

RED SKY RANCH METROPOLITAN DISTRICT

January 15, 2019

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203
Filed electronically: dlg-filing@state.co.us

RE: Red Sky Ranch Metropolitan District 2018 Budget; LGID #19074

Attached is the 2019 Budget for the Red Sky Ranch Metropolitan District in Eagle County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on October 15, 2018. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, telephone number 970-926-6060, Ext 8.

The mill levy certified to the County Commissioners of Eagle County is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 27.000 mills for G.O. bonds; 37.000 mills for contractual obligations; 0.000 for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$17,687,330, the total property tax revenue is \$1,131,989.12. 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 Accountant

Enclosure(s)

RED SKY RANCH METROPOLITAN DISTRICT

2019 BUDGET MESSAGE

Red Sky 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 supply the necessary services of water and wastewater mainlines, streets and roadways, traffic and safety facilities, television relay and translator facilities; public park and recreation facilities and programs, storm and/or sanitary sewers and mosquito and pest control and other improvements needed for the Red Sky Ranch area.

The District has no employees and all operations and administrative functions are contracted.

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.

2019 BUDGET STRATEGY

Red Sky Ranch Metropolitan District has joined with Holland Creek Metropolitan District in adopting a consolidated service plan. Under this consolidated service plan, Holland Creek will be the “service district” and Red Sky Ranch will be the “financing district.” As such, Holland Creek Metropolitan District will be responsible for managing the construction and operation of facilities and improvements needed for the Red Sky Ranch area and Red Sky Ranch Metropolitan District will be responsible for providing the funding and tax bases needed to support the financing plan for capital improvements.

The District anticipates continuing to utilize the property taxes it collects to pay for a portion of its obligations under the Intergovernmental Agreement (“IGA”) with Holland Creek Metropolitan District. Previously, in 2015 and 2017 the District issued General Obligation Refunding and Improvement Bonds and a General Obligation Loan, respectively, to pay for a portion of its obligations under the Intergovernmental Agreement (“IGA”) with Holland Creek Metropolitan District.

RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT

TO ADOPT 2019 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE RED SKY RANCH METROPOLITAN DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2019 AND ENDING ON THE LAST DAY OF DECEMBER 2019.

WHEREAS, the Board of Directors (the “Board”) of the Red Sky Ranch Metropolitan District (the “District”) has appointed a budget committee to prepare and submit a proposed 2019 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 15, 2018 where 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 the District:

- Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the District for the year stated above.
- Section 2. That the budget hereby approved and adopted shall be certified by any officer of the District or the District Administrator of the District and made a part of the public records of the District.

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RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2018, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE RED SKY RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2019 BUDGET YEAR.

WHEREAS, the Board of Directors of the Red Sky Ranch Metropolitan District (the "District"), has adopted the annual budget in accordance with the Local Government Budget Law of Colorado, on October 15, 2018 and;

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

WHEREAS, the Board of Directors of the 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 contractual obligations from property tax revenue as approved by voters is \$654,431.21 and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$477,557.91 and;

WHEREAS, the 2018 valuation for assessment for the District, as certified by the County Assessor is \$17,687,330

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District:

Section 1. That for the purposes of meeting all general operating expenses of the District during the 2019 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 2018.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2019 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 District during the 2019 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 2018.

RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

- Section 4. That for the purpose of meeting all payments for contractual obligations of the District during the 2019 budget year, there is hereby levied a tax of 37.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2018.
- Section 5. That for the purpose of meeting all payments for bonds and interest of the District during the 2019 budget year, there is hereby levied a tax of 27.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2018.
- Section 6. That any officer of the District or the District Administrator is hereby authorized and directed to either immediately certify to the Board of County Commissioners of Eagle County, Colorado, the mill levies for the District as hereinabove determined and set, or be authorized and directed to certify to the Board of County Commissioners of Eagle County, Colorado, the mill levies for the District as hereinabove determined and set based upon the final (December) certification of valuation from the County Assessor.

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RESOLUTIONS OF RED SKY 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 RED SKY RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2019 BUDGET YEAR.

WHEREAS, the Board of Directors (the “Board”) of the Red Sky Ranch Metropolitan District (the “District”) has adopted the annual budget in accordance with the Local Government Budget Law, on October 15, 2018, and;

WHEREAS, the Board 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 THE DISTRICT:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND:

Current Operating Expenses	<u>\$ 240,325</u>
TOTAL GENERAL FUND:	\$ 240,325

DEBT SERVICE FUND:

Debt Service Expenditures	\$1,463,550
Transfer	<u>\$15,477</u>
TOTAL DEBT SERVICE FUND:	\$1,479,027

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RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2019 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2019 budget, set the mill levies and to appropriate sums of money were adopted this 15th day of October, 2018.

Officer of the District: James N. Benedict

Title: VP/Secretary

RED SKY RANCH METROPOLITAN DISTRICT
 BALANCE SHEET/STATEMENT OF NET POSITION
 September 30, 2018

29-Nov-18

	GENERAL FUND	DEBT SERVICE	GENERAL FIXED ASSETS & LT DEBT	09/30/18 Total
<u>ASSETS</u>				
First Bank Checking	67,403			67,403
Colotrust	54,595	840,439		895,034
Property Tax Recievable		14,794		14,794
Prepaid Insurance & COI	0	0		0
Accounts Receivable		6,932		6,932
TOTAL ASSETS	121,998	862,165	0	984,163
<u>LIABILITIES</u>				
Accounts Payable	68,721	6,932	0	75,653
Accrued Interest Payable			33,489	33,489
2015 Bond Payable			7,140,000	7,140,000
2017 Loan Payable			1,750,000	1,750,000
Net Capital and Service Obligation payable to HCMD			13,702,647	13,702,647
TOTAL LIABILITIES	68,721	6,932	22,626,136	22,701,789
<u>DEFERRED INFLOWS</u>				
Deferred Property Tax		14,794	0	14,794
TOTAL DEFERRED INFLOWS		14,794	0	14,794
NET POSITION				
Net Investment in Capital Assets	0	0	(8,923,489)	(8,923,489)
Net Capital and Service Obligation			(13,702,647)	(13,702,647)
FUND BALANCE	53,277	840,438	0	893,716
TOTAL NET POSITION	53,277	840,438	(22,626,136)	(21,732,420)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	121,998	862,164	0	984,163
	=	=	=	=

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

RED SKY RANCH METROPOLITAN DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

11/29/18

Modified
 Accrual
 Basis

GENERAL FUND	2017 Audited Actual	2018 Adopted Budget	Cal Yr 2018 Forecast	9 Months Ended 09/30/18 Actual	9 Months Ended 09/30/18 Budget	Variance Favorable (Unfav)	2019 Adopted Budget	BUDGET ASSUMPTIONS
Taxable Retail Sales Sales Tax Rate		1,200,000 5.5%	1,200,000 5.5%					
REVENUES								
Sales Tax Revenue	0	66,000	135,000	71,283	66,000	5,283	140,000	
Interest Income	379	225	1,250	1,066	169	897	703	
TOTAL REVENUES	379	66,225	136,250	72,349	66,169	6,180	140,703	
EXPENDITURES								
Insurance	3,324	3,500	3,155	3,151	3,500	349	3,350	
Audit	6,600	6,800	6,750	6,750	6,800	50	6,900	
Election	0	0	0	0	0	0	0	
Legal - Special Counsel	0	0	4,850	4,822	0	(4,822)	10,000	
Office Supplies	61	100	75	21	0	(21)	75	
Contingency Allowance	0	5,000	570	0	5,000	5,000	10,000	
TOTAL EXPENDITURES	9,986	15,400	15,400	14,744	15,300	556	30,325	
REVENUE OVER (UNDER) EXPEND.	(9,606)	50,825	120,850	57,605	50,869	6,737	110,378	
OTHER SOURCES AND (USES)								
Transfer from Debt Service - Net SO Tax	30,173	20,563	24,011	0	0	0	15,477	
Transfer to HCMD - Sales Tax proceeds		(66,000)	(66,000)	(66,000)	(66,000)	0	(210,000)	inc addl xfer from first year
TOTAL OTHER SOURCES AND (USES)	30,173	(45,437)	(41,989)	(66,000)	(66,000)	0	(194,523)	
FUND BALANCE - BEGINNING	41,105	51,640	61,672	61,672	51,640	10,033	140,533	
Reverse Contingency		5,000	570		0	0	10,000	
FUND BALANCE - ENDING	61,672	62,027	140,533	53,277	36,508	16,769	66,387	

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

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Principal Outstanding on 2015 bonds	7,140,000	7,140,000	7,140,000	7,140,000	7,140,000
Principal Outstanding 2017 Bonds	1,750,000	1,720,000	1,750,000	1,750,000	1,685,000

Debt to AV Calculation

Assessed Value	17,407,120
50% of AV (Factor per Agreement)	8,703,560
Outstanding Bonds	(8,825,000)
Surplus	(121,440)

RED SKY RANCH METROPOLITAN DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

11/29/18

Modified
 Accrual
 Basis

DEBT SERVICE FUND	2017	2018	Cal Yr	9 Months	9 Months	Variance Favorable (Unfav)	2019	BUDGET ASSUMPTIONS
	Audited Actual	Adopted Budget	2018 Forecast	Ended 09/30/18 Actual	Ended 09/30/18 Budget		Adopted Budget	
Assessed Valuation	17,844,290	17,407,120	17,407,120	17,407,120			17,687,330	Nov 18 Final AV
Change	0%	-2%		-2%				
Services/Operations Mill Levy Rate	32.000	37.000	37.000	37.000			37.000	
Debt Service Mill Levy Rate	32.000	27.000	27.000	27.000			27.000	
	64.000	64.000	64.000	64.000			64.000	
REVENUES								
Property Taxes-IGA Service Cost	568,146	644,063	644,063	635,511	644,063	(8,553)	654,431	
Property Taxes - Debt Service/Capital	568,146	469,992	469,992	463,751	469,992	(6,241)	477,558	
Specific Ownership Taxes	58,763	50,133	50,133	36,656	33,422	3,234	45,280	4.5% of Prop tax
Developer Capital Imp. Fee	154,818	345,050	305,150	74,312	74,050	262	336,250	
Interest Income	12,766	9,052	12,500	14,746	6,789	7,957	8,902	
TOTAL REVENUES	1,362,640	1,518,290	1,481,838	1,224,976	1,228,316	(3,340)	1,522,421	
EXPENDITURES								
Series 2015 Bond Interest	345,869	345,869	345,869	172,934	172,934	(0)	345,869	Bond Schedule
Series 2017 Bond Interest	48,100	56,000	56,620	28,308	28,000	(308)	55,040	
Series 2015 Bond Principal	0	0	0	0	0	0	0	
Series 2017 Bond Principal	30,000	30,000	30,000	0	0	0	35,000	
Bond Paying Agent Fees	350	500	500	350	350	0	500	
Transfer Prop Taxes to HCMD - Service Oblig	568,146	644,063	644,063	626,879	592,538	(34,340)	654,431	
Transfer Prop Taxes to HCMD - Capital Oblig	0	0	0	0	0	0		
Transfer Developer Imp Fee-HCMD	154,818	345,050	305,150	74,312	74,050	(262)	336,250	
Treasurer's Fees	34,234	33,422	33,422	33,010	33,422	412	33,960	3% of Prop. Taxes
Contingency for Budget	0	50,000	50,000	0	0	0	2,500	
TOTAL EXPENDITURES	1,181,517	1,504,904	1,465,624	935,794	901,294	(34,499)	1,463,550	
REVENUE OVER (UNDER) EXPEND.	181,123	13,386	16,214	289,182	327,022	(37,840)	58,871	
OTHER SOURCES/(USES)								
Proceeds from G.O. Bonds/Loans	1,780,000			0	0	0		
Cost of Issuance	(105,000)			0	0	0		
Transfer Bond Proceeds to HCMD	(1,690,000)			0	0	0		
Transfer to Gen Fund- Net SO tax	(30,173)	(20,563)	(24,011)	0	0	0	(15,477)	
TOTAL OTHER SOURCES/(USES)	(45,173)	(20,563)	(24,011)	0	0	0	(15,477)	
FUND BALANCE - BEGINNING	415,306	552,976	551,256	551,256	552,976	(1,720)	593,460	
Reverse contingency		50,000	50,000		0	0	2,500	
FUND BALANCE - ENDING	551,256	595,799	593,460	840,438	879,998	(39,560)	636,853	
No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.	=	=		=	=	=	=	
Balance on RSR Bonds	8,890,000		8,860,000				8,825,000	
Balance on HC 2001 Bonds	6,310,000		6,310,000				6,310,000	
Total Combined Bond Debt	<u>15,200,000</u>		<u>15,170,000</u>				<u>15,135,000</u>	

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Eagle County, Colorado.

On behalf of the Red Sky Ranch Metropolitan District
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Red Sky Ranch Metropolitan District
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 17,687,330
(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form 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: \$ 17,687,330
(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: 12/7/2018 for budget/fiscal year 2019
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ -
SUBTOTAL FOR GENERAL OPERATING:	<u>(0.000)</u> mills	<u>\$ -</u>
3. General Obligation Bonds and Interest ^J	<u>27.000</u> mills	\$ 477,557.91
4. Contractual Obligations ^K	<u>37.000</u> mills	\$ 654,431.21
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>64.000</u> mills	<u>\$ 1,131,989.12</u>

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

Red Sky 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 2003 bonds which were issued to Finance District Facilities and for fulfilling the District's ongoing obligation to provide funds to the Holland Creek Metropolitan District for the costs of providing District facilities
 Series: General Obligation Refunding and Improvement Bonds Series 2015
 Date of Issue: April 15, 2015
 Coupon rate: 3.875% to 5.00%
 Maturity Date: December, 2044
 Levy: 21.423
 Revenue: \$378,915.67
To finance District Facilities and for fulfilling the District's ongoing obligation to provide funds to the Holland creek Metropolitan District for the costs of providing District Facilities.
- 2. Purpose of Issue: providing District Facilities.
 Series: General Obligation Senior Note, Series 2017
 Date of Issue: \$42,766.00
 Coupon rate: 3.20%
 Maturity Date: December 1, 2036
 Levy: 5.577
 Revenue: \$98,642.24

CONTRACTS^K:

- 3. Purpose of Contract: To provide for the implementation of principles and objectives as set forth in the Service Plan regarding financing, construction, operation and maintenance of facilities and administration of the district's affairs
 Title: District Facilities Construction and Services Agreement
 Date: June 8, 2001
 Principal Amount:
 Maturity Date: None Stated
 Levy: 37.000
 Revenue: \$654,431.21
- 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.