

Arrowhead Metropolitan District

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LGID# 19001

RETURN RECEIPT REQUESTED

December 10, 2009

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

RE: Arrowhead Metropolitan District

Attached is the 2010 Budget for the Arrowhead Metropolitan District in Eagle County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This Budget was adopted on November 11, 2009. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, at telephone number 970-926-6060 or at 28 Second Street, Suite 213, Edwards, Colorado 81632.

The mill levy certified to the County Commissioners of Eagle County is 10.074 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 6.926 mills for G.O. bonds; 0.0 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$135,933,930, the total property tax revenue is \$2,310,876.81. A copy of the certification of mill levies sent to the County Commissioners for Eagle County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Eagle County, Colorado.

Sincerely,



Title District Administrator

Enclosure(s)

ARROWHEAD METROPOLITAN DISTRICT

2010 BUDGET MESSAGE

Arrowhead Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District, comprising approximately 12,020 acres of land, was established to provide park and recreational facilities, fire protection services, water services, cable TV services and to construct and maintain roadways and storm drainage facilities within its boundaries, which are located in Eagle County, Colorado.

The District has no employees and all operations and administrative functions are provided through contracts with other entities.

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.

The District has experienced an increase in assessed valuation from the completion of several resort properties.

2010 BUDGET STRATEGY

The District strives to provide the highest level of service and infrastructure facilities for the residents and visitors within the District. The strategy for the 2008 budget focused on the following priorities:

- Maintain the high quality existing level of service
- Establish a property tax mill levy which, when combined with other revenues of the District, adequately funds the anticipated level of service and maintains a reasonable operating fund balance.
- Reduce the property tax mill levy when assessed valuation increases from new construction are reflected in the total assessed valuation and operate in accordance with 1992 "Amendment 1"
- Provide for infrastructure maintenance to avoid future cost escalation or significant deterioration
- Give priority to projects which improve efficiency or productivity
- Review all user fees and pass any cost savings on to the consumer
- Review all capital expenditures for immediate need or benefit

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

December 10, 2009

Board of Directors
Arrowhead Metropolitan District

I have compiled the accompanying statement of revenues, expenditures and changes in fund balance with budgets of the Arrowhead Metropolitan District for the ten month period ended October 31, 2009 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 2009 and the adopted budget for calendar year 2010, 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 as of October 31, 2009, 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 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 and results of operations 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 2008 is presented for comparative purposes only. Such information is taken from the financial statements for the District for the year ended December 31, 2008, which have been audited by Eide Bailly LLP and upon which they expressed an unqualified opinion in their report dated June 16, 2009.

I am not independent with respect to Arrowhead Metropolitan District

ROBERTSON & MARCHETTI, P.C.



Kenneth J. Marchetti, CPA
President

ARROWHEAD METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 Actual, Budget and Forecast for the Periods Indicated

Printed: 12/09/09
 MODIFIED ACCRUAL BASIS

	2008		2009 Annual		2009 YTD		2010	
	Audited Actual	Adopted Budget	Variance Favorable (Unfavor)	2009 Forecast	10 Mo End 10/31/2009 Actual	10 Mo End 10/31/2009 Budget	Variance Favorable (Unfavor)	Adopted Budget
ASSESSSED VALUE	115,184,770	115,436,520	115,436,520	17,000				135,833,930
REVENUES								17,000
Mill Levy Rate	17,000	17,000						
Property Taxes	1,954,281	1,962,421	0	1,962,421	1,960,613	1,952,609	8,005	2,310,877
Specific Ownership Taxes	95,759	98,121	0	98,121	60,904	73,591	(12,687)	103,989
Interest Income	55,963	41,966	(3,980)	37,976	24,835	35,893	(11,057)	51,731
Miscellaneous Income	118,716	66,963	17,100	84,063	80,945	61,563	19,381	62,718
Water Tap Fees	158,421	91,602	62,434	154,036	113,746	91,602	22,144	60,996
Parking Lot Expense Reimbursements		0	35,000	35,000	35,000	0	35,000	45,000
Total Revenues	2,383,139	2,261,063	110,553	2,371,616	2,276,043	2,215,257	60,785	2,635,312
EXPENDITURES								
Municipal Svcs - VA Contract & Other	237,877	251,454	20,148	231,306	185,034	209,545	14,512	232,607
Road and Parking Lot Maintenance	59,848	41,600	0	41,600	14,261	38,133	23,872	102,848
General Repairs & Maintenance	52,746	54,061	(13,479)	67,540	52,918	51,628	(1,291)	46,572
General & Administrative	159,145	122,784	15,297	107,487	91,275	103,719	12,444	117,933
Treasurer's Collections Fees	58,787	58,873	1	58,872	58,885	58,578	(306)	69,326
Other Debt Service	900	4,000	0	4,000	1,200	2,668	1,468	4,000
Contingency	0	75,000	37,500	37,500	0	37,500	37,500	75,000
Total w/o Transportation & DS	569,304	607,772	59,466	548,306	413,573	501,771	88,198	648,287
Transportation	265,424	291,735	0	291,735	273,608	280,880	7,272	249,012
Equipment Leases	44,448	48,000	0	48,000	34,216	34,911	695	61,783
Total Transportation	309,872	339,735	0	339,735	307,824	315,791	7,966	310,795
Bond Interest	387,576	362,353	(79,813)	442,166	208,113	181,177	(26,937)	686,399
Bond Principal	585,000	610,000	65,000	545,000	0	0	0	430,000
Total Debt Service	972,576	972,353	(14,813)	987,166	208,113	181,177	(26,937)	1,126,399
Total Expenditures Before Cap	1,851,752	1,919,860	44,653	1,875,208	929,511	988,738	69,228	2,085,480
Rev Over/Under Expend Before Cap.	531,388	341,203	155,207	496,410	1,346,532	1,216,519	130,013	549,831
OTHER FINANCING SOURCES & (USES)								
Capital Expenditures	(257,968)	(327,000)	(8,729,892)	(9,056,892)	(9,039,050)	(277,000)	(8,762,050)	(9,255,975)
Bond Proceeds and Premium		0	9,051,978	9,051,978	9,051,978	0	9,051,978	
Total Other Fin Sources & (Uses)	(257,968)	(327,000)	318,282	(8,718)	9,751	(277,000)	286,751	(325,975)
EXCESS REV OVER/UNDER EXPEND	273,419	14,203	473,489	487,882	1,356,283	939,519	416,764	223,858
Fund Balance - Beginning	1,028,092	1,266,669	34,843	1,301,512	1,301,512	1,266,669	34,843	1,788,204
Fund Balance - Ending	1,301,512	1,280,872	508,331	1,789,204	2,657,795	2,206,188	451,607	2,013,060

See accompanying accountant's report.

District Debt Summary (Excluding Leases)								
Total District Debt - Beginning of Year	8,150,000	7,565,000	0	7,565,000	7,565,000	7,565,000	0	16,015,000
Debt Issued	0	0	(8,995,000)	8,995,000	8,995,000	0	(8,995,000)	0
Debt Repaid	(585,000)	(610,000)	(65,000)	(545,000)	0	0	0	(430,000)
Total District Debt - End of Year	7,565,000	6,955,000	(9,060,000)	16,015,000	16,560,000	7,565,000	(8,995,000)	15,585,000

Summery of Mill Levies								
Mill Levy - General Fund	10,074	10,074	10,074	10,074	10,074	10,074	10,074	10,074
- Debt Service	6,926	6,926	6,926	6,926	6,926	6,926	6,926	6,926
Total Mill Levy	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000

Assessed Value - AMD	115,436,520	Increase	18%	135,933,930
Actual Value - all Real Prop. in AMD	1,305,526,620	Increase	20%	1,567,117,060

ARROWHEAD METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Actual, Budget and Forecast for the Periods Indicated

	2008			2009 Annual		2009 YTD		2010	
	Audited Actual	Adopted Budget	Variance Favorable (Unfavorable)	2009 Forecast	10 Mo End 10/31/2009 Actual	10 Mo End 10/31/2009 Budget	Variance Favorable (Unfavorable)	Adopted Budget	
GENERAL FUND									
REVENUES									
Assessed Value	115,184,770	115,436,520	115,436,520	115,436,520				135,933,930	
Operating Mill Levy Rate	10,074	10,074	10,074	10,074				10,074	
Property Taxes	1,156,084	1,162,908	0	1,162,908				1,369,398	
Specific Ownership Taxes (On Autos)	56,745	58,145	0	58,145				61,623	
Conserv Tr Fund & McCoy Incl	54,215	1,600	17,100	18,700				1,600	
Water Tap Fees	156,421	91,602	62,434	154,036				60,996	
Transportation Reimbursement & Misc	64,501	65,363	(80)	65,363				61,118	
Parking Lot Expense Reimbursements			35,000	35,000				45,000	
Interest Income	44,097	25,966	17	25,963				32,802	
Total Revenue	1,536,064	1,405,584	114,551	1,520,135	1,444,282	1,375,505	68,777	1,632,637	
OPERATING EXPENDITURES									
Accounting & Administration	47,449	44,000	(2,000)	46,000				45,320	
Election	23,653	0	0	0				2,000	
Audit	6,947	7,500	1,800	5,700				7,725	
Legal	49,028	30,000	15,000	15,000				20,000	
Office Overhead & Expenses	3,598	6,490	0	6,490				6,490	
Insurance	9,170	11,000	0	11,000				11,330	
Mosquito Control	3,276	3,394	0	3,394				3,513	
Directors Fees	5,125	4,800	0	4,800				6,000	
Eagle County Treasurers Fees	34,837	34,887	0	34,887				41,082	
Edwards Community Authority			(5,560)	5,560				5,556	
Engineering - General	10,900	15,600	6,057	9,543				10,000	
Service Contract Expense	138,402	147,128	20,148	128,980				131,000	
Service Contract Management	58,055	61,918	0	61,918				59,199	
Pond Maintenance	9,825	7,351	(20,458)	27,809				10,120	
Berm Maintenance	8,546	11,000	0	11,000				7,127	
Parking Lot Maintenance			6,979	6,000				60,000	
Repair & Maint - General & Vehicles	13,933	12,979	0	616				6,000	
Road Sweeping	13,103	13,627	0	13,627				14,173	
Road & Drainage Repairs & Maintenance	59,848	41,600	0	41,600				42,848	
Trans - Arrowhead Shuttle	168,784	176,651	0	176,651				187,315	
Trans - Village to Village	87,594	71,663	0	71,663				41,581	
Trans - BC Express Shuttle	39,046	43,421	0	43,421				40,116	
Transportation Vehicle Leases	29,632	32,000	0	32,000				46,337	
Transportation Express Bus Lease	14,816	16,000	0	16,000				15,446	
Utilities - Water	7,341	7,482	0	7,482				7,482	
Miscellaneous Expense	0	1,622	0	1,622				1,671	
Maintenance Facility Lease	41,419	42,408	0	42,408				42,408	
Contingency - Operating		75,000	37,500	37,500				75,000	
Total Operating Expenditures	854,325	918,521	59,466	860,056	896,207	791,028	94,822	926,837	
CAPITAL EXPENDITURES									
BOND COST OF ISSUANCE									
PROJECTS & PARKING LOT	2,202	18,500	(172,277)	172,277				100,000	
OVERLAYS - CONSTRUCTION	212,064	180,000	90,000	90,000				108,750	
OVERLAYS - ENGR & CONSTR MGT	38,702	25,000	10,385	14,615				15,225	
EQUIPMENT	5,000	53,500	(56,500)	110,000				52,000	
CAPITAL CONTINGENCY		50,000	50,000	0				50,000	
Total Capital Expenditures	257,968	327,000	(6,729,892)	9,056,892	9,039,050	277,000	(8,762,050)	325,975	
Total Expenditures	1,112,293	1,246,521	(6,670,426)	9,916,948	9,735,257	1,068,028	(8,667,228)	1,252,812	
Revenue Over (Under) Expenditures									
OTHER FINANCING SOURCES AND (USES)									
BOND PROCEEDS & PREMIUM									
XFER TO D/S FUND	(123,392)	(144,859)	(164,362)	(309,221)				(11,853)	
Total Other Financing	(123,392)	(144,859)	8,887,617	8,742,758	9,051,978	0	9,051,978	(11,853)	
FUND BALANCE - BEGINNING	998,765	1,266,669	32,474	1,299,143	1,299,143	1,266,669	32,474	1,645,088	
FUND BALANCE - ENDING	1,299,143	1,280,872	364,216	1,645,088	2,060,146	1,574,146	486,001	2,013,080	

**ARROWHEAD METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Actual, Budget and Forecast for the Periods Indicated**

	MODIFIED ACCRUAL BASIS										
	2008					2009 YTD					2010
	Audited Actual	Adopted Budget	Variance Favorable (Unfavorable)	2009 Forecast	Ref	10 Mo End 10/31/2009 Actual	10 Mo End 10/31/2009 Budget	Variance Favorable (Unfavorable)	Adopted Budget		
REVENUES	115,184,770	115,436,520	115,436,520						135,933,930		
Assessed Value	6,926	6,926	6,926						6,926		
Debt Service Mill Levy Rate											
Property Taxes	796,197	799,513	0	799,513		798,777	795,516	3,261	941,478		
Specific Ownership (Auto) Taxes	39,013	39,976	0	39,976		24,813	29,982	(5,169)	42,367		
Interest Income	11,866	15,990	(3,998)	11,993	A	8,171	14,255	(6,083)	18,830		
Total Revenues	847,076	855,479	(3,998)	851,482		831,761	839,752	(7,991)	1,002,674		
EXPENDITURES											
1998 Bond Interest	107,223	98,293	22,116	76,177	11	76,083	49,147	(26,937)	0		
2001 Bond Interest	280,354	264,060	0	264,060		132,030	132,030	0	246,630		
2009 Bond Interest			(101,929)	101,929	12				449,769		
1998 Bond Prin	190,000	195,000	195,000	0	13	0	0	0	0		
2001 Bond Principal (Pd Off in '18)	395,000	415,000	0	415,000		0	0	0	430,000		
2009 Bond Principal			(130,000)	130,000	14				0		
Eagle County Treasurers Fees	23,951	23,985	0	23,985		23,990	23,865	(125)	28,244		
Bond Paying Agent Fees & Contingency	900	4,000	0	4,000		1,200	2,668	1,468	4,000		
TOTAL EXPENDITURES	997,427	1,000,338	(14,813)	1,015,151		233,304	207,710	(25,594)	1,158,643		
REVENUE OVER (UNDER) EXP	(150,351)	(144,859)	(18,810)	(163,669)		598,457	632,042	(33,585)	(155,969)		
OTHER FINANCING SOURCES (USES)											
Bond Proceeds & Premium	0	0	1,988,708	1,988,708	N	1,988,708	0	1,988,708	0		
Bond Issuance Costs	0	0	(37,513)	(37,513)	O	(36,886)	0	(36,886)	0		
Transfer from General Fund	123,392	144,859	164,362	309,221		0	0	0	11,853		
Bond Defeasance/Redemption	0	0	(1,955,000)	(1,955,000)	P	(1,955,000)	0	(1,955,000)	0		
TOTAL OTHER FINANCING	123,392	144,859	160,557	305,416		(3,178)	0	(3,178)	11,853		
FUND BALANCE - BEGINNING	29,328	0	2,369	2,369	Y	2,369	0	2,369	144,116		
FUND BALANCE - ENDING	2,369	0	144,116	144,116		597,648	632,042	(34,394)	0		
Summary of GO Debt											
GO Bond Debt-Beginning	8,150,000	7,565,000	0	7,565,000		7,565,000	7,565,000	0	16,015,000		
GO Debt Issued	(585,000)	(610,000)	(65,000)	(545,000)		8,995,000	0	(8,995,000)	(430,000)		
GO Debt Repaid	7,565,000	6,955,000	(9,060,000)	16,015,000		16,560,000	7,565,000	(8,995,000)	15,585,000		
GO Debt - Ending	6.57%	6.02%	13.87%	11.47%							

See accompanying accountant's report.

PAGE 3

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Eagle County, Colorado.

On behalf of the Arrowhead Metropolitan District, the Board of Directors of the Arrowhead 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) \$ 135,933,930

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)

\$ 135,933,930

Submitted: December 10, 2009 for budget/fiscal year 2010
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

PURPOSE	LEVY ²	REVENUE ²
1. General Operating Expenses	<u>10.074</u> mills	\$ <u>1,369,398.41</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>10.074</u> mills	<u>\$ 1,369,398.41</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>6.926</u> mills	\$ <u>941,478.40</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]	<u>17.000</u> mills	<u>\$ 2,310,876.81</u>

Contact person: Kenneth J Marchetti

Daytime phone: (970) 926-6060 x8

Signed: *K Marchetti*

Title: District Administrator

Include one copy of this taxing 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
ARROWHEAD 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: Refunding the District's GO Improvement Bonds Series 1998, and for Capital purchas

Series: General Obligation Bonds Series 2009 \$10,950,000
Date of Issue: September 10, 2009
Coupon rate: 2.500% to 4.500%
Maturity Date: December 1, 2032
Levy: 3.309
Revenue: \$449,769.00

2. Purpose of Issue: Refunding the District's GO Improvement Bonds Series 1994B, the District's GO Improvement Bonds Series 1995A, and the District's GO Bonds Series 1996 for

General Obligation Refunding Bonds Series 2001 \$6,870,000
Series: General Obligation Refunding Bonds Series 2001 \$6,870,000
Date of Issue: 2-Aug-01
Coupon rate: 4.0% to 4.95%
Maturity Date: December 1, 2018
Levy: 3.617
Revenue: \$491,709.40

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 ARROWHEAD METROPOLITAN DISTRICT

TO ADOPT 2010 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE ARROWHEAD METROPOLITAN DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2010 AND ENDING ON THE LAST DAY OF DECEMBER 2010.

WHEREAS, the Board of Directors of the Arrowhead Metropolitan District has appointed a budget committee to prepare and submit a proposed 2010 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 October 14, 2009 and continued to November 11, 2009, 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 Arrowhead 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 Arrowhead 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 ARROWHEAD METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2010, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE ARROWHEAD METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2010 BUDGET YEAR.

WHEREAS, the Board of Directors of the Arrowhead Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on November 11, 2009 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$1,369,398.41 and;

WHEREAS, the Arrowhead 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 \$941,478.40, and;

WHEREAS, the 2009 valuation for assessment for the Arrowhead Metropolitan District, as certified by the County Assessor is \$135,933,930.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the ARROWHEAD METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Arrowhead Metropolitan District during the 2010 budget year, there is hereby levied a tax of 10.074 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2009.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2010 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 Arrowhead Metropolitan District during the 2010 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 2009.

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RESOLUTIONS OF ARROWHEAD METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

Section 4. That for the purpose of meeting all payments for bonds and interest of the Arrowhead Metropolitan District during the 2010 budget year, there is hereby levied a tax of 6.926 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2009.

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 Arrowhead 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 Arrowhead 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 ARROWHEAD 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 ARROWHEAD METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2010 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 11, 2009, 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 ARROWHEAD 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:

	Expenditures	Transfers
General Fund		
Current Operating Expenses	926,837	
Capital Expenditures	325,975	
Fund Transfers		11,853
Total General Fund	1,252,812	11,853
Debt Service Fund		
Debt Service Expenditures	1,158,643	
Total Debt Service Fund	1,158,643	

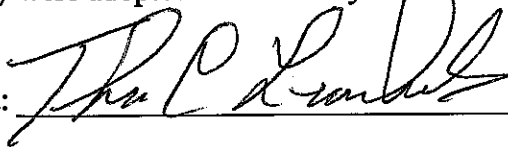
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RESOLUTIONS OF ARROWHEAD METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2010 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2010 budget, set the mill levies and to appropriate sums of money were adopted this 11th day of November, 2009.

Attest:



Title:

DIRECTOR