

**RAINDANCE METROPOLITAN DISTRICT NOS. 1-4
2019 ANNUAL REPORT
TO
THE TOWN OF WINDSOR**

Pursuant to the Service Plan for RainDance Metropolitan District Nos. 1-4 (each a “District” and collectively, the “Districts”), and in accordance with §32-1-207(3)(c), C.R.S., and in accordance with the requirements set forth in Section 19-1-80 of the Windsor Municipal Code, the Districts are required to submit an annual report with the Town Clerk of the Town of Windsor not later than September 1st of each year following the year in which the Order and Decree creating the Districts has been issued by the District Court in and for the County of Weld, Colorado. This report contains information relating to the following matters of the Districts that occurred in 2019:

- 1. A narrative summary of the progress of the Districts in implementing the Service Plan for the report year;**

The Districts continue to make progress in the implementation of their service plan through the provision of operations services and financing of public improvements through the issuance of debt.

- 2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts 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;**

Copies of the 2019 audits for District Nos. 1 - 3 and 2019 audit exemption applications for District No. 4 are attached hereto as **Exhibit A**.

- 3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year;**

Copies of the Districts’ 2020 Budgets are attached hereto as **Exhibit B**.

- 4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts 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 Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year and the current mill levy of the Districts pledged to debt retirement in the report year; and**

Copies of the Districts' 2020 Budgets are attached hereto as **Exhibit B**.

Assessed Valuation of all taxable property within the Districts for the report year, as certified by the Weld County Assessor:

RainDance MD No. 1	\$88,047,060
RainDance MD No. 2	\$1,068,210
RainDance MD No. 3	\$4,075,930
RainDance MD No. 4	\$133,780

5. Any other information deemed relevant by the Town Board or deemed reasonably necessary by the Town Manager;

None.

6. Copies of developer Reimbursement Agreements or amendments thereto made in the applicable year;

District No. 1 entered into the following agreements (attached hereto as **Exhibit C**) providing the process by which the developer may seek reimbursement from the Districts for costs related to the construction of public improvements:

- Infrastructure Acquisition and Reimbursement Agreement with Trollco, Inc.

7. Copies of documentation, such as acceptance letters or resolution packages, substantiating that developer reimbursement for property or services obtained by the developer on the Districts' behalf do not exceed fair market value.

District No. 1 undertook the acceptance of costs from developers in 2019 in the aggregate amount of \$3,982,570. The corresponding resolution packages are attached hereto as **Exhibit D**.

- Resolution re Acceptance of District Eligible Costs, Covered Bridge & Entry Ponds, 2019.
- Resolution re Acceptance of District Eligible Costs, WCR Roundabout, 2019.

EXHIBIT A
2019 Audits for District Nos. 1-3
&
2019 Audit Exemption Applications for District No. 4

**RAINDANCE METROPOLITAN DISTRICT NO. 1
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019


**RAINDANCE METROPOLITAN DISTRICT NO. 1
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Report of Independent Certified Public Accountants

To the Board of Directors
Raindance Metropolitan District No. 1

We have audited the accompanying financial statements of the governmental activities and the major funds of Raindance Metropolitan District No. 1 as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Raindance Metropolitan District No. 1, as of December 31, 2019 and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

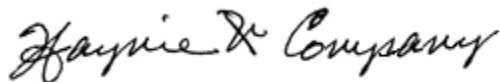
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Raindance Metropolitan District No. 1's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The continuing disclosure annual financial information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Littleton, Colorado
July 6, 2020

BASIC FINANCIAL STATEMENTS

**RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 1,191,191
Cash and Investments - Restricted	21,000
Receivable - County Treasurer	840
Accounts Receivable	949
Prepaid Insurance	1,600
Due from District No. 2	67,308
Due from District No. 3	534
Due from District No. 4	1,887
Property Taxes Receivable	3,433,835
Capital Assets, Not Being Depreciated	17,888,506
Capital Assets, Net	874,016
Total Assets	23,481,666
LIABILITIES	
Accounts Payable	349,257
Prepaid Assessments	4,257
Due to District No.3	194,035
Noncurrent Liabilities:	
Due in More Than One Year	505,472
Total Liabilities	1,053,021
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	3,433,835
Total Deferred Inflows of Resources	3,433,835
NET POSITION	
Net Investment in Capital Assets	874,016
Restricted for:	
Emergency Reserves	21,000
Unrestricted	18,099,794
Total Net Position	\$ 18,994,810

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS					Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 679,940	\$ 903,949	\$ 87,149	\$ 2,030,235	\$ 2,341,393
Interest and Related Costs on Long-Term Debt	42,239	-	-	-	(42,239)
Total Governmental Activities	\$ 722,179	\$ 903,949	\$ 87,149	\$ 2,030,235	2,299,154
 GENERAL REVENUES					
Property Taxes					147,215
Specific Ownership Taxes					9,966
Easement and Other Revenues					370,400
Total General Revenues					527,581
 CHANGE IN NET POSITION					
Net Position - Beginning of Year					16,168,075
 NET POSITION - END OF YEAR					
					\$ 18,994,810

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 1,191,191	\$ -	\$ 1,191,191
Cash and Investments - Restricted	21,000	-	21,000
Receivable - County Treasurer	840	-	840
Accounts Receivable	949	-	949
Prepaid Insurance	1,600	-	1,600
Due from District No. 2	67,308	-	67,308
Due from District No. 3	534	-	534
Due from District No. 4	1,887	-	1,887
Property Taxes Receivable	3,433,835	-	3,433,835
Total Assets	\$ 4,719,144	\$ -	\$ 4,719,144
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 349,257	\$ -	\$ 349,257
Prepaid Assessments	4,257	-	4,257
Due to District No. 3	194,035	-	194,035
Total Liabilities	547,549	-	547,549
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	3,433,835	-	3,433,835
Total Deferred Inflows of Resources	3,433,835	-	3,433,835
FUND BALANCES			
Nonspendable:			
Prepaid Insurance	1,600	-	1,600
Restricted:			
Emergency Reserves	21,000	-	21,000
Unrestricted:			
General Government	715,160	-	715,160
Total Fund Balances	737,760	-	737,760
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,719,144	\$ -	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, Not Being Depreciated	17,888,506
Capital Assets, Net	874,016

Long-term liabilities, including Developer advances, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds

Developer Advance Payable	(409,915)
Developer Advance Interest Payable	(95,557)

Net Position of Governmental Activities	\$ 18,994,810
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See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 147,215	\$ -	\$ 147,215
Specific Ownership Taxes	9,966	-	9,966
Transfers from District No. 2	74,014	-	74,014
Transfers from District No. 3	9,410	1,020,332	1,029,742
Transfers from District No. 4	3,725	-	3,725
Easement Payment	25,051	-	25,051
Water Meter Fees	820,000	-	820,000
Service Fees	83,949	-	83,949
Other Revenue	345,349	1,009,903	1,355,252
Total Revenues	<u>1,518,679</u>	<u>2,030,235</u>	<u>3,548,914</u>
EXPENDITURES			
Accounting	75,640	-	75,640
Audit	9,600	-	9,600
County Treasurer's Fees	2,208	-	2,208
District Events	44,100	-	44,100
Dues and Licenses	2,683	-	2,683
Engineering - Cost Certification	4,942	-	4,942
Equipment Repairs and Maintenance	8,914	-	8,914
Insurance	11,812	-	11,812
Legal	86,180	-	86,180
Lifestyle Director Fees	62,371	-	62,371
Miscellaneous	13,251	-	13,251
Snow Removal	18,164	-	18,164
Utilities	25,260	-	25,260
Water Meters and Installations	904,154	-	904,154
Water Purchases	86,917	-	86,917
District Manager & Staff	197,760	-	197,760
Parks and Recreation	-	505,593	505,593
Softcosts	-	88,858	88,858
Streets	-	1,859,592	1,859,592
Total Expenditures	<u>1,553,956</u>	<u>2,454,043</u>	<u>4,007,999</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(35,277)	(423,808)	(459,085)
OTHER FINANCING SOURCES (USES)			
Developer Advances	197,760	2,212,225	2,409,985
Repayment of Developer Advances	(197,760)	(1,802,315)	(2,000,075)
Transfers (to)/from Other Funds	(13,898)	13,898	-
Total Other Financing Sources (Uses)	<u>(13,898)</u>	<u>423,808</u>	<u>409,910</u>
NET CHANGE IN FUND BALANCES	(49,175)	-	(49,175)
Fund Balances - Beginning of Year	<u>786,935</u>	<u>-</u>	<u>786,935</u>
FUND BALANCES - END OF YEAR	<u>\$ 737,760</u>	<u>\$ -</u>	<u>\$ 737,760</u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Governmental Funds \$ (49,175)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation/amortization expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay - Construction In Progress	2,454,043
Capital Outlay - Water Meters	904,154
Depreciation	(30,138)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Repayment of Developer Advances	2,000,075
Developer Advances	(2,409,985)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest on Developer advances - Change in liability	(42,239)
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Change in Net Position of Governmental Activities	\$ 2,826,735
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**RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property Taxes	\$ 147,225	\$ 147,225	\$ 147,215	\$ (10)
Specific Ownership Taxes	11,778	11,778	9,966	(1,812)
Transfers from District No. 2	75,048	75,048	74,014	(1,034)
Transfers from District No. 3	9,519	9,519	9,410	(109)
Transfers from District No. 4	3,769	3,769	3,725	(44)
Easement Payment	-	-	25,051	25,051
Water Meter Fees	777,500	777,500	820,000	42,500
Service Fees	-	-	83,949	83,949
Other Revenue	-	-	345,349	345,349
Total Revenues	1,024,839	1,024,839	1,518,679	493,840
EXPENDITURES				
General and Administrative				
Accounting	50,000	77,000	75,640	1,360
Audit	10,000	9,600	9,600	-
Banking Fees	1,000	-	-	-
Contingency	10,489	2,937	-	2,937
County Treasurer's Fees	2,208	2,208	2,208	-
Dues and Licenses	1,500	2,683	2,683	-
Engineering - Cost Certification	-	10,000	4,942	5,058
Insurance	11,200	11,812	11,812	-
Legal	50,000	87,000	86,180	820
Miscellaneous	7,000	14,000	13,251	749
Operation and Maintenance				
District Events	5,000	45,000	44,100	900
Ditch Expenses	10,000	-	-	-
Equipment Acquisition	30,000	-	-	-
Equipment Repairs and Maintenance	20,000	8,000	8,914	(914)
Lifestyle Director Fees	54,583	63,000	62,371	629
Patrol Services	30,000	-	-	-
Snow Removal	30,000	20,000	18,164	1,836
Utilities	60,000	26,000	25,260	740
Water Meters and Installations	777,500	900,000	904,154	(4,154)
Water Purchases	-	87,000	86,917	83
District Manager & Staff	197,760	197,760	197,760	-
Total Expenditures	1,358,240	1,564,000	1,553,956	10,044
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(333,401)	(539,161)	(35,277)	503,884
OTHER FINANCING SOURCES (USES)				
Developer Advance	197,760	197,760	197,760	-
Repayment of Developer Advances	(197,760)	(197,760)	(197,760)	-
Transfer to Other Fund	-	(14,000)	(13,898)	102
Total Other Financing Sources (Uses)	-	(14,000)	(13,898)	102
NET CHANGE IN FUND BALANCE				
	(333,401)	(553,161)	(49,175)	503,986
Fund Balance - Beginning of Year	585,989	786,935	786,935	-
FUND BALANCE - END OF YEAR	\$ 252,588	\$ 233,774	\$ 737,760	\$ 503,986

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 DEFINITION OF REPORTING ENTITY

Raindance Metropolitan District No. 1 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court in and for Weld County, Colorado, on June 12, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations, and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security. The District was organized in conjunction with three other related special districts – RainDance Metropolitan Districts No. 2, No. 3, and No. 4. The District serves as the Operating District which is responsible for coordinating the financing, construction, and maintenance of all Public Improvements and other services needed for RainDance Metropolitan Districts Nos. 2-4 (Financing Districts), which are responsible for providing the tax base needed to support financing of capital improvements.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2019.

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 always 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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include construction in progress and water meters, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual costs of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Water Meters

15 Years

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 1,191,191
Cash and Investments - Restricted	21,000
Total Cash and Investments	\$ 1,212,191

Cash and investments as of December 31, 2019, consist of the following:

Deposits with Financial Institutions	\$ 1,212,191
Total Deposits	\$ 1,212,191

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the District’s cash deposits had a bank balance of \$1,198,796 and carrying balance of \$1,212,191. \$250,000 per financial institution is insured through FDIC, and the balance is collateralized in single institution pools.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2019, the District had no investments.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2019 follows:

	Balance - December 31, 2018	Additions	Reductions	Balance - December 31, 2019
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 15,434,463	\$ 2,454,043	\$ -	\$ 17,888,506
Total Capital Assets, Not Being Depreciated	\$ 15,434,463	\$ 2,454,043	\$ -	\$ 17,888,506
Capital Assets, Being Depreciated:				
Water Meters	-	904,154	-	904,154
Total Capital Assets, Being Depreciated	-	904,154	-	904,154
Less Accumulated Depreciation For:				
Water Meters	-	30,138	-	30,138
Total Accumulated Depreciation	-	30,138	-	30,138
Total Capital Assets, Being Depreciated, Net	-	874,016	-	874,016
Governmental Activities Capital Assets, Net	<u>\$ 15,434,463</u>	<u>\$ 3,328,059</u>	<u>\$ -</u>	<u>\$ 18,762,522</u>

Upon completion and acceptance, a significant portion of capital assets will be conveyed by the District to other local governments. The District will not be responsible for the maintenance of those assets. Upon acceptance of the improvements by other local governments, the District will remove the cost of construction from its capital assets.

Depreciation expense was charged to the general government function on the statement of activities.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2019:

	Balance - December 31, 2018	Additions	Retirements	Balance - December 31, 2019	Due Within One Year
Developer Advances	\$ 5	\$ 2,409,985	\$ 2,000,075	\$ 409,915	\$ -
Accrued Interest on Developer Advances	53,318	42,239	-	95,557	-
Total	<u>\$ 53,323</u>	<u>\$ 2,452,224</u>	<u>\$ 2,000,075</u>	<u>\$ 505,472</u>	<u>\$ -</u>

Authorized Debt

At December 31, 2019, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 6, 2014	Authorized But Unissued
Water	\$ 93,000,000	\$ 93,000,000
Sanitation/Stormwater	93,000,000	93,000,000
Streets	93,000,000	93,000,000
Parks and Recreation	93,000,000	93,000,000
Public Transportation	93,000,000	93,000,000
Fire Protection	93,000,000	93,000,000
Mosquito Control	93,000,000	93,000,000
Safety Protection	93,000,000	93,000,000
Security	93,000,000	93,000,000
TV Relay and Translation	93,000,000	93,000,000
Operation and Maintenance	93,000,000	93,000,000
Debt Refunding	93,000,000	93,000,000
Intergovernmental Agreements	93,000,000	93,000,000
Private Agreements	93,000,000	93,000,000
Special Assessments	93,000,000	93,000,000
Total	<u>\$ 1,395,000,000</u>	<u>\$ 1,395,000,000</u>

Pursuant to the Service Plan, the maximum general obligation indebtedness for all of Financing Districts combined is not to exceed \$93,000,000.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2019, the District had net investment in capital assets totaling \$874,016.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or law and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2019, the District had restricted net position of \$21,000 in compliance with TABOR's emergency reserve requirement.

As of December 31, 2019, the District had unrestricted net position totaling \$18,099,794.

NOTE 7 AGREEMENTS

District Coordinating Services Agreement (District Nos. 1-4)

Effective as of January 1, 2018, the Districts entered into a District Coordinating Services Agreement (the "Coordinating Services Agreement") for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain of the Public Improvements within such Districts. Pursuant to the Coordinating Services Agreement, the District was designated as the "coordinating district" (the "Coordinating District") and Districts No. 2, No. 3, and No. 4 were each designated as "financing districts" (the "Financing Districts").

Common Finance Plan Resolution

On March 27, 2018, District No. 3 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the "Common Finance Plan Resolution"), pursuant to which: (i) the District and District No. 3 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse all or a portion of the capital costs related to the Public Improvements to serve RainDance; and (ii) District No. 3 declared its intent, upon issuance of its Series 2018 Bonds, to transfer all available revenues to the District for the payment of such costs, including amounts owed by the District pursuant to the Reimbursement Agreements (as defined below).

On December 5, 2019, District No. 2 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the "Common Finance Plan Resolution"), pursuant to which: (a) the District and District No. 2 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse all or a portion of the capital costs related to the Public Improvements to serve RainDance; and (b) District No. 2 declared its intent, upon issuance of its Series 2019 Bonds, to transfer all available proceeds to the District for the payment of such costs, including amounts owed by the District, pursuant to certain Reimbursement Agreement (as defined below).

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 AGREEMENTS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreements

The District and the Developer have entered into an Infrastructure Acquisition and Reimbursement Agreement dated March 1, 2018 (the "Developer Reimbursement Agreement"), and the District and a subsidiary of Journey Homes entered into a similar agreement, dated March 1, 2018 (the "JH Reimbursement Agreement" and together with Developer Reimbursement Agreement, the "Reimbursement Agreements"). Pursuant to the Reimbursement Agreements, it is be acknowledged that the Developer or Journey Homes, as applicable, has incurred certain costs related to the public infrastructure for the benefit of the District, and may incur additional costs related thereto, and that the District agrees to reimburse the Developer or Journey Homes, as applicable, for any and all costs of any kind related to the provision of the public improvements that may be lawfully funded by the District, after such costs are reviewed and certified by the District's Accountant and Engineer.

NOTE 8 INTERFUND TRANSFER

The transfer from the General Fund to the Capital Projects Fund was made to help pay certain capital related expenses.

NOTE 9 RELATED PARTIES

The Developer of the property which constitutes the District is RainDance Land Company, LLC, a Delaware limited liability company (Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

RAINDANCE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2019, the District determined its required emergency reserve to be approximately \$21,000.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**RAINDANCE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Transfers from District No. 3	\$ 1,005,125	\$ 1,024,113	\$ 1,020,332	\$ (3,781)
Other Revenue		1,009,900	1,009,903	\$ 3
Total Revenues	<u>1,005,125</u>	<u>2,034,013</u>	<u>2,030,235</u>	<u>(3,778)</u>
EXPENDITURES				
Softcosts	49,061	89,000	88,858	142
Covered Bridge	78,974	-	-	-
Parks and Recreation	-	506,000	505,593	407
Streets	520,011	1,860,000	1,859,592	408
Water	161,505	-	-	-
Sanitation / Storm Sewer	195,514	-	-	-
Safety	60	-	-	-
Total Expenditures	<u>1,005,125</u>	<u>2,455,000</u>	<u>2,454,043</u>	<u>957</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(420,987)	(423,808)	(2,821)
OTHER FINANCING SOURCES (USES)				
Developer Advances	1,005,125	2,213,000	2,212,225	(775)
Repayment of Developer Advances	(1,005,125)	(1,803,000)	(1,802,315)	685
Transfer from Other Fund	-	10,987	13,898	2,911
Total Other Financing Sources (Uses)	<u>-</u>	<u>420,987</u>	<u>423,808</u>	<u>2,821</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**RAINDANCE METROPOLITAN DISTRICT NO. 1
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2019**

<u>Year Ended December 31,</u>	<u>Assessed Valuation</u>	<u>Mill Levy</u>		<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2015	\$ 880,640	39.000	0.000	\$ 34,345	\$ 33,830	98.50 %
2016	2,110,540	39.000	0.000	82,311	82,311	100.00
2017	602,110	39.000	0.000	23,482	23,482	100.00
2018	14,460	39.000	0.000	564	564	100.00
2019	3,775,010	39.000	0.000	147,225	147,215	99.99
Estimated for Year Ending December 31, 2020	\$ 88,047,060	39.000	0.000	\$ 3,433,835		

RAINDANCE METROPOLITAN DISTRICT NO. 2
Weld County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

**RAINDANCE METROPOLITAN DISTRICT NO. 2
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YEAR ENDED DECEMBER 31, 2019**

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Independent Auditor's Report

Members of the Board of Directors
Raindance Metropolitan District No. 2

We have audited the accompanying financial statements of the governmental activities and the major funds of Raindance Metropolitan District No. 2 as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Raindance Metropolitan District No. 2, as of December 31, 2019 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

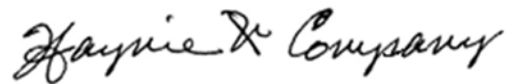
Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Raindance Metropolitan District No. 2's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
July 16, 2020

BASIC FINANCIAL STATEMENTS

RAINDANCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Cash and Investments	\$ 40,806
Cash and Investments - Restricted	23,559,352
Receivable from County Treasurer	402
Property Tax Receivable	46,380
Total Assets	23,646,940
LIABILITIES	
Accounts Payable	28,000
Due to District No. 1	67,307
Bonds Interest Payable	29,501
Noncurrent Liabilities:	
Due in More Than One Year	24,357,025
Total Liabilities	24,481,833
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	46,380
Total Deferred Inflows of Resources	46,380
NET POSITION	
Unrestricted	(881,273)
Total Net Position	\$ (881,273)

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 75,071	\$ -	\$ -	\$ -	
Interest and Related Costs on Long-Term Debt	881,273	-	-	(881,273)	
	\$ 956,344	\$ -	\$ -	(956,344)	
Total Governmental Activities	\$ 956,344	\$ -	\$ -	(956,344)	
GENERAL REVENUES					
				70,468	
				4,603	
				75,071	
CHANGE IN NET POSITION					
				(881,273)	
				-	
				\$ (881,273)	

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 40,806	\$ -	\$ -	\$ 40,806
Cash and Investments - Restricted	-	4,430,185	19,129,167	23,559,352
Receivable from County Treasurer	402	-	-	402
Property Tax Receivable	46,380	-	-	46,380
	<u>\$ 87,588</u>	<u>\$ 4,430,185</u>	<u>\$ 19,129,167</u>	<u>\$ 23,646,940</u>
Total Assets				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 28,000	28,000
Due to District No. 1	41,203	-	26,104	67,307
Total Liabilities	<u>41,203</u>	<u>-</u>	<u>54,104</u>	<u>95,307</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	46,380	-	-	46,380
Total Deferred Inflows of Resources	<u>46,380</u>	<u>-</u>	<u>-</u>	<u>46,380</u>
FUND BALANCES				
Restricted:				
Debt Service	-	4,430,185	-	4,430,185
Capital Projects	-	-	19,075,063	19,075,063
Unrestricted:				
General Government	5	-	-	5
Total Fund Balances	<u>5</u>	<u>4,430,185</u>	<u>19,075,063</u>	<u>23,505,253</u>
	<u>\$ 87,588</u>	<u>\$ 4,430,185</u>	<u>\$ 19,129,167</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances				

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Bonds Interest Payable	(29,501)
Bonds Payable	(24,357,020)
Developer Advance Payable	(5)
Subtotal	<u>(24,386,526)</u>

Net Position of Governmental Activities	<u>\$ (881,273)</u>
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See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 70,468	\$ -	\$ -	\$ 70,468
Specific Ownership Taxes	4,603	-	-	4,603
Total Revenues	<u>75,071</u>	<u>-</u>	<u>-</u>	<u>75,071</u>
EXPENDITURES				
County Treasurer's Fees	1,057	-	-	1,057
Transfer to District No. 1	74,014	-	-	74,014
Bond Issue Cost	-	-	851,772	851,772
Total Expenditures	<u>75,071</u>	<u>-</u>	<u>851,772</u>	<u>926,843</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(851,772)	(851,772)
OTHER FINANCING SOURCES (USES)				
Transfers (to)/from Other Funds	-	4,430,185	(4,430,185)	-
Bond Issuance- Series 2019A	-	-	19,310,000	19,310,000
Bond Issuance- Series 2019B	-	-	4,575,000	4,575,000
Bond Premium- Series 2019A	-	-	472,020	472,020
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,430,185</u>	<u>19,926,835</u>	<u>24,357,020</u>
NET CHANGE IN FUND BALANCES	-	4,430,185	19,075,063	23,505,248
Fund Balances - Beginning of Year	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
FUND BALANCES - END OF YEAR	<u>\$ 5</u>	<u>\$ 4,430,185</u>	<u>\$ 19,075,063</u>	<u>\$ 23,505,253</u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Governmental Funds \$ 23,505,248

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Issuance (24,357,020)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Interest on Bonds - Change in Liability (29,501)

Change in Net Position of Governmental Activities \$ (881,273)

**RAINDANCE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 70,468	\$ 70,468	\$ -
Specific Ownership Taxes	5,637	4,603	(1,034)
Total Revenues	<u>76,105</u>	<u>75,071</u>	<u>(1,034)</u>
EXPENDITURES			
County Treasurer's Fees	1,057	1,057	-
Transfer to District No. 1	75,048	74,014	1,034
Total Expenditures	<u>76,105</u>	<u>75,071</u>	<u>1,034</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>5</u>	<u>5</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 DEFINITION OF REPORTING ENTITY

Raindance Metropolitan District No. 2 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree issued by the District Court in and for Weld County, Colorado, on June 6, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations, and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security. The District was organized in conjunction with three other related metropolitan districts – RainDance Metropolitan Districts No. 1, No. 3, and No. 4. RainDance Metropolitan District No. 1 serves as the Operating District which is responsible for coordinating the financing, construction, and maintenance of all Public Improvements and other services needed for RainDance Metropolitan District Nos. 2 - 4 (Financing Districts, and together with the District, the “Districts”), which are responsible for providing the tax base needed to support financing of capital improvements and operations and maintenance.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest and other costs related to the Series 2019 Bonds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2019.

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 always 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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 40,806
Cash and Investments - Restricted	23,559,352
Total Cash and Investments	<u>\$ 23,600,158</u>

RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2019, consist of the following:

Deposits with Financial Institutions	<u>\$ 23,600,158</u>
Total Deposits	<u><u>\$ 23,600,158</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the District's cash deposits had a bank and carrying balance of \$23,600,158.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2019, the District had no investments.

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2019:

<u>Governmental Activities</u>	Balance - December 31, 2018	Additions	Retirements	Balance - December 31, 2019	Due Within One Year
Limited Tax General					
Obligation Bonds:					
Series 2019A	\$ -	\$ 19,310,000	\$ -	\$ 19,310,000	\$ -
Series 2019A - Premium	-	472,020	-	472,020	-
Series 2019B	-	4,575,000	-	4,575,000	-
Developer Advances	5	-	-	5	-
Total	<u>\$ 5</u>	<u>\$ 24,357,020</u>	<u>\$ -</u>	<u>\$ 24,357,025</u>	<u>\$ -</u>

The details of the District's long-term obligations are as follows:

The District issued **Limited Tax General Obligation Bonds, Series 2019A** (the Senior Bonds) and **Subordinate Limited Tax General Obligation Bonds, Series 2019B** (the "Subordinate Bonds" and together with the Senior Bonds, the "Bonds") on December 20, 2019, in the amounts of \$19,310,000 and \$4,575,000, respectively.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Use of Proceeds

Proceeds from the sale of the Bonds will be used to finance certain public infrastructure. A portion of the proceeds of the Senior Bonds were also used to fund: (a) the Reserve Fund, (b) capitalized interest, and (c) the costs of issuing the Bonds.

Optional Redemption

Both the Senior Bonds and the Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2024 and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2024 to November 30, 2025	3.00%
December 1, 2025 to November 30, 2026	2.00
December 1, 2026 to November 30, 2027	1.00
December 1, 2027 and thereafter	0.00

Senior Bonds Details

The Senior Bonds bear interest at 5%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1 (Interest Payment Dates), beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2025. The Bonds mature on December 1, 2049.

To the extent principal of any Senior Bond is not paid when due, such principal will remain outstanding until paid. To the extent interest on any Senior Bond is not paid when due, such unpaid interest will compound semi-annually on each Interest Payment Date.

Senior Pledged Revenue

The Senior Bonds are secured by and payable from the Senior Pledged Revenue consisting of the following revenues, net of any costs of collection:

- a) all Senior Property Tax Revenues;
- b) all Senior Specific Ownership Tax Revenues; and
- c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Property Tax Revenues

Senior Property Tax Revenues means all moneys derived from imposition by the District of the Senior Required Mill Levy. Senior Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Required Mill Levy

The District has covenanted to impose a Senior Required Mill Levy each year in an amount sufficient to pay the principal of, premium if any, and interest on the Senior Bonds as they become due and payable and to replenish the Reserve Fund to the Reserve Requirement, but not in excess of 39 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2014) less the then-applicable Permitted O&M Mill Levy. However, for so long as the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy will be 39 mills (subject to adjustment) less the then-applicable Permitted O&M Mill Levy. The Permitted O&M Mill Levy is generally the maximum mill levy needed to generate property taxes, net of collection costs, in the amount of \$50,000 for 2020 and inflated 1% per year thereafter.

Reserve Fund

The Senior Bonds are also secured by amounts on deposit in the Reserve Fund, which were funded with proceeds of the Senior Bonds in the amount of \$1,549,250.

Surplus Fund

Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$780,000. Amounts on deposit in the Surplus Fund (if any) on the final maturity date of the Senior Bonds will be applied to the payment of the Senior Bonds.

Subordinate Bonds Details

The Subordinate Bonds bear interest at 7.5% and are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the Subordinate Bonds prior to their maturity date. Rather, principal on the Subordinate Bonds is payable annually on each December 15 from, and to the extent of, Subordinate Pledged Revenue. Interest on the Subordinate Bonds is payable on each December 15, commencing December 15, 2020, to the extent of the Subordinate Pledged Revenue. Accrued unpaid interest on the Subordinate Bonds will compound annually on each December 15.

In the event that any amount of principal of or interest on the Subordinate Bonds remains unpaid on December 15, 2059, the Subordinate Bonds will be deemed discharged.

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable from the Subordinate Pledged Revenue, consisting of the following revenues, net of any costs of collection:

- a) all Subordinate Property Tax Revenues;
- b) all Subordinate Specific Ownership Tax Revenues; and
- c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Property Tax Revenues

Subordinate Property Tax Revenues include all moneys derived from imposition by the District of the Subordinate Required Mill Levy. Subordinate Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

Subordinate Required Mill Levy

The District has covenanted to impose a Subordinate Required Mill Levy in the amount of (i) 39 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2014) less the Senior Required Mill and less the then-applicable Permitted O&M Mill Levy, or (ii) such lesser mill levy that will generate Subordinate Property Tax Revenues which will pay the Subordinate Bonds in full. As a result, the Subordinate Required Mill Levy will be zero at any time that the Senior Required Mill Levy, together with the then-applicable Permitted O&M Mill Levy, is equal to 39 mills, as adjusted.

2019A Senior Bonds Debt Service

The outstanding principal and interest of the 2019A Senior Bonds are due as follows:

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 914,543	\$ 914,543
2021	-	965,500	965,500
2022	-	965,500	965,500
2023	-	965,500	965,500
2024	-	965,500	965,500
2025 – 2029	1,275,000	4,735,500	6,010,500
2030 – 2034	2,315,000	4,294,750	6,609,750
2035 – 2039	3,290,000	3,623,500	6,913,500
2040 – 2044	4,615,000	2,675,250	7,290,250
2045 – 2049	7,815,000	1,364,750	9,179,750
Total	<u>\$ 19,310,000</u>	<u>\$ 21,470,293</u>	<u>\$ 40,780,293</u>

The annual debt service requirements on the 2019B Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2019, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 6, 2014	Authorization Used for 2019 Bonds	Authorized But Unissued
Water	\$ 93,000,000	\$ -	\$ 93,000,000
Sanitation/Stormwater	93,000,000	-	93,000,000
Streets	93,000,000	-	93,000,000
Parks and Recreation	93,000,000	-	93,000,000
Public Transportation	93,000,000	-	93,000,000
Fire Protection	93,000,000	-	93,000,000
Mosquito Control	93,000,000	-	93,000,000
Safety Protection	93,000,000	-	93,000,000
Security	93,000,000	-	93,000,000
TV Relay and Translation	93,000,000	-	93,000,000
Operation and Maintenance	93,000,000	-	93,000,000
Debt Refunding	93,000,000	-	93,000,000
Intergovernmental Agreements	93,000,000	-	93,000,000
Private Agreements	93,000,000	-	93,000,000
Special Assessments	93,000,000	-	93,000,000
2019 Bonds - To Be Allocated	-	23,885,000	(23,885,000)
Total	<u>\$1,395,000,000</u>	<u>\$ 23,885,000</u>	<u>\$1,371,115,000</u>

Pursuant to the Service Plan, the maximum general obligation indebtedness for all of Financing Districts combined is not to exceed \$93,000,000.

NOTE 5 NET POSITION

The District has net position consisting of one component – unrestricted.

As of December 31, 2019, the District has a deficit in unrestricted net position, mainly due to costs of issuing the Bonds, which costs (expenses) were paid from proceeds of the Bonds Payable.

NOTE 6 AGREEMENTS/RESOLUTIONS

District Coordinating Services Agreement (District Nos. 1-4)

Effective as of January 1, 2018, the Districts entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain of the Public Improvements within such Districts.

RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 AGREEMENTS/RESOLUTIONS (CONTINUED)

District Coordinating Services Agreement (District Nos. 1-4) (Continued)

Pursuant to the Coordinating Services Agreement, District No. 1 was designated as the “coordinating district” (the Coordinating District). The District, District No. 3, and District No. 4 were each designated as “financing districts” (the Financing Districts).

Common Finance Plan Resolution and Infrastructure Acquisition and Reimbursement Agreement

On December 5, 2019, District No. 1 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the Common Finance Plan Resolution), pursuant to which: (a) the District and District No. 1 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse from the Bonds all or a portion of the capital costs related to the Public Improvements to serve RainDance; and (b) the District declared its intent, upon issuance of the Bonds, to transfer all available proceeds to District No. 1 for the payment of such costs, including amounts owed by District No. 1, pursuant to certain Reimbursement Agreement.

District No. 1 and the Developer have entered into an Infrastructure Acquisition and Reimbursement Agreement dated March 1, 2018 (the Reimbursement Agreement). Pursuant to the Reimbursement Agreement, it is acknowledged that the Developer has incurred certain costs related to the public infrastructure for the benefit of RainDance community, and may incur additional costs related thereto during a period when District No. 1 is unable to fund such costs, and District No. 1 and the Developer desire to establish terms and conditions under which District No. 1 (a) shall reimburse the Developer for any and all costs of any kind related to the provision of the Public Improvements that may be lawfully funded by District No. 1 under the Special District Act and the Service Plan (collectively, “District Eligible Costs”) which are subject to an Accountant’s Cost Certification and Engineer’s Cost Certification (Certified District Eligible Costs) to the extent constituting repayment obligations under the Reimbursement Agreement; (b) may acquire any such Public Improvements constructed for the benefit of RainDance community that are to be owned by District No. 1 from the Developer and shall pay Certified District Eligible Costs; and (c) shall reimburse the Developer for Certified District Eligible Costs incurred by the Developer for Public Improvements that are being dedicated to the Town or other governmental entities.

NOTE 7 INTERFUND TRANSFERS

The transfer of \$4,430,185 from the Capital Projects Fund to the Debt Service Fund represents funds for the payment of future bond interest, cost of issuance, as well as to establish a reserve account in connection with the Bonds.

RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 RELATED PARTIES

The Developer of the property which constitutes the District is RainDance Land Company, LLC, a Delaware limited liability company (Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. On May 6, 2014, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District transfers its net operating revenue to District No. 1. Therefore, the Emergency Reserves related to the District's revenues are reported in District No. 1

**RAINDANCE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**RAINDANCE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Total Expenditures	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	-	4,430,185	4,430,185
Total Other Financing Sources (Uses)	-	4,430,185	4,430,185
NET CHANGE IN FUND BALANCE	-	4,430,185	4,430,185
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 4,430,185</u>	<u>\$ 4,430,185</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Bond Issue Cost	-	900,000	851,772	48,228
Total Expenditures	-	900,000	851,772	48,228
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	(900,000)	(851,772)	48,228
OTHER FINANCING SOURCES (USES)				
Bond Issuance- Series 2019A	-	19,310,000	19,310,000	-
Bond Issuance- Series 2019B	-	4,575,000	4,575,000	-
Bond Premium- Series 2019A	-	472,020	472,020	-
Transfers to Other Fund	-	(4,500,000)	(4,430,185)	69,815
Total Other Financing Sources (Uses)	-	19,857,020	19,926,835	69,815
NET CHANGE IN FUND BALANCE				
	-	18,957,020	19,075,063	118,043
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ 18,957,020	\$ 19,075,063	\$ 118,043

**RAINDANCE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$19,310,000 Limited Tax General Obligation Bonds Series 2019A Interest 5.00% Dated December 20, 2019 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2020	\$ -	\$ 914,543	\$ 914,543
2021	-	965,500	965,500
2022	-	965,500	965,500
2023	-	965,500	965,500
2024	-	965,500	965,500
2025	60,000	965,500	1,025,500
2026	220,000	962,500	1,182,500
2027	300,000	951,500	1,251,500
2028	340,000	936,500	1,276,500
2029	355,000	919,500	1,274,500
2030	400,000	901,750	1,301,750
2031	420,000	881,750	1,301,750
2032	465,000	860,750	1,325,750
2033	490,000	837,500	1,327,500
2034	540,000	813,000	1,353,000
2035	565,000	786,000	1,351,000
2036	620,000	757,750	1,377,750
2037	650,000	726,750	1,376,750
2038	710,000	694,250	1,404,250
2039	745,000	658,750	1,403,750
2040	815,000	621,500	1,436,500
2041	855,000	580,750	1,435,750
2042	925,000	538,000	1,463,000
2043	970,000	491,750	1,461,750
2044	1,050,000	443,250	1,493,250
2045	1,100,000	390,750	1,490,750
2046	1,185,000	335,750	1,520,750
2047	1,245,000	276,500	1,521,500
2048	1,335,000	214,250	1,549,250
2049	2,950,000	147,500	3,097,500
Total	<u>\$ 19,310,000</u>	<u>\$ 21,470,293</u>	<u>\$ 40,780,293</u>

**ANNUAL INFORMATION REQUIRED
BY THE CONTINUING DISCLOSURE AGREEMENT
RELATED TO THE LIMITED TAX GENERAL
OBLIGATION BONDS, SERIES 2019A AND B (“2019 CDA”)**

**RAINDANCE METROPOLITAN DISTRICT NO. 2
OTHER INFORMATION FOR 2019 CDA
DECEMBER 31, 2019**

**HISTORY OF ASSESSED VALUATIONS, MILL LEVIES
AND PROPERTY TAX COLLECTIONS IN THE DISTRICT
2019 CDA FORM SECTION 3**

Year Ended December 31,		Assessed Valuation	Percent Change	Mill Levy			Total Property Taxes		Percent Collected to Levied
Levy Year	Collection Year			General	Debt Service	Total	Levied	Collected	
2014	2015	\$ 11,280	N/A	39.000	0.000	39.000	\$ 440	\$ 440	100.00 %
2015	2016	2,510,450	22155.76 %	39.000	0.000	39.000	97,908	97,908	100.00
2016	2017	24,564,800	878.50	39.000	0.000	39.000	958,027	958,027	100.00
2017	2018	7,948,670	(67.64)	39.000	0.000	39.000	309,998	309,998	100.00
2018	2019	1,806,860	(77.27)	39.000	0.000	39.000	70,468	70,468	100.00
Estimated for Year Ending December 31,									
2019	2020	\$ 1,068,210	(40.88)%	43.418	0.000	43.418	\$ 46,380		

**RAINDANCE METROPOLITAN DISTRICT NO. 3
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019


**RAINDANCE METROPOLITAN DISTRICT NO. 3
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Independent Auditor's Report

Members of the Board of Directors
Raindance Metropolitan District No. 3

We have audited the accompanying financial statements of the governmental activities and the major funds of Raindance Metropolitan District No. 3 as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Raindance Metropolitan District No. 3, as of December 31, 2019 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Raindance Metropolitan District No. 3's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The continuing disclosure annual financial information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Harpis & Company

Littleton, Colorado
July 6, 2020

BASIC FINANCIAL STATEMENTS

**RAINDANCE METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 488
Cash and Investments - Restricted	2,441,188
Receivable from County Treasurer	51
Due from District No. 1	194,035
Interest Receivable	11,826
Property Tax Receivable	176,969
Total Assets	2,824,557
LIABILITIES	
Due to District No. 1	534
Accrued Bonds Interest Payable	78,823
Noncurrent Liabilities:	
Due in More Than One Year	19,290,005
Total Liabilities	19,369,362
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	176,969
Total Deferred Inflows of Resources	176,969
NET POSITION	
Restricted for:	
Debt Service	1,144,511
Unrestricted	(17,866,285)
Total Net Position	\$ (16,721,774)

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 1,029,876	\$ -	\$ -	\$ -	\$ (1,029,876)
Interest and Related Costs on Long-Term Debt	956,940	-	-	820,000	(136,940)
	<u>\$ 1,986,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 820,000</u>	<u>(1,166,816)</u>
GENERAL REVENUES					
					8,939
					605
					105,836
					<u>115,380</u>
CHANGE IN NET POSITION					(1,051,436)
					<u>(15,670,338)</u>
NET POSITION - END OF YEAR					<u><u>\$ (16,721,774)</u></u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 488	\$ -	\$ -	\$ 488
Cash and Investments - Restricted	-	2,441,148	40	2,441,188
Receivable from County Treasurer	51	-	-	51
Due from District No. 1	-	194,035	-	194,035
Interest Receivable	-	11,826	-	11,826
Property Tax Receivable	50,497	126,472	-	176,969
	<u>\$ 51,036</u>	<u>\$ 2,773,481</u>	<u>\$ 40</u>	<u>\$ 2,824,557</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to District No. 1	\$ 534	\$ -	\$ -	\$ 534
Total Liabilities	<u>534</u>	<u>-</u>	<u>-</u>	<u>534</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	50,497	126,472	-	176,969
Total Deferred Inflows of Resources	<u>50,497</u>	<u>126,472</u>	<u>-</u>	<u>176,969</u>
FUND BALANCES				
Restricted:				
Debt Service	-	2,647,009	-	2,647,009
Capital Projects	-	-	40	40
Unrestricted:				
General Government	5	-	-	5
Total Fund Balances	<u>5</u>	<u>2,647,009</u>	<u>40</u>	<u>2,647,054</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,036</u>	<u>\$ 2,773,481</u>	<u>\$ 40</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.				
Accrued Bonds Interest Payable				(78,823)
Bonds Payable				(19,290,000)
Developer Advance Payable				(5)
Subtotal				<u>(19,368,828)</u>
Net Position of Governmental Activities				<u>\$ (16,721,774)</u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 8,939	\$ -	\$ -	\$ 8,939
Specific Ownership Taxes	605	-	-	605
Interest Income	-	90,589	15,247	105,836
Facilities Fees	-	820,000	-	820,000
Total Revenues	<u>9,544</u>	<u>910,589</u>	<u>15,247</u>	<u>935,380</u>
EXPENDITURES				
Bond interest - Series 2018A	-	945,875	-	945,875
County Treasurer's Fees	134	-	-	134
Investment Advisory Fees	-	5,065	-	5,065
Paying agent fees	-	6,000	-	6,000
Transfer to District No. 1	9,410	-	1,020,332	1,029,742
Total Expenditures	<u>9,544</u>	<u>956,940</u>	<u>1,020,332</u>	<u>1,986,816</u>
NET CHANGE IN FUND BALANCES	-	(46,351)	(1,005,085)	(1,051,436)
Fund Balances - Beginning of Year	<u>5</u>	<u>2,693,360</u>	<u>1,005,125</u>	<u>3,698,490</u>
FUND BALANCES - END OF YEAR	<u>\$ 5</u>	<u>\$ 2,647,009</u>	<u>\$ 40</u>	<u>\$ 2,647,054</u>

Amounts reported for governmental activities in the statement of activities are the same as above.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 8,938	\$ 8,939	\$ 1
Specific Ownership Taxes	715	605	(110)
Total Revenues	<u>9,653</u>	<u>9,544</u>	<u>(109)</u>
EXPENDITURES			
County Treasurer's Fees	134	134	-
Transfer to District No. 1	9,519	9,410	109
Total Expenditures	<u>9,653</u>	<u>9,544</u>	<u>109</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>5</u>	<u>5</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>

See accompanying Notes to Basic Financial Statements.

RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 DEFINITION OF REPORTING ENTITY

Raindance Metropolitan District No. 3 (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree issued by the District Court in and for Weld County, Colorado, on June 6, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations, and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security. The District was organized in conjunction with three other related metropolitan districts – RainDance Metropolitan Districts No. 1, No. 2, and No. 4. RainDance Metropolitan District No. 1 serves as the Operating District which is responsible for coordinating the financing, construction, and maintenance of all Public Improvements and other services needed for RainDance Metropolitan District Nos. 2 - 4 (Financing Districts, and together with the District, the “Districts,”) which are responsible for providing the tax base needed to support financing of capital improvements and operations and maintenance

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest and other costs related to the Series 2018 Bonds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2019

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 always 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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 488
Cash and Investments - Restricted	2,441,188
Total Cash and Investments	<u>\$ 2,441,676</u>

RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2019, consist of the following:

Deposits with Financial Institutions	\$ 488
Investments	<u>2,441,188</u>
Total Cash and Investments	<u><u>\$ 2,441,676</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the District's cash deposits had a bank balance and carrying balance of \$488.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- * Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- * General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE (which are recorded at amortized cost), and COLOTRUST (which are recorded at net asset value).

As of December 31, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 412,230
US Treasury/Government-Sponsored Enterprises (GSEs)	Average 1.95 years	1,847,659
Municipal Bonds	Average 0.74 years	181,299
Total		<u>\$ 2,441,188</u>

RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

US Treasury/Government-Sponsored Enterprises, Corporate and Municipal Bonds

Debt service monies held in trust by UMB Bank in the Capitalized Interest Fund and Debt Reserve Fund were invested in US Treasury/Government-Sponsored Enterprise Bonds (AA+ ratings), Corporate Bonds (AA+ ratings), and Municipal Bonds (AAA, AA+ and AA- ratings). Average maturities by fund for the Capitalized Interest Fund and Reserve Fund are 0.73 years and 2.58 years respectively.

The District has engaged the services of a registered Investment Advisor (providing financial advisory and asset management services) to receive financial advice and to assist in the management of these funds, including the buying and selling of securities held in such portfolio. The funds' December 31, 2019 statements indicated that, (i) the major source for security ratings is a composite rating provided by Bloomberg Information Services, which a blend of ratings from the major rating agencies, (ii) when only one agency rating is available, that rating will be used, (iii) when no rating is available, the security will be classified as non-rated (NR), (iv) securities that hold ratings below investment grade (lower than BBB) will be referenced as BIG, (v) regardless of a security's rating, if it is pre-funded, it is shown as PREF, (vi) short-term Federal Agency Obligations are obligations of US Government-sponsored enterprises (GSEs), which are typically rated AAA, (vii) GSEs have a long-term AA+ rating by the major rating agencies, and (viii) short-term obligation of GSEs that are not explicitly rated are regarded as AA+ quality.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2019:

<u>Governmental Activities</u>	Balance - December 31, 2018	Additions	Retirements	Balance - December 31, 2019	Due Within One Year
Limited Tax General					
Obligation Bonds:					
Series 2018A	\$ 16,450,000	\$ -	\$ -	\$ 16,450,000	\$ -
Series 2018B	2,840,000	-	-	2,840,000	-
Developer Advances	5	-	-	5	-
Total	<u>\$ 19,290,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,290,005</u>	<u>\$ -</u>

The details of the District's long-term obligations are as follows:

Limited Tax General Obligation Bonds, Series 2018A (the Senior Bonds) and **Subordinate Limited Tax General Obligation Bonds, Series 2018B** (the Subordinate Bonds, and together with the 2018A Senior Bonds, the Bonds)

Bond Details

The District issued the Bonds on May 17, 2018, in the amounts of \$16,450,000 for the 2018A Senior Bonds and \$2,840,000 for the 2018B Subordinate Bonds. Proceeds from the sale of the Bonds were applied to fund and reimburse a portion of the costs of certain public improvements. A portion of the proceeds from the sale of the 2018A Senior Bonds were applied to: (i) fund capitalized interest on the 2018A Senior Bonds; (ii) fund the Senior Reserve Fund; and (iii) pay the costs of issuing the Bonds.

The 2018A Senior Bonds bear interest at 5.75%, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The 2018A Senior Bonds mature on December 1, 2047. To the extent the 2018A Senior Bonds are not paid when due, the unpaid principal will continue to bear interest and the unpaid interest will compound semiannually on each June 1 and December 1 until the total repayment obligation of the District for the 2018A Senior Bonds equals the amount permitted by law and the District's electoral authorization.

The 2018B Subordinate Bonds bear interest at 8.125% and mature on December 15, 2047. The 2018B Subordinate Bonds constitute subordinate "cash flow" bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Subordinate Pledged Revenue is available for payment. Principal and interest payments are due on the 2018B Subordinate Bonds on each December 15 only to the extent Subordinate Pledged Revenue is available. In the event that Subordinate Pledged Revenue is insufficient to pay the 2018B

**RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Bond Details (Continued)

Subordinate Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually on December 15 until the total repayment obligation of the District for the 2018B Subordinate Bonds equals the amount permitted by law and the Election. Any amounts due and owing on the 2018B Subordinate Bonds remaining outstanding after the application of all Subordinate Pledged Revenue available on December 15, 2057, shall be deemed discharged and shall no longer be due and outstanding.

Optional Redemption

The 2018A Senior Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2023, to November 30, 2024	3.00%
December 1, 2024, to November 30, 2025	2.00
December 1, 2025, to November 30, 2026	1.00
December 1, 2026, and thereafter	0.00

The 2018B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 15, 2023, to December 14, 2024	3.00%
December 15, 2024, to December 14, 2025	2.00
December 15, 2025, to December 14, 2026	1.00
December 15, 2026, and thereafter	0.00

Pledged Revenue

The 2018A Senior Bonds are payable solely from and to the extent of Senior Pledged Revenue, defined in the 2018A Senior Indenture as the following, net of any costs of collection: (i) all Senior Property Tax Revenues; (ii) all Senior Specific Ownership Tax Revenues; (iii) all Capital Fees, including the Facility Fees; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund. The 2018A Senior Bonds are additionally secured by the Senior Reserve Fund and by amounts in the Senior Surplus Fund, if any.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Pledged Revenue (Continued)

The 2018B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue defined generally in the 2018B Subordinate Indenture as the following, net of any costs of collection: (i) all Subordinate Property Tax Revenues; (ii) all Subordinate Specific Ownership Tax Revenues; (iii) all Subordinate Capital Fee Revenue (meaning any Capital Fees remaining after deduction of any amounts applied to the payment of the 2018A Senior Bonds); (iv) any amounts in the Senior Surplus Fund upon the termination of such fund pursuant to the Senior Indenture; and (v) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Property Tax Revenues

“Senior Property Tax Revenues” are generally defined as all moneys derived from imposition by the District of the Senior Required Mill Levy and are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

“Subordinate Property Tax Revenues” are defined as all moneys derived from imposition by the District of the Subordinate Required Mill Levy and are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

2018A Senior Bonds Debt Service

The outstanding principal and interest of the 2018A Senior Bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 945,875	\$ 945,875
2021	-	945,875	945,875
2022	-	945,875	945,875
2023	80,000	945,875	1,025,875
2024	195,000	941,275	1,136,275
2025 – 2029	1,350,000	4,510,013	5,860,013
2030 – 2034	2,130,000	4,038,225	6,168,225
2035 – 2039	3,155,000	3,314,300	6,469,300
2040 – 2044	4,545,000	2,256,875	6,801,875
2045 – 2047	4,995,000	665,563	5,660,563
Total	<u>\$ 16,450,000</u>	<u>\$ 19,509,750</u>	<u>\$ 35,959,750</u>

The annual debt service requirements on the 2018B Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2019, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 6, 2014	Authorization Used for 2018 Bonds	Authorized But Unissued
Water	\$ 93,000,000	\$ 3,245,924	\$ 89,754,076
Sanitation/Stormwater	93,000,000	3,929,452	89,070,548
Streets	93,000,000	12,038,407	80,961,593
Parks and Recreation	93,000,000	75,000	92,925,000
Public Transportation	93,000,000	-	93,000,000
Fire Protection	93,000,000	-	93,000,000
Mosquito Control	93,000,000	-	93,000,000
Safety Protection	93,000,000	1,217	92,998,783
Security	93,000,000	-	93,000,000
TV Relay and Translation	93,000,000	-	93,000,000
Operation and Maintenance	93,000,000	-	93,000,000
Debt Refunding	93,000,000	-	93,000,000
Intergovernmental Agreements	93,000,000	-	93,000,000
Private Agreements	93,000,000	-	93,000,000
Special Assessments	93,000,000	-	93,000,000
Total	<u>\$ 1,395,000,000</u>	<u>\$ 19,290,000</u>	<u>\$ 1,375,710,000</u>

Pursuant to the Service Plan, the maximum general obligation indebtedness for all of Financing Districts combined is not to exceed \$93,000,000.

NOTE 5 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2019 as follows:

	<u>Governmental Activities</u>
Restricted Net Position	
Debt Service	<u>\$ 1,144,511</u>
Total Restricted Net Position	<u>\$ 1,144,511</u>

The District has a deficit in unrestricted net position.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 6 AGREEMENTS

District Coordinating Services Agreement (District Nos. 1-4)

Effective as of January 1, 2018, the Districts entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain of the Public Improvements within such Districts. Pursuant to the Coordinating Services Agreement, District No. 1 was designated as the “coordinating district” (the Coordinating District). The District, District No. 2, and District No. 4 were each designated as “financing districts” (the Financing Districts).

Common Finance Plan Resolution

On March 27, 2018, District No. 1 and the District adopted a Joint Resolution Regarding Intent to Implement Common Plan of Finance (the Common Finance Plan Resolution), pursuant to which: (i) the District and District No. 1 declared their mutual intent to implement the common plan of finance set forth and approved in the Service Plan to fund or reimburse all or a portion of the capital costs related to the Public Improvements to serve Raindance from the Bonds; and (ii) the District declared its intent, upon issuance of the Bonds, to transfer all available revenues to District No. 1 for the payment of such costs, including amounts owed by District No. 1, pursuant to certain Reimbursement Agreements.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is RainDance Land Company, LLC, a Delaware limited liability company (Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials’ liability, boiler and machinery, and workers’ compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials’ liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

RAINDANCE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. On May 6, 2014, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District transfers its net operating revenue to District No. 1. Therefore, the Emergency Reserves related to the District's revenues are reported in District No. 1.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**RAINDANCE METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ 10,000	\$ 90,560	\$ 90,589	\$ 29
Facilities Fees	777,500	777,500	820,000	42,500
Total Revenues	<u>787,500</u>	<u>868,060</u>	<u>910,589</u>	<u>42,529</u>
EXPENDITURES				
Paying Agent Fees	-	6,000	6,000	-
Investment Advisory Fees	-	5,200	5,065	135
Contingency	-	2,925	-	2,925
Bond Interest - Series 2018A	945,875	945,875	945,875	-
Total Expenditures	<u>945,875</u>	<u>960,000</u>	<u>956,940</u>	<u>3,060</u>
NET CHANGE IN FUND BALANCE	(158,375)	(91,940)	(46,351)	45,589
Fund Balance - Beginning of Year	<u>2,580,595</u>	<u>2,693,360</u>	<u>2,693,360</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,422,220</u></u>	<u><u>\$ 2,601,420</u></u>	<u><u>\$ 2,647,009</u></u>	<u><u>\$ 45,589</u></u>

**RAINDANCE METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ -	\$ 15,875	\$ 15,247	\$ (628)
Total Revenues	-	15,875	15,247	(628)
EXPENDITURES				
Transfer to District No. 1	1,005,125	1,021,000	1,020,332	668
Total Expenditures	1,005,125	1,021,000	1,020,332	668
NET CHANGE IN FUND BALANCE	(1,005,125)	(1,005,125)	(1,005,085)	40
Fund Balance - Beginning of Year	1,005,125	1,005,125	1,005,125	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 40</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$16,450,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.75% Dated May 17, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2020	\$ -	\$ 945,875	\$ 945,875
2021	-	945,875	945,875
2022	-	945,875	945,875
2023	80,000	945,875	1,025,875
2024	195,000	941,275	1,136,275
2025	215,000	930,063	1,145,063
2026	250,000	917,700	1,167,700
2027	265,000	903,325	1,168,325
2028	300,000	888,088	1,188,088
2029	320,000	870,838	1,190,838
2030	360,000	852,438	1,212,438
2031	380,000	831,738	1,211,738
2032	430,000	809,888	1,239,888
2033	455,000	785,163	1,240,163
2034	505,000	759,000	1,264,000
2035	535,000	729,963	1,264,963
2036	590,000	699,200	1,289,200
2037	620,000	665,275	1,285,275
2038	685,000	629,625	1,314,625
2039	725,000	590,238	1,315,238
2040	790,000	548,550	1,338,550
2041	835,000	503,125	1,338,125
2042	910,000	455,113	1,365,113
2043	965,000	402,788	1,367,788
2044	1,045,000	347,300	1,392,300
2045	1,105,000	287,213	1,392,213
2046	1,200,000	223,675	1,423,675
2047	2,690,000	154,675	2,844,675
Total	<u>\$ 16,450,000</u>	<u>\$ 19,509,750</u>	<u>\$ 35,959,750</u>

**ANNUAL INFORMATION REQUIRED
BY THE CONTINUING DISCLOSURE AGREEMENT
RELATED TO THE LIMITED TAX GENERAL
OBLIGATION BONDS, SERIES 2018A AND B (2018 CDA)**

**RAINDANCE METROPOLITAN DISTRICT NO. 3
OTHER INFORMATION FOR 2018 CDA
DECEMBER 31, 2019**

**HISTORY OF ASSESSED VALUATIONS, MILL LEVIES
AND PROPERTY TAX COLLECTIONS IN THE DISTRICT**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2015	\$ 4,920	39.000	0.000	\$ 192	\$ 192	100.00 %
2016	6,990	39.000	0.000	273	273	100.00
2017	6,990	39.000	0.000	273	273	100.00
2018	12,930	39.000	0.000	504	504	100.00
2019	207,300	43.116	0.000	\$ 8,938	\$ 8,939	100.02
Estimated for Year Ending December 31, 2020	\$ 4,075,930	12.389	31.029	\$ 176,969		

**RAINDANCE METROPOLITAN DISTRICT NO. 3
OTHER INFORMATION FOR 2018 CDA
DECEMBER 31, 2019**

**TEN LARGEST TAXPAYERS WITHIN THE DISTRICT
2018 CDA FORM SECTION 4 (a) 3**

<u>Taxpayer Name</u>	2019 Assessed Valuation	Percentage of Total Assessed Valuation \$ 4,075,930
Raindance Land Company LLC	\$ 356,450	8.75 %
Forestar USA Real Estate Group, Inc.	322,140	7.90
Artesia Lot Holdings, LLC	300,910	7.38
Senger Raindance LLC	211,770	5.20
Aspen View Homes LLC	135,270	3.32
Melody Homes Inc	67,340	1.65
Bridgewater Homes LLC	47,980	1.18
Malvey Michael S	39,250	0.96
Wang Yinan	30,420	0.75
Park Place Plaza RE LLC	28,480	0.70
Total	\$ 1,540,010	37.78%

**2019 ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
2018 CDA FORM SECTION 4 (a) 4**

<u>Property Class</u>	Total Assessed Valuation	Percentage of Assessed Valuation
Residential	\$ 1,498,960	36.78 %
Minerals	2,850	0.07
Vacant Land	2,574,120	63.15
Total	\$ 4,075,930	100.00 %

**SENIOR DEBT TO ASSESSED RATIO
2018 CDA FORM SECTION 4 (a) 5**

Outstanding Principal Amount for Senior Debt as of December 31, 2019	\$ 16,450,000
2019 Final Assessed Valuation of the District for 2020 Collection Year	4,075,930
Senior Debt to Assessed Ratio	4.04x

**RAINDANCE METROPOLITAN DISTRICT NO. 3
OTHER INFORMATION FOR 2018 CDA
DECEMBER 31, 2019**

**SUMMARY OF GENERAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
2018 CDA FORM SECTION 4 (a) 6**

	2015	2016	2017	2018	2019
REVENUES					
Property Taxes	\$ 192	\$ 273	\$ 273	\$ 504	\$ 8,939
Specific Ownership Taxes	13	15	21	39	605
Developer Advance	5	-	-	-	-
Interest Income	-	5	-	-	-
Total Revenues	<u>210</u>	<u>293</u>	<u>294</u>	<u>543</u>	<u>9,544</u>
EXPENDITURES					
County Treasurer's Fees	3	4	4	8	134
Banking Fees	-	-	-	60	-
Transfer to District No. 1	-	496	290	470	9,410
Total Expenditures	<u>3</u>	<u>500</u>	<u>294</u>	<u>538</u>	<u>9,544</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>207</u>	<u>(207)</u>	<u>-</u>	<u>5</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	207	(207)	-	5	-
Fund Balances - Beginning of Year	-	207	-	-	5
FUND BALANCES - END OF YEAR	<u>\$ 207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>

Source: The District's unaudited financial statements for the calendar years ended December 31, 2015 through December 31, 2017, and the audited financial statements for the calendar years ended December 31, 2018 and December 31, 2019.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
OTHER INFORMATION FOR 2018 CDA
DECEMBER 31, 2019**

**SUMMARY OF DEBT SERVICE FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
2018 CDA FORM SECTION 4 (a) 7**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES					
Interest Income	\$ -	\$ -	\$ -	\$ 45,404	\$ 90,589
Facilities Fees	-	-	-	282,500	820,000
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,904</u>	<u>910,589</u>
EXPENDITURES					
Paying Agent Fees	-	-	-	-	6,000
Investment Advisory Fees	-	-	-	5,139	5,065
Bond Interest - Series 2018A	-	-	-	509,722	945,875
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,861</u>	<u>956,940</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(186,957)	(46,351)
OTHER FINANCING SOURCES (USES)					
Transfer from Other Funds	-	-	-	2,880,317	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,880,317</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	2,693,360	(46,351)
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,693,360</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,693,360</u>	<u>\$ 2,647,009</u>

Source: The District's unaudited financial statements for the calendar years ended December 31, 2015 through December 31, 2017, and the audited financial statements for the calendar years ended December 31, 2018 and December 31, 2019.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
OTHER INFORMATION FOR 2018 CDA
DECEMBER 31, 2019**

**SUMMARY OF CAPITAL PROJECTS FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
2018 CDA FORM SECTION 4 (a) 8**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES					
Interest Income	\$ -	\$ -	\$ -	\$ 69,938	\$ 15,247
Transfer from District No. 1	-	-	-	10,500	-
Series 2018A Bond Issuance	-	-	-	16,450,000	-
Series 2018B Bond Issuance	-	-	-	2,840,000	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,370,438</u>	<u>15,247</u>
EXPENDITURES					
Transfer to District No. 1	-	-	-	14,568,088	1,020,332
Cost of Issuance	-	-	-	916,908	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,484,996</u>	<u>1,020,332</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	3,885,442	(1,005,085)
OTHER FINANCING SOURCES (USES)					
Transfer from Other Funds	-	-	-	(2,880,317)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,880,317)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	1,005,125	(1,005,085)
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,005,125</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,005,125</u>	<u>\$ 40</u>

Source: The District's unaudited financial statements for the calendar years ended December 31, 2015 through December 31, 2017, and the audited financial statements for the calendar years ended December 31, 2018 and December 31, 2019.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
OTHER INFORMATION FOR 2018 CDA
DECEMBER 31, 2019**

**GENERAL FUND BUDGET SUMMARY
2018 CDA FORM SECTION 4 (a) 9**

	2018 Amended Budget	2018 Year-End Actual	2019 Budget	2019 Year-End Actual
REVENUES				
Property Taxes	\$ 504	\$ 504	\$ 8,938	\$ 8,939
Specific Ownership Taxes	96	39	715	605
Total Revenues	<u>600</u>	<u>543</u>	<u>9,653</u>	<u>9,544</u>
EXPENDITURES				
Contingency	62	-	-	-
County Treasurer's Fees	8	8	134	134
Banking Fee	-	60	-	-
Transfer to District No. 1	530	470	9,519	9,410
Total Expenditures	<u>600</u>	<u>538</u>	<u>9,653</u>	<u>9,544</u>
NET CHANGE IN FUND BALANCES	-	5	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5</u></u>

Source: Adopted or amended budgets of the District for the calendar years ended December 31, 2018 and December 31, 2019, and the District's audited financial statements for the calendar years ended December 31, 2018 and December 31, 2019.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
OTHER INFORMATION FOR 2018 CDA
DECEMBER 31, 2019**

**DEBT SERVICE FUND BUDGET SUMMARY
2018 CDA FORM SECTION 4 (a) 10**

	2018 Amended Budget	2018 Year-End Actual	2019 Amended Budget	2019 Year-End Actual
REVENUES				
Interest Income	\$ 35,000	\$ 45,404	\$ 90,560	\$ 90,589
Facilities Fees	295,000	282,500	777,500	820,000
Total Revenues	<u>330,000</u>	<u>327,904</u>	<u>868,060</u>	<u>910,589</u>
EXPENDITURES				
Contingency	4,278	-	6,000	6,000
Investment Advisory Fees	6,000	5,139	5,200	5,065
Contingency	-	-	2,925	-
Bond Interest - Series 2018A	509,722	509,722	945,875	945,875
Total Expenditures	<u>520,000</u>	<u>514,861</u>	<u>960,000</u>	<u>956,940</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(190,000)	(186,957)	(91,940)	(46,351)
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	2,900,000	2,880,317	-	-
Total Other Financing Sources (Uses)	<u>2,900,000</u>	<u>2,880,317</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,710,000	2,693,360	(91,940)	(46,351)
Fund Balances - Beginning of Year	-	-	2,693,360	2,693,360
FUND BALANCES - END OF YEAR	<u>\$ 2,710,000</u>	<u>\$ 2,693,360</u>	<u>\$ 2,601,420</u>	<u>\$ 2,647,009</u>

Source: Adopted or amended budgets of the District for the calendar years ended December 31, 2018 and December 31, 2019, and the District's audited financial statements for the calendar years ended December 31, 2018 and December 31, 2019.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
OTHER INFORMATION FOR 2018 CDA
DECEMBER 31, 2019**

**CAPITAL PROJECTS FUND BUDGET SUMMARY
2018 CDA FORM SECTION 4 (a) 11**

	2018 Amended Budget	2018 Year-End Actual	2019 Amended Budget	2019 Year-End Actual
REVENUES				
Interest Income	\$ 75,000	\$ 69,938	\$ 15,875	\$ 15,247
Transfer from District No. 1	11,000	10,500	-	-
Series 2018A Bond Issuance	16,450,000	16,450,000	-	-
Series 2018B Bond Issuance	2,840,000	2,840,000	-	-
Total Revenues	<u>19,376,000</u>	<u>19,370,438</u>	<u>15,875</u>	<u>15,247</u>
EXPENDITURES				
Contingency	5,092	-	-	-
Transfer to District No. 1	14,600,000	14,568,088	1,021,000	1,020,332
Cost of issuance	916,908	916,908	-	-
Total Expenditures	<u>15,522,000</u>	<u>15,484,996</u>	<u>1,021,000</u>	<u>1,020,332</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,854,000	3,885,442	(1,005,125)	(1,005,085)
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	<u>(2,900,000)</u>	<u>(2,880,317)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,900,000)</u>	<u>(2,880,317)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	954,000	1,005,125	(1,005,125)	(1,005,085)
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,005,125</u>	<u>1,005,125</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 954,000</u></u>	<u><u>\$ 1,005,125</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 40</u></u>

Source: Adopted or amended budgets of the District for the calendar years ended December 31, 2018 and December 31, 2019, and the District's audited financial statements for the calendar years ended December 31, 2018 and December 31, 2019.



June 16, 2020

Board Of Directors
Raindance Metropolitan District No. 4
8390 E. Crescent Pkwy.
Greenwood Village, CO 80111

Suite 300

RE: 1162.04

To Whom it May Concern:

We have reviewed the *Application for Exemption from Audit* of the Raindance Metropolitan District No. 4. Based on our review, the application for the year ended 12/31/2019 is approved.

If we may be of any assistance to you, please feel free to call us at 303-869-3000. For further resources see our web site at: www.colorado.gov/auditor

Sincerely,

Crystal L. Dorsey, CPA
Local Government Audit Manager

cc: Colorado Department of Local Affairs
Division of Local Governments



We Set the Standard for Good Government

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	RainDance Metropolitan District No. 4
ADDRESS	8390 E Crescent Parkway Suite 300 Greenwood Village, CO 80111
CONTACT PERSON	Gigi Pangindian
PHONE	303-779-5710
EMAIL	Gigi.Pangindian@claconnect.com
FAX	303-779-0348

For the Year Ended
12/31/19
or fiscal year ended:

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:	Gigi Pangindian
TITLE	Accountant for the District
FIRM NAME (if applicable)	CliftonLarsonAllen LLP
ADDRESS	8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
PHONE	303-779-5710
DATE PREPARED	3/4/2020

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 3,539	
2-2	Specific ownership	\$ 238	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 3,777	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):		
3-24	County Treasurer's Fees	\$ 53	
3-25	Transfer to RainDance Metropolitan District No. 1	\$ 3,724	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 3,777	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No		
4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">The District's outstanding debt is a \$5 liability to the Developer. Repayment is subject to annual appropriation.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Not applicable - see comments on 4-2.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 5	\$ -	\$ -	\$ 5
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 5	\$ -	\$ -	\$ 5

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	<div style="border: 1px solid black; padding: 2px; display: inline-block;">5/6/2014</div>	
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? If yes: What is being leased?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
What is the original date of the lease?	<div style="border: 1px solid black; height: 15px; width: 100%;"></div>	
Number of years of lease?	<div style="border: 1px solid black; height: 15px; width: 100%;"></div>	
Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input type="checkbox"/>
What are the annual lease payments?	<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$ -</div>	

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ 1,872	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ 1,872
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ 1,872

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: Yes No

The District has no capital assets.

Complete the following capital assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firemen's pension plan? Yes No
- 7-2 Does the entity have a volunteer firemen's pension plan? Yes No

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan \$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A

- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Fund Name	Budgeted Expenditures/Expenses
General Fund	\$ 3,822

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

10-1 Is this application for a newly formed governmental entity?

10-1

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

See explanations below

10-4 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

If yes:

Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills	-
General/Other mills	39.000
Total mills	39.000

Bond Redemption mills	-
General/Other mills	39.000
Total mills	39.000

Please use this space to provide any explanations or comments:

10-3: Financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including street, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure



Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Martin Lind	I, Martin Lind, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/24/2020</u> My term Expires: May 2020
Board Member 2	Justin Donahoo	I, Justin Donahoo, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/24/2020</u> My term Expires: May 2022
Board Member 3	Austin Lind	I, Austin Lind, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2022
Board Member 4		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLACONnect.com

Accountant's Compilation Report

Board of Directors
RainDance Metropolitan District No. 4
Weld County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of RainDance Metropolitan District No. 4 as of and for the year ended December 31, 2019, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to RainDance Metropolitan District No. 4.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 4, 2020

Certificate Of Completion

Envelope Id: FFFDD7CF623A43EF8BAB3794C1498905

Status: Completed

Subject: Please DocuSign: RainDanceMDNo.4_AuditExemption_2019.pdf

Client Name: RainDance Metropolitan District No. 4

Client Number: 011-045937-00

Source Envelope:

Document Pages: 8

Signatures: 2

Envelope Originator:

Certificate Pages: 5

Initials: 0

Alonso DuranRodriguez

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220 South 6th Street

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Minneapolis, MN 55402

Alonso.DuranRodriguez@claconnect.com

IP Address: 98.245.28.17

Record Tracking

Status: Original

Holder: Alonso DuranRodriguez

Location: DocuSign

3/24/2020 2:20:19 PM

Alonso.DuranRodriguez@claconnect.com

Signer Events

Justin Donahoo

justin@jumahomes.com

Owner/Manager

JUMA HOMES

Security Level: Email, Account Authentication
(None)

Signature

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1F0D65F83C2F44E...

Signature Adoption: Pre-selected Style
Using IP Address: 67.177.236.29

Timestamp

Sent: 3/24/2020 2:24:26 PM

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Signed: 3/24/2020 2:33:52 PM

Electronic Record and Signature Disclosure:

Accepted: 3/24/2020 11:44:09 AM

ID: 70271a77-e551-4827-b448-977ce5d0b67e

Martin Lind

MLind@watervalley.com

Security Level: Email, Account Authentication
(None)

DocuSigned by:

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Electronic Record and Signature Disclosure:

Accepted: 3/24/2020 3:01:49 PM

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In Person Signer Events

Signature

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Editor Delivery Events

Status

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Agent Delivery Events

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Intermediary Delivery Events

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Certified Delivery Events

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Carbon Copy Events

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Witness Events

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Notary Events

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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/24/2020 2:24:26 PM
Certified Delivered	Security Checked	3/25/2020 9:08:33 AM
Signing Complete	Security Checked	3/25/2020 9:08:33 AM
Completed	Security Checked	3/25/2020 9:08:33 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

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Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

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ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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- You can access and read this Electronic Record and Signature Disclosure; and
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EXHIBIT B
2020 Budgets



CliftonLarsonAllen

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Accountant's Compilation Report

Board of Directors
RainDance Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of RainDance Metropolitan District No. 1 for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to RainDance Metropolitan District No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 29, 2020



An independent member of Nexia International

**RAINDANCE METROPOLITAN DISTRICT NO. 1
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 191,573	\$ 786,935	\$ 757,422
REVENUES			
Property taxes	564	147,255	3,433,835
Specific ownership taxes	18	10,101	240,368
Developer advance	13,170,254	1,057,000	19,503,060
Water service fee	-	80,000	190,000
Water meter fees	282,500	777,500	500,000
Transfers from District No. 2	369,990	74,427	19,301,991
Transfers from District No. 3	14,569,344	1,033,528	53,275
Transfers from District No. 4	5,161	3,752	5,505
Easement payment	257,296	25,051	-
Other revenue	-	272,580	250,000
Total revenues	<u>28,655,127</u>	<u>3,481,194</u>	<u>43,478,034</u>
TRANSFERS IN	<u>1,875</u>	-	-
Total funds available	<u>28,848,575</u>	<u>4,268,129</u>	<u>44,235,456</u>
EXPENDITURES			
General and administrative	225,477	388,203	501,008
Operations and maintenance	94,071	1,227,297	1,201,992
Capital projects	27,740,217	1,895,207	38,506,120
Total expenditures	<u>28,059,765</u>	<u>3,510,707</u>	<u>40,209,120</u>
TRANSFERS OUT	<u>1,875</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>28,061,640</u>	<u>3,510,707</u>	<u>40,209,120</u>
ENDING FUND BALANCES	<u>\$ 786,935</u>	<u>\$ 757,422</u>	<u>\$ 4,026,336</u>
EMERGENCY RESERVE	\$ 27,500	\$ 41,700	\$ 141,700

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

RAINDANCE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/29/20

ACTUAL	ESTIMATED	BUDGET
2018	2019	2020

ASSESSED VALUATION

Agricultural	\$ 10	\$ 6,000	\$ 5,330
State assessed	-	9,390	10,390
Oil and gas	14,450	3,759,620	88,031,340
	14,460	3,775,010	88,047,060
Adjustments	-	-	-
Certified Assessed Value	\$ 14,460	\$ 3,775,010	\$ 88,047,060

MILL LEVY

General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000

PROPERTY TAXES

General	\$ 564	\$ 147,225	\$ 3,433,835
Levied property taxes	564	147,225	3,433,835
Budgeted property taxes	\$ 564	\$ 147,225	\$ 3,433,835

BUDGETED PROPERTY TAXES

General	\$ 564	\$ 147,225	\$ 3,433,835
	\$ 564	\$ 147,225	\$ 3,433,835

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 191,573	\$ 786,935	\$ 757,422
REVENUES			
Property taxes	564	147,255	3,433,835
Specific ownership taxes	18	10,101	240,368
Developer advance	-	197,000	250,000
Easement payment	257,296	25,051	-
Water meter fees	282,500	777,500	500,000
Water service fee	-	80,000	190,000
Other revenue	-	261,486	250,000
Transfers from District No. 2	369,990	74,427	48,931
Transfers from District No. 3	1,256	9,415	53,275
Transfers from District No. 4	5,161	3,752	5,505
Total revenues	<u>916,785</u>	<u>1,585,987</u>	<u>4,971,914</u>
Total funds available	<u>1,108,358</u>	<u>2,372,922</u>	<u>5,729,336</u>
EXPENDITURES			
General and administrative			
Accounting	78,015	77,000	81,000
Audit	9,300	9,600	10,000
County Treasurer's fee	8	2,208	51,508
Dues	1,398	2,683	3,000
Insurance	10,697	11,812	12,500
Legal	110,708	75,850	80,000
Miscellaneous	2,044	2,050	3,000
Repay Developer advance	-	197,000	250,000
Engineering - Cost Certification	13,307	10,000	10,000
Operation and maintenance			
Management/Lifestyle/Advance HOA	25,860	54,583	60,000
Equipment acquisition	-	5,000	250,000
District events	-	30,000	10,000
Snow removal	-	10,000	20,000
Utilities	-	20,000	60,000
Water meter and installations	56,539	900,000	500,000
Water System/Field Manager	11,672	197,000	250,000
Contingency	-	10,714	51,992
Total expenditures	<u>319,548</u>	<u>1,615,500</u>	<u>1,703,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>1,875</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>321,423</u>	<u>1,615,500</u>	<u>1,703,000</u>
ENDING FUND BALANCE	<u>\$ 786,935</u>	<u>\$ 757,422</u>	<u>\$ 4,026,336</u>
EMERGENCY RESERVE	\$ 27,500	\$ 41,700	\$ 141,700

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND (DISTRICT NO. 3)
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	13,170,254	860,000	-
Transfers from District No. 3	14,568,088	1,024,113	-
Total revenues	<u>27,738,342</u>	<u>1,895,207</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>1,875</u>	-	-
Total funds available	<u>27,740,217</u>	<u>1,895,207</u>	<u>-</u>
EXPENDITURES			
Capital Outlay			
Parks and Recreation	-	201,089	-
Repay Developer advance	13,382,232	860,000	-
Transfer to District No. 3	10,500	-	-
Softcosts	498,680	37,805	-
Covered Bridge	1,143,955	13,937	-
Streets	7,532,472	520,011	-
Water	2,339,431	161,505	-
Sanitation / Storm Sewer	2,832,069	100,800	-
Safety	878	60	-
Total expenditures	<u>27,740,217</u>	<u>1,895,207</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>27,740,217</u>	<u>1,895,207</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
 CAPITAL PROJECTS FUND (DISTRICT NO. 2)
 2020 BUDGET
 WITH 2018 ACTUAL AND 2019 ESTIMATED
 For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer Advance	-	-	19,253,060
Transfers from District No. 2	-	-	19,253,060
Total revenues	<u>-</u>	<u>-</u>	<u>38,506,120</u>
Total funds available	<u>-</u>	<u>-</u>	<u>38,506,120</u>
EXPENDITURES			
Capital Outlay			
Repay Developer Advance	-	-	19,253,060
Public Improvements	-	-	19,253,060
Total expenditures	<u>-</u>	<u>-</u>	<u>38,506,120</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>38,506,120</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

RainDance Metropolitan District No. 1's (the District) organization was approved by eligible electors of the District at an election held on May 6, 2014. The District was organized by order of the District Court in and for Weld County on June 6, 2014. The formation of the District was approved by the Town of Windsor, Colorado in conjunction with the approval by the Town Board of a Consolidated Service Plan for the District, RainDance Metropolitan District No. 2, RainDance Metropolitan District No. 3, and RainDance Metropolitan District No. 4 on March 24, 2014. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.).

At a special election of the eligible electors of the District on May 6, 2014, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

The District prepares its budget on the modified accrual basis of accounting in accordance with the 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.

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

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, sale 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.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2020 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 the District's share will be equal to approximately 7% of the property taxes collected.

Water Service Fee

The District charges service fees to each homeowner for non-potable water usage.

Water Meter Sales

The District anticipates selling and installing water meters for 200 single-family detached units. The District expects to collect \$2,500 per unit.

Transfers from RainDance Metropolitan District Nos. 2-4

Pursuant to the District Coordinating Services Agreement, the District will provide certain operation, maintenance and administrative services benefitting the RainDance Metropolitan District No. 2, RainDance Metropolitan District No. 3 and RainDance Metropolitan District No. 4 (collectively, "Districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to the District.

Additionally, the District Coordinating Services Agreement stipulates that the District will own, operate and maintain all public improvements within the Districts. The Districts will transfer project funds, as they are requisitioned from bond proceeds, to the District as the District will pay for the construction or acquisition of such public improvements.

Other Revenue

The District anticipates generating additional revenue of approximately \$250,000 from the sale of dirt.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**RAINDANCE METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

General and Administrative

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, accounting, audit, insurance and membership dues.

Operation and Maintenance

Operation and maintenance expenditures have been estimated by the District's management. The estimated expenditures include maintenance and repairs of the District's property and non-potable water facilities.

Debt and Leases

The District has no outstanding debt nor any capital or operating leases.

Reserves

Emergency Reserve

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

This information is an integral part of the accompanying budget.



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Accountant's Compilation Report

Board of Directors
RainDance Metropolitan District No. 2

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of RainDance Metropolitan District No. 2 for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to RainDance Metropolitan District No. 2.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 29, 2020



An independent member of Nexia International

**RAINDANCE METROPOLITAN DISTRICT NO. 2
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 41,636	\$ 5	\$ 23,503,750
REVENUES			
Property taxes	309,998	70,468	46,380
Specific ownership taxes	23,011	5,016	3,247
Interest income	-	-	255,000
Bond issuance - Series 2019A	-	19,310,000	-
Bond premium - Series 2019A	-	472,020	-
Bond issuance - Series 2019B	-	4,575,000	-
Total revenues	<u>333,009</u>	<u>24,432,504</u>	<u>304,627</u>
TRANSFERS IN	<u>-</u>	<u>4,430,185</u>	<u>-</u>
Total funds available	<u>374,645</u>	<u>28,862,694</u>	<u>23,808,377</u>
EXPENDITURES			
General Fund	374,640	75,484	49,627
Debt Service Fund	-	-	914,543
Capital Projects Fund	-	853,275	19,253,060
Total expenditures	<u>374,640</u>	<u>928,759</u>	<u>20,217,230</u>
TRANSFERS OUT	<u>-</u>	<u>4,430,185</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>374,640</u>	<u>5,358,944</u>	<u>20,217,230</u>
ENDING FUND BALANCES	<u>\$ 5</u>	<u>\$ 23,503,750</u>	<u>\$ 3,591,147</u>
2019A SENIOR RESERVE FUND	\$ -	\$ 1,549,250	\$ 1,549,250
2019A CAP I/BOND FUND	-	2,880,935	1,966,392
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 4,430,185</u>	<u>\$ 3,515,642</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

RainDance Metropolitan District No. 2
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Industrial	\$ -	\$ 1,020	\$ 1,170
Agricultural	22,410	7,020	6,020
State assessed	9,260	-	-
Oil and Gas	7,917,000	1,798,820	1,061,020
	7,948,670	1,806,860	1,068,210
Adjustments	-	-	-
Certified Assessed Value	\$ 7,948,670	\$ 1,806,860	\$ 1,068,210
 MILL LEVY			
General	39.000	39.000	43.418
Total mill levy	39.000	39.000	43.418
 PROPERTY TAXES			
General	\$ 309,998	\$ 70,468	\$ 46,380
Levied property taxes	309,998	70,468	46,380
Budgeted property taxes	\$ 309,998	\$ 70,468	\$ 46,380
 BUDGETED PROPERTY TAXES			
General	\$ 309,998	\$ 70,468	\$ 46,380
	\$ 309,998	\$ 70,468	\$ 46,380

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 41,636	\$ 5	\$ 5
REVENUES			
Property taxes	309,998	70,468	46,380
Specific ownership taxes	23,011	5,016	3,247
Total revenues	<u>333,009</u>	<u>75,484</u>	<u>49,627</u>
Total funds available	<u>374,645</u>	<u>75,489</u>	<u>49,632</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	4,650	1,057	696
Transfer to District No. 1	369,990	74,427	48,931
Total expenditures	<u>374,640</u>	<u>75,484</u>	<u>49,627</u>
Total expenditures and transfers out requiring appropriation	<u>374,640</u>	<u>75,484</u>	<u>49,627</u>
ENDING FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 4,430,185
REVENUES			
Interest income	-	-	75,500
Total revenues	-	-	75,500
TRANSFERS IN			
Transfers from other funds	-	4,430,185	-
Total funds available	-	4,430,185	4,505,685
EXPENDITURES			
Debt Service			
Bond interest Senior Bonds	-	-	914,543
Total expenditures	-	-	914,543
Total expenditures and transfers out requiring appropriation	-	-	914,543
ENDING FUND BALANCE	\$ -	\$ 4,430,185	\$ 3,591,142
2019A SENIOR RESERVE FUND	\$ -	\$ 1,549,250	\$ 1,549,250
2019A CAP I/BOND FUND	-	2,880,935	1,966,392
TOTAL RESERVE	\$ -	\$ 4,430,185	\$ 3,515,642

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 19,073,560
REVENUES			
Interest income	-	-	179,500
Bond issuance - Series 2019A	-	19,310,000	-
Bond premium - Series 2019A	-	472,020	-
Bond issuance - Series 2019B	-	4,575,000	-
Total revenues	-	24,357,020	179,500
Total funds available	-	24,357,020	19,253,060
EXPENDITURES			
Capital Projects			
Bond Issue Costs	-	853,275	-
Transfers to District No. 1	-	-	19,253,060
Total expenditures	-	853,275	19,253,060
TRANSFERS OUT			
Transfers to other fund	-	4,430,185	-
Total expenditures and transfers out requiring appropriation	-	5,283,460	19,253,060
ENDING FUND BALANCE	\$ -	\$ 19,073,560	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

RainDance Metropolitan District No. 2's (the District) organization was approved by eligible electors of the District at an election held on May 6, 2014. The District was organized by order of the District Court in and for Weld County on June 6, 2014. The formation of the District was approved by the Town of Windsor, Colorado in conjunction with the approval by the Town Board of a Consolidated Service Plan for the District, RainDance Metropolitan District No. 1, RainDance Metropolitan District No. 3, and RainDance Metropolitan District No. 4 on March 24, 2014. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.).

At a special election of the eligible electors of the District on May 6, 2014, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

The District prepares its budget on the modified accrual basis of accounting in accordance with the 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.

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

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, sale 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.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
2020 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 7% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.9%.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Transfer to RainDance Metropolitan District No. 1

Pursuant to the District Coordinating Services Agreement, RainDance Metropolitan District No. 1 will provide certain operation, maintenance and administrative services benefitting the District, RainDance Metropolitan District No. 3 and RainDance Metropolitan District No. 4 (collectively, "Districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to RainDance Metropolitan District No. 1.

Additionally, the District Coordinating Services Agreement stipulates that the RainDance Metropolitan District No. 1 will own, operate and maintain all public improvements within the Districts. The District will transfer project funds, as they are requisitioned from bond proceeds, to District No. 1 as District No. 1 will pay for the construction or acquisition of such public improvements.

Debt Service

Interest payments in 2020 are provided based on the attached debt amortization schedule for the Series 2019A Bonds (discussed under Debt and Leases). The Series 2019B Bonds are paid based on available funds, as such a debt amortization schedule has not been included.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Series 2019 Limited Tax General Obligation Bonds

The District issued Bonds on December 20, 2019, in the amounts of \$19,310,000 in Limited Tax General Obligation Bonds Series 2019A (Senior Bonds) and \$4,575,000 in Subordinate Limited Tax General Obligation Bonds Series 2019B (Subordinate Bonds). The proceeds from the sale of the Senior Bonds will be used for the purposes of: (i) paying a portion of the costs of public improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; (ii) providing capitalized interest; (iii) providing the Senior Bonds Reserve Fund; and (iv) paying costs of issuance of the Senior Bonds. Proceeds from the sale of the Subordinate Bonds will be used to: (i) pay a portion of the costs of public improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; and (ii) paying costs of issuance of the Subordinate Bonds.

The Senior Bonds bear interest rate of 5.000% payable semi-annually on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments on the Senior Bonds are due on December 1, beginning on December 1, 2025. The Senior Bonds mature on December 1, 2039 and December 1, 2049.

The Subordinate Bonds are assumed to bear interest at 7.500% payable annually on December 15, from, and to the extent of, Subordinate Pledge Revenue available. Annual mandatory sinking fund principal payments on the Senior Bonds are due on December 1, to the extent of moneys on deposit, if any, in the Subordinate Bonds Mandatory Redemption Account of the Subordinate Bond Fund. The Subordinate Bonds mature on December 15, 2049.

The District has no capital nor operating lease.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to RainDance Metropolitan District No. 1, which pays for all Districts' operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's Budget.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2019A Limited Tax General Obligation Bonds.

This information is an integral part of the accompanying budget.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$19,310,000 Limited Tax General Obligation Bonds

Series 2019A

Interest 5.00%

Dated December 20, 2019

Interest Payable June 1 and December 1

Principal Payable December 1

Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2020	-	914,543	914,543
2021	-	965,500	965,500
2022	-	965,500	965,500
2023	-	965,500	965,500
2024	-	965,500	965,500
2025	60,000	965,500	1,025,500
2026	220,000	962,500	1,182,500
2027	300,000	951,500	1,251,500
2028	340,000	936,500	1,276,500
2029	355,000	919,500	1,274,500
2030	400,000	901,750	1,301,750
2031	420,000	881,750	1,301,750
2032	465,000	860,750	1,325,750
2033	490,000	837,500	1,327,500
2034	540,000	813,000	1,353,000
2035	565,000	786,000	1,351,000
2036	620,000	757,750	1,377,750
2037	650,000	726,750	1,376,750
2038	710,000	694,250	1,404,250
2039	745,000	658,750	1,403,750
2040	815,000	621,500	1,436,500
2041	855,000	580,750	1,435,750
2042	925,000	538,000	1,463,000
2043	970,000	491,750	1,461,750
2044	1,050,000	443,250	1,493,250
2045	1,100,000	390,750	1,490,750
2046	1,185,000	335,750	1,520,750
2047	1,245,000	276,500	1,521,500
2048	1,335,000	214,250	1,549,250
2049	2,950,000	147,500	3,097,500
	<u>\$ 19,310,000</u>	<u>\$ 21,470,293</u>	<u>\$ 40,780,293</u>



CliftonLarsonAllen

Accountant's Compilation Report

CliftonLarsonAllen LLP
www.CLAconnect.com

Board of Directors
RainDance Metropolitan District No. 3

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of RainDance Metropolitan District No. 3 for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to RainDance Metropolitan District No. 3

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 9, 2020



An independent member of Nexia International

**RAINDANCE METROPOLITAN DISTRICT NO. 3
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ 3,698,490	\$ 2,604,350
REVENUES			
Property taxes	504	8,939	176,969
Specific ownership taxes	39	610	12,388
Interest income	115,342	109,548	48,251
Transfer from District No. 1	10,500	-	-
Capital Facilities Fees	282,500	777,500	500,000
Series 2018A Bond Issuance	16,450,000	-	-
Series 2018B Bond Issuance	2,840,000	-	-
Total revenues	<u>19,698,885</u>	<u>896,597</u>	<u>737,608</u>
TRANSFERS IN	<u>2,880,317</u>	-	-
Total funds available	<u>22,579,202</u>	<u>4,595,087</u>	<u>3,341,958</u>
EXPENDITURES			
General and administrative	538	9,549	54,032
Debt service	514,861	957,075	960,000
Capital projects	15,484,996	1,024,113	-
Total expenditures	<u>16,000,395</u>	<u>1,990,737</u>	<u>1,014,032</u>
TRANSFERS OUT	<u>2,880,317</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>18,880,712</u>	<u>1,990,737</u>	<u>1,014,032</u>
ENDING FUND BALANCES	<u>\$ 3,698,490</u>	<u>\$ 2,604,350</u>	<u>\$ 2,327,926</u>
2018A SENIOR RESERVE FUND	\$ 1,423,675	\$ 1,423,675	\$ 1,423,675
2018A SENIOR SURPLUS FUND	323,810	1,180,670	904,246
2018A SENIOR CAPITALIZED INTEREST	945,875	-	-
TOTAL RESERVE	<u>\$ 2,693,365</u>	<u>\$ 2,604,350</u>	<u>\$ 2,327,926</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Agricultural	\$ 12,930	\$ 8,510	\$ -
Vacant land	-	198,790	2,574,120
Residential	-	-	1,498,960
Minerals	-	-	2,850
	<u>12,930</u>	<u>207,300</u>	<u>4,075,930</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 12,930</u>	<u>\$ 207,300</u>	<u>\$ 4,075,930</u>
MILL LEVY			
General	39.000	43.116	12.389
Debt Service	0.000	0.000	31.029
Total mill levy	<u>39.000</u>	<u>43.116</u>	<u>43.418</u>
PROPERTY TAXES			
General and Debt Service	\$ 504	\$ 8,938	\$ 50,497
Debt Service	-	-	126,472
	<u>504</u>	<u>8,938</u>	<u>176,969</u>
Levied property taxes	504	8,938	176,969
Adjustments to actual/rounding	-	1	-
Budgeted property taxes	<u>\$ 504</u>	<u>\$ 8,939</u>	<u>\$ 176,969</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 504</u>	<u>\$ 8,939</u>	<u>\$ 50,497</u>
Debt Service	<u>-</u>	<u>-</u>	<u>126,472</u>
	<u>\$ 504</u>	<u>\$ 8,939</u>	<u>\$ 176,969</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ 5	\$ 5
REVENUES			
Property taxes	504	8,939	50,497
Specific ownership taxes	39	610	3,535
Total revenues	<u>543</u>	<u>9,549</u>	<u>54,032</u>
Total funds available	<u>543</u>	<u>9,554</u>	<u>54,037</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	8	134	757
Banking fees	60	-	-
Transfer to District No. 1	470	9,415	53,275
Total expenditures	<u>538</u>	<u>9,549</u>	<u>54,032</u>
Total expenditures and transfers out requiring appropriation	<u>538</u>	<u>9,549</u>	<u>54,032</u>
ENDING FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ 2,693,360	\$ 2,604,345
REVENUES			
Property taxes	-	-	126,472
Specific ownership taxes	-	-	8,853
Interest income	45,404	90,560	48,251
Capital Facilities Fees	282,500	777,500	500,000
Total revenues	<u>327,904</u>	<u>868,060</u>	<u>683,576</u>
TRANSFERS IN			
Transfers from other funds	<u>2,880,317</u>	-	-
Total funds available	<u>3,208,221</u>	<u>3,561,420</u>	<u>3,287,921</u>
EXPENDITURES			
Debt Service			
Bond interest Senior Bonds	509,722	945,875	945,875
County Treasurer's fee	-	-	1,897
Paying agent fees	-	6,000	6,728
Investment advisory fees	5,139	5,200	5,500
Total expenditures	<u>514,861</u>	<u>957,075</u>	<u>960,000</u>
Total expenditures and transfers out requiring appropriation	<u>514,861</u>	<u>957,075</u>	<u>960,000</u>
ENDING FUND BALANCE	<u>\$ 2,693,360</u>	<u>\$ 2,604,345</u>	<u>\$ 2,327,921</u>
2018A SENIOR RESERVE FUND	\$ 1,423,675	\$ 1,423,675	\$ 1,423,675
2018A SENIOR SURPLUS FUND	323,810	1,180,670	904,246
2018A SENIOR CAPITALIZED INTEREST	945,875	-	-
TOTAL RESERVE	<u>\$ 1,747,485</u>	<u>\$ 2,604,345</u>	<u>\$ 2,327,921</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ 1,005,125	\$ -
REVENUES			
Interest income	69,938	18,988	-
Transfer from District No. 1	10,500	-	-
Series 2018A Bond Issuance	16,450,000	-	-
Series 2018B Bond Issuance	2,840,000	-	-
Total revenues	19,370,438	18,988	-
Total funds available	19,370,438	1,024,113	-
EXPENDITURES			
Transfer to District No. 1	14,568,088	1,024,113	-
Cost of Issuance	916,908	-	-
Total expenditures	15,484,996	1,024,113	-
TRANSFERS OUT			
Transfers to other fund	2,880,317	-	-
Total expenditures and transfers out requiring appropriation	18,365,313	1,024,113	-
ENDING FUND BALANCE	\$ 1,005,125	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

RainDance Metropolitan District No. 3's (the District) organization was approved by eligible electors of the District at an election held on May 6, 2014. The District was organized by order of the District Court in and for Weld County on June 6, 2014. The formation of the District was approved by the Town of Windsor, Colorado in conjunction with the approval by the Town Board of a Consolidated Service Plan for the District, RainDance Metropolitan District No. 1, RainDance Metropolitan District No. 2, and RainDance Metropolitan District No. 4 on March 24, 2014. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.).

At a special election of the eligible electors of the District on May 6, 2014, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

The District prepares its budget on the modified accrual basis of accounting in accordance with the 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.

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

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, sale 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.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
2020 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 7% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on average interest rate of approximately 2%.

Capital Facilities Fees

The District imposes a Capital Facilities Fee in the amount of \$2,500 per single family detached unit and \$1,100 for single family attached and apartment units, which is due and payable on or before a building permit is issued by the County. For the calendar year 2020, the District anticipates to collect fees on 200 single-family detached units.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Transfer to RainDance Metropolitan District No. 1

Pursuant to the District Coordinating Services Agreement, RainDance Metropolitan District No. 1 will provide certain operation, maintenance and administrative services benefitting the District, RainDance Metropolitan District No. 2 and RainDance Metropolitan District No. 4 (collectively, "Districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to RainDance Metropolitan District No. 1.

Debt and Leases

On May 17, 2018, the District issued \$16,450,000 in Limited Tax General Obligation Bonds, Series 2018A. The Bonds are limited tax general obligations of the District payable solely from Pledged Revenues, which include Senior Property Tax Revenues, Senior Specific Ownership Tax Revenues, and Capital Facilities Fees. The Bonds are due December 1, 2047, with an interest rate of 5.75%, paid semiannually on June 1 and December 1. Beginning on December 1, 2023, the Bonds are subject to mandatory sinking fund redemption at a price equal to the principal amount plus accrued interest to the redemption date.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Also on May 17, 2018, the District issued \$2,840,000 in Subordinate Limited Tax General Obligation Bonds, Series 2018B. The Bonds are subordinate limited tax general obligations of the District payable solely from Pledged Revenues, which include Subordinate Property Tax Revenues, Subordinate Specific Ownership Tax Revenues, and Subordinate Capital Facilities Fees. The Bonds are due December 1, 2047, with an interest rate of 8.125%, payable annually on December 15 from, and to the extent of, Subordinate Pledge Revenue available. The 2018B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date.

The Series 2018A and Series 2018B Bonds were issued to finance certain public improvements, fund the Reserve Fund, fund capitalized interest for payment of a portion of the bond interest, and pay the costs of issuing the Bonds.

The District has no capital nor operating lease.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to RainDance Metropolitan District No. 1, which pays for all Districts' operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's budget.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2018A Limited Tax General Obligation Bonds.

This information is an integral part of the accompanying budget.

**RAINDANCE METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$16,450,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.75% Dated May 17, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2020	-	945,875	945,875
2021	-	945,875	945,875
2022	-	945,875	945,875
2023	80,000	945,875	1,025,875
2024	195,000	941,275	1,136,275
2025	215,000	930,063	1,145,063
2026	250,000	917,700	1,167,700
2027	265,000	903,325	1,168,325
2028	300,000	888,088	1,188,088
2029	320,000	870,838	1,190,838
2030	360,000	852,438	1,212,438
2031	380,000	831,738	1,211,738
2032	430,000	809,888	1,239,888
2033	455,000	785,163	1,240,163
2034	505,000	759,000	1,264,000
2035	535,000	729,963	1,264,963
2036	590,000	699,200	1,289,200
2037	620,000	665,275	1,285,275
2038	685,000	629,625	1,314,625
2039	725,000	590,238	1,315,238
2040	790,000	548,550	1,338,550
2041	835,000	503,125	1,338,125
2042	910,000	455,113	1,365,113
2043	965,000	402,788	1,367,788
2044	1,045,000	347,300	1,392,300
2045	1,105,000	287,213	1,392,213
2046	1,200,000	223,675	1,423,675
2047	2,690,000	154,675	2,844,675
	\$ 16,450,000	\$ 19,509,750	\$ 35,959,750

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.



CliftonLarsonAllen

CliftonLarsonAllen LLP
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Accountant's Compilation Report

Board of Directors
RainDance Metropolitan District No. 4

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of RainDance Metropolitan District No. 4 for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to RainDance Metropolitan District No. 4.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 9, 2020



An independent member of Nexia International

**RAINDANCE METROPOLITAN DISTRICT NO. 4
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/9/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 5	\$ 5	\$ 5
REVENUES			
Property taxes	2,281	3,539	5,217
Specific ownership taxes	175	266	366
Interest income	2	-	-
Total revenues	<u>2,458</u>	<u>3,805</u>	<u>5,583</u>
Total funds available	<u>2,463</u>	<u>3,810</u>	<u>5,588</u>
EXPENDITURES			
County Treasurer's fees	34	53	78
Transfer to District No. 1	2,424	3,752	5,505
Total expenditures	<u>2,458</u>	<u>3,805</u>	<u>5,583</u>
Total expenditures and transfers out requiring appropriation	<u>2,458</u>	<u>3,805</u>	<u>5,583</u>
ENDING FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/9/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Agricultural	\$ 13,270	\$ 1,180	\$ -
Oil and Gas	-	89,570	70,760
State assessed	42,540	-	-
Vacant land	-	-	63,020
Minerals	2,650	-	-
Certified Assessed Value	\$ 58,460	\$ 90,750	\$ 133,780
 MILL LEVY			
General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000
 PROPERTY TAXES			
General	\$ 2,280	\$ 3,539	\$ 5,217
Levied property taxes	2,280	3,539	5,217
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	\$ 2,281	\$ 3,539	\$ 5,217
 BUDGETED PROPERTY TAXES			
General	\$ 2,281	\$ 3,539	\$ 5,217
	\$ 2,281	\$ 3,539	\$ 5,217

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 4
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

RainDance Metropolitan District No. 4's (the District) organization was approved by eligible electors of the District at an election held on May 6, 2014. The District was organized by order of the District Court in and for Weld County on June 6, 2014. The formation of the District was approved by the Town of Windsor, Colorado in conjunction with the approval by the Town Board of a Consolidated Service Plan for the District, RainDance Metropolitan District No. 1, RainDance Metropolitan District No. 2, and RainDance Metropolitan District No. 3 on March 24, 2014. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.).

At a special election of the eligible electors of the District on May 6, 2014, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

The District prepares its budget on the modified accrual basis of accounting in accordance with the 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.

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

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, sale 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.

**RAINDANCE METROPOLITAN DISTRICT NO. 4
2020 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 7% of the property taxes collected.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Transfer to RainDance Metropolitan District No. 1

Pursuant to the District Coordinating Services Agreement, RainDance Metropolitan District No. 1 will provide certain operation, maintenance and administrative services benefiting the District, RainDance Metropolitan District No. 2 and RainDance Metropolitan District No. 3 (collectively, "Districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to RainDance Metropolitan District No. 1.

Debt and Leases

The District has no outstanding debt nor any capital or operating leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to RainDance Metropolitan District No. 1, which pays for all District's operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's budget.

This information is an integral part of the accompanying budget.

EXHIBIT C
Reimbursement Agreements

**INFRASTRUCTURE ACQUISITION
AND REIMBURSEMENT AGREEMENT**

(Trollco, Inc.)

This **INFRASTRUCTURE ACQUISITION AND REIMBURSEMENT AGREEMENT** (this "**Agreement**") is made and entered into as of the 25th day of March, 2019, by and between **RAINDANCE METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "**District**"), and **TROLLCO, INC.**, a Colorado corporation (the "**Developer**").

RECITALS

WHEREAS, the District has been duly and validly organized concurrently with The Brands East Metropolitan District Nos. 2-4, (with the District collectively, the "**Districts**") as a quasi-municipal corporation and political subdivision of the State of Colorado, in accordance with the provisions of Article 1, Title 32, Colorado Revised Statutes (the "**Special District Act**"), with the power to provide certain public infrastructure, improvements and services, as described in the Special District Act, and as authorized in the Service Plan for the District (the "**Service Plan**"); (collectively, the "**Public Infrastructure**") and

WHEREAS, in accordance with the Special District Act and the Service Plan, the District has the power to acquire real and personal property, manage, control, and supervise the affairs of the District, including the financing, construction, installation, operation and maintenance of the Public Infrastructure, and to perform all other necessary and appropriate functions in furtherance of the Service Plan; and

WHEREAS, it is the District's intent to coordinate the financing, construction and operation and maintenance of the Public Infrastructure in connection with the development within the boundaries of the Districts, (collectively, the "**Project**"); and

WHEREAS, the District desires to undertake the provision of Public Infrastructure as contemplated in its Service Plan; and

WHEREAS, the District is presently without sufficient funds to provide the Public Infrastructure in a timely manner to support the Project; and

WHEREAS, the District has determined that delay in the provision of the Public Infrastructure will impair the successful development of the Project; and

WHEREAS, the Developer has expended funds on behalf of the District previously, and intends to make future payments for costs related to the provision of Public Infrastructure in the nature of capital costs in furtherance of the District's permitted purposes, including but not limited to: engineering, architectural, surveying, construction planning, and related legal, accounting and

other professional services (the “**Capital Costs**”) during the period when the District is unable to do so; and

WHEREAS, the Developer has or intends to finance and construct all or portions of the Public Infrastructure necessary for the development of the Project during the period when the District is unable to do so; and

WHEREAS, the District and the Developer desire to establish the terms and conditions under which the District (i) shall reimburse the Developer for Certified District Eligible Costs (hereafter defined) constituting Capital Costs; (ii) may acquire any such Public Infrastructure that is to be owned by the District, and to pay the Certified District Eligible Costs thereof; and (iii) shall reimburse the Developer for the Certified District Eligible Costs incurred by the Developer for Public Infrastructure that is being dedicated to the Town of Windsor, or other governmental entities; and

WHEREAS, the Public Infrastructure will benefit the community, is in the public interest, and will contribute to the health, safety and welfare of the community at large; and

WHEREAS, the Board of Directors of the District has determined that the best interests of the District and its property owners would be served by entering into this Agreement; and

WHEREAS, pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, the Board of Directors of the District has authorized its officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and promises expressed herein, the parties hereby agree as follows:

COVENANTS AND AGREEMENTS

1. Purpose of Agreement/Reimbursement of Certified District Eligible Costs. This Agreement shall provide a means by which the District shall reimburse the Developer for the Certified District Eligible Costs of Public Infrastructure financed and constructed by the Developer. The parties agree that this Agreement does not obligate the Developer to construct any Public Infrastructure, but only governs the terms under which such Public Infrastructure that is constructed by the Developer, will be eligible for reimbursement. The term “**District Eligible Costs**” shall mean any and all costs of any kind related to the provision of the Public Infrastructure that may be lawfully funded by the District under the Special District Act and the Service Plan. The term “**Certified District Eligible Costs**” shall mean District Eligible Costs with respect to which the District has received the Accountant’s Cost Certification and the Engineer’s Cost Certification, as applicable, as hereinafter provided. By virtue of the District’s agreement to reimburse the Developer for Certified District Eligible Costs, the District is paying

for the Public Improvements, and thus it is the intent of the parties that such improvements constitute District Improvements as defined in the Development Agreements.

2. Application for Acceptance/Documentary Requirements. The Developer shall initiate a request for reimbursement for District Eligible Costs of Public Infrastructure by submitting an “Application for Acceptance” containing the information set forth below, as applicable.

a. Dedicated Public Infrastructure. With respect to Public Infrastructure that is being dedicated to other governmental entities (“**Dedicated Public Infrastructure**”), the Developer shall furnish the following:

(1) A description of the Public Infrastructure to be dedicated and the proposed District Eligible Costs thereof;

(2) Copies of all invoices, statements and evidence of payment thereof equal to the proposed District Eligible Costs, including lien waivers from any suppliers and subcontractors;

(3) A letter from the governmental entity to which the Public Infrastructure is being dedicated evidencing the governmental entity’s preliminary or conditional acceptance of such Public Infrastructure, subject to any applicable warranty period;

(4) A letter agreement in form and substance reasonably satisfactory to the District addressing the maintenance of such Public Infrastructure during the applicable warranty period, the Developer’s commitment to fund the costs of any corrective work that must be completed before final acceptance by the governmental entity to which such Public Infrastructure is being dedicated, and the Developer’s agreement to obtain final acceptance from the governmental entity; and

(5) Such additional information to substantiate the Application for Acceptance as the District may reasonably require.

b. Acquired Public Infrastructure. With respect to Public Infrastructure to be acquired by the District from the Developer, the Developer shall furnish the following:

(1) A description of the Public Infrastructure to be acquired and the proposed District Eligible Costs thereof;

(2) Copies of all invoices, statements and evidence of payment thereof equal to the proposed District Eligible Costs, including lien waivers from any suppliers and subcontractors;

(3) Evidence that any and all real property interests necessary to permit the District’s use and occupancy of the Public Infrastructure have been granted, or, in the reasonable

discretion of District, assurances acceptable to the District that the Developer will execute or cause to be executed such instruments as shall satisfy this requirement;

(4) A complete set of digital record drawings of the Public Infrastructure which are certified by a professional engineer registered in the State of Colorado or a licensed land surveyor, showing accurate dimensions and location of all Public Infrastructure.

(5) Such additional information to substantiate the Application for Acceptance as the District may reasonably require.

c. Capital Costs. With respect to Capital Costs, the Developer shall furnish the following:

(1) A description of the nature of the Capital Costs.

(2) Information reasonably satisfactory to the District establishing the amount of the Capital Costs, which may include, but shall not be limited to, contracts with parties furnishing services of a capital nature, invoices and evidence of payment of same, and copies of work product or materials produced.

(3) Such additional information to substantiate the Application for Acceptance as the District may reasonably require.

3. Application Review Procedures / Acceptance Resolution / Conveyance / Warranties. Following receipt of the Application for Acceptance as described above, and within 10 business days thereafter:

a. The District's accountant shall review the invoices and other material presented to substantiate the District Eligible Costs and shall issue a cost certification in form and substance reasonably acceptable to the District declaring the total amount of District Eligible Costs associated with the Capital Costs or Public Infrastructure proposed for acquisition and/or reimbursement (the "**Accountant's Cost Certification**"). The Developer shall have a reasonable opportunity to dispute the conclusions set forth in the Cost Certification. In the event the Developer shall dispute the conclusions set forth in the Cost Certification, the District and the Developer shall submit the dispute to a national or regional independent accounting firm as the parties may mutually agree (the "**Accounting Firm**"). The District and the Developer shall request that the Accounting Firm render its determination within 30 days and such determination shall be final and binding on the parties. The fees and expenses of the Accounting Firm shall be split equally between the parties.

b. The District's engineer shall also review the invoices and other material presented to substantiate the District Eligible Costs and shall issue a cost certification in form and substance reasonably acceptable to the District declaring the total amount of District Eligible Costs associated with the Public Infrastructure proposed for acquisition and/or reimbursement, and that such costs are reasonable and appropriate for the type of Public Infrastructure being

constructed in the vicinity of the Project (the “**Engineer’s Cost Certification**”). The Developer shall have a reasonable opportunity to dispute the conclusions set forth in the Engineer’s Cost Certification. In the event the Developer shall dispute the conclusions set forth in the Engineer’s Cost Certification, the District and the Developer shall submit the dispute to a national or regional independent engineering firm as the parties may mutually agree (the “**Engineering Firm**”). The District and the Developer shall request that the Engineering Firm render its determination within 30 days and such determination shall be final and binding on the parties. The fees and expenses of the Engineering Firm shall be split equally between the parties. In the event the District’s engineer reasonably determines that corrective work must be completed before the Engineer’s Certification can be issued, the Developer shall promptly be given written notice thereof and an opportunity to dispute and/or complete such corrective work, and the Engineer’s Certification shall thereafter be issued. An Engineer’s Cost Certification is not required for Capital Costs.

c. The Developer’s engineer or other appropriate design professional shall inspect the Public Infrastructure for compliance with applicable design and construction standards, and shall issue an engineer’s certification in form and substance reasonably acceptable to the District stating that the Public Infrastructure is fit for its intended purpose, and that it was constructed substantially in accordance with its design (the “**Engineer’s Design Certification**”). An Engineer’s Design Certification is not required for Dedicated Public Infrastructure or Capital Costs.

d. Upon receipt of a satisfactory Accountant’s Cost Certification, Engineer’s Cost Certification, and Engineer’s Design Certification as set forth above, and a reasonable time thereafter, the District shall accept the Public Infrastructure and/or Certified District Eligible Costs by adopting a Resolution declaring satisfaction of the conditions to acceptance as set forth herein (subject to any variances or waivers which the District may allow in its sole and absolute discretion), with any reasonable conditions the District may specify (the “**Acceptance Resolution**”).

e. With respect to Public Infrastructure to be owned by the District, contemporaneously with or promptly subsequent to adoption of the Acceptance Resolution (but subject to payment thereof as hereinafter provided), the Developer shall convey any accepted Public Infrastructure to the District using the form of Bill of Sale reasonably acceptable to the District, which conveyance shall include all warranties applicable thereto.

4. Payment of Certified District Eligible Costs/Deferral.

a. Upon the adoption of an Acceptance Resolution (and, with respect to Public Infrastructure to be owned by the District, execution and delivery of a Bill of Sale as set forth above), the District shall tender to the Developer, or any other entity as directed by the Developer, the amount of the Certified District Eligible Costs in one of the following forms:

- (1) Cash, or

- (2) One or more reimbursement notes, bonds, or other instruments (collectively, “**Reimbursement Obligations**” and each, a “**Reimbursement Obligation**”)

Notwithstanding the foregoing, the Developer may elect to defer payment of the Certified District Eligible Costs, in which case such amounts shall continue to be due under this Agreement and shall accrue simple interest at the rate of ten percent (10%) per annum until such time as such Certified District Eligible Costs are either paid in full or are included (together with accrued interest) in the principal amount of Reimbursement Obligations issued pursuant to Section 6 below.

5. Issuance of Bonds or Other Indebtedness. In the event the Developer elects to defer payment of the Certified District Eligible Costs and/or if payment of the Certified District Eligible Costs is made by the issuance of Reimbursement Obligations, the District shall undertake good faith efforts to issue general obligation bonds or other indebtedness to generate funds to pay such obligations at the earliest practicable date, subject to any limitations of the District’s electoral authorization or Service Plan.

6. Issuance of Reimbursement Obligations.

a. Subject to the conditions of this Section 6, upon the written demand of the Developer, the District shall issue one or more Reimbursement Obligations payable to or to such other entity at the direction of the Developer, in a principal amount equal to the Certified District Eligible Costs, payment as to which has been deferred under Section 4 hereof, plus accrued interest as provided therein. Unless otherwise mutually agreed, such Reimbursement Obligations shall be secured by the District’s pledge of an ad valorem property tax in the maximum amount permitted by the District’s Service Plan and its electoral authorization, the proceeds of any bonds or other indebtedness issued by the District (with such proceeds being applied first to redeem the balance of the Reimbursement Obligations before any other use), and any other legally available revenues of the District that are pledged to the payment thereof. Such Reimbursement Obligations shall mature on a date or dates, and bear interest at a market rate, as mutually determined at the time of issuance of such Reimbursement Obligations. The District shall be permitted to prepay any Reimbursement Obligation, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued to the date of prepayments on the principal amount prepaid. The District and the Developer shall negotiate in good faith the final terms and conditions of the Reimbursement Obligation.

b. The issuance of any Reimbursement Obligation shall be subject to the availability of an exemption (if required) from the registration requirements of Section 11-59-106, C.R.S., and shall be subject to such prior filings with the Colorado State Securities Commissioner as may be necessary to claim such exemption, in accordance with Section 11-59-110, C.R.S., and any regulations promulgated thereunder.

c. In connection with the issuance of any such Reimbursement Obligation, the District shall make such filings as it may be deemed necessary to comply with the provisions of Section 32-1-1604, C.R.S., as amended.

d. To the extent such Reimbursement Obligations may be issued as tax-exempt obligations, and upon the request of the Developer, such obligations shall be issued with a tax-exempt opinion of nationally recognized bond counsel.

e. The District shall bear the costs of issuance of the Reimbursement Obligations.

7. Annual Appropriation/No Multiple Fiscal Year Financial Obligation. Amounts due hereunder (except to the extent converted into Reimbursement Obligations) shall not constitute a debt or indebtedness of the Districts within the meaning of the Colorado Constitution, and the payment of such amounts shall be subject to annual appropriation by the District. Notwithstanding anything contained herein to the contrary, once a Reimbursement Obligation is issued, repayment shall not be subject to annual appropriation by the District.

8. Indemnification. The Developer hereby agrees to indemnify and save harmless the District from all mechanic's liens with respect to the Public Infrastructure conveyed to the District by the Developer arising from the Developer's activities with respect to such Public Infrastructure prior to such conveyance.

9. Default.

a. Event of Default. It shall be an "**Event of Default**" or a "**Default**" under this Agreement if the District or the Developer defaults in the performance or observance of any of the covenants, agreements, or conditions set forth herein (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body).

b. Grace Periods. Upon the occurrence of an Event of Default, such party shall, upon written notice from the District or the Developer, as applicable, proceed immediately to cure or remedy such Default and, in any event, such Default shall be cured within thirty (30) days after receipt of such notice, or, if such default is of a nature which is not capable of being cured within the applicable time period, shall be commenced within such time period and diligently pursued to completion.

c. Remedies on Default. Whenever any Event of Default occurs and is not cured under Section 9(b) of this Agreement, the non-defaulting party injured by such Default and having a remedy under this Agreement may take any one or more of the following actions:

(1) Suspend performance under this Agreement until it receives assurances from the defaulting party, deemed adequate by the non-defaulting party, that the defaulting party will cure its Default and continue its performance under this Agreement; or

(2) Proceed to protect and enforce its respective rights by such suit, action, or special proceedings as the District or the Developer deems appropriate under the circumstances, including without limitation an action in mandamus or for specific performance.

d. Delay or Omission No Waiver. No delay or omission of any party to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time and as often as may be deemed expedient.

e. No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any Event of Default hereunder by any party shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the parties provided here shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

f. Discontinuance of Proceedings; Position of Parties Restored. In case any party shall have proceeded to enforce any right hereunder and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such party, then and in every such case the parties shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the parties shall continue as if no such proceedings had been taken.

g. Attorneys' Fees. If a party must commence legal action to enforce its rights and remedies under this Agreement, the prevailing party shall be paid, in addition to any other relief, its costs and expenses, including reasonable attorneys' fees, of such action or enforcement.

10. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or the date otherwise determined for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

11. Notices and Place for Payments.

All notices, demands and communications (collectively, "**Notices**") under this Agreement shall be delivered or sent by: (a) first class, registered or certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight carrier, addressed to the address of the intended recipient set forth below or such other address as a party may designate by notice pursuant to this Paragraph, or (c) sent by PDF or email. Notices shall be deemed given either one business day after delivery to the overnight carrier, three days after being mailed as provided in clause (a) above, or upon confirmed delivery as provided in clause (c) above. Notices sent pursuant to clause (a) or clause (b) as set forth above shall provide a conforming copy concurrently delivered via by email.

If to the District: Raindance Metropolitan District No. 1
Attn: Gary Kerr.
1625 Pelican Lakes Point, Suite 201
Windsor, CO 80550
(970) 686-5828 (phone)
gkerr@watervalley.com

With copy to: WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law
Attention: William P. Ankele, Jr.
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
303.858.1800 (phone)
303.858.1801 (fax)
wpankele@wbapc.com

If to the Developer: Trollco, Inc.
Attn: Gary Kerr.
1625 Pelican Lakes Point, Suite 201
Windsor, CO 80550
(970) 686-5828 (phone)
gkerr@watervalley.com

12. Amendments. This Agreement may only be amended or modified by a writing executed by each party.

13. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Agreement, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

14. Applicable Laws. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located.

15. Assignment. This Agreement may not be assigned by either party and any attempt to do so shall be null and void.

16. Authority. By execution hereof, the District and the Developer represent and warrant that their representative signing hereunder has full power and lawful authority to execute this Agreement and to bind the respective party to the terms hereof.

17. Entire Agreement. This Agreement constitutes and represents the entire, integrated agreement between the District and the Developer with respect to the matters set forth

herein, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This Agreement shall become effective upon the date set forth above.

18. Inurement. The terms of this Agreement shall be binding upon, and inure to the benefit of the parties as well as their respective successors and permitted assigns.

19. Governmental Immunity. The District represents and warrants that it is prohibited by the Colorado Constitution and state law from entering into indemnification obligations without appropriations in its budget. Accordingly, only to the extent allowed by law and without waiving the protections, procedural requirements and monetary limits of the Colorado Governmental Immunity Act, the District agrees to indemnify, defend and hold the Developer and its managers, members, employees, agents, representatives and any successors or assigns of the foregoing ("Developer Parties") harmless from and against any and all losses, costs, damages, liens, claims, liabilities or expenses (including, but not limited to, reasonable attorneys' fees, court costs and disbursements) incurred by any of Developer Parties to the extent they relate to, or arising out of, or are the result of (a) a breach of representation and warranty by the District and (b) a breach of this Agreement by the District.

20. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being acknowledged that each party has contributed substantially and materially to the preparation of this Agreement.

21. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

**RAINDANCE METROPOLITAN DISTRICT
NO. 1**, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: 

President

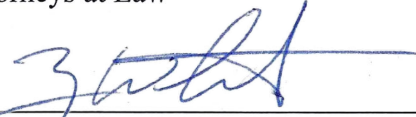
ATTEST:



Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law


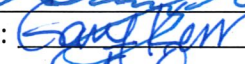
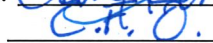


General Counsel to the District

*Signature page (1 of 2) to Raindance Metropolitan District No. 1 Infrastructure Acquisition and
Reimbursement Agreement*

DEVELOPER:

TROLLCO, INC., a Colorado corporation

By: 
Name: 
Title: 

Signature page (2 of 2) to Raindance Metropolitan District No. 1 Infrastructure Acquisition and Reimbursement Agreement

EXHIBIT D

**RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
RAINDANCE METROPOLITAN DISTRICT NO. 1**

**REGARDING ACCEPTANCE OF DISTRICT ELIGIBLE COSTS
(CR 13 Roundabout)**

WHEREAS, Raindance Metropolitan District No. 1, Town of Windsor, Weld County, State of Colorado ("**District**"), is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, the District was formed, inter alia, for the purpose of designing, acquiring, constructing, installing, operating, maintaining and financing street improvements, parks and recreational facilities, storm sewer improvements, water improvements, traffic and safety controls, transportation improvements, mosquito control, television relay and translator facilities, fire protection improvements, and sanitary sewer improvements (collectively, the "**Public Improvements**") within and without the boundaries of the District; subject to any limitations contained in the Service Plan for the District; and

WHEREAS, in accordance with § 32-1-1001(1)(f), C.R.S., the District has the power to acquire real and personal property, including rights and interests in property and easements necessary to its functions or operations; and

WHEREAS, the District has entered into an Infrastructure Acquisition and Reimbursement Agreement, dated March 25, 2019, (the "**Acquisition Agreement**") by and between the District and Trolco, Inc. (the "**Developer**") which sets forth the procedure for documenting, certifying, and reimbursing the Developer for certain costs related to Public Improvements that may be lawfully funded by the District; and

WHEREAS, the Developer has funded certain costs related to the Public Improvements for the benefit of the District; and

WHEREAS, pursuant to the Acquisition Agreement, the District has agreed to reimburse the Developer for "District Eligible Costs," subject to the satisfaction of certain terms and conditions as set forth in the Acquisition Agreement; and

WHEREAS, the Acquisition Agreement requires that the Developer furnish copies of all invoices, statements and evidence of payment, equal to the proposed District Eligible Costs, including lien waivers from suppliers and subcontractors, as applicable, to the District related to the costs funded by the Developer related to the Public Improvements (collectively, the

“**Payment Information**”) in order to, inter alia, allow the District to substantiate the amount of District Eligible Costs; and

WHEREAS, the Developer has furnished the Payment Information and all other requested information to the District; and

WHEREAS, the Board engaged CliftonLarsonAllen, LLP, the (“**District Accountant**”) who has also reviewed the Payment Information provided by the Developer to substantiate the amount of District Eligible Costs, and the District Accountant has advised the Board that certain of the costs submitted by the Developer are reasonable and appropriate and related to the Public Improvements authorized and contemplated under the terms of the Service Plan and Acquisition Agreement and are therefore eligible for reimbursement by the District; and

WHEREAS, the Board of Directors of the District (the “**Board**”) engaged TST, Inc. Consulting Engineers, (the “**District Engineer**”) an independent engineer, has inspected the Public Improvements for compliance with applicable design and construction standards, and has advised the Board that the Public Improvements are fit for their intended purpose and that they were constructed substantially in accordance with their design. The District Engineer has further advised the Board that costs submitted by the Developer are reasonable and appropriate and related to the Public Improvements authorized and contemplated under the terms of the Service Plan and Acquisition Agreement and are therefore eligible for reimbursement by the District; and

WHEREAS, the Board has reviewed the information submitted by the District Engineer and District Accountant and other information as appropriate and has determined that the best interests of the District, its residents, users, and property owners would be served by the District’s recognition and acceptance of the District Eligible Costs, and, the District should expend funds for such purposes; and

WHEREAS, the Board desires to recognize and reimburse the Developer for the District Eligible Costs, subject to the availability of District funds for such purpose.

NOW, THEREFORE, be it resolved by the Board of the District as follows:

1. District Eligible Costs. The Developer has represented that it has funded or caused to be funded District Eligible Costs at its sole cost and expense, which District Eligible Costs are directly related to the Public Improvements, and has provided the Payment Information to the District.

2. Certifications. As required under Section 4.c. of the Acquisition Agreement, the District Accountant has reviewed the Payment Information, and has issued a “Cost Certification,” attached as **Exhibit A**, certifying the amount of District Eligible Costs to be reimbursed to the Developer. Further, the District Engineer has issued an “Engineer’s Certification” attached as **Exhibit B**, certifying that the Public Improvements are fit for their intended purpose and that they were constructed substantially in accordance with their design,

and costs submitted by the Developer are reasonable and appropriate and related to the Public Improvements authorized and contemplated under the terms of the Service Plan and Acquisition Agreement and are therefore eligible for reimbursement by the District.

3. Acceptance of District Eligible Costs. The Board hereby finds that the applicable requirements set forth in the Acquisition Agreement have been met, and that the District Eligible Costs are hereby accepted and approved for reimbursement by the District.

4. Dedicated Improvements. The Board acknowledges that the Public Improvements will be dedicated to the Town of Windsor. The Developer has provided assurance that the additional information required by the Acquisition Agreement, as applicable, in form and substance satisfactory to the District will be provided to the District prior to reimbursement to the Developer for the District Eligible Costs.

5. Acceptance of District Eligible Costs. The Board, having reviewed the certifications and recommendations of the District Engineer and District Accountant, finds and determines that the total amount of District Eligible Costs to be reimbursed to the Developer is \$933,374.87. The Board further finds that the applicable requirements set forth in the Acquisition Agreement have been met to the satisfaction of the District, and that the District Eligible Costs are hereby accepted and approved for reimbursement by the District subject to the availability of funds and any additional requirements or limitations in this Resolution. This Resolution shall be deemed the "Acceptance Resolution" to be issued by the District as required by the Acquisition Agreement.

6. Subject to Annual Appropriations. Any payments due hereunder are subject to annual appropriation by the District and do not create a multiple-fiscal year obligation or debt whatsoever. Furthermore, any payments due hereunder are subject to any repayment terms and conditions as set forth in the Acquisition Agreement.

7. Definitions. Capitalized terms not defined herein, shall have the meanings set forth in the Acquisition Agreement.

Signature page follows.

ADOPTED THIS 8TH DAY OF NOVEMBER, 2019.

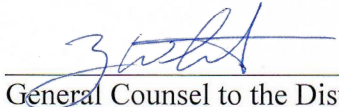
**RAINDANCE METROPOLITAN DISTRICT
NO. 1**



Officer of the District



APPROVED AS TO FORM:
WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

EXHIBIT A

Cost Certification



CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

November 7, 2019

Board of Directors
RainDance Metropolitan District No. 1
Weld County, Colorado

Re: Developer Costs Certification – CR 13/New Liberty Road Roundabout

This report summarizes the results of supplementary procedures we performed related to the costs of CR 13/New Liberty Road Roundabout (Public Improvements) constructed by Crow Creek Construction, LLC (Contractor) for and on behalf of Trollco, Inc., (Developer) within the boundaries of RainDance Metropolitan District No. 1 – 4 (Districts), which Public Improvements will be reimbursed by RainDance Metropolitan District No. 1 (RMD#1) pursuant to an Infrastructure Acquisition and Reimbursement Agreement (IARA) entered into by RMD#1 and the Developer.

We received an independent Engineer's Certification indicating that they have inspected and examined the Public Improvements. Such Engineer's Certification contained an opinion that the Public Improvements are fit for the purpose intended by the IARA and that the related construction costs are reasonable. We did not review the contracts and did not evaluate quantity and quality measurements of the Public Improvements, which procedures are assumed to have been covered by the Engineer's Certification.

The supplementary procedures we performed include reading the payment information submitted by the Developer to determine overall reasonableness and cannot be considered as final authorization for reimbursement. The payment information we received include copies of (i) Contractor's invoices/pay applications, (ii) a lien waiver for final payment from the Contractor, and (iii) a promissory note. The payment information represented and reflected that the costs of the Public Improvements totaled \$933,374.87, which costs have been settled by the Developer

We were not engaged to, and did not, conduct an examination in accordance with generally accepted auditing standards in the United States of America, the objective of which would be the expression of an opinion on the financial statements of RMD#1. Accordingly, we do not express such an opinion. We performed our engagement as a consulting service under the American Institute of Certified Public Accountants' ("AICPA") Statement of Standards for Consulting Services. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are not independent with respect to the Districts.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Greenwood Village, Colorado

EXHIBIT B

Engineer's Certification

ENGINEER'S CERTIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF LaRimer)

Before me, the undersigned, personally appeared John Meyers who, being by me first duly sworn on oath, deposes and says:

1. That he is an engineer duly qualified to issue a professional opinion related to the costs of public improvements or facilities constructed by Trollco, Inc., (the "Developer") within the service area of Raindance Metropolitan District No. 1, which public improvements or facilities may be acquired by the Town of Windsor and reimbursed by Raindance Metropolitan District No. 1 ("Raindance") pursuant to the Infrastructure Acquisition and Reimbursement Agreement between Raindance and the Developer (the "Agreement").
2. That he has inspected and otherwise examined the facilities described in Exhibit A attached hereto (the "Facilities"), and has reviewed the costs for the Facilities submitted by the Developer itemized therein (the "Costs") itemized therein, but without reviewing any evidence of payment of the Costs.
3. That he found the Facilities to be in satisfactory form and condition and that it is his professional opinion that the Facilities are fit for the purpose intended by the Agreement, and the Facilities were constructed substantially in accordance with their design.
4. That he found the Costs for the Facilities totaling \$933,374.87, as further set forth in Exhibit A, to be reasonable and consistent with the costs of similar Facilities constructed for similar purposes and in the vicinity of the project.

DISTRICT ENGINEER
By: [Signature]
Its: DISTRICT ENGINEER
FOR AND ON BEHALF OF TST, INC.

Subscribed and sworn to before me this 7th day of November, 2019

My commission expires: 6/18/20

JOANNE R. MILLIGAN
NOTARY PUBLIC
STATE OF COLORADO
Notary ID 20124036387
My Commission Expires 06/18/2020

[Signature]
Notary Public

Developer:
Trollco, Inc.
1625 Pelican Lakes Point
Suite 201
Windsor, CO 80550

Contractor:
Crow Creek Construction, LLC
7251 W. 20th St.
Suite 101B
Greeley, CO 80634

Contract Amount	\$818,944.16
Change Order Amounts	\$114,430.71
Revised Contract Amount	\$933,374.87

June Invoice #6012024201795	\$8,130.00	Amount Paid to Contractor
July Invoice #6012024201838	\$13,243.36	
Total:	\$13,243.36	Amount Paid to Contractor
August Invoice #6012024201848	\$121,646.82	
CO #101 Fly Ash	\$84,877.71	
CO #102 Add Mill/Import	\$18,423.00	
Total:	\$224,947.53	Amount Paid to Contractor
September Invoice #6012024201877	\$639,482.76	
CO #103 Erosion	\$11,130.00	
	\$650,612.76	Amount Paid to Contractor
October Invoice #6012024201899	\$36,441.22	
	\$36,441.22	Amount Paid to Contractor
Contract Balance:	\$0.00	

**JOINT RESOLUTION
OF THE BOARDS OF DIRECTORS OF THE
RAINDANCE METROPOLITAN DISTRICT NOS. 1 AND 3**

**REGARDING ACCEPTANCE OF DISTRICT ELIGIBLE COSTS AND
ACQUISITION OF PUBLIC IMPROVEMENTS**

(Bridges and Entry Ponds)

WHEREAS, the RainDance Metropolitan District Nos. 1 and 3, Town of Windsor, Weld County, State of Colorado (the "**Districts**"), are quasi-municipal corporations and political subdivisions of the State of Colorado; and

WHEREAS, the Districts were formed, inter alia, for the purpose of designing, acquiring, constructing, installing, operating, maintaining and financing street improvements, parks and recreational facilities, storm sewer improvements, water improvements, traffic and safety controls, transportation improvements, mosquito control, television relay and translator facilities, fire protection improvements, and sanitary sewer improvements (collectively, the "**Public Improvements**") within and without the boundaries of the RainDance Metropolitan District NO. 1-4 (the "**Raindance Districts**"); subject to any limitations contained in the Service Plan for the Districts; and

WHEREAS, in accordance with § 32-1-1001(1)(f), C.R.S., the Districts have the power to acquire real and personal property, including rights and interests in property and easements necessary to its functions or operations; and

WHEREAS, the RainDance Metropolitan District No. 1 ("**District No. 1**") entered into an Infrastructure Acquisition and Reimbursement Agreement, dated March 1, 2018, (the "**Reimbursement Agreement**") by and between District No. 1 and Raindance Land Company LLC (the "**Developer**") which sets forth the procedure for documenting, certifying, and reimbursing the Developer for certain costs related to Public Improvements benefitting the RainDance Districts that may be lawfully funded by District No. 1; and

WHEREAS, the Developer has funded certain costs related to the Public Improvements for the benefit of the RainDance Districts; and

WHEREAS, pursuant to the Reimbursement Agreement, District No. 1 has agreed to reimburse the Developer for "District Eligible Costs," subject to the satisfaction of certain terms and conditions as set forth in the Reimbursement Agreement; and

WHEREAS, the Reimbursement Agreement requires that the Developer furnish copies of all invoices, statements and evidence of payment equal to the proposed District Eligible Costs, including lien waivers from suppliers and subcontractors, as applicable, to District No. 1 related to the costs funded by the Developer related to the Public Improvements (collectively, the "**Payment Information**") in order to, inter alia, allow District No. 1 to substantiate the amount of District Eligible Costs; and

WHEREAS, the Developer has furnished the Payment Information and all other requested information to District No. 1; and

WHEREAS, District No. 1 has engaged TST, Inc. Consulting Engineers, (the “**District Engineer**”) an independent engineer, who has reviewed the Payment Information to substantiate the amount of District Eligible Costs, and the District Engineer has advised the Boards that certain of the costs submitted by the Developer are reasonable and appropriate and related to the Public Improvements authorized and contemplated under the terms of the Service Plan and Reimbursement Agreement and are therefore eligible for reimbursement by District No. 1; and

WHEREAS, District No. 1 has engaged CliftonLarsonAllen the (“**District Accountant**”) who has also reviewed the Payment Information to substantiate the amount of District Eligible Costs, and the District Accountant has advised the Boards that certain of the costs submitted by the Developer are reasonable and appropriate and related to the Public Improvements authorized and contemplated under the terms of the Service Plan and Reimbursement Agreement and are therefore eligible for reimbursement by District No. 1; and

WHEREAS, on March 27, 2018, the Districts adopted that certain Joint Resolution Regarding Intent to Implement Common Plan of Finance under which the Districts set forth their intent to implement the common plan of finance described in the service plan for the Districts in order to pay certain capital costs related to the Public Improvements; and

WHEREAS, the Boards have reviewed the information submitted by the District Engineer and District Accountant and other information to District No. 1 as appropriate and have determined that the best interests of the Districts, their residents, users, property owners, and RainDance Districts as a whole would be served by the District’s recognition and acceptance of the District Eligible Costs and acquisition of the Public Improvements from the Developer, and the Districts should expend funds for such purposes; and

WHEREAS, the Boards desire to recognize and reimburse the Developer for the District Eligible Costs and acquire the Public Improvements from the Developer, subject to the availability of funds for such purpose.

NOW, THEREFORE, be it resolved by the Board of the District as follows:

1. District Eligible Costs. The Developer has represented that it has funded or caused to be funded District Eligible Costs at its sole cost and expense, which District Eligible Costs are directly related to the Public Improvements, and has provided the Payment Information to the Districts.

2. Cost Certification. As required under Section 3.a and 3.b. of the Reimbursement Agreement, the District Engineer and District Accountant have each reviewed the Payment Information, and have issued the “Engineer’s Cost Certification” and “Accountant’s Cost Certification” attached as **Exhibit A** and **Exhibit B**, respectively, certifying the amount of District Eligible Costs eligible for reimbursement to the Developer.

3. Dedicated Improvements. The Boards acknowledge that certain of the Public Improvements may be dedicated to other governmental entities. For such Public Improvements, the Developer has provided the information as required by the Reimbursement Agreement, as applicable, in form and substance satisfactory to the Districts (or has provided assurance acceptable to the Districts, that the Developer will provide such information).

4. Engineer's Certification. To the extent the District is acquiring Public Improvements, the Developer has provided the information as required by the Reimbursement Agreement, as applicable, in form and substance satisfactory to the District (or has provided assurance acceptable to the District, that the Developer will provide such information) and the District is in receipt of an "**Engineer's Verification**" included in the Engineer's Cost Certification attached hereto as **Exhibit A**.

5. Acceptance of District Eligible Costs. The Boards, having reviewed the certifications and recommendations of the District Engineer and District Accountant, find and determine that the total amount of District Eligible Costs is One Million Two Hundred Three Thousand Five Hundred Eighty Seven and Nine Cents (\$1,203,587.09). The Boards further find that the applicable requirements set forth in the Reimbursement Agreement have been met, or the Developer has provided assurance acceptable to the Districts that the Developer will provide such information, and that the District Eligible Costs are hereby accepted and approved for reimbursement by District No. 1. To the extent required by the Reimbursement Agreement, this Resolution shall be deemed the "**Acceptance Letter**" to be issued by District No. 1.

6. Subject to Annual Appropriations. Any payments due hereunder are subject to annual appropriation by District No. 1 and do not create a multiple-fiscal year obligation or debt of the Districts whatsoever. Furthermore, any payments due hereunder are subject to any repayment terms and conditions as set forth in the Reimbursement Agreement.

7. Definitions. Capitalized terms not defined herein, shall have the meanings set forth in the Reimbursement Agreement.

Signature page follows.

APPROVED and ADOPTED this 12th day of August, 2019.

RAINDANCE METROPOLITAN DISTRICT NO.
1, a quasi-municipal corporation and political
subdivision of the State of Colorado

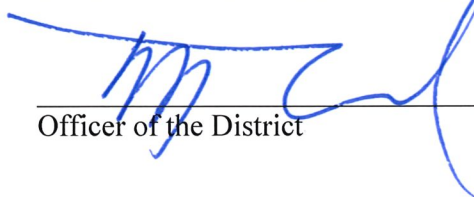


Officer of the District

ATTEST:



RAINDANCE METROPOLITAN DISTRICT NO.
3, a quasi-municipal corporation and political
subdivision of the State of Colorado




Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

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EXHIBIT A

Engineer's Certifications

ENGINEER'S CERTIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

Before me, the undersigned, personally appeared John Meyers Jr who, being by me first duly sworn on oath, deposes and says:

1. That he is an engineer duly qualified to issue a professional opinion related to the costs of public improvements or facilities constructed by Raindance Land Company, LLC, (Developer) within the boundaries of Raindance Metropolitan District Nos. 1-4, which facilities will be acquired by RainDance Metropolitan District No. 1 (RDMD No. 1).
2. That he has inspected and otherwise examined the Facilities described in Exhibit A attached hereto (the "Facilities"), and has reviewed the costs itemized therein.
3. That he found the Facilities to be in satisfactory form and condition and that it is his professional opinion that the Facilities are fit for the purpose intended by the Agreement.
4. That he found the costs set forth in Exhibit A to be reasonable and consistent with the costs of similar Facilities constructed for similar purposes.

DISTRICT ENGINEER

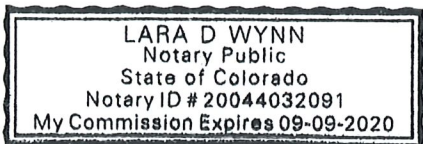
By: [Signature]

Its: District Engineer

FOR AND ON BEHALF OT TST, INC.

Subscribed and sworn to before me this 13th day of June, 2019

My commission expires: September 9, 2020



[Signature]
Notary Public



TST, INC. CONSULTING ENGINEERS



Exhibit A

Client: Raindance Metro District

5/9/2019

Project No. 0803.400.00

By:JAZE

Project: Raindance Covered Bridge and Lake

Item

Total Project District Improvements

LAKES	\$277,396.26
COVERED BRIDGE	\$1,166,426.51
UNCOVERED BRIDGE	\$812,375.32
Total	\$2,256,198.09

EXHIBIT B

Accountant's Cost Certification



CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

August 2, 2019

Board of Directors
Raindance Metropolitan District No. 1
Weld County, Colorado

Re: Developer Costs Certification – Infrastructure Costs paid by Raindance Land Company, LLC

This report summarizes the results of supplementary procedures we performed related to the costs of public improvements or facilities constructed by Raindance Land Company, LLC (Developer) within the boundaries of Raindance Metropolitan District No. 1 – 4 (Districts), which facilities will be acquired by Raindance Metropolitan District No. 1 (RMD#1) pursuant to the District Coordinating Services Agreement amongst Raindance Metropolitan Districts No. 1 – 4 and the Infrastructure Acquisition and Reimbursement Agreement (IARA) entered separately by RMD#1 with the Developer.

We received an independent Engineer's Certification containing an opinion that the facilities to be acquired by RMD#1 totaling \$2,256,171.09 related to infrastructure costs are fit for the purpose intended by the IARA. We did not review the contracts and did not evaluate quantity and quality measurements of the facilities, which procedures are assumed to have been covered by the Engineer's Certification

The documentation we received include copies of contractor invoices and proof of payments. After reviewing such documentation, we have concluded that, except for \$1,052,584.00 which have been paid directly by RMD#1, all Engineer-certified costs are reimbursable to the Developer. The amount reimbursable to the Developer is \$1,203,587.09

We were not engaged to, and did not, conduct an examination in accordance with generally accepted auditing standards in the United States of America, the objective of which would be the expression of an opinion on the financial statements of the Districts. Accordingly, we do not express such an opinion. We performed our engagement as a consulting service under the American Institute of Certified Public Accountants' ("AICPA") Statement of Standards for Consulting Services. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are not independent with respect to the Districts.

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP' in a cursive script.

CliftonLarsonAllen LLP
Greenwood Village, Colorado

Attachment

ENGINEER'S CERTIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

Before me, the undersigned, personally appeared John Meyers Jr who, being by me first duly sworn on oath, deposes and says:

1. That he is an engineer duly qualified to issue a professional opinion related to the costs of public improvements or facilities constructed by Raindance Land Company, LLC, (Developer) within the boundaries of Raindance Metropolitan District Nos. 1-4, which facilities will be acquired by RainDance Metropolitan District No. 1 (RDMD No. 1).
2. That he has inspected and otherwise examined the Facilities described in Exhibit A attached hereto (the "Facilities"), and has reviewed the costs itemized therein.
3. That he found the Facilities to be in satisfactory form and condition and that it is his professional opinion that the Facilities are fit for the purpose intended by the Agreement.
4. That he found the costs set forth in Exhibit A to be reasonable and consistent with the costs of similar Facilities constructed for similar purposes.

DISTRICT ENGINEER

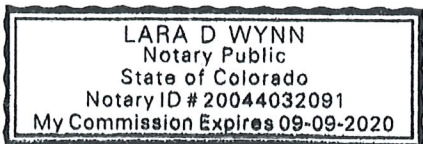
By: [Signature]

Its: District Engineer

FOR AND ON BEHALF OT TST, INC.

Subscribed and sworn to before me this 13th day of June, 2019

My commission expires: September 9, 2020



[Signature]
Notary Public



TST, INC. CONSULTING ENGINEERS

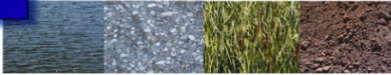


Exhibit A

Client: Raindance Metro District

5/9/2019

Project No. 0803.400.00

Project: Raindance Covered Bridge and Lake

By: JAZ

Item

Total Project District Improvements

LAKES	\$277,369.26
COVERED BRIDGE	\$1,166,426.51
UNCOVERED BRIDGE	\$812,375.32
Total	\$2,256,171.09

RAINDANCE METROPOLITAN DISTRICT NO. 3
Raindance Land Company, LLC (Developer) Costs
Cost Certification No. 6

Invoice Date	Vendor	Certified by	Accountant		
		Engineer Amount	Amount Held or Disallowed	Amount To Be Accepted	Other Comments
Lakes					
10/3/2018	Justice Construction	20,212.50	-	20,212.50	
10/3/2018	Justice Construction - Pd by Land Title	20,212.50	-	20,212.50	
6/29/2019	H2O and Things that Grow - Pd by Land Title	73,600.00	-	73,600.00	46 of 62 Loads certified
8/10/2018	H2O and Things that Grow	25,600.00	-	25,600.00	16 of 62 Loads certified
8/31/2017	Crow Creek Construction LLC	137,744.26	-	137,744.26	
Total Lakes		277,369.26	-	277,369.26	
Covered Bridge					
4/3/2018	Heath Construction dba Saunders Heath	73,323.47	73,323.47	-	Paid by the District
5/3/2018	Heath Construction dba Saunders Heath	243,675.28	243,675.28	-	Paid by the District
6/5/2018	Heath Construction dba Saunders Heath	206,240.15	206,240.15	-	Paid by the District
7/9/2018	Heath Construction dba Saunders Heath	272,629.91	272,629.91	-	Paid by the District
8/6/2018	Heath Construction dba Saunders Heath	196,416.65	196,416.65	-	Paid by the District
9/6/2018	Heath Construction dba Saunders Heath	7,669.34	7,669.34	-	Paid by the District
10/1/2018	Heath Construction dba Saunders Heath	52,629.20	52,629.20	-	Paid by the District
12/31/2018	Crow Creek Construction LLC	16,973.71	-	16,973.71	
9/30/2017	Crow Creek Construction LLC	94,468.80	-	94,468.80	
8/10/2018	H2O and Things that Grow	2,400.00	-	2,400.00	1.5 loads (Engineer states 2 loads)
Total Covered Bridge		1,166,426.51	1,052,584.00	113,842.51	
Uncovered Bridge					
8/2/2018	Heath Construction dba Saunders Heath - Pd by Land Title	215,799.42	-	215,799.42	
9/6/2018	Heath Construction dba Saunders Heath - Pd by Land Title	196,836.18	-	196,836.18	
10/1/2018	Heath Construction dba Saunders Heath - Pd by Land Title	99,125.10	-	99,125.10	
10/30/2018	Heath Construction dba Saunders Heath - Pd by Land Title	133,698.60	-	133,698.60	
12/5/2018	Heath Construction dba Saunders Heath	53,052.30	-	53,052.30	
12/5/2018	Heath Construction dba Saunders Heath	77,612.40	-	77,612.40	
9/30/2017	Crow Creek Construction LLC - Pd by Land Title	33,851.32	-	33,851.32	
8/10/2018	H2O and Things that Grow	2,400.00	-	2,400.00	1.5 loads (Engineer states 2 loads)
Total Uncovered Bridge		812,375.32	-	812,375.32	
		2,256,171.09	1,052,584.00	1,203,587.09	