

**ANNUAL REPORT
for the year ended December 31, 2021**

**RRC METROPOLITAN DISTRICT NO. 2
(the "District")**

Submitted pursuant to the requirements of Section VII of the District's Service Plan as approved by the Town of Morrison, Colorado on September 6, 2016, and as modified by that certain Non-Material Modification to Service Plan effective July 9, 2021 (which replaced all references in the Service Plan to the "Town of Morrison, Colorado" with references to the "County of Jefferson, Colorado," and deleted all references in the Service to the "City of Lakewood."). Such disconnection from the Town of Morrison was anticipated in the original Service Plan.

A. A narrative summary of the progress of the District in implementing its Service Plan.

The District was organized on December 1, 2016. The property that makes up the Service Plan Inclusion Area was platted as Red Rocks Ranch Subdivision Filing No. 2 on February 5, 2020. On June 22, 2021, approximately 160 acres of the Inclusion Area was included into the boundaries of the District.

On December 17, 2021, the District issued its \$45,000,000 Limited Tax General Obligation Bonds, Series 2021⁽³⁾. See the District's 2021 Audit (when provided per Item B below) for further details.

As of the end of the report year of 2021, the following improvements in the District have been completed:

- **Ward Canal Relocation Project completed.**
- **Approximately 60% of utility installation for the entire Filing No. 2.**
- **Roads/sidewalks mostly completed for the western portion of the community.**

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

The District's 2021 Audit has not yet been completed. The State Auditor has approved an extension of time to September 30, 2022 for the District to prepare and file its 2021 Audit. A copy of the 2021 Audit will be provided when available.

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 improvements in the report year.

The District incurred \$1,129,516 in capital expenditures in development of public improvements in the report year. The expenditure was for bond issuance costs in connection with the issuance of the District's Series 2021⁽³⁾ Bonds. See Item D. below.

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 report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term

obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year, and the current mill levy of the District pledged to debt retirement in the report year.

On December 17, 2021, the District issued its \$45,000,000 Limited Tax General Obligation Bonds, Series 2021⁽³⁾. See the District's 2021 Audit (when provided per Item B above) for further details on the District's financial obligations. The District certified a mill levy of 61.230 mills on a total assessed valuation of \$50 for general operating expenses for report year 2021, resulting in anticipated revenue of \$3. See the attached copy of the District's 2021 Budget Proceedings for more details.

RESOLUTION NO. 2020-12-02

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY

**RESOLUTION OF THE BOARD OF DIRECTORS OF
RRC METROPOLITAN DISTRICT NO. 2, JEFFERSON COUNTY, COLORADO,
PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND
REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING
SUMS OF MONEY FOR THE BUDGET YEAR 2021**

A. The Board of Directors of the RRC Metropolitan District No. 2 (the “**District**”) has appointed Simmons & Wheeler, P.C. to prepare and submit a proposed budget to said governing body at the proper time.

B. Simmons & Wheeler, P.C. has submitted a proposed budget to this governing body on October 15, 2020 for its consideration.

C. 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, a public hearing was held on December 7, 2020, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues 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 RRC METROPOLITAN DISTRICT NO. 2, JEFFERSON COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND
APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on December 7, 2020.

RRC METROPOLITAN DISTRICT NO. 2

By: John Cheney
President

Attest:

By: Jennifer Waiton
Secretary

EXHIBIT A

Budget

RRC METROPOLITAN DISTRICT NO. 2
2021
BUDGET MESSAGE

Attached please find a copy of the adopted 2021 budget for the RRC Metropolitan District No. 2.

The RRC Metropolitan District No. 2 has adopted budgets for two funds, a General Fund to provide for general operating expenditures; and a Capital Projects Fund to provide for capital improvements to be built for the benefit of the district.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary source of revenue for the District in 2021 will be developer advances. The District intends to impose a 61.230 mill levy on property within the District for 2021, which is dedicated to the General Fund.

RRC Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2021

	Actual 2019	Adopted Budget 2020	Actual 6/30/2020	Estimated 2020	Adopted Budget 2021
Beginning fund balance	\$ 4	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	2	2	2	2	3
Developer advances	3,117	10,000	3,138	3,138	10,000
Total revenues	3,119	10,002	3,140	3,140	10,003
Total funds available	3,123	10,002	3,140	3,140	10,003
Expenditures:					
Insurance/SDA dues	3,123	3,500	3,140	3,140	3,500
Contingency	-	5,002	-	-	5,003
Emergency reserve (3%)	-	1,500	-	-	1,500
Total expenditures	3,123	10,002	3,140	3,140	10,003
Ending fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Assessed valuation		\$ 50			\$ 50
Mill Levy		42.000			61.230

RRC Metropolitan District No. 2
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2021

	Actual <u>2019</u>	Adopted Budget <u>2020</u>	Actual <u>6/30/2020</u>	Estimated <u>2020</u>	Adopted Budget <u>2021</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Developer advances	-	12,000,000	-	-	12,000,000
Total revenues	-	12,000,000	-	-	12,000,000
Total funds available	-	12,000,000	-	-	12,000,000
Expenditures:					
Capital expenditures	-	12,000,000	-	-	12,000,000
Total expenditures	-	12,000,000	-	-	12,000,000
Ending fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

I, Jennifer Waiton, hereby certify that I am the duly appointed Secretary of the RRC Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the RRC Metropolitan District No. 2 held on December 7, 2020.

Jennifer Waiton

Secretary

RESOLUTION NO. 2020-12-03

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE RRC METROPOLITAN DISTRICT NO. 2 LEVYING
GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE
YEAR 2020, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2021
BUDGET YEAR**

A. The Board of Directors of the RRC Metropolitan District No. 2 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on December 7, 2020.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general operating expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt retirement expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the RRC Metropolitan District No. 2, Jefferson County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2021 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Jefferson County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on December 7, 2020.

RRC METROPOLITAN DISTRICT NO. 2

By: John Cheney
President

Attest:

By: Jennifer Watton
Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of Jefferson County, Colorado.On behalf of the RRC Metropolitan District No. 2(taxing entity)^Athe Board of Directors(governing body)^Bof the RRC Metropolitan District No. 2(local government)^C

Hereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 50
assessed valuation of:

(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 \$ 50
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:

(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: 12/11/2020 for budget/fiscal year 2021
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)**LEVY²****REVENUE²**

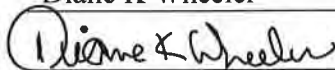
1. General Operating Expenses ^H	<u>61.230</u> mills	\$ <u>3</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	61.230 mills	\$ 3
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____

TOTAL: [Sum of General Operating
Subtotal and Lines 3 to 7]**61.230****mills****\$****3**Contact person:
(print)Diane K Wheeler

Daytime

phone: (303) 689-0833

Signed:



Title:

District Accountant

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, CO 80203. Questions? Call DLG at (303) 866-2156.

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

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, 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: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

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.

I, Jennifer Waiton, hereby certify that I am the duly appointed Secretary of the RRC Metropolitan District No. 2, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2021, duly adopted at a meeting of the Board of Directors of the RRC Metropolitan District No. 2 held on December 7, 2020.

Jennifer Waiton
Secretary