

REDTAIL RANCH METROPOLITAN DISTRICT

2021 ANNUAL REPORT

TO

TOWN OF ERIE, COLORADO

Pursuant Section VII of the Consolidated Service Plan for Redtail Ranch Metropolitan District (the “**District**”) is required to provide an annual report no later than August 1 of each year to the Town of Erie with regard to the following matters:

(a) A narrative summary of the progress of the District in implementing the Service Plan;

The District is engaged in minimal activity while it awaits the developer of the property within its boundaries to resolve development related issues.

(b) Except when an exemption from audit has been granted for the fiscal year under the Local Government Audit Law, the audited financial statements of the Districts for the fiscal year including a statement of financial condition (i.e. balance sheet) as of December 31 of the fiscal year and the statement of operations (i.e. revenues and expenditures) for the fiscal year;

The District was exempt from Audit in 2021 and an Application for Exemption has been filed with, and accepted by the Office of the State Auditor.

(c) Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the fiscal year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the fiscal year;

There were no capital expenditures incurred by the District for the development of public facilities in 2021.

(d) Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the fiscal year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the fiscal year, the amount of payment or retirement of existing indebtedness of the District in the fiscal year, the total assessed valuation of all taxable properties within the District as of January 1 of the fiscal year, and the current mill levy of the District pledged to debt retirement in the fiscal year;

The district had no financial obligations and did not pay on or retire any existing indebtedness during the fiscal year.

The total assessed valuation of all taxable properties within the District as of January 1 of the fiscal year was \$5,255,880.

(e) The District budget for the calendar year in which the annual report is submitted;

*The 2022 budget for the District is attached as **Exhibit A**.*

(f) A summary of residential and commercial development which has occurred within the District for the fiscal year;

None.

(g) A summary of all taxes, fees, charges and assessments imposed by the District as of January 1 of the fiscal year;

The District imposed a total of 15.000 mills in 2021 for collection in 2022 as reflected on the attached budgets. No fees, charges or assessments imposed in 2021.

(h) The name, business address and telephone number of each member of the Board and the chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board.

| | | |
|-----------------------|--------------------|---|
| <i>Richard Dean</i> | <i>President</i> | <i>1842 Montane Drive East, Golden CO 80401, 720-214-5000</i> |
| <i>Reagan Dean</i> | <i>Sec./Treas.</i> | <i>1842 Montane Drive East, Golden CO 80401, 720-214-5000</i> |
| <i>Christian Dean</i> | <i>Asst. Sec.</i> | <i>1229 N. Osceola St., Denver, CO 80204, 303-885-4134</i> |
| <i>Roger Hollard</i> | <i>Asst. Sec.</i> | <i>4663 S. Fountain Cir., Littleton CO, 80127</i> |
| | | |

Regular meetings are scheduled for the third Tuesday of March, July and November, 11:00 a.m., by telephone, electronic, or other means not including a physical presence.

Chief Admin. Officer – None.

General Legal Counsel – White Bear Ankele Tanaka & Waldron; Zachary P. White, Esq., 2154 E. Commons Ave., Suite 2000, Centennial, CO 80122; 303-858-1800

EXHIBIT A

2021 Budget

RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS

(2022)

The Board of Directors of Redtail Ranch Metropolitan District (the “**Board**”), Town of Erie, Weld County, Colorado (the “**District**”) held a special meeting via teleconference, on November 16, 2021, at the hour of 1:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank.]

NOTICE AS TO PROPOSED 2022 BUDGET

NOTICE OF PUBLIC HEARING ON THE AMENDED 2021 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE PROPOSED 2022 BUDGET

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the REDTAIL RANCH METROPOLITAN DISTRICT (the "District"), will hold a meeting via teleconference on Tuesday, November 16, 2021 at 1:00 P.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2021 amended budget (the "Amended Budget") and 2022 proposed budget (the "Proposed Budget"). This meeting can be joined using the following teleconference information:
https://us06web.zoom.
us/j/84600137371?pwd=Q2V4elAwd3NueVdvcy9ucE9mUUlyQT09
Call-In Number: 720-707-2699
Meeting ID: 846 0013 7371
Passcode: 425759

NOTICE IS FURTHER GIVEN that an Amended Budget and a Proposed Budget have been submitted to the District. A copy of the Amended Budget and the Proposed Budget are on file in the office of CliftonLarsonAllen LLP, 8390 E Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection.
Any interested elector of the District may file any objections to the Amended Budget and Proposed Budget at any time prior to final adoption of the Amended Budget and Proposed Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.
BY ORDER OF THE BOARD OF DIRECTORS:
REDTAIL RANCH METROPOLITAN DISTRICT

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Published: Colorado Hometown Weekly November 10, 2021-1846539

Prairie Mountain Media, LLC


PUBLISHER'S AFFIDAVIT

County of Boulder
State of Colorado


The undersigned, Melissa Najera, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Colorado Hometown*.
2. The *Colorado Hometown* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Colorado Hometown* in Boulder County on the following date(s):

Nov 10, 2021


Signature

Subscribed and sworn to me before me this
10th day of November 2021.


Notary Public

(SEAL)

SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031965
MY COMMISSION EXPIRES July 31, 2025

Account: 1051175
Ad Number: 1846539
Fee: \$38.28

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 16, 2021, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2022. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 15.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000

mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Weld County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of page intentionally left blank.]

ADOPTED THIS 16th DAY OF NOVEMBER, 2021.

REDTAIL RANCH METROPOLITAN DISTRICT

Richard Dean

Richard Dean (Jan 25, 2022 09:43 MST)

Officer of the District

ATTEST:

Reagan Dean

Reagan Dean (Jan 26, 2022 10:13 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

[Signature]

General Counsel to the District

STATE OF COLORADO
COUNTY OF WELD
REDTAIL RANCH METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on Tuesday, November 16, 2021, via teleconference as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 16th day of November, 2021.

Reagan Dean

Reagan Dean (Jan 26, 2022 10:13 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

**REDTAIL RANCH METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022**

**REDTAIL RANCH METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/3/21

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 53,190 | \$ 320,970 | \$ 538,326 |
| REVENUES | | | |
| Property taxes | 601,361 | 225,731 | 78,838 |
| Specific ownership tax | 28,543 | 11,245 | 3,942 |
| Interest income | 3,015 | 380 | 500 |
| Developer advance | - | - | 8,600,000 |
| Total revenues | <u>632,919</u> | <u>237,356</u> | <u>8,683,280</u> |
| Total funds available | <u>686,109</u> | <u>558,326</u> | <u>9,221,606</u> |
| EXPENDITURES | | | |
| General Fund | 365,139 | 20,000 | 235,000 |
| Capital Projects Fund | - | - | 8,600,000 |
| Total expenditures | <u>365,139</u> | <u>20,000</u> | <u>8,835,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>365,139</u> | <u>20,000</u> | <u>8,835,000</u> |
| ENDING FUND BALANCES | <u>\$ 320,970</u> | <u>\$ 538,326</u> | <u>\$ 386,606</u> |

No assurance provided. See summary of significant assumptions.

**REDTAIL RANCH METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/3/21

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|--------------------------------|----------------------|----------------------|---------------------|
| ASSESSED VALUATION | | | |
| Oil & Gas | 39,817,770 | 14,740,750 | 4,917,590 |
| Agricultural | 10,050 | 10,050 | 10,500 |
| State assessed | 261,350 | 297,930 | 327,790 |
| Certified Assessed Value | <u>\$ 40,089,170</u> | <u>\$ 15,048,730</u> | <u>\$ 5,255,880</u> |
| | | | |
| MILL LEVY | | | |
| General | 15.000 | 15.000 | 15.000 |
| Total mill levy | <u>15.000</u> | <u>15.000</u> | <u>15.000</u> |
| | | | |
| PROPERTY TAXES | | | |
| General | \$ 601,338 | \$ 225,731 | \$ 78,838 |
| Levied property taxes | 601,338 | 225,731 | 78,838 |
| Adjustments to actual/rounding | 23 | - | - |
| Budgeted property taxes | <u>\$ 601,361</u> | <u>\$ 225,731</u> | <u>\$ 78,838</u> |
| | | | |
| BUDGETED PROPERTY TAXES | | | |
| General | <u>\$ 601,361</u> | <u>\$ 225,731</u> | <u>\$ 78,838</u> |
| | <u>\$ 601,361</u> | <u>\$ 225,731</u> | <u>\$ 78,838</u> |

No assurance provided. See summary of significant assumptions.

**REDTAIL RANCH METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/3/21

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCE | 53,190 | \$ 320,970 | \$ 538,326 |
| REVENUES | | | |
| Property taxes | 601,361 | 225,731 | 78,838 |
| Specific ownership tax | 28,543 | 11,245 | 3,942 |
| Interest income | 3,015 | 380 | 500 |
| Total revenues | <u>632,919</u> | <u>237,356</u> | <u>83,280</u> |
| Total funds available | <u>686,109</u> | <u>558,326</u> | <u>621,606</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 8,036 | 5,000 | 15,000 |
| Contingency | - | 2,626 | 97,317 |
| County Treasurer's fee | 9,060 | 3,390 | 1,183 |
| Dues and licenses | 695 | 473 | 1,000 |
| Election expense | 1,023 | - | 1,500 |
| Insurance and bonds | 3,211 | 3,511 | 4,000 |
| Legal services | 5,526 | 5,000 | 15,000 |
| Repay developer advance | 337,588 | - | - |
| Operations and maintenance | | | |
| Repairs and maintenance | - | - | 100,000 |
| Total expenditures | <u>365,139</u> | <u>20,000</u> | <u>235,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>365,139</u> | <u>20,000</u> | <u>235,000</u> |
| ENDING FUND BALANCE | <u>\$ 320,970</u> | <u>\$ 538,326</u> | <u>\$ 386,606</u> |
| EMERGENCY RESERVE | <u>\$ 19,000</u> | <u>\$ 7,200</u> | <u>\$ 2,500</u> |
| TOTAL RESERVE | <u>\$ 19,000</u> | <u>\$ 7,200</u> | <u>\$ 2,500</u> |

No assurance provided. See summary of significant assumptions.

**REDTAIL RANCH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/3/21

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|----------------|-------------------|------------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Developer advance | - | - | 8,600,000 |
| Total revenues | <u>-</u> | <u>-</u> | <u>8,600,000</u> |
| Total funds available | <u>-</u> | <u>-</u> | <u>8,600,000</u> |
| EXPENDITURES | | | |
| Engineering | - | - | 200,000 |
| Streets | - | - | 6,500,000 |
| Sewer | - | - | 940,000 |
| Water | - | - | 960,000 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>8,600,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>-</u> | <u>8,600,000</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

**REDTAIL RANCH METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide for the planning, design, acquisition, construction, installation, and financing of Public Improvements. The District has the power and authority to provide for essential public services and facilities including streets, traffic and safety controls, water, sanitation, parks and recreation, mosquito control, public transportation, and television relay and translation services. The District anticipates providing services for the common use and benefit of inhabitants and taxpayers within the boundaries of the District. The District's service area is located in Weld County, Colorado, entirely within the Town of Erie. With the exception of certain trails, open spaces, and pocket parks, the Public Improvements are intended to be dedicated to the Town of Erie for ownership and maintenance.

The District was formed by District Court Order on November 18, 2014. At an election held on November 4, 2014, total debt authorization was approved in the amount of \$26,950,000 for the above listed facilities and services, as well as debt authorization of \$500,000 for operations and maintenance and \$27,450,000 for debt refunding. The District's service plan limits the District's total debt to \$30,000,000 (excluding debt refunding), with a maximum debt mill levy of 50.000 (as adjusted for changes in the method of calculating assessed valuation) and a maximum mill levy for operations of 15.000, which cannot be adjusted for any changes in the method of calculating assessed valuation. The maximum debt service mill levy as adjusted is 55.278.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**REDTAIL RANCH METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 0.1%.

Developer Advances

In 2022, capital expenditures are anticipated to be funded by the Developer. Developer advances are to be recorded as revenue for budget purposes and may be repaid to the Developer from unpledged revenue in future years

Expenditures

Administrative Expenses

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, meeting expense, and other administrative expenses.

Capital Outlay

The District's capital outlay consists primarily of expenditures for streets, water, and sewer improvements. These expenditures are outlined in the capital projects fund.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

**REDTAIL RANCH METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District has no general obligation debt, nor any capital or operating leases. A summary of the anticipated developer advances is listed below:

| | <u>12/31/2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>12/31/2022</u> |
|-------------------|-------------------|---------------------|------------------|---------------------|
| Developer Advance | | | | |
| Principal | \$ - | \$ 8,600,000 | \$ - | \$ 8,600,000 |
| Interest - 7% | - | 301,000 | - | 301,000 |
| | <u>\$ -</u> | <u>\$ 8,600,000</u> | <u>\$ -</u> | <u>\$ 8,600,000</u> |

This information is an integral part of the accompanying budget.