

COTTON RANCH METROPOLITAN DISTRICT

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

December 8, 2010

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

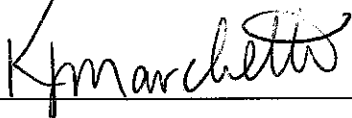
RE: Cotton Ranch Metropolitan District 2011 Budget – LGID #19051

Attached is the 2011 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 9, 2010. 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; 37.929 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 \$18,548,230 the total property tax revenue is \$728,463. 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

2011 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.

2011 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 2010 will be 37.929 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

December 8, 2010

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 eleven month period ended November 30, 2010 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 2010 and the adopted budget for calendar year 2011, 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.

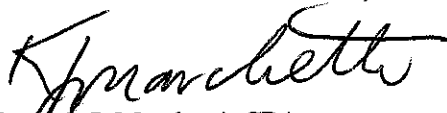
A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the forecast and, accordingly, do 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 November 30, 2010, 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 2009 is presented for comparative purposes only. Such information is taken from the financial statements for the District for the year ended December 31, 2009, which have been audited by Chadwick, Steinkirchner, Davis & Co., P.C. and upon which they expressed an unqualified opinion in their report dated March 10, 2010.

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 Year Ended

Printed: 12/07/10

GENERAL FUND	Cal Yr 2009 Audited Final	Cal Yr 2010 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2010 Forecast	11 Months Ended 11/30/10 Actual	11 Months Ended 11/30/10 Budget	Variance Favorable (Unfavor)	Cal Yr 2011 Adopted Budget	Budget Assumptions
Assessed Value	15,966,210	19,787,380		19,787,380				18,548,230	Final AV
Operating Mill Levy	1,345	1,345		1,345			1,345		
Debt Service Mill Levy	37,747	37,722		37,929			37,929		
Total Mill Levy	39,092	39,067		39,274			39,274		
REVENUE									
Property Taxes for General Operations	21,453	26,614	(796)	25,818	26,598	26,614	(16)	24,947	
Specific Ownership (Automobile) Taxes	872	1,198	(36)	1,162	751	998	(247)	1,123	4.5% of Prop Tax
Interest Income	315	401	60	461	488	367	120	538	
Conservation Trust Fund	1,684	1,400	0	1,400	1,519	1,400	119	1,400	Based on Prior Yr
TOTAL REVENUE	24,324	29,612	(772)	28,841	29,356	29,379	(23)	28,008	
EXPENDITURES									
Accounting & Administration	46,348	43,000	7,000	36,000	29,726	39,417	9,690	36,000	Includes Water Billings
Audit	5,250	5,250	0	5,250	5,250	5,250	0	5,250	Based on Prior Yr
Director Fees	1,575	2,000	0	2,000	1,350	2,000	650	2,000	Based on Prior Yr
Election	0	1,500	(3,700)	5,200	5,171	1,500	(3,671)	0	
Insurance	2,297	2,700	0	2,700	2,126	2,700	574	2,400	Based on Prior Yr
Landscape Maintenance	2,586	2,600	0	2,600	0	0	0	2,600	
Legal-General	3,987	6,000	3,000	3,000	1,377	5,500	4,123	3,000	Based on Prior Yr
Office Overhead	2,569	2,492	0	2,492	1,398	2,284	887	2,400	Based on Prior Yr
Other Expenses	163	150	0	150	40	138	98	150	
Payroll Taxes	120	250	0	250	103	250	147	250	Based on Prior Yr
Treasurer's fees	652	798	24	775	806	798	(7)	748	3% of Prop Tax
Contingency	0	10,000	10,000	0	0	0	0	5,000	
Vehicles	0	0	0	0	0	0	0	0	
Overhead Allocated to Water Fund	(32,274)	(38,370)	(8,162)	(30,208)	(23,674)	(35,173)	(11,499)	(29,899)	See Water Fund
TOTAL EXPENDITURES	33,274	38,370	8,162	30,208	23,674	24,664	991	29,899	
OP REV OVER (UNDER) EXPEND	(8,950)	(8,758)	7,390	(1,368)	5,683	4,715	968	(1,891)	
OTHER FINANCING SOURCES									
Transfer In(out) - Debt Service Fund	12,706	12,628	(6,157)	6,471	0	0	0	11,770	
NET REV OVER (UNDER) EXPEND	3,756	3,871	1,233	5,103	5,683	4,715	968	9,879	
Fund Balance-Beginning of Year	26,990	26,720	4,026	30,746	30,746	26,720	4,026	35,849	
Fund Balance-End of Year	30,746	30,591	5,259	35,849	36,429	31,435	4,994	45,728	
See Accompanying Accountant's Report	=	=	=	=	=	=	=	=	

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

Printed: 12/07/10

DEBT SERVICE FUND	Cal Yr 2009 Audited Final	Cal Yr 2010 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2010 Forecast	11 Months Ended 11/30/10 Actual	11 Months Ended 11/30/10 Budget	Variance Favorable (Unfavor)	Cal Yr 2011 Adopted Budget	Budget Assumptions
ASSESSED VALUE									
Total Assessed Value	15,966,210	19,787,380		19,787,380	19,787,380		18,548,230		
Debt Service Mill Levy Rate	37.747	37.722		37.929	37.929		37.929	Gallagherized 35 Mills	
Debt Service Property Taxes Levied	602,677	746,420		750,516			703,516		
REVENUE									
Property Taxes for Debt Service	602,065	746,420	(450)	745,970	745,970	746,420	(449)	703,516	Per Above
Specific Ownership (Automobile) Taxes	24,486	33,589	(10,589)	23,000	21,074	27,991	(6,916)	31,658	4.5% of Prop Tax
Interest Income	8,668	3,732	4,268	8,000	7,995	3,421	4,574	3,518	
TOTAL REVENUE	635,219	783,741	(6,771)	776,970	775,040	777,831	(2,792)	738,692	
EXPENDITURES									
Total 1998 and 1999 Bond Payments									
2006 Refunding Bonds Principal	265,000	330,000	0	330,000	330,000	330,000	0	390,000	
2006 Refunding Bonds Interest	258,703	247,838	0	247,838	247,838	247,838	0	234,225	
2010 Conversion Bonds Principal		0	0	0			0	0	
2010 Conversion Bonds Interest		57,021	0	57,021	0	0	0	59,500	
Payment on Subordinate Bonds Unpaid	78,362	111,561	1,525	110,037	0	0	0	18,841	
Subtotal	602,065	746,420	1,525	744,895	577,838	577,838	0	702,366	
Mill Levy to cover Unlimited Tax Bonds	32,801	32,084		32,084				36,862	
Mill Levy to bring D/S mill to 35 mills	4,946	5,638		5,845				1,067	
Paying Agent Fees	2,150	2,300	150	2,150	1,075	1,150	75	2,300	Based on Prior Yr
Treasurer's fees	18,298	22,393	13	22,379	22,602	22,393	(209)	21,105	3% of Prop Tax
TOTAL EXPENDITURES	622,513	771,112	1,688	769,424	601,514	601,380	(134)	725,771	
OP REV OVER (UNDER) EXPEND	12,706	12,628	(5,082)	7,546	173,526	176,451	(2,926)	12,920	
OTHER FINANCING SOURCES									
Transfer Out to General Fund	(12,706)	(12,628)	6,157	(6,471)	0	0	0	(11,770)	To General Fund
NET REV OVER (UNDER) EXPEND	0	(0)	1,075	1,075	173,526	176,451	(2,926)	1,150	
Fund Balance-Beginning of Year	8,939	8,944	(4)	8,940	8,940	8,944	(4)	10,015	
Fund Balance-End of Year	8,940	8,944	1,071	10,015	182,465	185,395	(2,930)	11,165	
See Accompanying Accountant's Report	=	=	=	=	=	=	=	=	

COTTON RANCH METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Actual, Budget and Forecast for the Year Ending 12/31/10

Printed: 12/07/10

	Cal Yr 2009 Audited Final	Cal Yr 2010 Adopted Budget	Variance Favorable (Unfavor)	Cal Yr 2010 Forecast	11 Months Ended 11/30/10 Actual	11 Months Ended 11/30/10 Budget	Variance Favorable (Unfavor)	Cal Yr 2011 Adopted Budget	Budget Assumptions
WATER UTILITY FUND									
Irrigation Customers - Lower Bench		136		136				136	
Irrigation Customers - Sky Legend		50		50			50		
User Fee - Lower Bench		\$53		\$53			\$56	6% Increase	
User Fee - Sky Legend		\$26.50		\$26.50			\$28.00	6% Increase	
Tap Fee		\$2,400		\$2,400			\$2,400	4% Increase	
REVENUE									
Water Base Charges - Valley Floor	40,696	43,248	0	43,248	46,122	43,248	2,874	45,696	Base Water Charges
Water Overage Charges - Valley	16,804	18,673	0	18,673	13,866	18,673	(4,807)	18,673	Water Overage Charges
Water Base Charges - Sky Legend	7,875	7,950	0	7,950	8,784	7,950	834	8,400	Base Water Charges
Water Overage Charges - Sky Legend	2,638	3,013	0	3,013	1,505	3,013	(1,508)	3,013	Water Overage Charges
Tap Fees - Valley Floor	0	0	0	0	0	0	0		
Tap Fees - Sky Legend	2,400	0	0	0	0	0	0		prepaid taps all used in 09
Interest Income	602	634	0	634	1,660	581	1,079	634	Prior Yr
Other Income (Cost Recovery)	220		820	820	2,220	0	2,220		
TOTAL REVENUE	71,235	73,518	820	74,338	74,157	73,465	691	76,416	
EXPENDITURES									
Legal & Engineering - Water	13,309	5,000	(5,000)	10,000	8,144	4,583	(3,561)	3,000	Mgt Est
Repairs & Maint - Materials & Supplies	4,872	3,000	0	3,000	1,689	3,000	1,311	3,000	Mgt Est
Repairs & Maint - Labor	17,878	12,040	0	12,040	10,809	12,040	1,231	10,000	Burn/Dredge Ditches
Repairs & Maint - Tap Connections	1,520	1,520	1,520	0	0	1,520	1,520	0	Mgt Est
Repairs & Maint - Pump & Pumphouse	2,432	7,000	7,000	0	0	7,000	7,000	3,000	Rework 3 pumps, Compu
New Diversion Structure - Engineering	0	0	0	0	0	0	0	0	
Tools & Supplies	413	1,000	1,000	0	0	1,000	1,000	0	Mgt Est
Irrigation System Start Up & Blow Out	576	2,310	0	2,310	500	2,310	1,810	2,400	Prior Yr
Utility Vehicles & Auto	71	515	515	0	0	451	451	0	
Utilities-Electricity	10,117	10,815	0	10,815	9,914	10,650	736	11,000	Mgt Est
Water Meter Reading Cost	1,419	1,200	1,200	0	0	1,200	1,200	0	
Water Billings			(5,700)	5,700	6,058	0	(6,058)	5,700	
Augmentation Water Lease	1,520	1,520	0	1,520	1,520	1,520	(0)	1,520	Per Lease Agmt
Town of Gypsum Raw Water Lease	136	136	0	136	136	0	(136)	136	Per Lease Agmt
System Remedial Expenditures	0	0	0	0	0	0	0	0	
Irrigation System As-Builts	0	0	(1,000)	1,000	472	0	(472)	1,000	
Allocated Overhead	32,274	38,370	8,162	30,208	23,674	35,173	11,499	29,899	From General Fund
Contingency	0	10,000	10,000	0	0	0	0	10,000	
TOTAL EXPENDITURES	86,336	94,426	17,697	76,729	62,917	80,447	17,530	80,655	
EXCESS REV OVER(UNDER) EXPEN	(15,101)	(20,908)	18,517	(2,391)	11,240	(6,981)	18,222	(4,239)	
OTHER FINANCING SOURCES									
Repayment of Prepaid Taps	0	0	0	0	0	0	0	0	
Surplus after Other Financing Sources	(15,101)	(20,908)	18,517	(2,391)	11,240	(6,981)	18,222	(4,239)	
Fund Balance-Beginning of Year	61,979	42,260	4,618	46,878	46,878	42,260	4,618	44,487	
Fund Balance-End of Year	46,878	21,352	23,135	44,487	58,118	35,279	22,839	40,248	

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) \$ 18,548,230

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) \$ 18,548,230

Submitted: December 10, 2010 for budget/fiscal year 2011
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

PURPOSE	LEVY ²	REVENUE ²
1. General Operating Expenses	<u>1.345</u> mills	\$ <u>24,947.37</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>24,947.37</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.] 37.929 mills \$ 703,515.82
- 4. Contractual Obligations Approved at Election [Per 29-1-301(1.7) C.R.S.] 0.000 mills \$ -
- 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 \$ -
- 6. Refunds/Abatements 0.000 mills \$ -
- 7. Other (specify): _____ 0.000 mills \$ -
[These levies and revenues are for purposes not subject to 29-1-301 C.R.S. that were not reported above]

TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] **39.274 mills \$ 728,463.19**

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

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued
COTTON RANCH METROPOLITAN DISTRICT

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS:

1. Purpose of Issue: Refund the District's 1998 and 1999A Bonds
Series: GO Refunding Bonds Series 2006
Date of Issue: December 1, 2006
Coupon rate: 4.0% to 4.75%
Maturity Date: December 1, 2022
Levy: 33.654
Revenue: \$624,225.00

2. 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: 3.208
Revenue: \$59,500.00

3. Purpose of Issue: Refund the District's 1999B Bonds
Series: Limited GO Bonds Series 2002A
Date of Issue: December 15, 2002
Coupon rate: 5.95%
Maturity Date: December 1, 2035
Levy: 1.067
Revenue: \$19,790.82

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 2011 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 2011 AND ENDING ON THE LAST DAY OF DECEMBER 2011.

WHEREAS, the Board of Directors of the Cotton Ranch Metropolitan District has appointed a budget committee to prepare and submit a proposed 2011 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 9, 2010, 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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2011, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE COTTON RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2011 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 9, 2010, and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$24,947 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 \$703,516, and;

WHEREAS, the 2010 valuation for assessment for the Cotton Ranch Metropolitan District, as certified by the County Assessor is \$18,548,230.

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 2011 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 2010.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2011 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 2011 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 2010.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

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 2011 budget year, there is hereby levied a tax of 37.929 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2010.
- 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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

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 2011 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 9, 2010, 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 \$29,899

TOTAL GENERAL FUND: \$29,899

DEBT SERVICE FUND:

Debt Service Expenditures \$725,771

Transfers \$ 11,770

TOTAL DEBT SERVICE FUND: \$737,541

ENTERPRISE FUND:

Current Operating Expenses \$80,655

TOTAL ENTERPRISE FUND: \$80,655

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2011 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2011 budget, set the mill levies and to appropriate sums of money were adopted this 9th day of November, 2010.

Attest:

Title: Secretary