

COTTON RANCH METROPOLITAN DISTRICT

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LGID# 19051

December 10, 2008

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

RE: Cotton Ranch Metropolitan District

Attached is the 2009 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 9, 2008. 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; 37.747 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 \$15,966,210 the total property tax revenue is \$624,151.08. 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

2009 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.

2009 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 2009 will be 37.747 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 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

December 10, 2008

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 ten month period ended October 31, 2008 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 2008 and the adopted budget for calendar year 2009, 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 October 31, 2008, 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 2007 is presented for comparative purposes only. Such information is taken from the financial statements for the District for the year ended December 31, 2007, which have been audited by Chadwick, Steinkirchner, Davis & Co., P.C. and upon which they expressed an unqualified opinion in their report dated March 24, 2008.

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 F Printed:

Printed: 01/22/09

GENERAL FUND	Cal Yr 2007 Audited Final	Cal Yr 2008 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2008 Forecast	10 Months Ended 10/30/08 Actual	10 Months Ended 10/31/08 Budget	Variance Favorable (Unfavor)	Cal Yr 2009 Adopted Budget	Budget Assumptions
REVENUE									
Property Taxes for General Operations	13,475	19,654	(126)	19,528	17,327	19,654	(2,326)	21,475	Per Above
Specific Ownership (Automobile) Taxes	839	983	(6)	976	741	737	4	1,074	5% of Prop Tax
Interest Income	801	333	367	700	525	277	247	498	
Conservation Trust Fund	1,452	1,400	0	1,400	1,109	1,050	59	1,400	
Other	0		0		0	0	0		
TOTAL REVENUE	16,567	22,369	235	22,604	19,702	21,718	(2,016)	24,446	
EXPENDITURES									
Accounting & Administration	38,816	36,750	0	36,750	32,910	30,625	(2,285)	41,684	Includes Water Billings
Audit	7,166	6,000	690	5,310	5,310	6,000	690	5,576	RMPC Est
Director Fees	1,558	3,000	0	3,000	1,339	2,250	911	2,000	
Election	295	1,500	1,450	50	50	1,500	1,450	0	Assume no election
Insurance	2,324	2,800	188	2,612	2,612	2,800	188	2,743	Based on Prior Yr
Landscape Maintenance	2,524		0		0	0	0	0	
Legal-General	740	6,000	3,000	3,000	1,961	5,000	3,039	6,300	Based on Prior Yr
Office Overhead	172	1,800	900	900	150	1,500	1,350	945	Based on Prior Yr
Other Expenses	2		(101)	101	101	0	(101)	0	
Payroll Taxes	137	240	0	240	114	180	66	252	Based on Prior Yr
Repairs and Maintenance	0		0		0	0	0	0	
Treasurer's fees	406	590	4	586	521	590	68	644	3% of Prop Tax
Utilities	0		0		0	0	0	0	
Contingency	0	10,000	10,000	0	0	0	0	10,000	
Vehicles			(216)	216	216	0	(216)	0	
Overhead Allocated to Water Fund	(27,071)	(34,340)	(7,957)	(26,382)	0	0	0	(35,071)	See Water Fund
TOTAL EXPENDITURES	27,071	34,340	7,957	26,382	45,285	50,445	5,159	35,071	
OP REV OVER (UNDER) EXPEND	(10,504)	(11,971)	8,192	(3,778)	(25,583)	(28,727)	3,143	(10,625)	
OTHER FINANCING SOURCES									
Loan Proceeds (Repayment)	(23,639)		0		0	0	0		
Transfer in - Water Fund	25,000	0	0	0	0	0	0	0	
Transfer in(out) - Debt Service Fund	17,762	16,658	(2,194)	14,464	0	0	0	18,794	
NET REV OVER (UNDER) EXPEND	8,619	4,688	5,998	10,685	(25,583)	(28,727)	3,143	8,168	
Fund Balance-Beginning of Year	13,872	22,181	310	22,491	22,491	22,181	310	33,176	
Fund Balance-End of Year	22,491	26,869	6,308	33,176	(3,093)	(6,546)	3,453	41,345	

See Accompanying Accountant's Report

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

Printed: 01/22/09

DEBT SERVICE FUND	Cal Yr 2007 Audited Final	Cal Yr 2008 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2008 Forecast	10 Months Ended 10/30/08 Actual	10 Months Ended 10/31/08 Budget	Variance Favorable (Unfavor)	Cal Yr 2009 Adopted Budget	Budget Assumptions
ASSESSED VALUE									
Lower Bench Assessed Value		10,810,190		10,810,190				11,185,490	Per Above
Sky Legend Assessed Value		3,802,200		3,802,200				4,780,720	Per Above
Total Assessed Value		14,612,390		14,612,390				15,966,210	
Debt Service Mill Levy Rate		37.069		37.069				37.747	Gallagherized 35 Mills
Debt Service Property Taxes Levied		541,667		538,192				602,677	
REVENUE									
Property Taxes for Debt Service	377,982	541,667	(3,475)	538,192	477,548	541,667	(64,119)	602,677	Per Above
Specific Ownership (Automobile) Taxes	23,524	27,083	(174)	26,910	20,426	20,313	114	30,134	5% of Prop Tax
Interest Income	7,841	8,125	(2,125)	6,000	5,292	6,771	(1,479)	9,040	
TOTAL REVENUE	409,347	576,875	(5,773)	571,102	503,267	568,750	(65,483)	641,851	
EXPENDITURES									
Total 1998 and 1999 Bond Payments									
2006 Refunding Bonds Principal	50,000	150,000	0	150,000	0	0	0	265,000	
		4.05%	0	4.05%				4.10%	
2006 Refunding Bonds Interest	266,778	264,778	0	264,778	132,389	132,389	0	258,703	
Letter of Credit Fees	64,135	0	0	0	0	0	0	0	
2010 Conversion Bonds Principal									
2010 Conversion Bonds Interest									
2011 Conversion Bonds Principal									
2011 Conversion Bonds Interest									
2012 Conversion Bonds Principal									
2012 Conversion Bonds Interest									
2013 Conversion Bonds Principal									
2013 Conversion Bonds Interest									
2014 Conversion Bonds Principal									
2014 Conversion Bonds Interest									
2015 Conversion Bonds Principal									
2015 Conversion Bonds Interest									
2016 Conversion Bonds Principal									
2016 Conversion Bonds Interest									
2017 Conversion Bonds Principal									
2017 Conversion Bonds Interest									
2018 Conversion Bonds Principal									
2018 Conversion Bonds Interest									
2019 Conversion Bonds Principal									
2019 Conversion Bonds Interest									
2020 Conversion Bonds Principal									
2020 Conversion Bonds Interest									
Payment on Subordinate Bonds Unpaid Interest w/ mini		126,894	0	126,894	62,770	0	(62,770)	78,969	
Subtotal	380,912	541,672	0	541,672	195,159	132,389	(62,770)	602,672	
Mill Levy necessary to cover 2006 Bonds		28,385		28,385				32,801	
Mill Levy to bring D/S mill to 35 mills Gallagherized		8,684		8,684				4,946	
Paying Agent Fees	2,225	2,300	0	2,300	1,075	1,150	75	2,300	
Treasurer's fees	11,378	16,250	104	16,146	14,363	16,250	1,887	18,080	3% of Prop Tax
TOTAL EXPENDITURES	394,515	560,222	104	560,118	210,597	149,789	(60,808)	623,052	
OP REV OVER (UNDER) EXPEND	14,832	16,653	(5,669)	10,984	292,670	418,961	(126,291)	18,798	
OTHER FINANCING SOURCES									
Transfer in from Water & Gen Fund	0	0	0	0	0	0	0	0	From Water Fund
Transfer Out to General Fund	(17,762)	(16,658)	2,194	(14,464)	0	0	0	(18,794)	To General Fund
NET REV OVER (UNDER) EXPEND	(2,930)	(5)	(3,475)	(3,480)	292,670	418,961	(126,291)	5	
Fund Balance-Beginning of Year	8,625	69,829	(64,133)	5,696	5,696	69,829	(64,133)	2,216	
Fund Balance-End of Year	5,695	69,824	(67,608)	2,216	298,365	488,790	(190,425)	2,221	

See Accompanying Accountant's Report

COTTON RANCH METROPOLITAN DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Actual, Budget and Forecast for the 1 Printed:

Printed: 01/22/09

WATER UTILITY FUND	Cal Yr 2007 Audited Final	Cal Yr 2008 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2008 Forecast	10 Months Ended 10/30/08 Actual	10 Months Ended 10/31/08 Budget	Variance Favorable (Unfavor)	Cal Yr 2009 Adopted Budget	Budget Assumptions
REVENUE									
Taps Connected Beg. of Year	157	173		178	178		187		
Taps Connected - Lower Bench	19	12		8	8		0		
Taps Connected - Sky Legend	2	20		1	1		0		
Taps Connected End of Year	178	205		187	187		187		
User Fee		50		50			50		
Tap Fee		2,400		2,400			2,400	No Change	
Water Charges - Base Area	54,488	45,000	8,000	53,000	48,165	45,000	3,165	53,000	
Water Charges - Sky Legend	1,662	5,000	7,225	7,725	7,250	5,000	2,250	9,225	17 new installs in 09
Tap Fees - Base Area	45,600	28,800	(9,600)	19,200	19,200	21,600	(2,400)	0	New Taps Connected
Tap Fees - Sky Legend	4,800	28,800	(26,400)	2,400	2,400	25,200	(22,800)	0	prepaid taps all used in 0
Prepaid Tap Fees	0		0		0	0	0		Per ASW Agmt
Interest Income	1,686	2,295	(795)	1,500	1,534	1,912	(379)	1,983	
Other Income (Cost Recovery)	0		0		0	0	0		
TOTAL REVENUE	108,245	109,895	(26,070)	83,825	78,548	98,712	(20,164)	64,208	
EXPENDITURES									
Legal & Engineering - Water	6,814	10,000	0	10,000	8,555	8,333	(222)	6,000	Mgt Est
Bad Debt Expense	0		0		0	0	0	0	
Repairs & Maint - Materials & Supplies	2,690	4,800	0	4,800	2,476	4,114	1,638	5,790	Mgt Est + Leak Repair P
Repairs & Maint - Labor	5,260	10,000	3,000	7,000	5,683	8,571	2,888	10,500	Mgt Est + Leak Repair L
Repairs & Maint - Tap Connections	6,845	8,000	1,000	7,000	4,820	6,857	2,037	7,350	Mgt Est
Repairs & Maint - Pump & Pumphouse	0	6,810	4,810	2,000	1,312	5,675	4,363	2,100	Computer, New Motor, R
New Diversion Structure - Engineering		5,000	3,300	1,700	918	0	(918)	0	
New Diversion Structure - Construction		35,000	35,000	0		0	0	0	
Tools & Supplies	638	1,200	(1,300)	2,500	2,863	1,000	(1,863)	4,500	Prior Yr + Leak Repair B
Irrigation System Start Up & Blow Out	3,057	2,200	0	2,200	300	2,200	1,900	2,310	Prior Yr
Utility Vehicles & Auto	6,070	1,000	0	1,000	320	750	430	1,050	
Utilities-Electricity	7,037	10,000	0	10,000	8,930	0	(8,930)	10,500	Mgt Est
Augmentation Water Lease	1,488	1,500	(20)	1,520	1,520	1,500	(20)	1,596	Per Lease Agmt
Town of Gypsum Raw Water Lease	400	136	0	136	0	0	0	136	
System Remedial Expenditures		10,000	(50)	10,050	7,293	0	(7,293)	0	
Irrigation System As-Builts	16,647	0	(9,284)	9,284	9,284	0	(9,284)	0	
Allocated Overhead	27,071	34,340	7,967	26,382	0	0	0	35,071	From General Fund
TOTAL EXPENDITURES	84,017	139,986	44,413	95,572	54,273	39,001	(15,271)	86,903	
EXCESS REV OVER(UNDER) EXPEN	24,228	(30,091)	18,344	(11,747)	24,276	59,711	(35,435)	(22,696)	
OTHER FINANCING SOURCES									
Transfer from (to) Debt Service Fund	0		0		0	0	0		
Transfer from (to) Capital Projects Fund			0			0	0		
Transfer from (to) General Fund	(25,000)		0		0	0	0		
Repayment of Prepaid Taps	(34,704)	(26,400)	0	(26,400)	(26,400)	0	(26,400)	0	11 taps @ \$2,400 each
Surplus after Other Financing Source	(35,476)	(56,491)	18,344	(38,147)	(2,124)	59,711	(61,835)	(22,696)	
Fund Balance-Beginning of Year	123,196	57,369	30,351	87,720	87,720	57,369	30,351	49,573	
Fund Balance-End of Year	87,720	878	48,695	49,573	85,596	117,080	(31,484)	26,877	
See Accompanying Accountant's Report	=	=	=	=	=	=	=	=	

Components of Fund Balance
 Operating Reserve - six month's expenditures 43,452
 Other (16,575)
 Total 26,877

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

Printed: 01/22/09

ASSESSED VALUE AND PROPERTY	Cal Yr 2007 Audited Final	Cal Yr 2008 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2008 Forecast	10 Months Ended 10/30/08 Actual	10 Months Ended 10/31/08 Budget	Variance Favorable (Unfavor)	Cal Yr 2009 Adopted Budget	Budget Assumptions
ASSESSED VALUE									
Lot Development		140		140					
Home Construction		12		12				6	
Incremental AV from Home Construction									
Beginning of Year Assessed Value									
Lot Development									
New Construction									
Valuation Changes									
Gallagher Adjustment									
Total End of Year AV w/o Sky Legend	7,915,400	10,810,190		10,810,190	0	0		11,185,490	final 09 a/v
Sky Legend Lots Devel (R056059,R056060)				107				0	
Sky Legend Lot Actual Value									
Sky Legend Home Actual Value									
Sky Legend Homes Constructed				54					
Sky Legend Lot Development AV									
Sky Legend Home Construction Incremental AV									
Valuation Changes at Sky Legend									
Gallagher Adjustment									
Total Sky Legend Valuation	2,102,950	3,802,200		3,802,200	545,820	545,820		4,780,720	final 09 a/v
Total AV w/ Sky Legend	10,018,350	14,612,390		14,612,390	545,820	545,820		15,966,210	final 09 a/v
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	37.729	37.069		37.069	37.729	37.729		37.747	To Cover D/S
Total Mill Levy	39.074	38.414		38.414	39.074	39.074		39.092	
Operating Property Taxes Levied	13,475	19,654		19,528	734	734		21,475	Based on 1.345 Mills
Abatement Property Taxes Levied									
Total Operating Property Tax Levied	13,475	19,654		19,528	734	734		21,475	

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: 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) \$ 15,966,210**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 NETassessed valuation of: (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) \$ 15,966,210Submitted: December 10, 2008 for budget/fiscal year 2009
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

PURPOSE	LEVY ²	REVENUE ²
1. General Operating Expenses	<u>1.345</u> mills	\$ <u>21,474.55</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>21,474.55</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>37.747</u> mills	\$ <u>602,676.53</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 <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>]	<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] **39.092 mills \$ 624,151.08**Contact person: Kenneth J MarchettiDaytime 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: 32.801
Revenue: \$523,707.65

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: 4.946
Revenue: \$78,968.87
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.

RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT

TO ADOPT 2009 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 2009 AND ENDING ON THE LAST DAY OF DECEMBER 2009.

WHEREAS, the Board of Directors of the Cotton Ranch Metropolitan District has appointed a budget committee to prepare and submit a proposed 2009 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 11, 2008 and continued to December 3, 2008 and December 9, 2008, 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 2009, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE COTTON RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2009 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 December 9, 2008, and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$21,475 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 \$602,677, and;

WHEREAS, the 2008 valuation for assessment for the Cotton Ranch Metropolitan District, as certified by the County Assessor is \$15,966,210.

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 2009 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 2008.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2009 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 2009 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 2008.

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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 2009 budget year, there is hereby levied a tax of 37.747 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2008.

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 2009 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on December 9, 2008, 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 \$35,071

TOTAL GENERAL FUND: \$35,071

DEBT SERVICE FUND:

Debt Service Expenditures \$623,052

Transfers \$ 18,794

TOTAL DEBT SERVICE FUND: \$641,846

ENTERPRISE FUND:

Current Operating Expenses \$86,903

TOTAL ENTERPRISE FUND: \$86,903

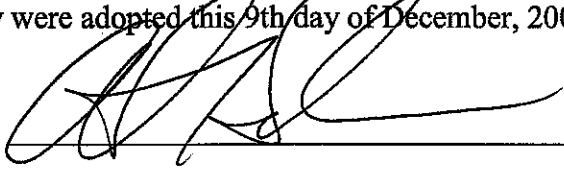
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RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2009 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2009 budget, set the mill levies and to appropriate sums of money were adopted this 9th day of December, 2008.

Attest:

A handwritten signature in black ink, appearing to be 'A. R.', written over a horizontal line.

Title:

Secretary / Treasurer