

Cotton Ranch Metropolitan District

January 30, 2025

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

Re: Cotton Ranch Metropolitan District Budget; LGID #19051

Attached is the 2025 Budget for the Cotton Ranch Metropolitan District in Eagle County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This Budget was adopted on November 19, 2024. 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 30.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; (5.339) for Temporary Mill Levy Rate Reduction; 0.000 mills for G.O. bonds; 0.000 mills for refunds/abatements. Based on an assessed valuation of \$24,032,470, the total property tax revenue is \$592,664.74. 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,



Kenneth J. Marchetti
District Administrator

Enclosure(s)

COTTON RANCH METROPOLITAN DISTRICT

2025 BUDGET MESSAGE

Cotton Ranch Metropolitan District is a quasi-municipal corporation organized in 1994 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 within the Town of Gypsum in Eagle County, Colorado. The District issued bonds to pay for the initial installation of the main infrastructure like roads, water distribution and sewer collection systems but those systems have been turned over to the Town of Gypsum and the Town operates those systems. The District continues to operate a raw irrigation water distribution system.

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.

2025 BUDGET STRATEGY

The primary source of revenue for the District is property taxes which are primarily used to cover the District's debt service payments but are also used to cover a portion of the District's overhead. In addition to property taxes, the District collects user fees which cover the cost of operating the raw irrigation water system including the associated overhead.

A reserve for emergencies has been provided for in the General Fund in accordance with the TABOR amendment. Any remaining General Fund balance is 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 and replacements.

RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT

TO ADOPT 2025 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 2025 AND ENDING ON THE LAST DAY OF DECEMBER 2025.

WHEREAS, the Board of Directors of the Cotton Ranch Metropolitan District has appointed a budget committee to prepare and submit a proposed 2025 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 19, 2024, 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, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent capital or significant operating expenditures forecasted for the current year are anticipated to be extended into the following year, the expenditures and offsetting change in the budgeted beginning fund balance shall be updated to reflect management's best estimate at the time the budget is to be filed with the Colorado Division of Local Affairs.

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 2024, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE COTTON RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2025 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 19, 2024, and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$720,974 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 \$128,309, 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 \$0.00, and;

WHEREAS, the 2024 valuation for tax assessments collected in 2025 for the Cotton Ranch Metropolitan District, as certified by the County Assessor is \$24,032,470.

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 2025 budget year, there is hereby levied a tax of 30.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2024.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2025 there is hereby levied a temporary tax credit/mill levy reduction of 5.339 mills.
- Section 3. That for the purpose of meeting all capital expenditures of the Cotton Ranch Metropolitan District during the 2025 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 2024.

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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 2025 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2024.

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 2025 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 19, 2024, 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	\$41,122
Fund transfers	<u>\$568,746</u>
TOTAL GENERAL FUND:	<u>\$609,868</u>
DEBT SERVICE FUND:	
Debt Service Expenditures	<u>\$625,012</u>
TOTAL DEBT SERVICE FUND:	<u>\$625,012</u>
ENTERPRISE FUND:	
Current Operating Expenses	<u>\$208,698</u>
TOTAL ENTERPRISE FUND:	<u>\$208,698</u>

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RESOLUTIONS OF COTTON RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2025 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2025 budget, set the mill levies and to appropriate sums of money were adopted this 19th day of November, 2024.

Signed by:
Attest: Christopher Meister
32E56A8D1C6749D...

President
Title: _____

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

GENERAL FUND	Cal Yr 2023 Audited Actual	2024 Forecast	2025 Adopted Budget	Budget Assumptions
Assessed Value	16,239,580	23,721,360	24,032,470	Final AV
Percent Change	-1%	44%	1%	
Operating Mill Levy	1.345	1.345	30.000	
Temporary Mill Levy Credit		(0.387)	(5.339)	
Debt Service Mill Levy	36.000	22.286	0.000	
Total Mill Levy	37.345	23.244	24.661	
REVENUE				
Property Taxes for General Operati	21,843	31,905	720,974	
Property Taxes - State Backfill		1,310		
Temporary Mill Levy Credit	0	(9,180)	(128,309)	
Specific Ownership (Auto) Taxes	1,253	1,082	26,670	4.5% of Prop Tax
Interest Income	7,001	10,000	7,694	Assume 4%
Conservation Trust Fund	3,160	2,550	2,550	Based on Prior Yr
Other	1,278	200		
TOTAL REVENUE	34,534	37,867	629,579	
EXPENDITURES				
Accounting & Administration	29,510	37,423	39,300	5% increase
Audit	5,625	5,750	6,100	Per McMahon
Director Fees	2,400	1,600	3,000	Based on 6 mtgs
Election	861		4,000	Assume Canceled
Insurance	5,257	4,962	5,500	10% increase
Legal-General	1,311	4,000	4,200	5% increase
Other/Miscellaneous Expenses	0	0	600	Based on Prior Yr
Office Overhead	1,522	2,000	2,100	Based on Prior Yr
Payroll Taxes	199	225	225	Based on Prior Yr
Treasurer's fees	656	721	17,780	3% of Prop Tax
Utilities	0			
Treasurer's Deed Purchase	0			
Website	0	0	0	
Contingency	0	0	5,000	
Overhead Allocated to Water Fund	(15,781)	(18,894)	(23,342)	See Water Fund
Overhead Allocated to Dt Svd Fund	(15,781)	(18,894)	(23,342)	See Debt Svc Fund
TOTAL EXPENDITURES	15,781	18,894	41,122	
OP REV OVER (UNDER) EXPEND	18,753	18,973	588,457	
OTHER FINANCING SOURCES				
Transfer in(out) - Debt Service Fund	0	0	(568,746)	
REV OVER (UNDER) EXPEND	18,753.04	18,973	19,711	
Fund Balance-Beginning of Year	154,622	173,375	192,348	
Fund Balance-End of Year	173,375	192,348	212,058	
	=		=	
Components of Fund Balance:				
Nonspendable				
Conservation Trust Fund for Parks				
TABOR Restricted for Emergencies				
Unassigned				
Total				

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

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

DEBT SERVICE FUND	Cal Yr 2023 Audited Actual	2024 Forecast	2025 Adopted Budget	Budget Assumptions
ASSESSED VALUE				
Total Assessed Value	16,239,580	23,721,360	24,032,470	Final AV
Percent Change	-1%	46%	1%	
Debt Service Mill Levy Rate	36.000	22.286	0.000	
Debt Service Property Taxes Levied	584,625	528,654	0	
REVENUE				
Property Taxes for Debt Service	552,157	528,659	0	Per Above
Specific Ownership (Auto) Taxes	31,666	23,790	0	4.5% of Prop Tax
Interest Income	26,102	24,000	6,509	Assume 4%
Abatement Interest	0			
TOTAL REVENUE	609,925	576,449	6,509	
EXPENDITURES				
2021 Bonds Prin thru 2035	400,000	440,000	450,000	Per Bond Agmt
2021 Bonds Int at 2.39% Thru '35	165,747	156,187	145,671	Per Bond Agmt
Subtotal	565,747	596,187	595,671	
Paying Agent Fees	250	1,600	1,000	Based on Prior Yr
Treasurer's fees	16,593	15,860	0	3% of Prop Tax
Overhead Allocated from General F	15,781	18,894	23,342	
Contingency		1,000	5,000	
TOTAL EXPENDITURES	598,370	633,540	625,012	
OP REV OVER (UNDER) EXPEND	11,555	(57,091)	(618,503)	
OTHER FINANCING SOURCES				
Bond/Loan Proceeds	0			Redeem Converted Bonds
Bond Redemption	0			Calculation Below
Bond Cost of Issuance	0			
Contingency				
Transfer in from Water & Gen Fund	0		568,746	
Bond Refunding Escrow				
NET REV OVER (UNDER) EXPEN	11,554.62	(57,091)	(49,757)	
Fund Balance-Beginning of Year	208,262	219,816	162,725	
Fund Balance-End of Year	219,816	162,725	112,968	
	=		=	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

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

WATER UTILITY FUND	Cal Yr 2023 Audited Actual	2024 Forecast	2025 Adopted Budget	Budget Assumptions
Tap Fees Paid Beg. of Year				
Tap Fees Paid - Lower Bench	3	2	2	
Tap Fees Paid - Sky Legend	0	0	1	
Tap Fees Paid - Villas	38	0	0	
Tap Fees Paid End of Year	41	2	3	
Irrigation Customers - Valley	180	180	184	
Irrigation Customers - Sky Legend	93	96	95	
Irrigation Customers - Villas	38	66	66	
User Fee - Valley Floor	\$84	\$87.00	\$90	3.5% increase
User Fee - Sky Legend	\$42	\$43.50	\$45	3.5% increase
User Fee - - Villas	\$21	\$21.75	\$22.50	
Tap Fee	\$2,900	\$2,950	\$3,000	2% Increase
REVENUE				
Water Base Charges - Valley Floor	90,827	93,960	99,360	Base Water Charges
Water Base Charges - Val Rd Trees	7,560	7,830	8,100	
Water Base Charges - Villas	8,316	8,613	8,910	
Water Overage Charges - Valley	14,305	14,759	15,300	Water Overage Charges
Water Base Charges - Sky Legend	23,499	25,056	25,650	Base Water Charges
Water Overage Charges - Sky Legend	31,932	32,945	34,100	Water Overage Charges
Broken Meter Fees	(400)	0		
Title Stmt Prep & Reconnect Fees	1,950	2,266	2,300	
Late Fees / Finance Charges	4,021	1,200	1,200	
Tap Fees - Valley Floor	8,550	8,600	6,000	2 Tap Fees Collected
Tap Fees - Sky Legend	0	2,950	3,000	1 Tap Fee Collected
Tap Fees - Villas	0			0 Tap Fees Collected
Meter Fees	1,270	1,000		
Interest Income	14,766	14,572	13,162	Assume 4%
Other Income	180	2,500		
TOTAL REVENUE	206,775	216,251	217,082	
EXPENDITURES				
Legal & Engineering - Water	183	4,500	4,700	Mgt Est
Valley Floor-Materials & Supplies	1,071	3,500	3,600	Mgt Est
Sky Legend-Materials & Supplies	15,357	2,800	2,800	Mgt Est
Operations Mgr & Repair Labor	60,771	80,000	83,200	
R&M-Non Routine (Comcast in '20)	2,555	5,730	6,000	Mgt Est
Repairs & Maint - Pump & Pumphou	178	2,000	2,000	Mgt Est
Ditch/Pond Maint	1,250	20,150	5,356	
Irrigation System Start Up & Blow O	0	0	0	Prior Yr
Utility Vehicles & Auto	0	550	600	
Utilities-Electricity	10,665	13,500	14,000	Mgt Est
Water Billings and Meter Reads	11,385	13,220	13,700	Read Sky Leg Monthly
Augmentation Water Lease	1,681	1,860	1,900	Per Lease Agmt
Town of Gypsum Raw Water Lease	0	0	0	Per Lease Agmt
Locates	3,020	2,400	2,500	
Pump Sys Major Rep & Replace	6,891	100,000	25,000	
Allocated Overhead	15,781	18,894	23,342	From General Fund
Contingency	0	0	20,000	
TOTAL EXPENDITURES	130,788	269,104	208,698	
EXCESS REV OVER(UNDER) EXP	75,987	(52,853)	8,384	
OTHER FINANCING SOURCES				
Transfer from (to) Debt Service Fun	0			
Transfer from (to) General Fund	0			
Repayment of Prepaid Taps	0			
Surplus after Other Financing So	75,987	(52,853)	8,384	
Fund Balance-Beginning of Year	305,916	381,903	329,050	
Fund Balance-End of Year	381,903	329,050	337,434	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Eagle County, Colorado.

On behalf of the Cotton Ranch Metropolitan District

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Cotton Ranch Metropolitan District

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 24,032,470

(Gross^D assessed valuation, Line 2 of the Certification of Valuation From DLG 57^E)

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

\$ 24,032,470

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/9/2024
(not later than Dec 15)

for budget/fiscal year 2025.

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>30.000</u> mills	\$ <u>720,974.10</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(5.339)</u> mills	\$ <u>(128,309.36)</u>
SUBTOTAL FOR GENERAL OPERATING:	<u>24.661</u> mills	\$ <u>592,664.74</u>
3. General Obligation Bonds and Interest ^J	<u>0.000</u> mills	\$ -
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ -
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ -
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ -
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>24.661</u> mills	\$ <u>592,664.74</u>

Contact person: Kenneth J. Marchetti
(print)

Daytime phone: (970) 471-1750

Signed: *Kj 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) 864-7720.

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 (32-1-603 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 (32-1-603, 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^J:

1. Purpose of Issue: Refunding of the GO Refunding Notes Series 2017, 2019 and 2020, redemption of \$950,000 of Series 2002A Converted Bonds and Payment of 2002A Prior Years Unpaid Interest

Series: 2021 General Obligation Refunding Note

Date of Issue: December 1, 2021

Coupon rate: 2.39%

Maturity Date: December 1, 2035

Levy: 0.000

Revenue: \$0.00

2. Purpose of Issue:

Series:

Date of Issue:

Coupon rate:

Maturity Date:

Levy:

Revenue:

3. Purpose of Contract:

Title:

Date:

Principal Amount:

Maturity Date:

Levy:

Revenue:

CONTRACTS^K:

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.