

RED SKY RANCH METROPOLITAN DISTRICT

January 15, 2021

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 2021 Budget; LGID #19074

Attached is the 2021 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 September 22, 2020. 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 \$16,662,620, the total property tax revenue is \$983,094.58. 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 Accountant/Administrator

Enclosure(s)

RED SKY RANCH METROPOLITAN DISTRICT

2021 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.

2021 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.

In 2018 the District began imposing a sales tax 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 IGA obligations. The District anticipates continuing to utilize the sales and property taxes it collects to pay towards the IGA obligations with Holland Creek Metropolitan District.

RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT

TO ADOPT 2021 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 2021 AND ENDING ON THE LAST DAY OF DECEMBER 2021.

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 2021 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 September 22, 2020 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 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 of the District or the District Administrator of the District and made a part of the public records of the District.

RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2020, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE RED SKY RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2021 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 September 22, 2020 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 \$533,203.84 and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$449,890.74 and;

WHEREAS, the 2020 valuation for assessment for the District, as certified by the County Assessor is \$16,662,620

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 2021 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 2020.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2021 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 2021 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 2020.

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 2021 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 2020.
- Section 5. That for the purpose of meeting all payments for bonds and interest of the District during the 2021 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 2020.
- 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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

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 2021 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 September 22, 2020, 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>\$ 175,820</u>
TOTAL GENERAL FUND:	\$ 175,820

DEBT SERVICE FUND:

Debt Service Expenditures	\$1,240,831
Transfer	<u>\$11,156</u>
TOTAL DEBT SERVICE FUND:	\$1,251,987

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2021 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2021 budget, set the mill levies and to appropriate sums of money were adopted this 22nd day of September, 2020.

Officer of the District: Bela M. Go

Title: President

RED SKY RANCH METROPOLITAN DISTRICT
 BALANCE SHEET/STATEMENT OF NET POSITION
 August 31, 2020

29-Dec-20

	GENERAL FUND	DEBT SERVICE	GENERAL FIXED ASSETS & LT DEBT	08/31/20 Total
ASSETS				
First Bank Checking	100,388			100,388
Colostrust	52,479	886,040		938,519
Property Tax Recievable		11,698		11,698
Prepaid Insurance & COI	0	0		0
Accounts Receivable	14,840	2,673		17,513
TOTAL ASSETS	167,707	900,411	0	1,068,117
LIABILITIES				
Accounts Payable	0	2,673	0	2,673
Accrued Interest Payable			33,316	33,316
2015 Bond Payable			7,140,000	7,140,000
2017 Loan Payable			1,685,000	1,685,000
Net Capital and Service Obligation payable to HCMD			11,274,862	11,274,862
TOTAL LIABILITIES	0	2,673	20,133,178	20,135,850
DEFERRED INFLOWS				
Deferred Property Tax		11,698	0	11,698
TOTAL DEFERRED INFLOWS		11,698	0	11,698
NET POSITION				
Net Investment in Capital Assets	0	0	(8,858,316)	(8,858,316)
Net Capital and Service Obligation			(11,274,862)	(11,274,862)
FUND BALANCE	167,707	886,040	0	1,053,747
TOTAL NET POSITION	167,707	886,040	(20,133,178)	(19,079,431)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	167,707	900,411	0	1,068,117
	=	=	=	=

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

12/29/20

Modified
 Accrual
 Basis

GENERAL FUND

	2019 Audited Actual	2020 Adopted Budget	Cal Yr 2020 Forecast	8 Months Ended 08/31/20 Actual	8 Months Ended 08/31/20 Budget	Variance Favorable (Unfav)	2021 Adopted Budget	BUDGET ASSUMPTIONS
REVENUES								
Mill Levy Equivalent of Sales Tax Revenues							9.002	Mill equivalent of sales tax
Sales Tax Revenue	133,859	150,000	110,000	53,237	104,450	(51,213)	150,000	
Interest Income	2,967	2,000	1,500	1,150	1,333	(184)	624	
TOTAL REVENUES	136,827	152,000	111,500	54,387	105,783	(51,397)	150,624	
EXPENDITURES								
Insurance	3,407	3,750	3,400	3,398	3,750	352	3,570	
Audit	6,900	7,050	6,900	6,900	7,050	150	7,200	
Legal - Special Counsel	380	10,000	10,000	0	0	0	10,000	
Office Supplies	29	50	50	6	16	10	50	
Contingency Allowance	0	5,000	0	0	0	0	5,000	
TOTAL EXPENDITURES	10,715	25,850	20,350	10,304	10,816	512	25,820	
REVENUE OVER (UNDER) EXPEND.	126,111	126,150	91,150	44,083	94,967	(50,885)	124,804	
OTHER SOURCES AND (USES)								
Transfer from Debt Service - Net SO Tax	44,972	27,435	20,052	0	0	0	11,156	
Transfer to HCMD - Sales Tax proceeds	(153,445)	(150,000)	(110,000)	0	(104,450)	(104,450)	(150,000)	
TOTAL OTHER SOURCES AND (USES)	(108,474)	(122,565)	(89,948)	0	(104,450)	(104,450)	(138,844)	
FUND BALANCE - BEGINNING	105,987	119,451	123,624	123,624	119,451	4,174	124,826	
Reverse Contingency					0	0		
FUND BALANCE - ENDING	123,624	123,036	124,826	167,707	109,968	57,739	110,786	

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

PAGE 2

Principal Outstanding on 2015 bonds	7,140,000	7,125,000	7,125,000	7,140,000		7,110,000
Principal Outstanding 2017 Bonds	1,685,000	1,635,000	1,635,000	1,685,000		1,580,000

Debt to AV Calculation

Assessed Value			16,894,140			16,880,970
50% of AV (Factor per Agreement)			8,447,070			8,440,485
Outstanding Bonds			-8,760,000			(8,690,000)
Surplus			<u>(312,930)</u>			<u>(249,515)</u>

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

12/29/20

Modified
 Accrual
 Basis

DEBT SERVICE FUND

	2019 Audited Actual	2020 Adopted Budget	Cal Yr 2020 Forecast	8 Months Ended 08/31/20 Actual	8 Months Ended 08/31/20 Budget	Variance Favorable (Unfav)	2021 Adopted Budget	BUDGET ASSUMPTIONS
Assessed Valuation Change	17,687,330 2%	16,894,140 -3%	16,894,140				16,662,620	Nov 2020 final AV
Services/Operations Mill Levy Rate	37.000	32.000	32.000				32.000	
Debt Service Mill Levy Rate	27.000	27.000	27.000				27.000	
	64.000	59.000	59.000				59.000	
REVENUES								
Property Taxes-IGA Service Cost	658,967	540,612	540,612	528,366	518,988	9,378	533,204	
Property Taxes - Debt Service/Capital	480,868	456,142	456,142	445,809	437,896	7,912	449,891	
Specific Ownership Taxes	61,121	49,838	49,838	27,950	29,072	(1,122)	44,239	4.5% of Prop tax
Developer Capital Imp. Fee	194,906	274,900	274,900	46,326	95,723	(49,397)	209,300	
Interest Income	23,473	12,673	5,750	4,862	8,448	(3,586)	1,580	
TOTAL REVENUES	1,419,335	1,334,164	1,327,242	1,053,313	1,090,128	(36,815)	1,238,214	
EXPENDITURES								
Series 2015 Bond Interest	345,869	345,869	345,869	172,934	172,934	(0)	345,288	Bond Schedule
Series 2017 Bond Interest	55,804	54,818	54,818	27,409	27,409	(0)	53,047	
Series 2015 Bond Principal	0	15,000	15,000	0	0	0	15,000	
Series 2017 Bond Principal	35,000	50,000	50,000	0	0	0	55,000	
Bond Paying Agent Fees	350	500	500	500	350	(150)	500	
Transfer Prop Taxes to HCMD - Service Oblig	658,967	540,612	540,612	525,960	518,988	(6,972)	533,204	
Transfer Prop Taxes to HCMD - Capital Oblig	0	0	0	0	0	0	0	
Transfer Developer Imp Fee-HCMD	194,906	274,900	274,900	46,326	95,723	49,397	209,300	
Treasurer's Fees	34,296	29,903	29,903	30,666	28,707	(1,959)	29,493	3% of Prop. Taxes
Contingency for Budget	0	0	0	0	0	0	0	
TOTAL EXPENDITURES	1,325,192	1,311,602	1,311,602	803,796	844,111	40,315	1,240,831	
REVENUE OVER (UNDER) EXPEND.	94,143	22,563	15,640	249,517	246,017	3,501	(2,617)	
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	(44,972)	(27,435)	(20,052)	0	0	0	(11,156)	
TOTAL OTHER SOURCES/(USES)	(44,972)	(27,435)	(20,052)	0	0	0	(11,156)	
FUND BALANCE - BEGINNING	587,351	633,626	636,522	636,522	633,626	2,896	632,111	
Reverse contingency			0		0	0		
FUND BALANCE - ENDING	636,522	628,754	632,111	886,040	879,643	6,397	618,338	
	=	=	=	=	=	=	=	
Balance on RSR Bonds	8,825,000		8,760,000				8,690,000	
Balance on HC 2001 Bonds	6,310,000		6,310,000				6,310,000	
Total Combined Bond Debt	<u>15,135,000</u>		<u>15,070,000</u>				<u>15,000,000</u>	

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

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: \$ 16,662,620
(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: \$ 16,662,620
(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: 12/8/2020 for budget/fiscal year 2021
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
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	\$ 449,890.74
4. Contractual Obligations ^K	<u>32.000</u> mills	\$ 533,203.84
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>\$ 983,094.58</u>

Contact person: Kenneth J. Marchetti Daytime phone: (970) 926-6060 x8
 (print) Kj Marchetti
 Signed: _____ 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: 20.771
Revenue: \$346,099.28

- 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: 6.229
Revenue: \$103,791.46

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: \$533,203.84

- 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.