 0 |
| Deferred Property Tax Rev | 812 | 37,341 | | | 38,153 |
| 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 | | | | 4,855,000 | 4,855,000 |
| Accd Interest on 2002A Bonds | | | | 0 | 0 |
| Accd Interest on 2006 Bonds | | | | 1,349 | 1,349 |
| Total Liabilities | 7,154 | 37,341 | 0 | 9,516,371 | 9,560,866 |
| Net Assets: | | | | | |
| Investment in Fixed Assets | | | 559,157 | 0 | 559,157 |
| Net of Long Term Debt | | | | (9,326,108) | (9,326,108) |
| Fund Balance | 34,232 | 574,033 | 82,220 | 0 | 690,485 |
| Ending Net Assets | 34,232 | 574,033 | 641,376 | (9,326,108) | (8,076,466) |
| Total Liabilities & Net Assets | 41,386 | 611,374 | 641,376 | 190,262 | 1,484,399 |

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: 11/27/12

| GENERAL FUND | Cal Yr 2011 Audited Final | Cal Yr 2012 Adopted Budget | Variance Favorable (Unfavor) | Cal Yr 2012 Forecast | 10 Months Ended 10/31/12 Actual | 10 Months Ended 10/31/12 Budget | Variance Favorable (Unfavor) | Cal Yr 2013 Adopted Budget | Budget Assumptions |
|---------------------------------------|------------------------------------|-------------------------------------|------------------------------------|----------------------------|--|--|------------------------------------|-------------------------------------|------------------------|
| Assessed Value | 18,548,230 | 11,283,210 | | 11,283,210 | | | | 11,328,190 | |
| | | | -39% | | | | | 0% | |
| Operating Mill Levy | 1.345 | 1.345 | | 1.345 | | | | 1.345 | |
| Debt Service Mill Levy | 37.929 | 61.821 | | 61.821 | | | | 60.901 | |
| Total Mill Levy | 39.274 | 63.166 | | 63.166 | | | | 62.246 | |
| REVENUE | | | | | | | | | |
| Property Taxes for General Operations | 24,707 | 15,176 | 0 | 15,176 | 14,288 | 15,176 | (888) | 15,236 | |
| Specific Ownership (Automobile) Taxes | 792 | 668 | 0 | 668 | 428 | 501 | (73) | 670 | 4.5% of Prop Tax |
| Interest Income | 214 | 686 | 0 | 686 | 66 | 572 | (505) | 600 | |
| Conservation Trust Fund | 2,285 | 2,000 | 0 | 2,000 | 2,085 | 1,500 | 585 | 2,000 | Based on Prior Yr |
| TOTAL REVENUE | 27,998 | 18,530 | 0 | 18,530 | 16,867 | 17,748 | (882) | 18,507 | |
| EXPENDITURES | | | | | | | | | |
| Accounting & Administration | 35,066 | 36,000 | 2,000 | 34,000 | 25,598 | 30,000 | 4,402 | 30,000 | Based on Prior Yr |
| Audit | 5,250 | 5,250 | 0 | 5,250 | 5,250 | 5,250 | 0 | 5,250 | Based on Prior Yr |
| Director Fees | 1,650 | 2,000 | 0 | 2,000 | 1,350 | 1,500 | 150 | 2,000 | Based on Prior Yr |
| Election | 0 | 1,500 | 1,000 | 500 | 986 | 1,500 | 514 | | Incl w/ Bonds |
| Insurance | 2,103 | 2,700 | 0 | 2,700 | 2,271 | 2,700 | 429 | 2,700 | Based on Prior Yr |
| Landscape Maintenance | 8,428 | 12,000 | 4,000 | 8,000 | 7,826 | 12,000 | 4,174 | 8,000 | Per Meister-tree maint |
| Legal-General | 5,175 | 3,000 | 0 | 3,000 | 2,740 | 2,500 | (240) | 3,000 | Based on Prior Yr |
| Office Overhead | 1,129 | 2,400 | 1,200 | 1,200 | 777 | 2,000 | 1,223 | 1,200 | Based on Prior Yr |
| Other Expenses | 72 | 150 | 0 | 150 | 125 | 125 | 0 | 150 | |
| Payroll Taxes | 126 | 250 | 0 | 250 | 103 | 188 | 84 | 250 | Based on Prior Yr |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Treasurer's fees | 751 | 455 | 0 | 455 | 432 | 455 | 23 | 457 | 3% of Prop Tax |
| Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Contingency | 0 | 5,000 | 5,000 | 0 | 0 | 0 | 0 | 5,000 | |
| Overhead Allocated to Water Fund | (29,875) | (35,353) | (6,600) | (29,753) | (23,729) | (29,109) | (5,380) | (29,004) | See Water Fund |
| TOTAL EXPENDITURES | 29,875 | 35,353 | 6,600 | 28,753 | 23,729 | 29,109 | 5,380 | 29,004 | |
| OP REV OVER (UNDER) EXPEND | (1,876) | (16,823) | 6,600 | (10,223) | (6,863) | (11,360) | 4,498 | (10,497) | |
| OTHER FINANCING SOURCES | | | | | | | | | |
| Transfer in(out) - Debt Service Fund | 0 | 5,073 | 0 | 5,073 | 0 | 0 | 0 | 4,989 | |
| NET REV OVER (UNDER) EXPEND | (1,876) | (11,750) | 6,600 | (5,150) | (6,863) | (11,360) | 4,498 | (5,508) | |
| Fund Balance-Beginning of Year | 42,971 | 40,015 | 1,080 | 41,095 | 41,095 | 40,015 | 1,080 | 35,945 | |
| Fund Balance-End of Year | 41,095 | 28,265 | 7,680 | 35,945 | 34,232 | 28,655 | 5,578 | 30,437 | |
| 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: 11/27/12

| DEBT SERVICE FUND | Cal Yr 2011 Audited Final | Cal Yr 2012 Adopted Budget | Variance Favorable (Unfavor) | Cal Yr 2012 Forecast | 10 Months Ended 10/31/12 Actual | 10 Months Ended 10/31/12 Budget | Variance Favorable (Unfavor) | Cal Yr 2013 Adopted Budget | Budget Assumptions |
|---|------------------------------------|-------------------------------------|------------------------------------|----------------------------|--|--|------------------------------------|-------------------------------------|-----------------------|
| ASSESSED VALUE | | | | | | | | | |
| Total Assessed Value | 18,548,230 | 11,283,210 | | 11,283,210 | 0 | | 11,328,190 | | |
| Debt Service Mill Levy Rate | 37.929 | 61.821 | | 61.821 | 37.929 | | 60.901 | | |
| Debt Service Property Taxes Levied | | 697,539 | | 697,539 | | | 689,898 | | |
| REVENUE | | | | | | | | | |
| Property Taxes for Debt Service | 696,724 | 697,539 | 0 | 697,539 | 656,738 | 697,539 | (40,801) | 689,898 | Per Above |
| Specific Ownership (Automobile) Taxes | 22,342 | 27,902 | 0 | 27,902 | 19,656 | 20,926 | (1,270) | 27,596 | 4.% of Prop Tax |
| Interest Income | 5,548 | 698 | 0 | 698 | 1,600 | 581 | 1,019 | 690 | |
| TOTAL REVENUE | 724,614 | 726,138 | 0 | 726,138 | 677,994 | 719,047 | (41,053) | 718,184 | |
| EXPENDITURES | | | | | | | | | |
| Total 1998 and 1999 Bond Payments | | | | | | | | | |
| 2006 Refunding Bonds Principal | 390,000 | 420,000 | 0 | 420,000 | 0 | 0 | 0 | 430,000 | Anticipated Refinance |
| 2006 Refunding Bonds Interest | 234,225 | 218,040 | 0 | 218,040 | 109,020 | 109,020 | 0 | 200,400 | Anticipated Refinance |
| 2010 Conversion Bonds Principal | | 0 | 0 | 0 | | 0 | 0 | 0 | |
| 2010 Conversion Bonds Interest | 59,500 | 59,500 | 0 | 59,500 | 0 | 0 | 0 | 59,500 | |
| Payment on Subordinate Bonds Unpaid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Subtotal | 683,725 | 697,540 | 0 | 697,540 | 109,020 | 109,020 | 0 | 689,900 | |
| Mill Levy to cover Unlimited Tax Bonds | | 61.821 | | 61.821 | | | | 60.901 | |
| Mill Levy to bring D/S mill to 35 mills Gallagherized | | 0.000 | | 0.000 | | | | 0.000 | |
| Paying Agent Fees | 3,725 | 2,600 | 0 | 2,600 | 1,075 | 1,300 | 225 | 2,600 | Based on Prior Yr |
| Treasurer's fees | 21,187 | 20,926 | 0 | 20,926 | 19,858 | 20,926 | 1,068 | 20,697 | 3% of Prop Tax |
| TOTAL EXPENDITURES | 708,637 | 721,066 | 0 | 721,066 | 129,953 | 131,246 | 1,293 | 713,197 | |
| OP REV OVER (UNDER) EXPEND | 15,978 | 5,072 | 0 | 5,072 | 548,041 | 587,801 | (39,760) | 4,987 | |
| OTHER FINANCING SOURCES | | | | | | | | | |
| Bond Proceeds | | | 0 | | 0 | 0 | 0 | 5,500,000 | |
| Bond Cost of Issuance & Bond Discount | | | 0 | | 0 | 0 | 0 | (5,500,000) | |
| Transfer in from Water & Gen Fund | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | From Water Fund |
| Transfer Out to General Fund | 0 | (5,073) | 0 | (5,073) | 0 | 0 | 0 | (4,989) | To General Fund |
| NET REV OVER (UNDER) EXPEND | 15,978 | (1) | 0 | (1) | 548,041 | 587,801 | (39,760) | (2) | |
| Fund Balance-Beginning of Year | 10,015 | 11,074 | 14,919 | 25,993 | 25,992 | 11,074 | 14,918 | 25,992 | |
| Fund Balance-End of Year | 25,993 | 11,073 | 14,919 | 25,992 | 574,033 | 598,875 | (24,841) | 25,990 | |

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: 11/27/12

| WATER UTILITY FUND | Cal Yr 2011 Audited Final | Cal Yr 2012 Adopted Budget | Variance Favorable (Unfavor) | Cal Yr 2012 Forecast | 10 Months Ended 10/31/12 Actual | 10 Months Ended 10/31/12 Budget | Variance Favorable (Unfavor) | Cal Yr 2013 Adopted Budget | Budget Assumptions |
|---|------------------------------------|-------------------------------------|------------------------------------|----------------------------|--|--|------------------------------------|-------------------------------------|------------------------|
| Irrigation Customers - Lower Bench | | 150 | | 150 | | | | 151 | |
| Irrigation Customers - Sky Legend | | 64 | | 64 | | | | 64 | |
| User Fee - Lower Bench | | \$53 | | \$53 | | | | \$56 | 6% increase |
| User Fee - Sky Legend | | \$27 | | \$27 | | | | \$28 | 6% increase |
| Tap Fee | | \$2,400 | | \$2,400 | | | | \$2,400 | 4% increase |
| REVENUE | | | | | | | | | |
| Water Base Charges - Valley Floor | 49,805 | 50,000 | 0 | 50,000 | 44,423 | 50,000 | (5,577) | 50,736 | Base Water Charges |
| Water Overage Charges - Valley | 8,946 | 10,000 | 0 | 10,000 | 13,826 | 10,000 | 3,826 | 10,000 | Water Overage Charges |
| Water Base Charges - Sky Legend | 10,143 | 10,000 | 0 | 10,000 | 11,189 | 10,000 | 1,189 | 10,752 | Base Water Charges |
| Water Overage Charges - Sky Legend | 1,326 | 1,500 | 0 | 1,500 | 2,103 | 1,500 | 603 | 1,500 | Water Overage Charges |
| Tap Fees - Valley Floor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,800 | F1 Lot 6 & F5 L189 |
| Tap Fees - Sky Legend | 14,400 | 7,200 | 12,000 | 19,200 | 9,600 | 6,300 | 3,300 | 9,600 | 81,84,85,87 |
| Interest Income | 4,527 | 2,800 | 1,200 | 4,000 | 3,845 | 2,333 | 1,512 | 4,000 | Prior Yr |
| Other Income (Cost Recovery) | 985 | 0 | 0 | 0 | 5,431 | 0 | 5,431 | 0 | |
| TOTAL REVENUE | 90,131 | 81,500 | 13,200 | 94,700 | 90,416 | 80,133 | 10,283 | 91,388 | |
| EXPENDITURES | | | | | | | | | |
| Legal & Engineering - Water | 13,064 | 3,000 | (2,000) | 5,000 | 5,460 | 2,500 | (2,960) | 3,000 | Mgt Est |
| Repairs & Maint - Materials & Supplies | 7,826 | 3,000 | 0 | 3,000 | 1,352 | 2,571 | 1,219 | 3,000 | Mgt Est |
| Repairs & Maint - Labor | 12,724 | 10,000 | 0 | 10,000 | 10,209 | 10,000 | (209) | 10,000 | Burn/Dredge Ditches |
| Repairs & Maint - Tap Connections | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Mgt Est |
| Repairs & Maint - Pump & Pumphouse | 1,695 | 3,000 | 1,500 | 1,500 | 0 | 2,500 | 2,500 | 3,000 | Rework 3 pumps, Comput |
| Irrigation System Start Up & Blow Out | 2,507 | 2,400 | 0 | 2,400 | 0 | 2,400 | 2,400 | 2,400 | Prior Yr |
| Utilities-Electricity | 10,933 | 11,330 | 0 | 11,330 | 11,361 | 10,998 | (363) | 11,330 | Mgt Est |
| Water Billings | 6,461 | 5,871 | 0 | 5,871 | 6,585 | 5,871 | (714) | 6,047 | |
| Delinquent Collection Fees | | 0 | 0 | 0 | 34 | 0 | (34) | | |
| 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 | 136 | 0 | 136 | Per Lease Agmt |
| Irrigation System Improvements | 0 | 5,000 | 5,000 | 0 | 0 | 0 | 0 | 0 | |
| Allocated Overhead | 29,875 | 35,353 | 6,600 | 28,753 | 23,729 | 29,109 | 5,380 | 29,004 | From General Fund |
| Contingency | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,000 | |
| TOTAL EXPENDITURES | 86,740 | 80,610 | 11,100 | 69,510 | 60,407 | 67,605 | 7,198 | 79,437 | |
| EXCESS REV OVER(UNDER) EXPEN | 3,391 | 890 | 24,300 | 25,190 | 30,009 | 12,528 | 17,481 | 11,951 | |
| OTHER FINANCING SOURCES | | | | | | | | | |
| Repayment of Prepaid Taps | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Surplus after Other Financing Source | 3,391 | 890 | 24,300 | 25,190 | 30,009 | 12,528 | 17,481 | 11,951 | |
| Fund Balance-Beginning of Year | 48,820 | 59,863 | (7,652) | 52,211 | 52,211 | 59,863 | (7,652) | 77,402 | |
| Fund Balance-End of Year | 52,211 | 60,753 | 16,648 | 77,402 | 82,220 | 72,391 | 9,829 | 89,353 | |

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) \$ 11,328,190

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)

\$ 11,328,190

Submitted: December 7, 2012 for budget/fiscal year 2013
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

| PURPOSE | LEVY ² | REVENUE ² |
|---|---------------------------|----------------------------|
| 1. General Operating Expenses | <u>1.345</u> mills | \$ <u>15,236.42</u> |
| 2. (MINUS) Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction | <u>(0.000)</u> mills | \$ <u>-</u> |
| SUBTOTAL FOR GENERAL OPERATING: | <u>1.345</u> mills | \$ <u>15,236.42</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.] | <u>60.901</u> mills | \$ <u>689,898.10</u> |
| 4. Contractual Obligations Approved at Election [Per 29-1-301(1.7) C.R.S.] | <u>0.000</u> 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.] | <u>0.000</u> mills | \$ <u>-</u> |
| 6. Refunds/Abatements | <u>0.000</u> 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] | <u>0.000</u> mills | \$ <u>-</u> |

TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] **62.246 mills \$ 705,134.52**

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

Signed: K Marchetti 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: 55.649
Revenue: \$630,402.45

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: 5.252
Revenue: \$59,495.65

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 2013 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 2013 AND ENDING ON THE LAST DAY OF DECEMBER 2013.

WHEREAS, the Board of Directors of the Cotton Ranch Metropolitan District has appointed a budget committee to prepare and submit a proposed 2013 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 20, 2012, 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 2013, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE COTTON RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2013 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 September 24, 2012, and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$15,236 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 \$689,898, and;

WHEREAS, the 2012 valuation for assessment for the Cotton Ranch Metropolitan District, as certified by the County Assessor is \$11,328,190.

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 2013 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 2012.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2013 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 2013 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 2012.

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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 2013 budget year, there is hereby levied a tax of 60.901 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2012.
- 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 2013 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 20, 2012, 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:

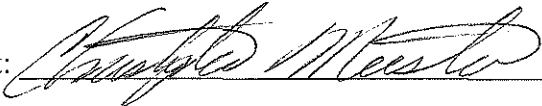
| | |
|----------------------------|-----------------|
| GENERAL FUND: | |
| Current Operating Expenses | <u>\$29,004</u> |
| TOTAL GENERAL FUND: | \$29,004 |
| DEBT SERVICE FUND: | |
| Debt Service Expenditures | \$713,197 |
| Transfers | <u>\$4,987</u> |
| TOTAL DEBT SERVICE FUND: | \$718,184 |
| ENTERPRISE FUND: | |
| Current Operating Expenses | <u>\$79,437</u> |
| TOTAL ENTERPRISE FUND: | \$79,437 |

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RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2013 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2013 budget, set the mill levies and to appropriate sums of money were adopted this 20th day of November, 2012.

Attest: 

Title: President