

RED SKY RANCH METROPOLITAN DISTRICT

January 15, 2020

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 2020 Budget; LGID #19074

Attached is the 2020 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 21, 2019. 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; 32.000 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 \$16,894,140, the total property tax revenue is \$996,754.26. 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/Administrator

Enclosure(s)

RED SKY RANCH METROPOLITAN DISTRICT

2020 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.

2020 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 2020 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 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

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 2020 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 21, 2019 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 2019, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE RED SKY RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2020 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 November 11, 2019 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 \$540,612.48 and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$456,141.78 and;

WHEREAS, the 2019 valuation for assessment for the District, as certified by the County Assessor is \$16,894,140

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 2020 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 2019.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2020 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 2020 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 2019.

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 2020 budget year, there is hereby levied a tax of 32.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.
- Section 5. That for the purpose of meeting all payments for bonds and interest of the District during the 2020 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 2019.
- 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 2020 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 November 11, 2019, 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>\$ 175,850</u>
TOTAL GENERAL FUND:	\$ 175,850

DEBT SERVICE FUND:

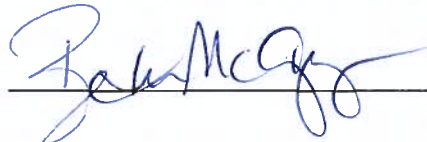
Debt Service Expenditures	\$1,311,602
Transfer	<u>\$27,435</u>
TOTAL DEBT SERVICE FUND:	\$1,339,037

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RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2020 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2020 budget, set the mill levies and to appropriate sums of money were adopted this 11th day of November, 2019.

Officer of the District: 

Title: Chairman

RED SKY RANCH METROPOLITAN DISTRICT
 BALANCE SHEET/STATEMENT OF NET POSITION
 October 31, 2019

04-Jan-20

	GENERAL FUND	DEBT SERVICE	GENERAL FIXED ASSETS & LT DEBT	10/31/19 Total
ASSETS				
First Bank Checking	91,407			91,407
Colostrust	76,109	891,405		967,514
Property Tax Recievable		7,847		7,847
Prepaid Insurance & COI	395	0		395
Accounts Receivable	0	9,144		9,144
TOTAL ASSETS	167,911	908,396	0	1,076,307
LIABILITIES				
Accounts Payable	89,884	9,144	0	99,028
Accrued Interest Payable			33,409	33,409
2015 Bond Payable			7,140,000	7,140,000
2017 Loan Payable			1,720,000	1,720,000
Net Capital and Service Obligation payable to HCMD			11,690,496	11,690,496
TOTAL LIABILITIES	89,884	9,144	20,583,905	20,682,934
DEFERRED INFLOWS				
Deferred Property Tax		7,847	0	7,847
TOTAL DEFERRED INFLOWS		7,847	0	7,847
NET POSITION				
Net Investment in Capital Assets	0	0	(8,893,409)	(8,893,409)
Net Capital and Service Obligation			(11,690,496)	(11,690,496)
FUND BALANCE	78,028	891,405	0	969,432
TOTAL NET POSITION	78,028	891,405	(20,583,905)	(19,614,473)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	167,912	908,396	0	1,076,307
	=	=	=	=

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

1/4/20

Modified
 Accrual
 Basis

GENERAL FUND	2018 Audited Actual	2019 Adopted Budget	Cal Yr 2019 Forecast	10 Months Ended 10/31/19 Actual	10 Months Ended 10/31/19 Budget	Variance Favorable (Unfav)	2020 Adopted Budget	BUDGET ASSUMPTIONS
REVENUES								
Mill Levy Equivalent of Sales Tax Revenues							8,879	
Sales Tax Revenue	85,586	140,000	125,000	89,489	96,123	(6,634)	150,000	
Interest Income	1,790	703	3,000	2,338	585	1,753	2,000	
TOTAL REVENUES	87,376	140,703	128,000	91,828	96,708	(4,881)	152,000	
EXPENDITURES								
Insurance	3,151	3,350	3,410	3,407	3,350	(57)	3,750	
Audit	6,750	6,900	6,900	6,900	6,900	0	7,050	
Election	0	0	0	0	0	0	0	
Legal - Special Counsel	4,822	10,000	400	380	400	20	10,000	
Office Supplies	27	75	40	25	20	(5)	50	
Contingency Allowance	0	10,000	0	0	0	0	5,000	
TOTAL EXPENDITURES	14,750	30,325	10,750	10,711	10,670	(41)	25,850	
REVENUE OVER (UNDER) EXPEND.	72,627	110,378	117,250	81,116	86,038	(4,922)	126,150	
OTHER SOURCES AND (USES)								
Transfer from Debt Service - Net SO Tax	37,688	15,477	41,800	0	0	0	27,435	
Transfer to HCMD - Sales Tax proceeds	(66,000)	(210,000)	(142,586)	(109,075)	(109,123)	(48)	(150,000)	
TOTAL OTHER SOURCES AND (USES)	(28,312)	(194,523)	(100,786)	(109,075)	(109,123)	(48)	(122,565)	
FUND BALANCE - BEGINNING	61,672	140,533	105,987	105,987	140,533	(34,546)	119,451	
Reverse Contingency		10,000	0		0	0		
FUND BALANCE - ENDING	105,987	66,387	122,451	78,028	117,448	(39,421)	123,036	

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

Principal Outstanding on 2015 bonds	7,140,000	7,140,000	7,140,000	7,140,000		7,125,000
Principal Outstanding 2017 Bonds	1,720,000	1,685,000	1,685,000	1,720,000		1,635,000
Debt to AV Calculation						
Assessed Value						16,894,150
50% of AV (Factor per Agreement)						8,447,075
Outstanding Bonds						(8,760,000)
Surplus						(312,925)

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

1/4/20

Modified
 Accrual
 Basis

DEBT SERVICE FUND	2018 Audited Actual	2019 Adopted Budget	Cal Yr 2019 Forecast	Ended 10/31/19 Actual	Ended 10/31/19 Budget	Variance Favorable (Unfav)	2020 Adopted Budget	BUDGET ASSUMPTIONS
Assessed Valuation	17,407,120	17,687,330	17,687,330	17,687,330			16,894,140	Dec 2019 REVISED FINAL AV
Change	-2%	2%		2%			-4%	
Services/Operations Mill Levy Rate	37.000	37.000	37.000	37.000			32.000	
Debt Service Mill Levy Rate	27.000	27.000	27.000	27.000			27.000	
	64.000	64.000	64.000	64.000			59.000	
REVENUES								
Property Taxes-IGA Service Cost	636,308	654,431	654,431	649,895	654,431	(4,536)	540,612	
Property Taxes - Debt Service/Capital	464,333	477,558	477,558	474,248	477,558	(3,310)	456,142	
Specific Ownership Taxes	56,572	45,280	57,500	45,454	33,960	11,494	49,838	5% of Prop tax
Developer Capital Imp. Fee	185,669	336,250	238,186	94,245	116,923	(22,678)	274,900	
Interest Income	18,931	8,902	24,000	19,226	7,418	11,808	12,673	
TOTAL REVENUES	1,361,813	1,522,421	1,451,675	1,283,068	1,290,290	(7,223)	1,334,164	
EXPENDITURES								
Series 2015 Bond Interest	345,869	345,869	345,869	172,934	172,934	(0)	345,869	Bond Schedule
Series 2017 Bond Interest	56,775	55,040	55,805	27,826	27,520	(306)	54,818	
Series 2015 Bond Principal	0	0	0	0	0	0	15,000	
Series 2017 Bond Principal	30,000	35,000	35,000	0	0	0	50,000	
Bond Paying Agent Fees	350	500	350	350	350	0	500	
Transfer Prop Taxes to HCMD - Service Oblig	636,308	654,431	654,431	649,895	654,431	4,536	540,612	
Transfer Prop Taxes to HCMD - Capital Oblig	0	0	0	0	0	0	0	
Transfer Developer Imp Fee-HCMD	185,669	336,250	238,186	94,245	116,923	22,678	274,900	
Treasurer's Fees	33,058	33,960	33,960	33,764	33,960	195	29,903	3% of Prop. Taxes
Contingency for Budget	0	2,500	0	0	0	0	0	
TOTAL EXPENDITURES	1,288,029	1,463,550	1,363,601	979,014	1,006,119	27,104	1,311,602	
REVENUE OVER (UNDER) EXPEND.	73,784	58,871	88,074	304,053	284,172	19,881	22,563	
OTHER SOURCES/(USES)								
Proceeds from G.O. Bonds/Loans	0			0	0	0		
Cost of Issuance	0			0	0	0		
Transfer Bond Proceeds to HCMD	0			0	0	0		
Transfer to Gen Fund- Net SO tax	(37,688)	(15,477)	(41,800)	0	0	0	(27,435)	
TOTAL OTHER SOURCES/(USES)	(37,688)	(15,477)	(41,800)	0	0	0	(27,435)	
FUND BALANCE - BEGINNING	551,256	593,460	587,351	587,351	593,460	(6,108)	633,626	
Reverse contingency		2,500	0		0	0		
FUND BALANCE - ENDING	587,351	636,853	633,626	891,405	877,631	13,773	628,754	
No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.								
Balance on RSR Bonds	8,860,000		8,855,000				8,760,000	
Balance on HC 2001 Bonds	6,310,000		6,310,000				6,310,000	
Total Combined Bond Debt	<u>15,170,000</u>		<u>15,165,000</u>				<u>15,070,000</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: \$ 16,894,140
(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: \$ 16,894,140
(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: 12/6/2019 for budget/fiscal year 2020
(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	\$ 456,141.78
4. Contractual Obligations ^K	<u>32.000</u> mills	\$ 540,612.48
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>59.000</u> mills	<u>\$ 996,754.26</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: 20.923
Revenue: \$353,476.09

- 2. Purpose of Issue: 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 Senior Note, Series 2017
Date of Issue: January 31, 2017
Coupon rate: 3.20%
Maturity Date: December 1, 2036
Levy: 6.077
Revenue: \$102,665.69

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: 32.000
Revenue: \$540,612.48

- 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.