

RED SKY RANCH METROPOLITAN DISTRICT

January 18, 2024

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 2024 Budget; LGID #19074

Attached is the 2024 Budget for the Red Sky Ranch Metropolitan District in Eagle County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This Budget was adopted on December 22, 2023. 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 5.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 7.743 mills for G.O. bonds; 25.000 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 \$27,516,300, the total property tax revenue is \$1,038,547.71. 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

2024 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, wastewater, 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.

2024 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 is acting as the “service district” and Red Sky Ranch is acting as the “financing district.” As such, Holland Creek Metropolitan District will manage the construction and operation of facilities and improvements needed for the Red Sky Ranch area and Red Sky Ranch Metropolitan District will provide funding and tax bases to support the financing plan for capital improvements.

The District is funded with a combination of property taxes and sales taxes. The sales taxes are restricted and may only be used to provide road, road safety and transportation services including related debt service. Property taxes are levied for general operating purposes, for debt service and contractual obligations. The District sets the property tax mill levy rates at an amount sufficient to fulfill provide the necessary services and fulfill the debt service and contractual obligations.

RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT

TO ADOPT 2024 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 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors of the Red Sky Ranch Metropolitan District has appointed a budget committee to prepare and submit a proposed 2024 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 opened on October 18, 2023 and continued to December 22, 2023, 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 Red Sky Ranch Metropolitan District, Eagle County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Red Sky Ranch Metropolitan District for the year stated above, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent specific capital expenditures budgeted and forecasted for the current year are unable to be completed by the end of the current year, the budget for such expenditures shall be transferred into next year's budget and the budgeted beginning fund balance for next year's budget shall be updated to reflect such changes.

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 RED SKY RANCH METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2023, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE RED SKY RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2024 BUDGET YEAR.

WHEREAS, the Board of Directors of the Red Sky Ranch Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on December 22, 2023 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$137,582 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 \$213,059, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved contractual obligations \$687,908, and;

WHEREAS, the 2023 valuation for assessment for the Red Sky Ranch Metropolitan District, as certified by the County Assessor is \$27,516,300.

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

Section 1. That for the purposes of meeting all general operating expenses of the Red Sky Ranch Metropolitan District during the 2024 budget year, there is hereby levied a tax of 5.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

Section 2. That for the purposes of rendering a temporary credit/refund during budget year 2024 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

Section 3. That for the purpose of meeting all capital expenditures of the Red Sky Ranch Metropolitan District during the 2024 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 2023.

RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

- Section 4. That for the purpose of meeting all payments for bonds and interest of the Red Sky Ranch Metropolitan District during the 2024 budget year, there is hereby levied a tax of 7.743 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.
- Section 5. That for the purpose of meeting all payments for contractual obligations approved by voters of the Red Sky Ranch Metropolitan District during the 2024 budget year, there is hereby levied a tax of 25.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.
- Section 6. That for the purpose of recouping refunds and abatements of the Red Sky Ranch Metropolitan District during the 2024 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 2023.
- Section 7. 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 Red Sky Ranch Metropolitan District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Red Sky Ranch Metropolitan District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF 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 2024 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on December 20, 2023, 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 RED SKY RANCH METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO:

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

GENERAL FUND:		
Current Operating Expenses		\$231,855
SALES TAX SPECIAL REVENUE FUND		
Transfer to Debt Service Fund		\$373,402
Contingency		<u>25,000</u>
Total		\$398,402
DEBT SERVICE FUND:		
Debt Service and Contractual Obligation Expenditures		\$2,084,795
Transfer to Holland Creek Metropolitan District		4,385,000
Bond cost of issuance		250,377
Fund Transfers		<u>28,186</u>
Total		\$6,748,358

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RESOLUTIONS OF RED SKY RANCH METROPOLITAN DISTRICT (CONTINUED)

**TO ADOPT 2024 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2024 budget, set the mill levies and to appropriate sums of money were adopted this 22nd day of December, 2023.

DocuSigned by:
Attest: Jim Malernee
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Title: President

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

**Printed
1/21/24
Modified
Accrual
Basis**

GENERAL FUND	2022 Audited Actual	2023 Adopted Budget	2023 Amended Bgt and Forecast	2024 Adopted Budget	BUDGET ASSUMPTIONS
Assessed Valuation				27,516,300	Final AV
Each Mill Raises Mill Levy Rate				27,516	
				5.000	
REVENUES					
Property Tax Revenue				137,582	Assd Value times Mill Levy
Specific Ownership Taxes				5,503	
Interest Income	644	1,214	1,214	238	Est 4.5%
TOTAL REVENUES	644	1,214	1,214	143,323	
EXPENDITURES					
Insurance	3,368	4,250	4,250	4,463	
Accounting & Admin					
Audit	7,200	7,800	7,800	8,190	
Election			20		
Legal - General Counsel	44,078	30,000	82,470	95,000	Legal Counsel Estimate
Legal - Special Counsel (Placeholder in 2023 & 24)	64,169		76,853	95,000	Legal Counsel Estimate
Legal - Special Counsel (Appellate Counsel)			110,000	0	
Office Supplies	21	50	50	75	
Treasurer's Fees				4,127	
Contingency Allowance	0	5,000	5,000	25,000	
TOTAL EXPENDITURES	118,836	47,100	286,443	231,855	
REVENUE OVER (UNDER) EXPEND.	(118,193)	(45,886)	(285,229)	(88,532)	
OTHER SOURCES AND (USES)					
Transfer from RSR Prop Owners Assoc	47,120		202,880	60,000	
Transfer from Debt Service - Interest Inc & Net SO Tax	38,635	28,882	41,199	28,186	
TOTAL OTHER SOURCES AND (USES)	85,755	28,882	244,079	88,186	
FUND BALANCE - BEGINNING	78,882	40,461	46,444	5,295	
Reverse Contingency				0	
FUND BALANCE - ENDING	46,444	23,457	5,295	4,948	

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

Calculation of Capacity to Issue Bonds

Principal Outstanding on 2015 bonds	7,070,000	7,025,000	7,025,000	6,955,000
Principal Outstanding 2017 Bonds	1,520,000	1,460,000	1,460,000	1,460,000
Principal Outstanding 2024 Bonds				
Principal Outstanding 2030 Bonds				

Debt to AV Calculation

Assessed Value - Following Year				27,516,300
50% of AV (Factor per Agreement)				13,758,150
Outstanding Bonds				(8,485,000)
Surplus				<u>5,273,150</u>

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

Printed
 1/21/24
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SALES TAX Special Revenue Fund

	2022 Audited Actual	2023 Adopted Budget	2023 Amended Bgt and Forecast	2024 Adopted Budget	BUDGET ASSUMPTIONS
REVENUES					
Mill Levy Equivalent of Sales Tax Revenues		14.145	23.461	13.628	Mill equivalent of sales tax
Sales Tax Revenue - 5.5% Rate (One Mo Lag)	376,587	275,000	400,000	375,000	based on prior year
Interest Income	7,811	17,759	40,236	33,507	Est 4.5%
TOTAL REVENUES	384,398	292,759	440,236	408,507	
EXPENDITURES					
Transfer to HCMD - Sales Tax proceeds	0	0	0	0	
TOTAL EXPENDITURES	0	0	0	0	
REVENUE OVER (UNDER) EXPEND.	384,398	292,759	440,236	408,507	
OTHER SOURCES AND (USES)					
Transfer from General Fund - Sales tax Balance	0	0	0		
Transfer to Debt Service Fund	0	(317,288)	(317,288)	(373,402)	Debt Svc For Roads
Contingency				(25,000)	
TOTAL OTHER SOURCES AND (USES)	0	(317,288)	(317,288)	(398,402)	
REVENUE OVER (UNDER) EXPEND. AFTER OTHER	384,398	(24,529)	122,949	10,105	
FUND BALANCE - BEGINNING	237,253	591,953	621,651	744,600	
FUND BALANCE - ENDING	621,651	567,424	744,600	754,704	

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

Printed Modified
 1/21/24 Accrual
 Basis

DEBT SERVICE FUND	2022 Audited Actual	2023 Adopted Budget	2023 Amended Bgt and Forecast	2024 Adopted Budget	BUDGET ASSUMPTIONS
Assessed Valuation	16,662,620	17,049,390	17,049,390	27,516,300	Final AV
Change	0%	2%	2%	61%	
Services/Operations Mill Levy Rate	32.000	30.916	30.916	25.000	
Debt Service Mill Levy Rate	27.000	10.601	10.601	7.743	
	59.000	41.517	41.517	32.743	
REVENUES					
Property Taxes-IGA Service Cost	544,543	527,099	527,099	687,908	Assd Value times Mill Levy
Property Taxes - Debt Service	494,661	180,734	180,734	213,059	Assd Value times Mill Levy
Specific Ownership Taxes	56,269	35,392	35,392	36,039	4% of Prop tax
Developer Capital Imp. Fee	176,600	398,600	398,600	198,775	Based on Agreement
Interest Income	20,176	18,593	36,629	28,248	Est 4.5%
TOTAL REVENUES	1,292,249	1,160,417	1,178,453	1,164,028	
EXPENDITURES					
Series 2015 Bond Interest	344,706	343,156	343,156	341,412	Bond Schedule
Series 2017 Bond Interest	51,262	49,315	49,315	47,499	Bond Schedule
Series 2024 Bond Interest				52,000	Assumes two months interest
Series 2015 Bond Principal	40,000	45,000	45,000	70,000	
Series 2017 Bond Principal	60,000	60,000	60,000	75,000	
Series 2024 Bond Principal				0	
Bond Paying Agent Fees	550	550	550	550	
Plath Obligation				564,623	Cost Recovery Pmt, Assumes Bond Issuance
Transfer Prop Taxes to HCMD - Service Oblig	544,543	527,099	527,099	687,908	Per IGA
Transfer Prop Taxes to HCMD - Capital Oblig	0				
Transfer Developer Imp Fee-HCMD	176,600	398,600	398,600	198,775	Based on Agreement
Treasurer's Fees	31,251	21,235	21,235	27,029	3% of Prop. Taxes
Contingency for Budget	0	0	0	20,000	
TOTAL EXPENDITURES	1,248,913	1,444,955	1,444,955	2,084,795	
REVENUE OVER (UNDER) EXPEND.	43,336	(284,538)	(266,502)	(920,767)	
OTHER SOURCES/(USES)					
Proceeds from G.O. Bonds/Loans	0			5,200,000	Debt to 50% of AV; Assumes Voter Authorization Exists
Cost of Issuance	0			(250,377)	
Transfer Bond Proceeds to HCMD	0			(4,385,000)	Per IGA
Transfer from Sale Tax Fund		317,288	317,288	373,402	
Transfer to Gen Fund- Net SO tax	(38,635)	(28,882)	(41,199)	(28,186)	
TOTAL OTHER SOURCES/(USES)	(38,635)	288,406	276,089	909,840	
FUND BALANCE - BEGINNING	613,451	619,768	618,152	627,739	
Reverse contingency					
FUND BALANCE - ENDING	618,152	623,636	627,739	616,811	
No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.	=	=	=	=	
Balance on RSR Bonds	8,590,000		8,485,000	13,540,000	
Balance on HC 2001 Bonds	6,310,000		6,310,000	1,925,000	
Total Combined Bond Debt	<u>14,900,000</u>		<u>14,795,000</u>	<u>15,465,000</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:

\$ 27,516,300
(Gross^D assessed valuation, Line 2 of the Certification of Valuation From DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 27,516,300
(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: 12/6/2023
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2024.
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>5.000</u> mills	\$ <u>137,581.50</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ <u>-</u>
SUBTOTAL FOR GENERAL OPERATING:	5.000 mills	\$ 137,581.50
3. General Obligation Bonds and Interest ^J	<u>7.743</u> mills	\$ <u>213,058.71</u>
4. Contractual Obligations ^K	<u>25.000</u> mills	\$ <u>687,907.50</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ <u>-</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ <u>-</u>
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ <u>-</u>
	<u>0.000</u> mills	\$ <u>-</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	37.743 mills	\$ 1,038,547.71

Contact person: Kenneth J. Marchetti
(print)
Signed: *Kj Marchetti*

Daytime phone: (970) 926-6060 x8
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: 5.966
Revenue: \$164,162.25

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: 1.777
Revenue: \$48,896.47

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: 25.000
Revenue: \$687,907.50

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.