

**RAINDANCE METROPOLITAN DISTRICT NOS. 1-4  
2020 CONSOLIDATED 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 2020:

**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, including a non-potable water system, and parks, trails, and open space, and financing of public improvements through the issuance of debt and other sources of revenue.

**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 2020 audits for District Nos. 1 - 3 and 2020 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’ 2021 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' 2021 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	\$89,297,570
RainDance MD No. 2	\$1,771,450
RainDance MD No. 3	\$12,361,020
RainDance MD No. 4	\$377,100

**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 Vima Partners, LLC.
- Infrastructure Acquisition and Reimbursement Agreement with Raindance Aquatic Investments, LLC.
- Infrastructure Acquisition and Reimbursement Agreement with Raindance Development LLC.

**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.**

Resolution packages related to cost acceptances substantiating developer reimbursements are attached hereto as **Exhibit D**.

- Resolution Regarding Acceptance of District Eligible Costs and Acquisition of Public Improvements (Raindance River Resort), 2021-05
- Resolution Regarding Acceptance of District Eligible Costs, Filing 6, Phase 2, Filing 8, and General Major Infrastructure
- Joint Resolution Regarding Acceptance of District Eligible Costs and Acquisition of Public Improvements (Filing 6), Nos. 1 & 2, 2020

**EXHIBIT A**  
**2020 Audits for District Nos. 1-3**  
**&**  
**2020 Audit Exemption Applications for District No. 4**

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
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**INSERT INDEPENDENT AUDITOR'S REPORT**

## **BASIC FINANCIAL STATEMENTS**

**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 1,968,652	\$ 715,926	\$ 2,684,578
Cash and Investments - Restricted	113,600	7,253,597	7,367,197
Receivable - County Treasurer	1,285,390	-	1,285,390
Accounts Receivable	22,050	33,413	55,463
Due from District No. 2	18,781	-	18,781
Due from District No. 3	489	-	489
Due from District No. 4	64	-	64
Property Taxes Receivable	3,482,605	-	3,482,605
Capital Assets, Not Being Depreciated	46,090,019	15,883,060	61,973,079
Capital Assets, Being Depreciated, Net	19,249	1,508,934	1,528,183
Total Assets	<u>53,000,899</u>	<u>25,394,930</u>	<u>78,395,829</u>
<b>LIABILITIES</b>			
Accounts Payable	1,404,583	298,084	1,702,667
Prepaid Assessments	-	15,889	15,889
Due to District No.3	95,000	-	95,000
Accrued Interest Payable	-	105,248	105,248
Noncurrent Liabilities:			
Due in More Than One Year	8,714,654	24,315,000	33,029,654
Total Liabilities	<u>10,214,237</u>	<u>24,734,221</u>	<u>34,948,458</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Tax Revenue	3,482,605	-	3,482,605
Total Deferred Inflows of Resources	<u>3,482,605</u>	<u>-</u>	<u>3,482,605</u>
<b>NET POSITION</b>			
Net Investment in Capital Asset	19,249	159,676	178,925
Restricted			
Emergency Reserves	113,600	-	113,600
Debt Service	-	141,276	141,276
Unrestricted	<u>39,171,208</u>	<u>359,757</u>	<u>39,530,965</u>
Total Net Position	<u>\$ 39,304,057</u>	<u>\$ 660,709</u>	<u>\$ 39,964,766</u>

See accompanying Notes to Basic Financial Statements.

(1)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.



**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

	Program Revenues			Net Revenues (Expenses) and Changes Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>							
Primary Government:							
Governmental Activities:							
General Government	\$ 1,158,101	\$ 50,050	\$ 105,446	\$ 19,150,705	\$ 18,148,100	\$ -	\$ 18,148,100
Interest and Related Costs on Long-Term Debt	468,413	-	-	-	(468,413)	-	(468,413)
Total Governmental Activities	<u>1,158,101</u>	<u>50,050</u>	<u>105,446</u>	<u>19,150,705</u>	<u>17,679,687</u>	<u>-</u>	<u>17,679,687</u>
Business-Type Activities:							
Non-Potable Water	511,893	1,222,573	-	375,000	-	1,085,680	1,085,680
Interest and Related Costs on Long-Term Debt	1,437,152	-	-	-	-	(1,437,152)	(1,437,152)
Total Business-Type Activities	<u>1,949,045</u>	<u>1,222,573</u>	<u>-</u>	<u>375,000</u>	<u>-</u>	<u>(351,472)</u>	<u>(351,472)</u>
Total Primary Government	<u>\$ 3,107,146</u>	<u>\$ 1,272,623</u>	<u>\$ 105,446</u>	<u>\$ 19,525,705</u>	<u>\$ 17,679,687</u>	<u>\$ (351,472)</u>	<u>\$ 17,328,215</u>
<b>GENERAL REVENUES</b>							
Property Taxes					3,293,757	-	3,293,757
Specific Ownership Taxes					162,989	-	162,989
Other Revenue					66,739	-	66,739
Interest Income					107,258	10,998	118,256
Transfers In(Out)					(127,167)	127,167	-
Transfer of Capital Assets, Net					(874,016)	874,016	-
Total General Revenues					<u>2,629,560</u>	<u>1,012,181</u>	<u>3,641,741</u>
<b>CHANGE IN NET POSITION</b>					20,309,247	660,709	20,969,956
Net Position - Beginning of Year					<u>18,994,810</u>	<u>-</u>	<u>18,994,810</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 39,304,057</u>	<u>\$ 660,709</u>	<u>\$ 39,964,766</u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General	Capital Projects	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 1,968,652	\$ -	\$ 1,968,652
Cash and Investments - Restricted	113,600	-	113,600
Receivable - County Treasurer	1,285,390	-	1,285,390
Accounts Receivable	22,050	-	22,050
Due from District No. 2	18,781	-	18,781
Due from District No. 3	489	-	489
Due from District No. 4	64	-	64
Property Taxes Receivable	3,482,605	-	3,482,605
 Total Assets	 \$ 6,891,631	 \$ -	 \$ 6,891,631
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 94,544	\$ 1,310,039	\$ 1,404,583
Due to District No. 3	95,000	-	95,000
Total Liabilities	189,544	1,310,039	1,499,583
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenue	3,482,605	-	3,482,605
Total Deferred Inflows of Resources	3,482,605	-	3,482,605
 <b>FUND BALANCES</b>			
Restricted:			
Emergency Reserves	113,600	-	113,600
Unrestricted:			
General Government	3,105,882	(1,310,039)	1,795,843
Total Fund Balances	3,219,482	(1,310,039)	1,909,443
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 6,891,631	 \$ -	

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	46,090,019
Capital assets, Being Depreciated, net	19,249

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	(8,150,684)
Developer Advance Interest Payable	(563,970)

Net Position of Governmental Activities	\$ 39,304,057
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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, 2020**

	General	Capital Projects	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 3,293,757	\$ -	\$ 3,293,757
Specific Ownership Taxes	162,989	-	162,989
Transfers from District No. 2	47,885	19,150,705	19,198,590
Transfers from District No. 3	52,170	-	52,170
Transfers from District No. 4	5,391	-	5,391
Stop Curb Repair Revenue	50,050	-	50,050
Interest Income	107,258	-	107,258
Other Revenue	66,739	-	66,739
Total Revenues	<u>3,786,239</u>	<u>19,150,705</u>	<u>22,936,944</u>
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	102,252	-	102,252
Administration/Lifestyle Director	67,039	-	67,039
Audit	13,800	-	13,800
County Treasurer's Fees	51,015	-	51,015
Consulting and Studies	35,884	-	35,884
District Events	62,602	-	62,602
District Manager and Staff	166,667	-	166,667
Dues	3,025	-	3,025
Insurance	23,036	-	23,036
Legal Services	108,528	-	108,528
Miscellaneous	8,147	-	8,147
Operations and Maintenance			
Equipment Acquisition	25,870	-	25,870
Landscaping	77,239	-	77,239
Repairs and Maintenance	18,045	-	18,045
Snow Removal	21,749	-	21,749
Stop Curb Repair	26,250	-	26,250
Utilities	81,177	-	81,177
Utility Locates	33,158	-	33,158
Pool and Clubhouse			
Pool Gas and Electricity	10,202	-	10,202
Pool Insurance	8,755	-	8,755
Pool Internet	1,398	-	1,398
Pool Management Fees	199,020	-	199,020
Pool Miscellaneous	3,086	-	3,086
Pool Supplies	22,214	-	22,214
Pool Telephone Services	141	-	141
Pool Trash and Recycle	1,046	-	1,046
Pool Water Usage	6,005	-	6,005
Capital Outlay- Public Improvements	-	26,891,474	26,891,474
Golf Course	-	1,310,039	1,310,039
Total Expenditures	<u>1,177,350</u>	<u>28,201,513</u>	<u>29,378,863</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,608,889	(9,050,808)	(6,441,919)
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advances	166,667	26,891,474	27,058,141
Repayment of Developer Advances	(166,667)	(19,150,705)	(19,317,372)
Transfer to Enterprise Fund	(127,167)	-	(127,167)
Total Other Financing Sources (Uses)	<u>(127,167)</u>	<u>7,740,769</u>	<u>7,613,602</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,481,722	(1,310,039)	1,171,683
Fund Balances - Beginning of Year	737,760	-	737,760
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,219,482</u>	<u>\$ (1,310,039)</u>	<u>\$ 1,909,443</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, 2020**

Net Change in Fund Balances - Governmental Funds \$ 1,171,683

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 - Current Year	28,222,901
Depreciation - Current Year	(2,139)

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	19,317,372
Developer Advances - Current Year	(27,058,141)

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	(468,413)
Transfer of Capital Assets, Net, to Enterprise Fund	(874,016)

Change in Net Position of Governmental Activities \$ 20,309,247

*See accompanying Notes to Basic Financial Statements.*

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 3,433,835	\$ 3,293,757	\$ (140,078)
Specific Ownership Taxes	240,368	162,989	(77,379)
Transfers from District No. 2	48,931	47,885	(1,046)
Transfers from District No. 3	53,275	52,170	(1,105)
Transfers from District No. 4	5,505	5,391	(114)
Stop Curb Repair Revenue	-	50,050	50,050
Water Meter Fees	500,000	-	(500,000)
Water Service Fees	190,000	-	(190,000)
Interest Income	-	107,258	107,258
Other Revenue	250,000	66,739	(183,261)
Total Revenues	<u>4,721,914</u>	<u>3,786,239</u>	<u>(935,675)</u>
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	81,000	102,252	(21,252)
Administration/Lifestyle Director	60,000	67,039	(7,039)
Audit	10,000	13,800	(3,800)
Contingency	51,992	-	51,992
County Treasurer's Fees	51,508	51,015	493
Consulting and Studies	-	35,884	(35,884)
District Events	10,000	62,602	(52,602)
District Manager and Staff	250,000	166,667	83,333
Dues	3,000	3,025	(25)
Insurance	12,500	23,036	(10,536)
Legal Services	80,000	108,528	(28,528)
Miscellaneous	3,000	8,147	(5,147)
Operations and Maintenance			
Engineering - Cost Certification	10,000	-	10,000
Equipment Acquisition	250,000	25,870	224,130
Landscaping	-	77,239	(77,239)
Snow Removal	20,000	21,749	(1,749)
Stop Curb Repair	-	26,250	(26,250)
Utilities	60,000	81,177	(21,177)
Utility Locates	-	33,158	(33,158)
Water Meters and Installations	500,000	-	500,000
Pool and Clubhouse			
Pool Gas and Electricity	-	10,202	(10,202)
Pool Insurance	-	8,755	(8,755)
Pool Internet	-	1,398	(1,398)
Pool Management Fees	-	199,020	(199,020)
Pool Miscellaneous	-	3,086	(3,086)
Pool Supplies	-	22,214	(22,214)
Pool Telephone Services	-	141	(141)
Pool Trash and Recycle	-	1,046	(1,046)
Pool Water Usage	-	6,005	(6,005)
Total Expenditures	<u>1,453,000</u>	<u>1,177,350</u>	<u>275,650</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,268,914</b>	<b>2,608,889</b>	<b>(660,025)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	250,000	166,667	(83,333)
Repayment of Developer Advances	(250,000)	(166,667)	83,333
Transfer to Enterprise Fund	-	(127,167)	(127,167)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(127,167)</u>	<u>(127,167)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>3,268,914</b>	<b>2,481,722</b>	<b>(787,192)</b>
Fund Balance - Beginning of Year	<u>757,422</u>	<u>737,760</u>	<u>(19,662)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 4,026,336</u></u>	<u><u>\$ 3,219,482</u></u>	<u><u>\$ (806,854)</u></u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION –**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

**ASSETS**

Cash and Investments	\$ 715,926
Cash and Investments Restricted	7,253,597
Accounts Receivable	33,413
Capital Assets, Not Being Depreciated	15,883,060
Capital Assets, Being Depreciated, Net	1,508,934
Total Assets	25,394,930

**LIABILITIES**

Accounts Payable	298,084
Prepaid Assessments	15,889
Accrued Interest Payable	105,248
Noncurrent Liabilities:	
Due in More Than One Year	24,315,000
Total Liabilities	24,734,221

**NET POSITION**

Net Investment in Capital Assets	159,676
Restricted	141,276
Unrestricted	359,757
Total Net Position	\$ 660,709

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2020**

**OPERATING REVENUES**

Water Service Fees	\$	200,073
Water Meter Fees		1,022,500
Total Operating Revenues		1,222,573

**OPERATING EXPENSES**

Consulting and Studies		190,316
Depreciation		84,705
District Manager and Staff		83,333
Equipment Acquisition		2,153
Legal Services		88,743
Miscellaneous		109
Repairs and Maintenance		18,124
Water Purchases		44,410
Total Operating Expenses		511,893

**OPERATING INCOME**

710,680

**OTHER REVENUES AND EXPENDITURES**

Capital Fees		375,000
Interest Income		10,998
Bond Interest- Series 2020		(508,698)
Cost of Issuance		(927,504)
Paying Agent Fees		(950)
Transfer from General Fund- Fund Balance		127,167
Transfer from General Fund- Capital Assets, Net		874,016
Total Other Revenues and Expenditures		(49,971)

**CHANGE IN NET POSITION**

660,709

Net Position - Beginning of Year

-

**NET POSITION - END OF YEAR**

\$ 660,709

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from Customers	\$ 1,205,049
Payments to Suppliers	<u>(129,104)</u>
Net Cash Provided by Operating Activities	<u>1,075,945</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Interest Expense	(403,450)
Cost of Issuance	(927,504)
Paying Agent Fees	(950)
Transfer from General Fund	127,167
Net Cash Used by Noncapital Financing Activities	<u>(1,204,737)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Bond Issuance	24,315,000
Capital Fees	375,000
Capital Outlay	<u>(16,602,683)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>8,087,317</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net Cash Provided by Investing Activities	<u>10,998</u>
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**NET INCREASE IN CASH AND CASH EQUIVALENTS**

7,969,523

Cash and Cash Equivalents - Beginning of Year

-

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 7,969,523

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 710,680
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	84,705
Increase in Accounts Payable	298,084
Increase in Accounts Receivable	(33,413)
Increase in Prepaid Assessments	15,889
Net Cash Provided by Operating Activities	<u>\$ 1,075,945</u>

See accompanying Notes to Basic Financial Statements.



**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, 2020**

**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 and the proprietary fund. 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.

The District reports the following major proprietary fund:

The Enterprise Fund accounts for the construction, operation, and maintenance of facilities, and water rights associated with providing non-potable water services that are operated in a manner where the intent of the District is that the costs of providing such

**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

**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, 2020.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

**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.

**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets, which include construction in progress, equipment, water meters and water rights, are reported in the government-wide and business-type 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.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

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:

Equipment	5 Years
Water Meters	15 Years

**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. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 2,684,578
Cash and Investments - Restricted	7,367,197
Total Cash and Investments	<u>\$ 10,051,775</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	<u>\$ 10,051,775</u>
Total Deposits	<u><u>\$ 10,051,775</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, 2020, the District's cash deposits had a bank balance and carrying balance of \$10,051,775. \$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, 2020**

**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, 2020, the District had no investments.

**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance - December 31, 2019	Additions	Reductions	Balance - December 31, 2020
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 17,888,506	\$ 28,201,513	\$ -	\$ 46,090,019
Total Capital Assets, Not Being Depreciated	17,888,506	28,201,513	-	46,090,019
Capital Assets, Being Depreciated:				
Equipment	-	21,388	-	21,388
Water Meters	904,154	-	904,154	-
Total Capital Assets, Being Depreciated	904,154	21,388	904,154	21,388
Less Accumulated Depreciation For:				
Equipment	-	2,139	-	2,139
Water Meters	30,138	-	30,138	-
Total Accumulated Depreciation	30,138	2,139	30,138	2,139
Total Capital Assets, Being Depreciated, Net	874,016	19,249	874,016	19,249
Governmental Activities Capital Assets, Net	18,762,522	28,220,762	874,016	46,109,268
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated:				
Water Rights	-	15,883,060	-	15,883,060
Total Capital Assets, Not Being Depreciated	-	15,883,060	-	15,883,060
Capital Assets, Being Depreciated:				
Equipment	-	6,609	-	6,609
Water Meters	-	1,617,168	-	1,617,168
Total Capital Assets, Being Depreciated	-	1,623,777	-	1,623,777
Less Accumulated Depreciation For:				
Equipment	-	661	-	661
Water Meters	-	114,182	-	114,182
Total Accumulated Depreciation	-	114,843	-	114,843
Total Capital Assets, Being Depreciated, Net	-	1,508,934	-	1,508,934
Business-Type Activities Capital Assets, Net	-	17,391,994	-	17,391,994
Total Capital Assets, Net	\$ 18,762,522	\$ 45,612,756	\$ 874,016	\$ 63,501,262



**RAINDANCE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

A significant portion of capital assets (public improvements) will be conveyed by the District to other local governments, and once conveyed, the District will not be responsible for the maintenance of those public improvements. Upon acceptance of the public improvements by other local governments, the District will remove the cost of construction from its books. Certain public improvements have been conveyed to other governmental entities and the District will remove those capital assets from its books during 2021.

Depreciation expense recorded under governmental activities was charged to the general government function, and depreciation expense recorded under business-type activities was charged to non-potable water enterprise function on the statement of activities.

**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, 2020:

	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
<u>Governmental Activities</u>					
<b>Other Debts:</b>					
Developer Advances	\$ 409,915	\$ 27,058,141	\$ 19,317,372	\$ 8,150,684	\$ -
Accrued Interest on Developer Advances	95,557	468,413	-	563,970	-
Total Governmental Activities	<u>505,472</u>	<u>27,526,554</u>	<u>19,317,372</u>	<u>8,714,654</u>	<u>-</u>
<u>Business-Type Activities</u>					
<b>Bonds Payable:</b>					
Non-Potable Water Enterprise Revenue Bonds Series 2020A	-	24,315,000	-	24,315,000	-
Total Bonds Payable	-	24,315,000	-	24,315,000	-
<b>Other Debts:</b>					
Developer Advances	-	83,333	83,333	-	-
Total Business-Type Activities	-	<u>24,398,333</u>	<u>83,333</u>	<u>24,315,000</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 505,472</u>	<u>\$ 51,924,887</u>	<u>\$ 19,400,705</u>	<u>\$ 33,029,654</u>	<u>\$ -</u>

**Non-Potable Water Enterprise Revenue Bonds, Series 2020 (the "Bonds")**

The District, acting by and through its Water Activity Enterprise, issued the Bonds on August 6, 2020, in the par amount of \$24,315,000.

Proceeds from the sale of the Bonds were used to acquire certain water rights and fund and reimburse a portion of the costs of acquiring, constructing, and installing certain non-potable water-related infrastructure to serve the RainDance Development. A portion of the proceeds

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Non-Potable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)**

of the Bonds were also used to fund: (a) the Reserve Account, (b) a portion of the interest to accrue on the Bonds, and (c) the costs of issuing the Bonds.

Bonds Details

The Bonds were issued as two term bonds with the first bearing interest at 5.00% per annum and maturing on December 1, 2040 and the second bearing interest at 5.25% and maturing on December 1, 2050. Interest on the Bonds is payable semiannually on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. To the extent principal of any Bond is not paid when due, such principal will remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest will compound semiannually on each June 1 and December 1, at the rate then borne by the Bond.

Bonds Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, 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, 2025, to November 30, 20	3.00%
December 1, 2026, to November 30, 20	2.00
December 1, 2027, to November 30, 20	1.00
December 1, 2028, and thereafter	0.00

Sources of Repayment for the Bonds

The District's primary revenue sources for repayment of the Bonds are rates assessed on residential and nonresidential customers of the District and RainDance Metropolitan District Nos. 2, 3 and 4 based on non-potable water usage within the District's Service Area and Capital Facilities Fees collected within the boundaries of RainDance Metropolitan District No. 2 (District No. 2).

The Bonds constitute special limited obligations of the District. The principal and interest on the Bonds is payable solely from "Net Revenue", meaning Gross Revenue after deducting Operations and Maintenance Expenses. As of December 31, 2020, "Net Revenue" available to pay the District's debt obligations was \$141,276.

**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Non-Potable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)**

Sources of Repayment for the Bonds (Continued)

“Gross Revenue” means all income and revenue directly or indirectly derived by the District from the Non-Potable System, or any part thereof, including without limitation, any rates, fees, tap fees, standby charges, availability fees, tolls, and charges for the services furnished by, for the use of, or for the availability of, the Non-Potable System, plus Capital Facilities Fees, but excluding: (a) income from the sale of property, or rights or related contracts, settlements, or judgments held or obtained in connection with the Non-Potable System or its operations; (b) Tap Fees; (c) Transfer Fees; (d) moneys borrowed and used for providing capital improvements; (e) any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations for the purpose of defeasing the same; and (f) any moneys received as grants or appropriations from the United States, the state, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of capital improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys are to be received as payments for the use of the Non-Potable System, services rendered thereby, or the availability of any such service

Operation and Maintenance Expenses” means all reasonable and necessary costs and expenses of the District for the operation, maintenance and repair of the Non-Potable System, including without limitation legal and overhead expenses of the District directly related to the administration of the Non-Potable System, insurance premiums, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor, the cost of materials and supplies for operations, and the cost of leasing, renting or otherwise procuring water or water resources on a temporary or annual basis, but excluding depreciation and any portion of such costs, legal liabilities not based on contract, expenses incurred in connection with capital improvements, payments due in connection with any bonds or other obligations issued to provide capital improvements, charges for the accumulation of reserves and expenses funded or provided for from Tap Fees.

The Districts impose a one-time fee of \$2,500 per single-family detached residential unit and \$2,500 per single family attached and multi-family residential unit within their respective boundaries to provide a source of funding to pay for the initial capital direct and indirect costs associated with the construction, installation and acquisition of Public Improvements to serve the Districts. Only the fees imposed within the boundaries of District No. 2 (the “Capital Facilities Fee”) are pledged to the payment of the Bonds. The Capital Facilities Fees are due and owing upon the issuance of a building permit for any residential or commercial unit on a lot within District No. 2.

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Non-Potable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)**

Non-Potable Water Rates

The District covenants and agrees in the Bond Resolution to establish, maintain, and enforce a schedule of rates, fees, tolls, and charges for the availability of, services furnished by, or use of the Non-Potable System sufficient to satisfy one of the following two requirements each Fiscal Year:

- (i) generate Net Operating Revenue and Capital Facilities Fees in the Fiscal Year collectively equal to not less than:
  - a. an amount equal to 100% of the Annual Debt Service for the Outstanding Bonds and any Parity Lien Bonds in such Fiscal Year, plus
  - b. the amount necessary to replenish the Reserve Account to the Reserve Requirement and to replenish any reserve fund for Parity Lien Bonds to the Parity Lien Bonds Reserve Requirement (or to repay any Bond Insurer for draws on a Reserve Policy, as applicable); OR
- (ii) generate Net Operating Revenue and Capital Facilities Fees in the Fiscal Year which, together with the portion of Unrestricted Fund Balance as of December 31 of the immediately preceding Fiscal Year representing Capital Facilities Fees, will equal not less than:
  - a. an amount equal to 110% of the Annual Debt Service for the Outstanding Bonds and any Parity Lien Bonds in such Fiscal Year, plus
  - b. the amount necessary to replenish the Reserve Account to the Reserve Requirement and to replenish any reserve fund for Parity Lien Bonds to the Parity Lien Bonds Reserve Requirement (or to repay any Bond Insurer for draws on a Reserve Policy, as applicable).

In the event that revenues at any time are not sufficient to result in Net Operating Revenues in the amounts required as described above, the District is to promptly increase such rates, fees, tolls, and charges to the extent required to ensure compliance with the foregoing covenants.

The District further covenants and agrees to establish, maintain, and enforce a schedule of rates, fees, tolls, and charges for the availability of, services furnished by, or use of the Non-Potable System sufficient to maintain a minimum Unrestricted Fund Balance, calculated as of each December 31, commencing December 31, 2022, equal to not less than \$1,000,000. In the event that revenues are not sufficient to satisfy such minimum Unrestricted Fund Balance as of any December 31 occurring on or after December 31, 2022, the District is to promptly increase rates, fees, tolls, and charges to the extent required to ensure compliance with the foregoing covenants.

Additional Security for Bonds

The Bonds are also secured by amounts on deposit in the Reserve Account which was funded from proceeds of the Bonds in the amount of the Reserve Requirement of \$2,289,792 and by capitalized interest which was funded from proceeds of the Bonds in the amount of \$3,079,400. The balances in the Reserve Fund and the Capitalized Interest accounts as of December 31, 2020, are \$2,294,839 and \$2,716,159, respectively.

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Non-Potable Water Enterprise Revenue Bonds, Series 2020 (the Bonds) (Continued)**

Bonds Debt Service

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 1,262,975	\$ 1,262,975
2022	-	1,262,975	1,262,975
2023	-	1,262,975	1,262,975
2024	25,000	1,262,975	1,287,975
2025	30,000	1,261,725	1,291,725
2026-2030	270,000	6,278,875	6,548,875
2031-2035	1,315,000	6,147,125	7,462,125
2036-2040	3,785,000	5,577,625	9,362,625
2041-2045	6,850,000	4,315,500	11,165,500
2046-2050	12,040,000	2,188,988	14,228,988
Total	<u>\$ 24,315,000</u>	<u>\$ 30,821,738</u>	<u>\$ 55,136,738</u>

**Authorized Debt**

At December 31, 2020, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Amount Authorized on May 6, 2014</u>	<u>Authorization Used for 2020 Bonds</u>	<u>Authorized But Unissued</u>
Water	\$ 93,000,000	\$ 24,315,000	\$ 68,685,000
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>\$ 24,315,000</u>	<u>\$ 1,370,685,000</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, 2020**

**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, 2020, the District had net investment in capital assets calculated as follows:

	Governmental Activities	Business- Type Activities
	<u>                    </u>	<u>                    </u>
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 19,249	\$ 17,391,994
Noncurrent Portion of Outstanding Long-term Obligations	-	(24,315,000)
Unspent Bond Proceeds	-	7,082,682
Net Investment in Capital Assets	<u>\$ 19,249</u>	<u>\$ 159,676</u>

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, 2020 as follows:

Restricted Net Position:		
Emergency Reserve	\$ 113,600	\$ -
Debt Service (Note 5)	-	141,276
Total Restricted Net Position	<u>\$ 113,600</u>	<u>\$ 141,276</u>

As of December 31, 2020, the District's total unrestricted net position was \$39,530,965.

**NOTE 7 INTERFUND TRANSFERS**

The transfer in the amount of \$127,617 from General Fund to Enterprise Fund was for the purpose of transferring (from General Fund) and setting up beginning fund balance of the Enterprise Fund.

**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 8 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 from the Bonds; and (ii) District No. 3 declared its intent, upon issuance of the 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 next).

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 from the Bonds all or a portion of the capital costs related to the Public Improvements to serve RainDance; and (b) The District No. 2 declared its intent, upon issuance of the 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 next).

**Infrastructure Acquisition and Reimbursement Agreements**

The District and the Developer have entered into two Infrastructure Acquisition and Reimbursement Agreements dated March 1, 2018 and January 1, 2020 (the "Developer Reimbursement Agreements"), 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 the "Developer Reimbursement Agreements" 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. As of December 31, 2020, outstanding advances under this agreement totaled \$8,150,679 in principal and \$563,970 in accrued interest.

**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 8 AGREEMENTS (CONTINUED)**

**Construction of Sanitary Sewer Facilities Intergovernmental Agreement**

The District and the Town of Windsor (the "Town") have entered into a Construction of Sanitary Sewer Facilities and Related Oversizing Credits and Reimbursements Agreement (the "IGA") dated June 16, 2020. Pursuant to the IGA, the Town shall reimburse to the District for certain costs of constructing the Sewer Interceptor that relate to Poudre Heights Improvements. The reimbursement amount shall be limited to those actual costs certified by the District as district eligible costs, and shall be made upon submitting an "Acceptance Resolution" to the Town with certificates from the District's Engineer and CPA, relating to completion, costs, and eligibility. As of December 31, 2020, no reimbursements have been received by the District.

**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, 2020**

**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, 2020, the District determined its required emergency reserve to be approximately \$113,600.

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, 2020**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Transfer from District No. 2	\$ 19,253,060	\$ 19,253,060	\$ 19,150,705	\$ (102,355)
Total Revenues	19,253,060	19,253,060	19,150,705	(102,355)
<b>EXPENDITURES</b>				
Capital Outlay- Public Improvements	19,253,060	26,891,474	26,891,474	-
Golf Course	-	1,305,000	1,310,039	(5,039)
Contingency	-	5,466	-	5,466
Total Expenditures	19,253,060	28,201,940	28,201,513	427
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	(8,948,880)	(9,050,808)	(101,928)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advances	19,253,060	28,201,940	26,891,474	(1,310,466)
Repayment of Developer Advances	(19,253,060)	(19,253,060)	(19,150,705)	102,355
Total Other Financing Sources (Uses)	-	8,948,880	7,740,769	(1,208,111)
<b>NET CHANGE IN FUND BALANCE</b>				
	-	-	(1,310,039)	(1,310,039)
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,310,039)</b>	<b>\$ (1,310,039)</b>

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>REVENUES</b>				
Capital Fees	\$ -	\$ 65,000	\$ 375,000	\$ 310,000
Interest Income	-	100,000	10,998	(89,002)
Water Service Fees	-	276,727	200,073	(76,654)
Water Meter Fees	-	600,000	1,022,500	422,500
Total Revenues	-	1,041,727	1,608,571	566,844
<b>EXPENDITURES</b>				
Consulting and Studies	-	63,832	190,316	(126,484)
District Manager and Staff	-	65,000	83,333	(18,333)
Legal Services	-	-	88,743	(88,743)
Miscellaneous	-	-	109	(109)
Equipment Acquisition	-	2,800	8,762	(5,962)
Repairs and Maintenance	-	-	18,124	(18,124)
Water Meters and Installation	-	600,000	713,014	(113,014)
Water Purchases	-	-	44,410	(44,410)
Bond Interest - Series 2020	-	314,633	403,450	(88,817)
Cost of Issuance	-	748,357	927,504	(179,147)
Paying Agent Fees	-	-	950	(950)
Capital Outlay	-	18,000,000	15,883,060	2,116,940
Contingency	-	5,378	-	5,378
Total Expenditures	-	19,800,000	18,361,775	1,438,225
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(18,758,273)	(16,753,204)	2,005,069
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Issuance - Series 2020	-	23,175,000	24,315,000	1,140,000
Developer Advances	-	2,120,000	83,333	(2,036,667)
Repayment of Developer Advances	-	(2,120,000)	(83,333)	2,036,667
Transfer from General Fund- Fund Balance	-	-	127,167	127,167
Total Other Financing Sources (Uses)	-	23,175,000	24,442,167	1,267,167
<b>CHANGE IN FUNDS AVAILABLE</b>	-	4,416,727	7,688,963	3,272,236
Funds Available- Beginning	-	-	-	-
<b>Funds Available- Ending</b>	<u>\$ -</u>	<u>\$ 4,416,727</u>	<u>\$ 7,688,963</u>	<u>\$ 3,272,236</u>
<b>ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS</b>				
Change in Funds Available			7,688,963	
Depreciation Expense			(84,705)	
Accrued Bond Interest			(105,248)	
Bond Issuance			(24,315,000)	
Capital Outlay			16,602,683	
Transfer from General Fund - Capital Assets, Net			874,016	
<b>CHANGE IN NET POSITION</b>			<u>660,709</u>	
Net Position - Beginning of Year			-	
<b>NET POSITION - END OF YEAR</b>			<u>\$ 660,709</u>	

**OTHER INFORMATION**

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2020**

\$24,315,000 Non-Potable Water Enterprise Revenue Bonds,  
Series 2020

Dated August 5, 2020

Principal Due December 1

Interest Rate 5.00% - 5.25%

Payable June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 1,262,975	\$ 1,262,975
2022	-	1,262,975	1,262,975
2023	-	1,262,975	1,262,975
2024	25,000	1,262,975	1,287,975
2025	30,000	1,261,725	1,291,725
2026	35,000	1,260,225	1,295,225
2027	45,000	1,258,475	1,303,475
2028	55,000	1,256,225	1,311,225
2029	60,000	1,253,475	1,313,475
2030	75,000	1,250,475	1,325,475
2031	90,000	1,246,725	1,336,725
2032	170,000	1,242,225	1,412,225
2033	255,000	1,233,725	1,488,725
2034	350,000	1,220,975	1,570,975
2035	450,000	1,203,475	1,653,475
2036	560,000	1,180,975	1,740,975
2037	650,000	1,152,975	1,802,975
2038	750,000	1,120,475	1,870,475
2039	855,000	1,082,975	1,937,975
2040	970,000	1,040,225	2,010,225
2041	1,090,000	991,725	2,081,725
2042	1,220,000	934,500	2,154,500
2043	1,360,000	870,450	2,230,450
2044	1,510,000	799,050	2,309,050
2045	1,670,000	719,775	2,389,775
2046	1,755,000	632,100	2,387,100
2047	1,850,000	539,963	2,389,963
2048	1,945,000	442,837	2,387,837
2049	2,045,000	340,725	2,385,725
2050	4,445,000	233,363	4,678,363
Total	<u>\$ 24,315,000</u>	<u>\$ 30,821,738</u>	<u>\$ 55,136,738</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 DECEMBER 31, 2020**

Year Ended December 31,	Assessed Valuation	Mill Levy		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
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
2020	88,047,060	39.000	0.000	3,433,835	3,293,757	95.92
Estimated for Year Ending December 31, 2021	\$ 89,297,570	39.000	0.000	\$ 3,482,605		

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
Weld County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**



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**INSERT INDEPENDENT AUDITOR'S REPORT**

## **BASIC FINANCIAL STATEMENTS**

**RAINDANCE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 193
Cash and Investments - Restricted	3,565,931
Receivable from County Treasurer	169
Interest Receivable	3,603
Property Tax Receivable	<u>70,494</u>
Total Assets	<u>3,640,390</u>
<b>LIABILITIES</b>	
Due to District No. 1	18,781
Accrued Bonds Interest Payable	434,172
Noncurrent Liabilities:	
Due in More Than One Year	<u>24,336,919</u>
Total Liabilities	<u>24,789,872</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	<u>70,494</u>
Total Deferred Inflows of Resources	<u>70,494</u>
<b>NET POSITION</b>	
Unrestricted	<u>(21,219,976)</u>
Total Net Position	<u><u>\$ (21,219,976)</u></u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 19,199,286	\$ -	\$ -	\$ -	
Interest and Related Costs on Long-Term Debt	1,317,532	-	-	-	
Total Governmental Activities	\$ 20,516,818	\$ -	\$ -	\$ -	
				46,380	
				2,201	
				129,534	
				178,115	
				<b>CHANGE IN NET POSITION</b>	
				(20,338,703)	
				Net Position - Beginning of Year	
				(881,273)	
				<b>NET POSITION - END OF YEAR</b>	
				\$ (21,219,976)	

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 193	\$ -	\$ -	\$ 193
Cash and Investments - Restricted	-	3,565,931	-	3,565,931
Receivable from County Treasurer	169	-	-	169
Interest Receivable	-	3,603	-	3,603
Property Tax Receivable	51,710	18,784	-	70,494
	<u>\$ 52,072</u>	<u>\$ 3,588,318</u>	<u>\$ -</u>	<u>\$ 3,640,390</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to District No. 1	\$ 357	\$ 18,424	\$ -	\$ 18,781
Total Liabilities	357	18,424	-	18,781
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	51,710	18,784	-	70,494
Total Deferred Inflows of Resources	51,710	18,784	-	70,494
<b>FUND BALANCES</b>				
Restricted:				
Debt Service	-	3,551,110	-	3,551,110
Unrestricted:				
General Government	5	-	-	5
Total Fund Balances	<u>5</u>	<u>3,551,110</u>	<u>-</u>	<u>3,551,115</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 52,072</u>	<u>\$ 3,588,318</u>	<u>\$ -</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				(434,172)
Bonds Payable				(24,336,914)
Developer Advance Payable				(5)
Subtotal				<u>(24,771,091)</u>
Net Position of Governmental Activities				<u>\$ (21,219,976)</u>

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, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 46,380	\$ -	\$ -	\$ 46,380
Specific Ownership Taxes	2,201	-	-	2,201
Interest income	-	51,419	78,115	129,534
<b>Total Revenues</b>	<u>48,581</u>	<u>51,419</u>	<u>78,115</u>	<u>178,115</u>
<b>EXPENDITURES</b>				
Bond Interest - 2019A Bonds	-	914,543	-	914,543
County Treasurer's Fees	696	-	-	696
Investment Advisory Fee	-	18,424	-	18,424
Transfer to District No.1	47,885	-	19,150,705	19,198,590
<b>Total Expenditures</b>	<u>48,581</u>	<u>932,967</u>	<u>19,150,705</u>	<u>20,132,253</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(881,548)	(19,072,590)	(19,954,138)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (to)/from Other Funds	-	2,473	(2,473)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>2,473</u>	<u>(2,473)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(879,075)	(19,075,063)	(19,954,138)
Fund Balances - Beginning of Year	5	4,430,185	19,075,063	23,505,253
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5</u>	<u>\$ 3,551,110</u>	<u>\$ -</u>	<u>\$ 3,551,115</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, 2020**

Net Change in Fund Balances - Governmental Funds \$ (19,954,138)

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

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.

Bond Premium Amortization	20,106
Accrued Interest on Bonds - Change in Liability	<u>(404,671)</u>

Change in Net Position of Governmental Activities \$ (20,338,703)

*See accompanying Notes to Basic Financial Statements.*



**RAINDANCE METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 46,380	\$ 46,380	\$ -
Specific Ownership Taxes	3,247	2,201	(1,046)
Total Revenues	<u>49,627</u>	<u>48,581</u>	<u>(1,046)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	696	696	-
Transfer to District No.1	48,931	47,885	1,046
Total Expenditures	<u>49,627</u>	<u>48,581</u>	<u>1,046</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
Fund Balances - Beginning of Year	<u>5</u>	<u>5</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, 2020**

**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, 2020**

**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, 2020.

**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, 2020**

**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, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 193
Cash and Investments - Restricted	3,565,931
Total Cash and Investments	\$ 3,566,124

**RAINDANCE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 1,985,264
Investments	<u>1,580,860</u>
Total Deposits	<u><u>\$ 3,566,124</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, 2020, the District's cash deposits had a bank balance and carrying balance of \$1,985,264.

**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, 2020**

**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, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Money Market Securities	Average 0.89 years	\$ 184,296
U.S. Treasury/Government-Sponsored Enterprises (GSEs)	Average 3.09 years	1,003,297
Corporate Bonds	Average 0.57 years	89,203
Municipal Bonds	Average 1.13 years	304,064
Total		<u>\$ 1,580,860</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**US Treasury/Government-Sponsored Enterprises, Money Market Securities, Corporate Securities and Municipal Bonds**

Debt service monies held in trust by US Bank in the Debt Reserve Fund were invested in US Treasury/Government-Sponsored Enterprise Bonds (AAA ratings), Money Market Securities, Corporate Securities (AA ratings) and Municipal Bonds (AAA, AA, and AA+ ratings) with average maturities of 3.09 years, 0.89 years, 0.57 years and 1.13 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, 2020 statement indicated that, (i) the source for security ratings is the best rating from the three 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.

**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, 2020:

<u>Governmental Activities</u>	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
<b>Bonds Payable:</b>					
Limited Tax General					
Obligation Bonds:					
Series 2019A	\$ 19,310,000	\$ -	\$ -	\$ 19,310,000	\$ -
Series 2019A - Premium	472,020	-	20,106	451,914	-
Series 2019B	4,575,000	-	-	4,575,000	-
<b>Total Bonds Payable</b>	<u>24,357,020</u>	<u>-</u>	<u>20,106</u>	<u>24,336,914</u>	<u>-</u>
<b>Other Debts:</b>					
Developer Advances	5	-	-	5	-
Total Long-Term Obligations	<u>\$ 24,357,025</u>	<u>\$ -</u>	<u>\$ 20,106</u>	<u>\$ 24,336,919</u>	<u>\$ -</u>

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



**RAINDANCE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

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.

**Use of Proceeds**

Proceeds from the sale of the Bonds were 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:

<b>Date of Redemption</b>	<b>Redemption Premium</b>
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, 2020**

**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, 2020**

**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>
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 – 2030	1,615,000	4,671,750	6,286,750
2031 – 2035	2,480,000	4,179,000	6,659,000
2036 – 2040	3,540,000	3,459,000	6,999,000
2041 – 2045	4,900,000	2,444,500	7,344,500
2046 – 2049	6,715,000	974,000	7,689,000
Total	<u>\$ 19,310,000</u>	<u>\$ 20,555,750</u>	<u>\$ 39,865,750</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, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt**

At December 31, 2020, 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	\$ 3,956,432	\$ 89,043,568
Sanitation/Stormwater	93,000,000	6,261,698	86,738,302
Streets	93,000,000	14,138,890	78,861,110
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>\$ 24,357,020</u>	<u>\$ 1,370,642,980</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.

The District has a deficit in unrestricted net position because it carries a bond payable that was issued to finance public improvements that were either conveyed to other governmental entity or were transferred to District No.1.

**RAINDANCE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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. 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 \$2,473 from the Capital Projects Fund to the Debt Service Fund was to transfer balance of Cost of Issuance Fund pursuant to the terms of the Indenture.

**RAINDANCE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, 2020**

**NOTE 11 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 BALANCES –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest income	\$ 75,500	\$ 51,419	\$ 51,419	\$ -
Total Revenues	75,500	51,419	51,419	-
<b>EXPENDITURES</b>				
Investment Advisory Fee	-	18,424	18,424	-
Bond Interest - 2019A Bonds	914,543	914,543	914,543	-
Contingency	-	4,076	-	4,076
Total Expenditures	914,543	937,043	932,967	4,076
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(839,043)	(885,624)	(881,548)	4,076
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	2,473	2,473	-
Total Other Financing Sources (Uses)	-	2,473	2,473	-
<b>NET CHANGE IN FUND BALANCES</b>				
	(839,043)	(883,151)	(879,075)	4,076
Fund Balances - Beginning of Year	4,430,185	4,430,185	4,430,185	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,591,142</u>	<u>\$ 3,547,034</u>	<u>\$ 3,551,110</u>	<u>\$ 4,076</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest income	\$ 179,500	\$ 78,115	\$ (101,385)
Total Revenues	<u>179,500</u>	<u>78,115</u>	<u>(101,385)</u>
<b>EXPENDITURES</b>			
Transfer to District No.1	19,253,060	19,150,705	102,355
Total Expenditures	<u>19,253,060</u>	<u>19,150,705</u>	<u>102,355</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(19,073,560)	(19,072,590)	970
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to Other Fund	-	(2,473)	(2,473)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,473)</u>	<u>(2,473)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(19,073,560)	(19,075,063)	(1,503)
Fund Balance - Beginning of Year	<u>19,073,560</u>	<u>19,075,063</u>	<u>1,503</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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
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>\$ 20,555,750</u>	<u>\$ 39,865,750</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, 2020**

**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	
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
2019	2020	1,068,210	(40.88)	43.418	0.000	43.418	46,380	46,380	100.00
Estimated for Year Ending December 31,									
2020	2021	\$ 1,771,450	65.83 %	29.191	10.604	39.795	\$ 70,494		

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
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**INSERT INDEPENDENT AUDITOR'S REPORT**



## **BASIC FINANCIAL STATEMENTS**

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 210
Cash and Investments - Restricted	2,426,017
Receivable from County Treasurer	645
Due from District No. 1	95,000
Interest Receivable	6,009
Property Tax Receivable	<u>576,274</u>
Total Assets	<u>3,104,155</u>
<b>LIABILITIES</b>	
Due to District No. 1	489
Accounts Payable	2,500
Accrued Bonds Interest Payable	727,491
Noncurrent Liabilities:	
Due in More Than One Year	<u>19,290,005</u>
Total Liabilities	<u>20,020,485</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	<u>576,274</u>
Total Deferred Inflows of Resources	<u>576,274</u>
<b>NET POSITION</b>	
Restricted for:	
Debt Service	373,684
Unrestricted	<u>(17,866,288)</u>
Total Net Position	<u><u>\$ (17,492,604)</u></u>

See accompanying Notes to Basic Financial Statements.

(1)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 54,826	\$ -	\$ -	\$ -	\$ (54,826)
Interest and Related Costs on Long-Term Debt	1,215,152	-	-	647,500	(567,652)
Total Governmental Activities	\$ 1,269,978	\$ -	\$ -	\$ 647,500	(622,478)
 <b>GENERAL REVENUES</b>					
Property Taxes					176,970
Specific Ownership Taxes					8,400
Interest Income					52,792
Total General Revenues					238,162
 <b>CHANGE IN NET POSITION</b>					(384,316)
Net Position - Beginning of Year (Restated)					(17,108,288)
 <b>NET POSITION - END OF YEAR</b>					 \$ (17,492,604)

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 210	\$ -	\$ -	\$ 210
Cash and Investments - Restricted	-	2,425,980	37	2,426,017
Receivable from County Treasurer	184	461	-	645
Due from District No. 1	-	95,000	-	95,000
Interest Receivable	-	6,009	-	6,009
Property Tax Receivable	51,320	524,954	-	576,274
	<u>\$ 51,714</u>	<u>\$ 3,052,404</u>	<u>\$ 37</u>	<u>\$ 3,104,155</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	2,500	\$ -	\$ 2,500
Due to District No. 1	389	100	-	489
Total Liabilities	<u>389</u>	<u>2,600</u>	<u>-</u>	<u>2,989</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	51,320	524,954	-	576,274
Total Deferred Inflows of Resources	<u>51,320</u>	<u>524,954</u>	<u>-</u>	<u>576,274</u>
<b>FUND BALANCES</b>				
Restricted:				
Debt Service	-	2,524,850	-	2,524,850
Capital Projects	-	-	37	37
Unrestricted:				
General Government	5	-	-	5
Total Fund Balances	<u>5</u>	<u>2,524,850</u>	<u>37</u>	<u>2,524,892</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,714</u>	<u>\$ 3,052,404</u>	<u>\$ 37</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	(727,491)
Bonds Payable	(19,290,000)
Developer Advance Payable	(5)
Subtotal	<u>(20,017,496)</u>

Net Position of Governmental Activities	<u>\$ (17,492,604)</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, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 50,497	\$ 126,473	\$ -	\$ 176,970
Specific Ownership Taxes	2,397	6,003	-	8,400
Interest Income	34	52,758	-	52,792
Facilities Fees	-	647,500	-	647,500
Total Revenues	<u>52,928</u>	<u>832,734</u>	-	<u>885,662</u>
<b>EXPENDITURES</b>				
Bond interest - Series 2018A	-	945,875	-	945,875
County Treasurer's Fees	758	1,898	-	2,656
Investment Advisory Fees	-	4,623	-	4,623
Paying agent fees	-	2,500	-	2,500
Transfer to District No. 1	52,170	-	-	52,170
Total Expenditures	<u>52,928</u>	<u>954,896</u>	-	<u>1,007,824</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(122,162)	-	(122,162)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (to)/from Other Funds	-	3	(3)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>3</u>	<u>(3)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(122,159)	(3)	(122,162)
Fund Balances - Beginning of Year	<u>5</u>	<u>2,647,009</u>	<u>40</u>	<u>2,647,054</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5</u>	<u>\$ 2,524,850</u>	<u>\$ 37</u>	<u>\$ 2,524,892</u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
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, 2020**

Net Change in Fund Balances - Governmental Funds \$ (122,162)

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

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 Bonds - Change in Liability (262,154)

Change in Net Position of Governmental Activities \$ (384,316)

*See accompanying Notes to Basic Financial Statements.*

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 50,497	\$ 50,497	\$ -
Specific Ownership Taxes	3,535	2,397	(1,138)
Interest Income	-	34	34
Total Revenues	<u>54,032</u>	<u>52,928</u>	<u>(1,104)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	757	758	(1)
Transfer to District No. 1	<u>53,275</u>	<u>52,170</u>	<u>1,105</u>
Total Expenditures	<u>54,032</u>	<u>52,928</u>	<u>1,104</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	<u>5</u>	<u>5</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**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, 2020**

**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, 2020**

**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 31,2020.

**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, 2020**

**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.

**Restatement of Beginning Net Position**

The District had restated the beginning net position in the statement of activities as follows:

Net Position - December 31, 2019 as Originally Stated	\$ (16,721,774)
Adjustment to Reflect Accrued Interest on the 2018B Bonds as of December 31, 2019	(386,514)
Net Position - December 31, 2019 as Restated	<u>\$ (17,108,288)</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 210
Cash and Investments - Restricted	<u>2,426,017</u>
Total Cash and Investments	<u><u>\$ 2,426,227</u></u>

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 804
Investments	<u>2,425,423</u>
Total Cash and Investments	<u><u>\$ 2,426,227</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, 2020, the District's cash deposits had a bank balance and carrying balance of \$804.

**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, 2020**

**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, 2020, 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	\$ 904,309
U.S. Treasury/Government-Sponsored Enterprises (GSEs)	Average 1.78 years	1,181,302
Corporate Bonds/Money Market Securities	Average 2.83 years	175,684
Municipal Bonds	Average 3.69 years	164,128
Total		<u>\$ 2,425,423</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, Money Market Securities and Municipal Bonds**

Debt service monies held in trust by UMB Bank in the Debt Reserve Fund were invested in US Treasury/Government-Sponsored Enterprise Bonds (AAA ratings), Corporate Bonds and Money Market Securities (AAA ratings), and Municipal Bonds (AAA and AA ratings) with average maturities of 1.78 years, 2.83 years and 3.69 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, 2020 statement indicated that, (i) the major source for security ratings is the best rating 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, 2020**

**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, 2020:

<u>Governmental Activities</u>	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
<b>Bonds Payable:</b>					
Limited Tax General					
Obligation Bonds:					
Series 2018A	\$ 16,450,000	\$ -	\$ -	\$ 16,450,000	\$ -
Series 2018B	2,840,000	-	-	2,840,000	-
<b>Total Bonds Payable</b>	<u>19,290,000</u>	-	-	<u>19,290,000</u>	-
<b>Other Debts:</b>					
Developer Advances	5	-	-	5	-
<b>Total Long-Term Obligations</b>	<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.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Bond Details (Continued)**

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 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, 2020**

**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>
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 – 2030	1,495,000	4,432,388	5,927,388
2031 – 2035	2,305,000	3,915,750	6,220,750
2036 – 2040	3,410,000	3,132,888	6,542,888
2041 – 2045	4,860,000	1,995,538	6,855,538
2046 – 2047	3,890,000	378,350	4,268,350
Total	<u>\$ 16,450,000</u>	<u>\$ 18,563,875</u>	<u>\$ 35,013,875</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, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt**

At December 31, 2020, 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, 2020 as follows:

Restricted Net Position	Governmental Activities
Debt Service	<u>\$ 373,684</u>
Total Restricted Net Position	<u>\$ 373,684</u>

The District has a deficit in unrestricted net position because it carries a bond payable that was issued to finance public improvements that were either conveyed to other governmental entity or were transferred to District No.1

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**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, 2020**

**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, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 126,472	\$ 126,473	\$ 1
Specific Ownership Taxes	8,853	6,003	(2,850)
Interest Income	48,251	52,758	4,507
Facilities Fees	500,000	647,500	147,500
Total Revenues	<u>683,576</u>	<u>832,734</u>	<u>149,158</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	1,897	1,898	(1)
Paying Agent Fees	6,728	2,500	4,228
Investment Advisory Fees	5,500	4,623	877
Bond Interest - Series 2018A	945,875	945,875	-
Total Expenditures	<u>960,000</u>	<u>954,896</u>	<u>5,104</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(276,424)	(122,162)	154,262
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers From Other Funds	-	3	3
Total Other Financing Sources (Uses)	<u>-</u>	<u>3</u>	<u>3</u>
<b>NET CHANGE IN FUND BALANCE</b>	(276,424)	(122,159)	154,265
Fund Balance - Beginning of Year	<u>2,604,345</u>	<u>2,647,009</u>	<u>42,664</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,327,921</u>	<u>\$ 2,524,850</u>	<u>\$ 196,929</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, 2020**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Total Expenditures	-	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Fund	-	(3)	(3)	-
Total Other Financing Sources (Uses)	-	(3)	(3)	-
<b>NET CHANGE IN FUND BALANCE</b>	-	(3)	(3)	-
Fund Balance - Beginning of Year	-	40	40	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ -</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
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>\$ 18,563,875</u>	<u>\$ 35,013,875</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  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 DECEMBER 31, 2020**

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

<u>Year Ended December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	<u>Mills Levied</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>	
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	100.00
2020	4,075,930	12.389	31.029	176,969	176,970	100.00
Estimated for Year Ending December 31, 2021	\$ 13,361,020	3.841	39.290	\$ 576,274		

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
OTHER INFORMATION FOR 2018 CDA  
DECEMBER 31, 2020**

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

<u>Taxpayer Name</u>	<u>2020 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation \$ 13,361,020</u>
Raindance Homestead LLC	\$ 712,550	5.33 %
Artesia Lot Holdings LLC	593,950	4.45
Forestar USA Real Estate Group, Inc.	448,000	3.35
Melody Homes Inc	426,290	3.19
HB At Raindance LLC	280,960	2.10
RainDance Metropolitan District No. 1	108,110	0.81
Aspen View Homes LLC	98,080	0.73
Raindance Land Company LLC	80,360	0.60
DFH Mandarin LLC	78,400	0.59
Public Service CO of COLO (XCEL)	76,610	0.58
<b>Total</b>	<b>\$ 2,903,310</b>	<b>21.73 %</b>

**2020 ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT  
2018 CDA FORM SECTION 4 (a) 4**

<u>Property Class</u>	<u>Total Assessed Valuation</u>	<u>Percentage of Assessed Valuation</u>
Residential	\$ 9,868,430	73.86 %
Commercial	860,770	6.44
State Assessed	76,610	0.57
Minerals	2,880	0.03
Vacant Land	2,552,330	19.10
<b>Total</b>	<b>\$ 13,361,020</b>	<b>100.00 %</b>

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

Outstanding Principal Amount for Senior Debt as of December 31, 2020	\$ 16,450,000
2020 Final Assessed Valuation of the District for 2021 Collection Year	13,361,020
Senior Debt to Assessed Ratio	1.23x

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
OTHER INFORMATION FOR 2018 CDA  
DECEMBER 31, 2020**

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

	2016	2017	2018	2019	2020
<b>REVENUES</b>					
Property Taxes	\$ 273	\$ 273	\$ 504	\$ 8,939	\$ 50,497
Specific Ownership Taxes	15	21	39	605	2,397
Interest Income	5	-	-	-	34
Total Revenues	<u>293</u>	<u>294</u>	<u>543</u>	<u>9,544</u>	<u>52,928</u>
<b>EXPENDITURES</b>					
County Treasurer's Fees	4	4	8	134	758
Banking Fees	-	-	60	-	-
Transfer to District No. 1	496	290	470	9,410	52,170
Total Expenditures	<u>500</u>	<u>294</u>	<u>538</u>	<u>9,544</u>	<u>52,928</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(207)</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(207)</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>207</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

Source: The District's unaudited financial statements for the calendar years ended December 31, 2016 and December 31, 2017, and the audited financial statements for the calendar years ended December 31, 2018 through December 31, 2020.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
OTHER INFORMATION FOR 2018 CDA  
DECEMBER 31, 2020**

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

	2016	2017	2018	2019	2020
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 126,473
Specific Ownership Taxes	-	-	-	-	6,003
Interest Income	-	-	45,404	90,589	52,758
Facilities Fees	-	-	282,500	820,000	647,500
Total Revenues	-	-	327,904	910,589	832,734
<b>EXPENDITURES</b>					
County Treasurer's Fees	-	-	-	-	1,898
Paying Agent Fees	-	-	-	6,000	2,500
Investment Advisory Fees	-	-	5,139	5,065	4,623
Bond Interest - Series 2018A	-	-	509,722	945,875	945,875
Total Expenditures	-	-	514,861	956,940	954,896
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(186,957)	(46,351)	(122,162)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from Other Funds	-	-	2,880,317	-	3
Total Other Financing Sources (Uses)	-	-	2,880,317	-	3
<b>NET CHANGE IN FUND BALANCES</b>	-	-	2,693,360	(46,351)	(122,159)
Fund Balances - Beginning of Year	-	-	-	2,693,360	2,647,009
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,693,360</u>	<u>\$ 2,647,009</u>	<u>\$ 2,524,850</u>

Source: The District's unaudited financial statements for the calendar years ended December 31, 2016 and December 31, 2017, and the audited financial statements for the calendar years ended December 31, 2018 through December 31, 2020.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
OTHER INFORMATION FOR 2018 CDA  
DECEMBER 31, 2020**

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

	2016	2017	2018	2019	2020
<b>REVENUES</b>					
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	-	-	19,370,438	15,247	-
<b>EXPENDITURES</b>					
Transfer to District No. 1	-	-	14,568,088	1,020,332	-
Cost of Issuance	-	-	916,908	-	-
Total Expenditures	-	-	15,484,996	1,020,332	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	3,885,442	(1,005,085)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer to Other Funds	-	-	(2,880,317)	-	(3)
Total Other Financing Sources (Uses)	-	-	(2,880,317)	-	(3)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	1,005,125	(1,005,085)	(3)
Fund Balances - Beginning of Year	-	-	-	1,005,125	40
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,005,125</u>	<u>\$ 40</u>	<u>\$ 37</u>

Source: The District's unaudited financial statements for the calendar years ended December 31, 2016 and December 31, 2017, and the audited financial statements for the calendar years ended December 31, 2018 through December 31, 2020.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
OTHER INFORMATION FOR 2018 CDA  
DECEMBER 31, 2020**

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

	2019 Adopted Budget	2019 Year-End Actual	2020 Adopted Budget	2020 Year-End Actual
<b>REVENUES</b>				
Property Taxes	\$ 8,938	\$ 8,939	\$ 50,497	\$ 50,497
Specific Ownership Taxes	715	605	3,535	2,397
Interest Income	-	-	-	34
Total Revenues	<u>9,653</u>	<u>9,544</u>	<u>54,032</u>	<u>52,928</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	134	134	757	758
Transfer to District No. 1	9,519	9,410	53,275	52,170
Total Expenditures	<u>9,653</u>	<u>9,544</u>	<u>54,032</u>	<u>52,928</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>5</u>	<u>5</u>	<u>5</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>

Source: Adopted or amended budgets of the District for the calendar years ended December 31, 2019 and December 31, 2020, and the District's audited financial statements for the calendar years ended December 31, 2019 and December 31, 2020.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
OTHER INFORMATION FOR 2018 CDA  
DECEMBER 31, 2020**

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

	2019 Amended Budget	2019 Year-End Actual	2020 Adopted Budget	2020 Year-End Actual
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ 126,472	\$ 126,473
Specific Ownership Taxes	-	-	8,853	6,003
Interest Income	90,560	90,589	48,251	52,758
Facilities Fees	777,500	820,000	500,000	647,500
Total Revenues	<u>868,060</u>	<u>910,589</u>	<u>683,576</u>	<u>832,734</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	-	-	1,897	1,898
Contingency	2,925	-	-	-
Investment Advisory Fees	6,000	6,000	5,500	4,623
Paying Agent Fees	5,200	5,065	6,728	2,500
Bond Interest - Series 2018A	945,875	945,875	945,875	945,875
Total Expenditures	<u>960,000</u>	<u>956,940</u>	<u>960,000</u>	<u>954,896</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(91,940)	(46,351)	(276,424)	(122,162)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Other Funds	-	-	-	3
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
<b>NET CHANGE IN FUND BALANCES</b>	(91,940)	(46,351)	(276,424)	(122,159)
Fund Balances - Beginning of Year	<u>2,693,360</u>	<u>2,693,360</u>	<u>2,604,345</u>	<u>2,647,009</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,601,420</u>	<u>\$ 2,647,009</u>	<u>\$ 2,327,921</u>	<u>\$ 2,524,850</u>

Source: Adopted or amended budgets of the District for the calendar years ended December 31, 2019 and December 31, 2020, and the District's audited financial statements for the calendar years ended December 31, 2019 and December 31, 2020.



**RAINDANCE METROPOLITAN DISTRICT NO. 3  
OTHER INFORMATION FOR 2018 CDA  
DECEMBER 31, 2020**

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

	2019 Amended Budget	2019 Year-End Actual	2020 Amended Budget	2020 Year-End Actual
<b>REVENUES</b>				
Interest Income	\$ 15,875	\$ 15,247	\$ -	\$ -
Total Revenues	<u>15,875</u>	<u>15,247</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Transfer to District No. 1	<u>1,021,000</u>	<u>1,020,332</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,021,000</u>	<u>1,020,332</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,005,125)	(1,005,085)	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Other Funds	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,005,125)	(1,005,085)	(3)	(3)
Fund Balances - Beginning of Year	<u>1,005,125</u>	<u>1,005,125</u>	<u>40</u>	<u>40</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 37</u>	<u>\$ 37</u>

Source: Adopted or amended budgets of the District for the calendar years ended December 31, 2019 and December 31, 2020, and the District's audited financial statements for the calendar years ended December 31, 2019 and December 31, 2020.

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

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

For the Year Ended  
12/31/20  
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.

<b>NAME:</b>	Gigi Pangindian
<b>TITLE</b>	Accountant for the District
<b>FIRM NAME (if applicable)</b>	CliftonLarsonAllen LLP
<b>ADDRESS</b>	8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
<b>PHONE</b>	303-779-5710
<b>DATE PREPARED</b>	2/24/2021

### PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	<b>GOVERNMENTAL</b> <small>(MODIFIED ACCRUAL BASIS)</small>	<b>PROPRIETARY</b> <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)	\$ 5,217	
2-2	Specific ownership	\$ 248	
2-3	Sales and use	\$ -	
2-4	Other (specify): Interest	\$ 4	
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	\$ 5,469	

## 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	\$ 78	
3-25	Transfer to RainDance Metropolitan District No. 1	\$ 5,391	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 5,469	

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?<br>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:<br><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:<br><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"/> |

Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 5	\$ -	\$ -	\$ 5
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5</b>

\*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?<br>If yes: How much? <span style="float: right; border: 1px solid black; padding: 2px;">\$ 1,395,000,000.00</span><br>Date the debt was authorized: <span style="float: right; border: 1px solid black; padding: 2px;">5/6/2014</span>                                                                                                                                                                                                                                                                                                                                            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 4-6 | Does the entity intend to issue debt within the next calendar year?<br>If yes: How much? <span style="float: right; border: 1px solid black; padding: 2px;">\$ -</span>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 4-7 | Does the entity have debt that has been refinanced that it is still responsible for?<br>If yes: What is the amount outstanding? <span style="float: right; border: 1px solid black; padding: 2px;">\$ -</span>                                                                                                                                                                                                                                                                                                                                                                                                                             | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 4-8 | Does the entity have any lease agreements?<br>If yes: What is being leased? <span style="float: right; border: 1px solid black; padding: 2px;"> </span><br>What is the original date of the lease? <span style="float: right; border: 1px solid black; padding: 2px;"> </span><br>Number of years of lease? <span style="float: right; border: 1px solid black; padding: 2px;"> </span><br>Is the lease subject to annual appropriation? <span style="float: right; border: 1px solid black; padding: 2px;"> </span><br>What are the annual lease payments? <span style="float: right; border: 1px solid black; padding: 2px;">\$ -</span> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

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	\$ 50	
5-2	Certificates of deposit	\$ -	
<b>Total Cash Deposits</b>			<b>\$ 50</b>
Investments (if investment is a mutual fund, please list underlying investments):			
5-3		\$ -	
		\$ -	
		\$ -	
		\$ -	
<b>Total Investments</b>			<b>\$ -</b>
<b>Total Cash and Investments</b>			<b>\$ 50</b>

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	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>

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	\$ 5,583

## 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?



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
<b>Total mills</b>	<b>39.000</b>

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 checked="" type="checkbox"/>	<input type="checkbox"/>

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

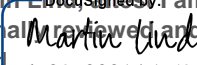


#### Policy - Requirements

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.		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Print Board Member's Name 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: March 29, 2022 11:59 PM PDT My term Expires: May 2023
Board Member 2	Print Board Member's Name 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: March 29, 2022 11:51 PM PDT My term Expires: May 2022
Board Member 3	Print Board Member's Name 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: March 29, 2022 11:52 PM PDT My term Expires: May 2022
Board Member 4	Print Board Member's Name	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	Print Board Member's Name	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	Print Board Member's Name	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	Print Board Member's Name	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 LLP  
www.CLACoconnect.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, 2020, 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.

Greenwood Village, Colorado  
February 24, 2021

**EXHIBIT B**  
**2021 Budgets**

**RAINDANCE METROPOLITAN DISTRICT NO.1**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2021**

**RAINDANCE METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/29/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 786,935	\$ 737,760	\$ 8,148,215
REVENUES			
Property taxes	147,215	2,108,746	4,807,694
Specific ownership taxes	9,966	162,989	174,130
Bond issuance	-	24,315,000	-
Capital facilities fees	-	375,000	1,110,000
Developer advance	2,409,985	29,178,140	233,400
Filing 9	-	-	11,000,000
Golf Course	-	1,500,000	2,735,000
Developer contribution - Pool	-	200,000	200,000
Interest income	-	1,800	24,000
Other revenue	1,355,252	99,798	100,000
Project Fees - Golf Lot Premiums	-	-	-
Town of Windsor - Sewer Reimbursement	-	-	939,200
Golf Course Construction Loan - Independent Bank	-	-	7,865,000
Pipeline easement	25,051	-	-
Stop curb repair fees	-	50,050	61,250
Transfers from District No. 2	74,014	19,198,590	53,520
Transfers from District No. 3	1,029,742	52,170	53,116
Transfers from District No. 4	3,725	5,391	15,221
Water meter fees	820,000	1,022,500	1,415,000
Water service fees	83,949	201,000	524,858
Total revenues	<u>5,958,899</u>	<u>78,471,174</u>	<u>31,311,389</u>
TRANSFERS IN	<u>13,898</u>	<u>-</u>	<u>-</u>
Total funds available	<u>6,759,732</u>	<u>79,208,934</u>	<u>39,459,604</u>
EXPENDITURES			
General and administrative	404,076	523,158	776,415
Operations and maintenance	1,347,640	654,037	701,005
Pool and clubhouse	-	256,795	262,580
Enterprise fund	-	22,084,550	5,465,876
Capital projects	4,256,358	47,542,179	23,239,200
Total expenditures	<u>6,008,074</u>	<u>71,060,719</u>	<u>30,445,076</u>
TRANSFERS OUT	<u>13,898</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>6,021,972</u>	<u>71,060,719</u>	<u>30,445,076</u>
ENDING FUND BALANCES	<u>\$ 737,760</u>	<u>\$ 8,148,215</u>	<u>\$ 9,014,528</u>
EMERGENCY RESERVE	\$ 21,000	\$ 81,800	\$ 164,000
DEBT RESERVE FUND	-	2,289,792	2,289,792
TOTAL RESERVE	<u>\$ 21,000</u>	<u>\$ 2,371,592</u>	<u>\$ 2,453,792</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/21

ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
----------------	-------------------	----------------

**ASSESSED VALUATION**

Agricultural	\$ 6,000	\$ 5,330	\$ 5,440
State assessed	9,390	10,390	11,580
Vacant land	-	-	3,230
Commercial	-	-	75,400
Oil and gas	3,759,620	88,031,340	89,201,920
	3,775,010	88,047,060	89,297,570
Adjustments	-	-	-
Certified Assessed Value	\$ 3,775,010	\$ 88,047,060	\$ 89,297,570

**MILL LEVY**

General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000

**PROPERTY TAXES**

General	\$ 147,225	\$ 3,433,835	\$ 3,482,605
Levied property taxes	147,225	3,433,835	3,482,605
Adjustments to actual/rounding	(10)	(1,325,089)	1,325,089
Budgeted property taxes	\$ 147,215	\$ 2,108,746	\$ 4,807,694

**BUDGETED PROPERTY TAXES**

General	\$ 147,215	\$ 2,108,746	\$ 4,807,694
	\$ 147,215	\$ 2,108,746	\$ 4,807,694

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 786,935	\$ 610,593	\$ 2,070,298
<b>REVENUES</b>			
Property taxes	147,215	2,108,746	4,807,694
Specific ownership taxes	9,966	162,989	174,130
Developer advance	197,760	166,666	60,000
Developer contribution - Pool	-	200,000	200,000
Pipeline easement	25,051	-	-
Water meter fees	820,000	-	-
Water service fees	83,949	-	-
Stop curb repair fees	-	50,050	61,250
Other revenue	345,349	99,798	100,000
Transfers from District No. 2	74,014	47,885	53,520
Transfers from District No. 3	9,410	52,170	53,116
Transfers from District No. 4	3,725	5,391	15,221
Total revenues	<u>1,716,439</u>	<u>2,893,695</u>	<u>5,524,931</u>
Total funds available	<u>2,503,374</u>	<u>3,504,288</u>	<u>7,595,229</u>
<b>EXPENDITURES</b>			
General and administrative			
Accounting	75,640	110,000	115,600
Administration and operations			
Staffing	-	-	290,000
Management fee	-	-	36,000
Asset Administration	-	-	10,000
Audit	9,600	13,800	14,500
Consulting and studies	-	45,000	20,000
County Treasurer's fee	2,208	31,631	72,115
Dues and licenses	2,683	3,025	3,200
Engineering - Cost Certification	4,942	10,000	10,000
Insurance	11,812	23,036	35,000
Legal services	86,180	110,000	100,000
Miscellaneous	13,251	10,000	10,000
Office supplies	-	-	5,000
Office overhead	-	-	60,000
Rent	-	-	24,000
Repay Developer advance	197,760	166,666	60,000
Contingency	-	-	55,005
Operation and maintenance			
District events	44,100	51,000	50,000
Equipment acquisition	3,200	40,000	250,000
Equipment repairs and maintenance	5,714	9,000	2,200
Landscaping	-	78,000	100,000
Lifestyle Director fee	62,371	75,000	-
Raindance Farms	-	370	10,000
Snow removal	18,164	40,000	60,000
Stop curb repair	-	28,000	24,800
Utility Locates	-	42,000	-
Utilities	25,260	79,000	60,000
Water meters and installations	904,154	-	-
Water purchases	86,917	45,000	-
Water system/field manager	197,760	166,667	-
Capital Outlay			
7th Street Bridge	-	-	700,000
Pool and clubhouse			
Pool management fees	-	200,000	189,500
Pool supplies	-	23,000	18,000
Pool water usage	-	8,000	9,000
Pool electricity	-	12,000	31,000
Pool telephone services	-	175	260
Pool internet	-	1,402	2,100
Pool insurance	-	8,755	9,200
Pool trash and recycle	-	1,463	2,520
Pool Miscellaneous	-	2,000	1,000
Total expenditures	<u>1,751,716</u>	<u>1,433,990</u>	<u>2,440,000</u>
<b>TRANSFERS OUT</b>			
Transfers to other fund	<u>13,898</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,765,614</u>	<u>1,433,990</u>	<u>2,440,000</u>
ENDING FUND BALANCE	<u>\$ 737,760</u>	<u>\$ 2,070,298</u>	<u>\$ 5,155,229</u>
EMERGENCY RESERVE	\$ 21,000	\$ 81,800	\$ 164,000

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Other revenue	1,009,903	-	-
Town of Windsor - Sewer Reimbursement	-	-	939,200
Developer Advance	2,212,225	26,891,474	-
Filing 9	-	-	11,000,000
Golf Course	-	1,500,000	2,735,000
Golf Course Construction Loan - Independent Bank	-	-	7,865,000
Transfers from District No. 2	-	19,150,705	-
Transfers from District No. 3	1,020,332	-	-
Total revenues	<u>4,242,460</u>	<u>47,542,179</u>	<u>22,539,200</u>
TRANSFERS IN			
Transfers from other funds	<u>13,898</u>	-	-
Total funds available	<u>4,256,358</u>	<u>47,542,179</u>	<u>22,539,200</u>
EXPENDITURES			
Capital Outlay			
Parks and recreation	505,593	-	-
Streets	1,859,592	-	-
Softcosts	88,858	-	-
Repay Developer Advance	1,802,315	19,150,705	-
Sewer Reimbursement	-	-	939,200
Capital Outlay- Public Improvements	-	26,891,474	-
Golf Course	-	1,500,000	10,600,000
Filing 9	-	-	11,000,000
Total expenditures	<u>4,256,358</u>	<u>47,542,179</u>	<u>22,539,200</u>
Total expenditures and transfers out requiring appropriation	<u>4,256,358</u>	<u>47,542,179</u>	<u>22,539,200</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
ENTERPRISE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUNDS AVAILABLE	\$ -	\$ 127,167	\$ 6,077,917
<b>REVENUES</b>			
Bond issuance	-	24,315,000	-
Capital facilities fees	-	375,000	1,110,000
Developer advance	-	2,120,000	173,400
Interest income	-	1,800	24,000
Water meter fees	-	1,022,500	1,415,000
Water service fees	-	201,000	524,858
Total revenues	-	28,035,300	3,247,258
Total funds available	-	28,162,467	9,325,175
<b>EXPENDITURES</b>			
General and administrative			
Administration - Billing	-	-	32,640
Consulting and studies	-	200,000	60,000
Legal services	-	90,000	60,000
Operations and maintenance			
Repairs and maintenance	-	10,000	-
Electricity and gas	-	-	94,461
Water meters and installation	-	720,000	1,415,000
Miscellaneous	-	110	-
Other Water Operating Expenses			
Scada	-	-	20,000
Delivery and Ditch expenses	-	-	15,000
Water system manager and field staff	-	83,333	173,400
Tools and Equipment	-	-	10,200
Equipment acquisition	-	9,000	-
Contingency	-	-	25,000
Capital			
Repay Developer advance	-	2,120,000	173,400
Capital outlay	-	17,500,000	2,120,000
Debt Service			
Bond interest- Series 2020	-	403,450	1,262,975
Cost of Issuance	-	945,807	-
Paying agent fee	-	2,850	3,800
Total expenditures	-	22,084,550	5,465,876
Total expenditures and transfers out requiring appropriation	-	22,084,550	5,465,876
ENDING FUNDS AVAILABLE	\$ -	\$ 6,077,917	\$ 3,859,299
DEBT RESERVE FUND	\$ -	\$ 2,289,792	\$ 2,289,792
TOTAL RESERVE	\$ -	\$ 2,289,792	\$ 2,289,792

No assurance provided. See summary of significant assumptions.



**RAINDANCE METROPOLITAN DISTRICT NO. 1  
2021 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  
2021 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 5% 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 0.5%.

**Capital Facilities Fees**

The District imposes a Capital Facilities Fee in the amount of \$2,500 per single family detached unit, which is due and payable on or before a building permit is issued by the County.

**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 single-family detached units and for single-family attached and apartment units. The District expects to collect \$2,500 per single-family detached unit and \$1100 per single family attached and apartment units.

**Stop Curb Repair Fees**

During 2021, the District anticipates invoicing various builders for damages to streets and curbs. The District expects to collect \$1,250 per address.

**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.

**Golf Course Construction Loan**

During 2021, the District anticipates receiving a loan for purposes of constructing a golf course. The final terms of the loan will be determined upon receipt of the Loan.

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Other Revenue**

The District anticipates generating additional revenue of approximately \$100,000 from the sale of dirt.

The District anticipates receiving a reimbursement for Sewer costs from the Town of Windsor in the amount of \$939,200.

**Expenditures**

**County Treasurer's Fees**

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

**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.

**Pool and Clubhouse**

Pool and clubhouse expenditures have been estimated by the District's management. The estimated expenditures include maintenance and repairs of the District's pool and clubhouse.

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2020 Bonds (discussed under Debt and Leases)

**Debt and Leases**

On August 6, 2020, the District, acting by and through its Water Activity Enterprise, issued \$24,315,000 in Non-Potable Water Enterprise Revenue Bonds, Series 2020. The District's primary revenue sources for repayment of the Bonds are rates assessed on residential and non-residential customers of

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

the District and RainDance Metropolitan District Nos. 2, 3 and 4 based on non-potable water usage within the District's Service Area and Capital Facilities Fees collected within the boundaries of RainDance Metropolitan District No. 2 (District No. 2). The Bonds were issued as two term bonds with the first bearing interest at 5.00% per annum and maturing on December 1, 2040 and the second bearing interest at 5.25% and maturing on December 1, 2050. Interest on the Bonds is payable semiannually on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount

The District has no outstanding capital or operating leases.

	Balance at December 31, 2019	Additions*	Reductions*	Balance at December 31, 2020*
Non-Potable Water Revenue Bonds Series 2020	\$ -	\$ 24,315,000	\$ -	\$ 24,315,000
Developer Advances Capital	409,915	30,511,474	21,270,705	9,650,684
Interest	95,557	468,412	-	563,969
Total	<u>\$ 505,472</u>	<u>\$ 55,294,886</u>	<u>\$ 21,270,705</u>	<u>\$ 34,529,653</u>

	Balance at December 31, 2020*	Additions*	Reductions*	Balance at December 31, 2021*
Non-Potable Water Revenue Bonds Series 2020	\$ 24,315,000	\$ -	\$ -	\$ 24,315,000
Developer Advances Capital	9,650,684	13,735,000	939,200	22,446,484
Interest	563,969	1,520,069	-	2,084,038
Construction Loan Principal	-	7,865,000	-	7,865,000
Interest	-	393,250	-	393,250
Total	<u>\$ 34,529,653</u>	<u>\$ 23,513,319</u>	<u>\$ 939,200</u>	<u>\$ 57,103,772</u>

\*Estimates

**RAINDANCE METROPOLITAN DISTRICT NO. 1  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR.

**Debt Service Reserves**

The District maintains a Debt Service Reserve as required with the issuance of the Series 2020 Non-Potable Water Enterprise Revenue Bonds.

**This information is an integral part of the accompanying budget.**

**RAINDANCE METROPOLITAN DISTRICT NO. 2**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2021**

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 5	\$ 23,505,253	\$ 3,547,437
REVENUES			
Property taxes	70,468	46,380	70,494
Specific ownership taxes	4,603	2,201	3,525
Interest income	-	125,932	15,000
Bond issuance - Series 2019A	19,310,000	-	-
Bond premium - Series 2019A	472,020	-	-
Bond issuance - Series 2019B	4,575,000	-	-
Total revenues	<u>24,432,091</u>	<u>174,513</u>	<u>89,019</u>
TRANSFERS IN	<u>4,430,185</u>	<u>2,473</u>	<u>-</u>
Total funds available	<u>28,862,281</u>	<u>23,682,239</u>	<u>3,636,456</u>
EXPENDITURES			
General Fund	75,071	48,581	54,296
Debt Service Fund	-	933,043	1,000,000
Capital Projects Fund	851,772	19,150,705	-
Total expenditures	<u>926,843</u>	<u>20,132,329</u>	<u>1,054,296</u>
TRANSFERS OUT	<u>4,430,185</u>	<u>2,473</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>5,357,028</u>	<u>20,134,802</u>	<u>1,054,296</u>
ENDING FUND BALANCES	<u>\$ 23,505,253</u>	<u>\$ 3,547,437</u>	<u>\$ 2,582,160</u>
2019A SENIOR RESERVE FUND	\$ 1,549,250	\$ 1,549,250	\$ 1,549,250
2019A CAP I/BOND FUND	2,880,935	1,998,182	1,032,905
TOTAL RESERVE	<u>\$ 4,430,185</u>	<u>\$ 3,547,432</u>	<u>\$ 2,582,155</u>

**Raindance Metropolitan District No. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/21/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Industrial	\$ 1,020	\$ 1,170	\$ -
Agricultural	7,020	6,020	5,080
Vacant land	-	-	327,920
Oil and Gas	1,798,820	1,061,020	1,438,450
	<u>1,806,860</u>	<u>1,068,210</u>	<u>1,771,450</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 1,806,860</u>	<u>\$ 1,068,210</u>	<u>\$ 1,771,450</u>
<b>MILL LEVY</b>			
General	39.000	43.418	29.191
Debt Service	0.000	0.000	10.604
Total mill levy	<u>39.000</u>	<u>43.418</u>	<u>39.795</u>
<b>PROPERTY TAXES</b>			
General	\$ 70,468	\$ 46,380	\$ 51,710
Debt Service	-	-	18,784
Budgeted property taxes	<u>\$ 70,468</u>	<u>\$ 46,380</u>	<u>\$ 70,494</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 70,468</b>	<b>\$ 46,380</b>	<b>\$ 51,710</b>
Debt Service	<b>-</b>	<b>-</b>	<b>18,784</b>
	<u><b>\$ 70,468</b></u>	<u><b>\$ 46,380</b></u>	<u><b>\$ 70,494</b></u>

No assurance provided. See summary of significant assumptions.



**RAINDANCE METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 5	\$ 5	\$ 5
REVENUES			
Property taxes	70,468	46,380	51,710
Specific ownership taxes	4,603	2,201	2,586
Total revenues	<u>75,071</u>	<u>48,581</u>	<u>54,296</u>
Total funds available	<u>75,076</u>	<u>48,586</u>	<u>54,301</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	1,057	696	776
Transfer to District No. 1	74,014	47,885	53,520
Total expenditures	<u>75,071</u>	<u>48,581</u>	<u>54,296</u>
Total expenditures and transfers out requiring appropriation	<u>75,071</u>	<u>48,581</u>	<u>54,296</u>
ENDING FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ 4,430,185	\$ 3,547,432
REVENUES			
Property taxes	-	-	18,784
Specific ownership taxes	-	-	939
Interest income	-	47,817	15,000
Total revenues	<u>-</u>	<u>47,817</u>	<u>34,723</u>
TRANSFERS IN			
Transfers from other funds	<u>4,430,185</u>	<u>2,473</u>	<u>-</u>
Total funds available	<u>4,430,185</u>	<u>4,480,475</u>	<u>3,582,155</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	-	282
Investment advisory fee	-	18,500	8,500
Contingency	-	-	25,718
Debt Service			
Bond interest Senior Bonds	-	914,543	965,500
Total expenditures	<u>-</u>	<u>933,043</u>	<u>1,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>933,043</u>	<u>1,000,000</u>
ENDING FUND BALANCE	<u>\$ 4,430,185</u>	<u>\$ 3,547,432</u>	<u>\$ 2,582,155</u>
2019A SENIOR RESERVE FUND	\$ 1,549,250	\$ 1,549,250	\$ 1,549,250
2019A CAP I/BOND FUND	2,880,935	1,998,182	1,032,905
TOTAL RESERVE	<u>\$ 4,430,185</u>	<u>\$ 3,547,432</u>	<u>\$ 2,582,155</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ 19,075,063	\$ -
<b>REVENUES</b>			
Interest income	-	78,115	-
Bond Issuance - Series 2019A	19,310,000	-	-
Bond Issuance - Series 2019B	4,575,000	-	-
Bond Premium - Series 2019A	472,020	-	-
Total revenues	24,357,020	78,115	-
Total funds available	24,357,020	19,153,178	-
<b>EXPENDITURES</b>			
Capital Projects			
Bond Issue Cost	851,772	-	-
Transfers to District No.1	-	19,150,705	-
Total expenditures	851,772	19,150,705	-
<b>TRANSFERS OUT</b>			
Transfers to other fund	4,430,185	2,473	-
Total expenditures and transfers out requiring appropriation	5,281,957	19,153,178	-
ENDING FUND BALANCE	\$ 19,075,063	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2021 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  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Specific Ownership Taxes**

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

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.5%.

**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.

**Debt Service**

Interest payments in 2021 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.

**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 were 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 were used to: (i) pay a portion of the

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

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.

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2019A	19,310,000	-	-	19,310,000
Series 2019A - Premium	472,020	-	20,106	451,914
Series 2019B	4,575,000	-	-	4,575,000
Total	<u>\$ 24,357,025</u>	<u>\$ -</u>	<u>\$ 20,106</u>	<u>\$ 24,336,919</u>

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2019A	19,310,000	-	-	19,310,000
Series 2019A - Premium	451,914	-	21,226	430,688
Series 2019B	4,575,000	-	-	4,575,000
Total	<u>\$ 24,336,919</u>	<u>\$ -</u>	<u>\$ 21,226</u>	<u>\$ 24,315,693</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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. 3**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2021**



**RAINDANCE METROPOLITAN DISTRICT NO. 3  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 3,698,490	\$ 2,647,054	\$ 2,516,005
REVENUES			
Property taxes	8,939	176,969	576,274
Specific ownership taxes	605	8,400	28,814
Interest income	105,836	46,781	15,000
Capital Facilities Fees	820,000	647,500	678,100
Total revenues	<u>935,380</u>	<u>879,650</u>	<u>1,298,188</u>
TRANSFERS IN	<u>-</u>	<u>40</u>	<u>-</u>
Total funds available	<u>4,633,870</u>	<u>3,526,744</u>	<u>3,814,193</u>
EXPENDITURES			
General Fund	9,544	52,927	53,886
Debt Service Fund	956,940	957,772	965,249
Capital Projects Fund	1,020,332	-	-
Total expenditures	<u>1,986,816</u>	<u>1,010,699</u>	<u>1,019,135</u>
TRANSFERS OUT	<u>-</u>	<u>40</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,986,816</u>	<u>1,010,739</u>	<u>1,019,135</u>
ENDING FUND BALANCES	<u>\$ 2,647,054</u>	<u>\$ 2,516,005</u>	<u>\$ 2,795,058</u>
2018A SENIOR RESERVE FUND	\$ 1,423,675	\$ 1,423,675	\$ 1,423,675
2018A SENIOR SURPLUS FUND	1,223,334	1,092,325	1,371,378
TOTAL RESERVE	<u>\$ 2,647,009</u>	<u>\$ 2,516,000</u>	<u>\$ 2,795,053</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 8,510	\$ -	\$ -
State assessed	-	-	76,610
Vacant land	198,790	2,574,120	2,552,330
Residential	-	1,498,960	9,868,430
Commercial	-	-	860,770
Minerals	-	2,850	2,880
	<u>207,300</u>	<u>4,075,930</u>	<u>13,361,020</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 207,300</u>	<u>\$ 4,075,930</u>	<u>\$ 13,361,020</u>
<b>MILL LEVY</b>			
General	43.116	12.389	3.841
Debt Service	0.000	31.029	39.290
Total mill levy	<u>43.116</u>	<u>43.418</u>	<u>43.131</u>
<b>PROPERTY TAXES</b>			
General	\$ 8,938	\$ 50,497	\$ 51,320
Debt Service	-	126,472	524,954
Levied property taxes	<u>8,938</u>	<u>176,969</u>	<u>576,274</u>
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	<u>\$ 8,939</u>	<u>\$ 176,969</u>	<u>\$ 576,274</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 8,939</u>	<u>\$ 50,497</u>	<u>\$ 51,320</u>
Debt Service	<u>-</u>	<u>126,472</u>	<u>524,954</u>
	<u>\$ 8,939</u>	<u>\$ 176,969</u>	<u>\$ 576,274</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 5	\$ 5	\$ 5
REVENUES			
Property taxes	8,939	50,497	51,320
Specific ownership taxes	605	2,397	2,566
Interest income	-	33	-
Total revenues	<u>9,544</u>	<u>52,927</u>	<u>53,886</u>
Total funds available	<u>9,549</u>	<u>52,932</u>	<u>53,891</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	134	757	770
Banking fees	-	-	-
Transfer to District No. 1	9,410	52,170	53,116
Total expenditures	<u>9,544</u>	<u>52,927</u>	<u>53,886</u>
Total expenditures and transfers out requiring appropriation	<u>9,544</u>	<u>52,927</u>	<u>53,886</u>
ENDING FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 2,693,360	\$ 2,647,009	\$ 2,516,000
REVENUES			
Property taxes	-	126,472	524,954
Specific ownership taxes	-	6,003	26,248
Interest income	90,589	46,748	15,000
Capital Facilities Fees	820,000	647,500	678,100
Total revenues	<u>910,589</u>	<u>826,723</u>	<u>1,244,302</u>
TRANSFERS IN			
Transfers from other funds	-	40	-
Total funds available	<u>3,603,949</u>	<u>3,473,772</u>	<u>3,760,302</u>
EXPENDITURES			
Debt Service			
Bond interest - Series 2018A	945,875	945,875	945,875
County Treasurer's fees	-	1,897	7,874
Paying agent fees	6,000	5,000	5,500
Investment advisory fees	5,065	5,000	6,000
Total expenditures	<u>956,940</u>	<u>957,772</u>	<u>965,249</u>
Total expenditures and transfers out requiring appropriation	<u>956,940</u>	<u>957,772</u>	<u>965,249</u>
ENDING FUND BALANCE	<u>\$ 2,647,009</u>	<u>\$ 2,516,000</u>	<u>\$ 2,795,053</u>
2018A SENIOR RESERVE FUND	\$ 1,423,675	\$ 1,423,675	\$ 1,423,675
2018A SENIOR SURPLUS FUND	1,223,334	1,092,325	1,371,378
TOTAL RESERVE	<u>\$ 2,647,009</u>	<u>\$ 2,516,000</u>	<u>\$ 2,795,053</u>

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
 CAPITAL PROJECTS FUND  
 2021 BUDGET  
 WITH 2019 ACTUAL AND 2020 ESTIMATED  
 For the Years Ended and Ending December 31,**

1/18/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 1,005,125	\$ 40	\$ -
REVENUES			
Interest income	15,247	-	-
Total revenues	<u>15,247</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,020,372</u>	<u>40</u>	<u>-</u>
EXPENDITURES			
Transfer to District No. 1	<u>1,020,332</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,020,332</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>40</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,020,332</u>	<u>40</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ -</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
2021 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  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues** (continued)

**Specific Ownership Taxes**

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

**Interest Income**

Interest earned on the District's available funds has been estimated based on average interest rate of approximately 0.5%.

**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 2021, the District anticipates to collect fees on 130 single-family detached units and 321 single-family attached and apartment 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 Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2018A Bonds and the Series 2018B Bonds (discussed under Debt and Leases).

**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

**RAINDANCE METROPOLITAN DISTRICT NO. 3  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

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.

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.

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2018A	16,450,000	-	-	16,450,000
Series 2018B	2,840,000	-	-	2,840,000
Total	<u>\$ 19,290,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,290,005</u>

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
Developer Advances - Operations	\$ 5	\$ -	\$ -	\$ 5
Limited Tax General Obligation Bonds:				
Series 2018A	16,450,000	-	-	16,450,000
Series 2018B	2,840,000	-	-	2,840,000
Total	<u>\$ 19,290,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,290,005</u>



**RAINDANCE METROPOLITAN DISTRICT NO. 3  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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
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	\$ 18,563,875	\$ 35,013,875

**RAINDANCE METROPOLITAN DISTRICT NO. 4**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2021**

**RAINDANCE METROPOLITAN DISTRICT NO. 4  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 5	\$ 5	\$ 5
REVENUES			
Property taxes	3,539	5,217	14,707
Specific ownership taxes	238	248	735
Interest income	-	4	-
Total revenues	<u>3,777</u>	<u>5,469</u>	<u>15,442</u>
Total funds available	<u>3,782</u>	<u>5,474</u>	<u>15,447</u>
EXPENDITURES			
County Treasurer's fees	53	78	221
Transfer to District No. 1	3,724	5,391	15,221
Total expenditures	<u>3,777</u>	<u>5,469</u>	<u>15,442</u>
Total expenditures and transfers out requiring appropriation	<u>3,777</u>	<u>5,469</u>	<u>15,442</u>
ENDING FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

**RAINDANCE METROPOLITAN DISTRICT NO. 4  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 1,180	\$ -	\$ -
Oil and Gas	89,570	70,760	353,200
Vacant land	-	63,020	23,900
Certified Assessed Value	\$ 90,750	\$ 133,780	\$ 377,100
 <b>MILL LEVY</b>			
General	39.000	39.000	39.000
Total mill levy	39.000	39.000	39.000
 <b>PROPERTY TAXES</b>			
General	\$ 3,539	\$ 5,217	\$ 14,707
Levied property taxes	3,539	5,217	14,707
Budgeted property taxes	\$ 3,539	\$ 5,217	\$ 14,707
 <b>BUDGETED PROPERTY TAXES</b>			
General	\$ 3,539	\$ 5,217	\$ 14,707
	\$ 3,539	\$ 5,217	\$ 14,707

No assurance provided. See summary of significant assumptions.

**RAINDANCE METROPOLITAN DISTRICT NO. 4  
2021 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.

**Specific Ownership Taxes**

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

**RAINDANCE METROPOLITAN DISTRICT NO. 4  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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**  
**Developer Reimbursement Agreements**



## INFRASTRUCTURE ACQUISITION AND REIMBURSEMENT AGREEMENT

(Raindance Aquatic Investments, LLC)

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This **INFRASTRUCTURE ACQUISITION AND REIMBURSEMENT AGREEMENT** (this "**Agreement**") is made and entered into as of the 2<sup>nd</sup> day of July, 2020, by and between **RAINDANCE METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "**District**"), and **RAINDANCE AQUATIC INVESTMENTS, LLC**, a Colorado limited liability company (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](mailto: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](mailto:wpankele@wbapc.com)

If to the Developer: Raindance Aquatic Investments, LLC  
Attn: Gary Kerr  
1625 Pelican Lakes Point, Suite 201  
Windsor, CO 80550  
(970) 686-5828 (phone)  
[gkerr@watervalley.com](mailto: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

DocuSigned by:  
*Martin Lind*  
By: \_\_\_\_\_  
2D24A9FEA47645E...  
President

ATTEST:  
DocuSigned by:  
*Justin Donaldso*  
\_\_\_\_\_  
1F0D65F83C2F44E...  
Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

DocuSigned by:  
*Zachary White*  
\_\_\_\_\_  
6B9E7F9294AB46D...  
General Counsel to the District

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

**DEVELOPER:**

**RAINDANCE AQUATIC INVESTMENTS,  
LLC**, a Colorado limited liability company

DocuSigned by:  
*Martin Lind*  
By: \_\_\_\_\_  
2024A9FEA47649E...  
Name: Martin Lind  
Title: Manager

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

## INFRASTRUCTURE ACQUISITION AND REIMBURSEMENT AGREEMENT

---

This **INFRASTRUCTURE ACQUISITION AND REIMBURSEMENT AGREEMENT** (this "**Agreement**") effective as of January 1, 2020 by and between the **RAINDANCE METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "**District**"), and **RAINDANCE DEVELOPMENT LLC**, a Delaware limited liability company (the "**Developer**").

### RECITALS

WHEREAS, the District has been duly and validly organized 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 District, including certain "Major Infrastructure" (as defined in the Development Agreements) that may be located outside the boundaries of the District (collectively, the "**Project**"); 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 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. An initial listing of District Improvements based on existing Development Agreements is attached as **Exhibit A**, which shall be appended to by mutual agreement of the parties based on future Development Agreements yet to be executed.

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;

(3) 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

(4) 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 an Accountant’s Cost Certification, Engineer’s Cost Certification, and Engineer’s Design Certification as set forth above, and within 10 business days 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



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](mailto:wpankele@wbapc.com)

If to the Developer: Raindance Development LLC  
Attn: David Nelson  
540 W. Madison Street, Suite 2500  
Chicago, IL 60661  
312.542.3161 (phone)  
dnelson@DRWHoldings.com

With copy to: Roberts McGivney Zagotta LLC  
Attention: Michael S. Roberts  
55 West Monroe Street  
Suite 1700  
Chicago, Illinois 60603  
(312) 251-2295 (phone)  
mroberts@rmczlaw.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

DocuSigned by:  
*Martin Lind*  
By: \_\_\_\_\_  
2D24A9FEA47645E...  
President

ATTEST:  
DocuSigned by:  
*Justin Donaldso*  
\_\_\_\_\_  
1F0DB5F83C2F44E...  
Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

DocuSigned by:  
*Zachary White*  
\_\_\_\_\_  
6B9E7F9291AB46D...  
General Counsel to the District

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

**DEVELOPER:**

**RAINDANCE DEVELOPMENT LLC,** a  
Delaware limited liability company

By: Convexity Management LLC,  
Manager

DocuSigned by:  
*David Nelson*  
By: A660D82A2E7A454...  
Name: David Nelson  
Title: Vice President

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



**INFRASTRUCTURE ACQUISITION  
AND REIMBURSEMENT AGREEMENT**

**(Vima Partners, LLC)**

---

This **INFRASTRUCTURE ACQUISITION AND REIMBURSEMENT AGREEMENT** (this "**Agreement**") is made and entered into as of the 2<sup>nd</sup> day of July, 2020, by and between **RAINDANCE METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "**District**"), and **VIMA PARTNERS, LLC**, a Colorado limited liability company (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](mailto: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](mailto:wpankele@wbapc.com)

If to the Developer: Vima Partners, LLC  
Attn: Gary Kerr  
1625 Pelican Lakes Point, Suite 201  
Windsor, CO 80550  
(970) 686-5828 (phone)  
[gkerr@watervalley.com](mailto: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

DocuSigned by:  
*Martin Lind*  
By: \_\_\_\_\_  
2D24A9FEA47645E...  
President

ATTEST:  
DocuSigned by:  
*Justin Donaloo*  
\_\_\_\_\_  
1F0D65F83C2F44E...  
Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

DocuSigned by:  
*Zachary White*  
\_\_\_\_\_  
6B9E7F9291AD46D...  
General Counsel to the District

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

**DEVELOPER:**

**VIMA PARTNERS, LLC**, a Colorado limited liability company

DocuSigned by:  
*Martin Lind*  
By: \_\_\_\_\_  
2D24A9FEA47645E...  
Name: Martin Lind  
Title: Manager

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

**EXHIBIT D**  
**Resolutions Regarding Acceptance of**  
**District Eligible Costs**

**JOINT RESOLUTION  
OF THE BOARDS OF DIRECTORS OF THE  
RAINDANCE METROPOLITAN DISTRICT NOS. 1 & 2**

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

---

WHEREAS, the RainDance Metropolitan District No. 1 (“**District No. 1**”), and RainDance Metropolitan District No. 2 (“**District No. 2**”), Town of Windsor, Weld County, State of Colorado, are each a quasi-municipal corporation and political subdivision of the State of Colorado (District No. 1 and District No. 2 are collectively referred to as the “**District**”); 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 community known as RainDance; 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 District No. 1 has entered into an Infrastructure Acquisition and Reimbursement Agreement, dated March 1, 2018, (the “**Acquisition Agreement**”) by and between District No. 1 and Raindance Land Company, LLC (now known as Raindance Communities LLC) (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 District No. 1; and

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

WHEREAS, the Districts entered into that certain Joint Resolution Regarding Intent to Implement Common Plan of Finance dated December 5, 2019, (the “**CPF Resolution**”) wherein the District declared their intent to implement the common plan of finance set for and approved in the Service Plan for the Districts to fund and/or reimburse all or a portion of the cost of Public Infrastructure from the proceeds of District No. 2’s Limited Tax General Obligation Bonds, Series 2019A and its Subordinate Limited Tax General Obligation Bonds, Series 2019B (the

“**Bonds**”); and

WHEREAS, pursuant to the CPF Resolution, the District will coordinate to approve Certified District Eligible Costs for reimbursement subject to compliance with the terms and conditions of an Infrastructure Acquisition and Reimbursement Agreements, including the Acquisition Agreement; and

WHEREAS, pursuant to the Acquisition 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 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 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, the Board of Directors of District No. 1 (the “**Board**”) 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 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 District No. 1; and

WHEREAS, the Board 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 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 District No. 1; and

WHEREAS, the Boards of Directors of the Districts (the “**Boards**”) 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, as applicable, acquisition of the Public Improvements from the Developer, and the District should expend funds for such purposes; and

WHEREAS, the Boards desire to recognize and reimburse the Developer for the District Eligible Costs and, as applicable, acquire certain of the Public Improvements from the

Developer, subject to the availability of District funds for such purpose.

NOW, THEREFORE, be it resolved by the Boards of the Districts 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 District No. 1.

2. Cost Certification. As required under Section 3.b. of the Acquisition Agreement, the District Engineer and District Accountant have each reviewed the Payment Information, and have issued “Cost Certifications,” attached as **Exhibit A** and **Exhibit B** respectively, certifying the amount of District Eligible Costs to be reimbursed to the Developer.

3. Acceptance of District Eligible Costs. The Boards hereby find 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 District No. 1.

4. 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 Acquisition Agreement, as applicable, in form and substance satisfactory to the District (or has provided assurance acceptable to District No. 1, that the Developer will provide such information).

5. Engineer’s Certification. To the extent District No. 1 is acquiring Public Improvements, the Developer has provided the information as required by the Acquisition Agreement, as applicable, in form and substance satisfactory to District No. 1 (or has provided assurance acceptable to District No. 1, that the Developer will provide such information) and District No. 1 is in receipt of an “**Engineer’s Verification**” included in Exhibit A.

6. Acceptance of District Eligible Costs. The Boards, 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 \$3,314,429.89. The Boards further find 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 District No. 1. To the extent required by the Acquisition Agreement, this Resolution shall be deemed the “**Acceptance Resolution**” to be issued by District No. 1.

7. 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 whatsoever. Furthermore, any payments due hereunder are subject to any repayment terms and conditions as set forth in the Acquisition Agreement.

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

*Signature page follows.*

ADOPTED THIS 5<sup>TH</sup> DAY OF JUNE, 2020.

**RAINDANCE METROPOLITAN DISTRICT  
NO. 1**

DocuSigned by:

*Martin Lind*

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Officer of the District

DocuSigned by:

*Justin Donaloo*

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**RAINDANCE METROPOLITAN DISTRICT  
NO. 2**

DocuSigned by:

*Martin Lind*

2D24A9FEA47045E...

Officer of the District

DocuSigned by:

*Justin Donaloo*

1F0D65F83C2F44E...

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

DocuSigned by:

*Zachary White*

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General Counsel to the Districts

**EXHIBIT A**

**Engineer's Cost Certification and Engineer's Verification**

**ENGINEER'S CERTIFICATION**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF Weld )

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 Raindance Development 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 constructed substantially in accordance with the approved design, and 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.
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**

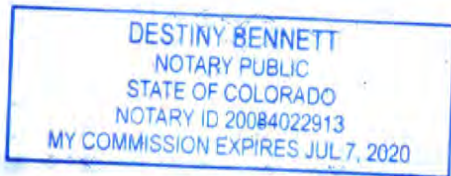
By: [Signature]

Its: District Engineer

FOR AND ON BEHALF OF TST, INC.

Subscribed and sworn to before me this 29 day of May, 2020

My commission expires: July 7, 2020



[Signature]  
Notary Public

## Exhibit A

Payer	Draw Ref.	Payee	Invoice #'s	Date Pd	Check #	Amount \$
RIH	RIH PA 1	TST, Inc.	31258	1/31/2019	1004	\$46,087.60
		Norris Design	01-26201	1/31/2019	1003	\$15,015.25
			01-26620	1/31/2019	1003	\$11,895.50
		Delich Associates	1679-5	1/31/2019	1005	\$742.50
RIH	RIH PA 2	TST, Inc.	31294	1/31/2019	1002	\$48,554.20
		Norris Design	01-27091	1/31/2019	1001	\$17,072.50
RIH	RIH PA 3	TST, Inc.	31349	2/18/2019	1010	\$26,621.65
RIH	RIH PA 4	TST, Inc.	31400	3/25/2019	1012	\$3,585.48
		Norris Design	01-27467	3/25/2019	1011	\$14,053.25
		Norris Design	01-28181	3/25/2019	1011	\$8,478.25
RIH	RIH PA 5	TST, Inc.	31496	4/22/2019	1014	\$3,745.50
RIH	RIH PA 6	TST, Inc.	31521	7/16/2019	1021	\$2,984.50
		Norris Design	01-50030	8/20/2019	1023	\$5,362.50
RIH	RIH PA 7	Norris Design	01-50977	4/30/2019	1015	\$4,414.50
RIH	RIH PA 8	TST, Inc.	31647	6/20/2019	1017	\$1,274.75
		Norris Design	01-51029	6/20/2019	1016	\$2,293.25
RDD	RDD PA 3	TST, Inc.	31975	11/25/2019	1007	\$580.93
RDC	RDC PA 90	TST, Inc.	31784	8/20/2019	1450	\$337.50
		Norris Design	01-52574	8/20/2019	1443	\$2,274.75
RDC	RDC PA 92	Vaught Frye Larson Architect	2017-02.1-0000006	9/6/2019	1453	\$1,600.00
RDC	RDC PA 94	TST, Inc.	31837	9/23/2019	1473	\$1,372.75
		Bemas Construction	1932-1F6WV	9/23/2019	1487	\$254,758.94
RDC	RDC PA 98	TST, Inc.	31903	10/24/2019	1510	\$2,063.76
RDC	RDC PA 100	Omerta Storm Water	49555	12/20/2019	1598	\$5,227.75
RDD		Xcel Energy	1465434	1/15/2020	1014	\$99,397.94
RDD		Poudre Valley REA	192069	1/15/2020	1013	\$217,133.00
LT	IBTX PA 1	Crow Creek Construction	6012024201920	2/5/2020	1022	\$440,039.23
RDD	RDD PA 4	Crow Creek Construction	6012024201929	2/17/2020	1025	\$254,242.98
LT	IBTX PA 2	Galloway & Company	87266	2/13/2020	503919	\$5,500.00
		Bemas Construction	1932-2F6WV	2/13/2020	503917	\$15,390.00
		Crow Creek Construction	6012024201946	2/13/2020	503918	\$318,415.00
LT	IBTX PA 3	TST, Inc.	32167	3/17/2020	505700	\$157.00
		Crow Creek Construction	6012024201970	3/17/2020	505697	\$1,207,654.29
		Raindance Development		3/17/2020	505698	\$254,242.98
LT	IBTX PA 5	TST, Inc.	32234	4/9/2020	506873	\$863.50
		Crow Creek Construction	6012024201989	4/9/2020	506871	\$17,256.56
LT	IBTX PA 6	TST, Inc.	32351	5/7/2020	508245	\$756.00
		Crow Creek Construction	6012024202017	5/7/2020	508242	\$251,626.83
		Southern Exposure	17280	5/7/2020	508244	\$5,600.00

**\$3,568,672.87**

**EXHIBIT B**

**Accountant's Cost Certification**



CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

June 4, 2020

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

**Re: Costs of Public Improvements Paid by Raindance Development LLC**

This report summarizes the results of supplementary procedures we performed related to the public improvements constructed and installed within the boundaries of Raindance Metropolitan District Nos. 1-4 (Districts), which construction costs were paid or caused to be paid by Raindance Development LLC (Developer).

We were requested to read and summarize the documentation supporting payments made by the Developer to various consultants and/or contractors. The documentation we received included copies of invoices, checks, and bank statements. We did not review the contracts and did not evaluate quantity and quality measurements of the product of the services which we assumed are covered in the independent engineer's certification.

Upon review of the documentation, we have determined that \$3,314,429.89 is reimbursable to the Developer as summarized below and in the attachment.

Engineer's Certification:	\$3,568,672.87
Less duplicated invoice:	(254,242.98)
	<u>\$3,314,429.89</u>

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. Further, our report should not be considered as final authorization for reimbursement. 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

Attachment



RainDance Metropolitan District No. 1

Engineer's Certification							Accountant's Review						
Payer	Draw Ref.	Payee	Invoice #'s	Date Pd	Check #	Amount \$	Amount on the check	Reimbursable Costs	Disallowed	Confirmed Invoice Amount	Confirmed not paid by RMD1	Confirmed proof of payment	Comments
RIH	RIH PA 1	TST, Inc.	31258	1/31/2019	1004	\$ 46,087.60	\$ 46,654.60	\$ 46,087.60	\$ -	Confirmed	Confirmed	Cleared Bank on 02/05/2019	Project- Raindance Filing 7
		Norris Design	01-26201	1/31/2019	1003	15,015.25	18,494.25	15,015.25	-	Confirmed	Confirmed	Cleared Bank on 02/08/2019	Charges for Filing 7 only
			01-26620	1/31/2019	1003	11,895.50	18,153.50	11,895.50	-	Confirmed	Confirmed	Cleared Bank on 02/08/2019	Charges for Filing 7 only
		Delich Associates	1679-5	1/31/2019	1005	742.50	742.50	742.50	-	Confirmed	Confirmed	Cleared Bank on 02/08/2019	Filing 7
RIH	RIH PA 2	TST, Inc.	31294	1/31/2019	1002	48,554.20	48,554.20	48,554.20	-	Confirmed	Confirmed	Cleared Bank on 02/05/2019	Raindance Filing 7
		Norris Design	01-27091	1/31/2019	1001	17,072.50	17,072.50	17,072.50	-	Confirmed	Confirmed	Cleared Bank on 02/08/2019	Paid inv# 01-27001; Charges for Filing 7 only
RIH	RIH PA 3	TST, Inc.	31349	2/18/2019	1010	26,621.65	26,621.65	26,621.65	-	Confirmed	Confirmed	Cleared Bank on 02/25/2019	Raindance Filing 7
RIH	RIH PA 4	TST, Inc.	31400	3/25/2019	1012	3,585.48	3,585.48	3,585.48	-	Confirmed	Confirmed	Cleared Bank on 04/01/2019	Raindance Filing 7
		Norris Design	01-27467	3/25/2019	1011	14,053.25	14,053.25	14,053.25	-	Confirmed	Confirmed	Cleared Bank on 04/08/2019	Charges for Filing 7 only
		Norris Design	01-28181	3/25/2019	1011	8,478.25	8,478.25	8,478.25	-	Confirmed	Confirmed	Cleared Bank on 04/08/2019	Charges for Filing 7 only
RIH	RIH PA 5	TST, Inc.	31496	4/22/2019	1014	3,745.50	3,745.50	3,745.50	-	Confirmed	Confirmed	Cleared Bank on 04/29/2019	Raindance Filing 7
RIH	RIH PA 6	TST, Inc.	31521	7/16/2019	1021	2,984.50	2,984.50	2,984.50	-	Confirmed	Confirmed	Cleared Bank on 07/23/2019	Raindance Filing 7
		Norris Design	01-50030	8/20/2019	1023	5,362.50	5,362.50	5,362.50	-	Confirmed	Confirmed	Cleared Bank on 08/23/2019	Paid inv# 4 to reimburse Raindance Homestead, LLC
RIH	RIH PA 7	Norris Design	01-50977	4/30/2019	1015	4,414.50	4,774.50	4,414.50	-	Confirmed	Confirmed	Cleared Bank on 06/27/2019	Charges for Filing 7 only
RIH	RIH PA 8	TST, Inc.	31647	6/20/2019	1017	1,274.75	1,274.75	1,274.75	-	Confirmed	Confirmed	Cleared Bank on 06/25/2019	Raindance Filing 7
		Norris Design	01-51029	6/20/2019	1016	2,293.25	3,317.65	2,293.25	-	Confirmed	Confirmed	Cleared Bank on 06/27/2019	Charges for Filing 7 only
RDD	RDD PA 3	TST, Inc.	31975	11/25/2019	1007	580.93	168,517.08	580.93	-	Confirmed	Confirmed	Cleared Bank on 11/29/2019	Raindance Filing 6
RDC	RDC PA 90	TST, Inc.	31784	8/20/2019	1450	337.50	27,355.30	337.50	-	Confirmed	Confirmed	Cleared Bank on 08/26/2019	Raindance Filing 6
		Norris Design	01-52574	8/20/2019	1443	2,274.75	47,074.98	2,274.75	-	Confirmed	Confirmed	Cleared Bank on 08/26/2019	Charges for Filing 7 only
RDC	RDC PA 92	Vaught Frye Larson Architect	2017-02.1-0000006	9/6/2019	1453	1,600.00	61,116.05	1,600.00	-	Confirmed	Confirmed	Cleared bank on 09/13/2019	Acadia at Raindance
RDC	RDC PA 94	TST, Inc.	31837	9/23/2019	1473	1,372.75	18,983.65	1,372.75	-	Confirmed	Confirmed	Cleared bank on 10/01/2019	Raindance Filing 6
		Bemas Construction	1932-1F6WV	9/23/2019	1487	254,758.94	287,004.94	254,758.94	-	Confirmed	Confirmed	Cleared bank on 09/30/2019	Raindance Filing 6
RDC	RDC PA 98	TST, Inc.	31903	10/24/2019	1510	2,063.76	6,630.61	2,063.76	-	Confirmed	Confirmed	Cleared bank on 11/05/2019	Raindance Filing 6
RDC	RDC PA 100	Omerta Storm Water	49555	12/20/2019	1598	5,227.75	6,732.80	5,227.75	-	Confirmed	Confirmed	Cleared Bank on 01/09/2020	Filing unknown
RDD	RDD	Xcel Energy	1465434	1/15/2020	1014	99,397.94	99,397.94	99,397.94	-	Confirmed	Confirmed	Cleared Bank on 01/21/2020	Filing unknown
RDD	RDD	Poudre Valley REA	192069	1/15/2020	1013	217,133.00	217,133.00	217,133.00	-	Confirmed	Confirmed	Cleared Bank on 01/27/2020	Raindance Filing 6
LT	IBTX PA 1	Crow Creek Construction	6012024201920	2/5/2020	1022	440,039.23	440,039.23	440,039.23	-	Confirmed	Confirmed	Cleared Bank on 02/10/2020	Filing 6
RDD	RDD PA 4	Crow Creek Construction	6012024201929	2/17/2020	1025	254,242.98	254,242.98	254,242.98	-	Confirmed	Confirmed	Cleared Bank on 02/20/2020	Filing 6
LT	IBTX PA 2	Galloway & Company	87266	2/13/2020	503919	5,500.00	5,500.00	5,500.00	-	Confirmed	Confirmed	Disbursed on 02/13/2020	Acadia at Raindance
		Bemas Construction	1932-2F6WV	2/13/2020	503917	15,390.00	15,390.00	15,390.00	-	Confirmed	Confirmed	Disbursed on 02/13/2020	Filing 6
		Crow Creek Construction	6012024201946	2/13/2020	503918	318,415.00	318,415.00	318,415.00	-	Confirmed	Confirmed	Disbursed on 02/13/2020	Filing 6
LT	IBTX PA 3	TST, Inc.	32167	3/17/2020	505700	157.00	157.00	157.00	-	Confirmed	Confirmed	Disbursed on 03/17/2020	Filing 6
		Crow Creek Construction	6012024201970	3/17/2020	505697	1,207,654.29	1,207,654.29	1,207,654.29	-	Confirmed	Confirmed	Disbursed on 03/17/2020	Filing 6
		Raindance Development		3/17/2020	505698	254,242.98	254,242.98	0.00	254,242.98	NA	NA	NA	Same costs as paid by check# 1025 above
LT	IBTX PA 5	TST, Inc.	32234	4/9/2020	506873	863.50	863.50	863.50	-	Confirmed	Confirmed	Deposited on 04/15/2020	Filing 6
		Crow Creek Construction	6012024201989	4/9/2020	506871	17,256.56	17,256.56	17,256.56	-	Confirmed	Confirmed	Deposited on 04/13/2020	Filing 6
LT	IBTX PA 6	TST, Inc.	32351	5/7/2020	508245	756.00	756.00	756.00	-	Confirmed	Confirmed	Disbursed on 05/07/2020	Filing 6
		Crow Creek Construction	6012024202017	5/7/2020	508242	251,626.83	251,626.83	251,626.83	-	Confirmed	Confirmed	Disbursed on 05/07/2020	Filing 6
		Southern Exposure	17280	5/7/2020	508244	5,600.00	5,600.00	5,600.00	-	Confirmed	Confirmed	Disbursed on 05/07/2020	Filing 6 Landscape contract
						<u>\$ 3,568,672.87</u>	<u>\$ 3,314,429.89</u>	<u>\$ 254,242.98</u>					



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

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

**(RAINDANCE RIVER RESORT)**

---

WHEREAS, the 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 1, 2018, (the "**Acquisition Agreement**") by and between the District and Raindance Land Company, LLC (now known as Raindance Communities LLC) (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 of Directors of the District (the “**Board**”) 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 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 engaged CliftonLarsonAllen, LP 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 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 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, as applicable, acquisition of the Public Improvements from the Developer, 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 and, as applicable, acquire certain of the Public Improvements from the Developer, 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. Cost Certification. As required under Section 4.c. of the Acquisition Agreement, the District Engineer and District Accountant have each reviewed the Payment Information, and

have issued “Cost Certifications,” attached as **Exhibit A** and **Exhibit B** respectively, certifying the amount of District Eligible Costs to be reimbursed to the Developer.

3. 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 \$5,907,220.42. The Board further 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. To the extent required by the Acquisition Agreement, this Resolution shall be deemed the “**Acceptance Resolution**” to be issued by the District.

4. Engineer’s Design Certification. With respect to the Public Improvements to be acquired by the District, the Developer has provided the information as required by the Acquisition 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 Design Certification**” included within Exhibit A.

5. Acquisition of Public Improvements. The Board, having reviewed the Engineer’s Design Certification and other information required by the Acquisition Agreement and recommendations from the District Engineer, hereby agrees to accept the Public Improvements from the Developer, subject to the receipt and execution of any such conveyance documents as may be necessary to effectuate the conveyance, including, but not limited to, deeds, bills of sale, title commitments, and lien waivers. The District recognizes that the Public Improvements and associated real property to be acquired by the District are located within a larger parcel known as Tract A, Rainsdance Subdivision, Seventh Filing (the “Park Parcel”), which is anticipated to be developed by the Developer as a public park and subsequently acquired by the District. In order to effectuate the conveyance of the Public Improvements, the District hereby finds it in the best interest of the District, and the residents, property owners, and taxpayers within its service area, to acquire from the Developer the Park Parcel prior to its completion. At the request of the Developer, the District may grant a temporary construction easement to the Developer to complete any public improvements necessary for the Park Parcel.

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.

ADOPTED THIS 21<sup>ST</sup> DAY OF MAY, 2020.

**RAINDANCE METROPOLITAN DISTRICT  
NO. 1**

DocuSigned by:

*Martin Lind*

2D24A9FEA47045E...

Officer of the District

DocuSigned by:

*Lara Wynn*

012FDF27A63244B...

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON

Attorneys at Law

DocuSigned by:

*Zachary White*

6B9E7F9294AB46D...

General Counsel to the District

**EXHIBIT A**

**Engineer's Cost Certification**

### ENGINEER'S CERTIFICATION

STATE OF COLORADO )  
 ) ss.  
COUNTY OF WELD )

Before me, the undersigned, personally appeared John Meyer 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 Communities 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 constructed substantially in accordance with their design, and 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.
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]

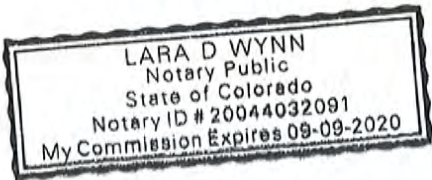
Its: District Engineer

FOR AND ON BEHALF OF TST, INC.

Subscribed and sworn to before me this 19<sup>th</sup> day of May, 2020

My commission expires: 9/9/2020

[Signature]  
Notary Public



## Exhibit A

Payer	RDC Draw Ref.	Payee	Invoice #'s	Date Pd	Check #	Amount \$
RDLC	99	GROUND ENGINEERING	190652.0-1	11/25/2019	1556	\$3,731.00
RDLC	100	GROUND ENGINEERING	190652.0-2	12/20/2019	1592	\$10,028.50
RDLC	101	GROUND ENGINEERING	190652.0-3	1/20/2020	1621	\$5,734.00
RDLC	104	GROUND ENGINEERING	190652.0-4	2/25/2020	1646	\$9,125.50
RDLC	105	GROUND ENGINEERING	190652.0-5	3/27/2020	1670	\$9,005.00
RDLC	106	GROUND ENGINEERING	190652.0-6	4/17/2020	1692	\$4,731.50
RDLC	99	H2O & THINGS THAT GROW	RDC-001	11/25/2019	1557	\$32,000.00
RDLC	100	H2O & THINGS THAT GROW	RDC-002	12/20/2019	1593	\$12,800.00
RDLC	99	HIGH COUNTRY CONSTRUCTION	11219	11/25/2019	1558	\$7,721.28
RDLC	99	HIGH COUNTRY CONSTRUCTION	11225	11/25/2019	1558	\$1,847.37
RDLC	100	HIGH COUNTRY CONSTRUCTION	11231	12/20/2019	1594	\$3,852.66
RDLC	94	INTEGRITY POOL BLDRS	8942	9/23/2019	1483	\$201,862.27
RDLC	98	INTEGRITY POOL BLDRS	9126	10/24/2019	1537	\$201,862.27
RDLC	99	INTEGRITY POOL BLDRS	9561	11/25/2019	1559	\$227,095.06
RDLC	100	INTEGRITY POOL BLDRS	9565	12/20/2019	1595	\$564,471.10
RDLC	101	INTEGRITY POOL BLDRS	9561A	1/20/2020	1625	\$75,698.35
RDLC	105	INTEGRITY POOL BLDRS	10246	3/24/2020	1673	\$99,921.83
RDLC	105	INTEGRITY POOL BLDRS	10247	3/24/2020	1673	\$151,396.70
RDLC	105	INTEGRITY POOL BLDRS	10253	3/24/2020	1673	\$15,695.85
RDLC	106	INTEGRITY POOL BLDRS	10404	4/17/2020	1694	\$202,871.58
RDLC	106	INTEGRITY POOL BLDRS	10405	4/17/2020	1694	\$50,465.57
RDLC	106	LONG VIEW IT	1814	4/17/2020	1696	\$135.00
RDLC	106	LONG VIEW IT	1817	4/17/2020	1696	\$1,350.00
RDLC	98	NORRIS DESIGN	01-53682	10/2/2019	1511	\$5,806.58
RDLC	99	NORRIS DESIGN	01-54856	12/1/2019	1565	\$1,115.00
RDLC	100	NORRIS DESIGN	01-55596	12/20/2019	1586	\$1,465.00
RDLC	101	NORRIS DESIGN	01-56076	1/20/2020	1606	\$1,885.00
RDLC	104	NORRIS DESIGN	01-56588	2/25/2020	1639	\$3,500.00
RDLC	105	NORRIS DESIGN	01-57120	3/27/2020	1677	\$12,697.00
RDLC	106	NORRIS DESIGN	01-57665	4/17/2020	1697	\$2,624.00
RDLC	99	POUDRE VALLEY REA	WO191926	11/25/2019	1567	\$20,355.00
RDLC	98	SAMPSON CONSTRUCTION	1	10/25/2019	1539	\$111,851.10
RDLC	99	SAMPSON CONSTRUCTION	2	11/25/2019	1568	\$409,493.70
RDLC	100	SAMPSON CONSTRUCTION	3	12/20/2019	1599	\$400,849.00
RDLC	101	SAMPSON CONSTRUCTION	4	1/20/2020	1626	\$476,316.94
RDLC	104	SAMPSON CONSTRUCTION	19077.01	1/20/2020	1626	\$75,894.00
RDLC	104	SAMPSON CONSTRUCTION	5	2/25/2020	1659	\$525,976.08
RDLC	105	SAMPSON CONSTRUCTION	6	3/27/2020	1681	\$905,235.90
RDLC	106	SAMPSON CONSTRUCTION	7	4/17/2020	1700	\$772,702.55
RDLC	93	TOWN OF WINDSOR	19WIN-01745	9/12/2019	1470	\$13,451.16
RDLC	96	TOWN OF WINDSOR	19WIN-02043	9/23/2019	1471	\$121,325.37
RDLC	105	TRI-TECH SECURITY INC	29334	2/25/2020	1652	\$1,981.50
RDLC	94	TST, INC	31839	9/23/2019	1473	\$9,023.35
RDLC	98	TST, INC	31906	10/24/2019	1510	\$1,270.00
RDLC	99	TST, INC	31986	11/25/2019	1572	\$6,635.10
RDLC	105	TST, INC	32266	3/27/2020	1684	\$5,178.30

RDLC		VFLA ARCHITECTS	0000001	7/9/2019	1406	\$6,125.00
RDLC	89	VFLA ARCHITECTS	0000002	8/20/2019	1434	\$11,653.85
RDLC		VFLA ARCHITECTS	0000003	9/6/2019	1453	\$59,516.05
RDLC	94	VFLA ARCHITECTS	0000004	9/23/2019	1475	\$19,540.02
RDLC	100	VFLA ARCHITECTS	0000006	12/20/2019	1590	\$1,927.17
RDLC	101	VFLA ARCHITECTS	0000007	1/20/2020	1614	\$1,263.45
RDLC	104	VFLA ARCHITECTS	0000008	2/25/2020	1641	\$1,200.00
RDLC	105	VFLA ARCHITECTS	0000009	3/27/2020	1685	\$1,767.50
RDLC	106	VFLA ARCHITECTS	0000010	4/17/2020	1705	\$1,620.00
RDLC	101	XCEL ENERGY		1/23/2020	1627	\$7,876.40
RDLC	102	XCEL ENERGY		1/23/2020	1627	\$3,497.35
RDLC	102	XCEL ENERGY		1/23/2020	1628	\$11,199.61

**\$5,907,220.42**



**EXHIBIT B**

**Accountant's Cost Certification**



May 20, 2020

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

**Re: Raindance River Resort Project Costs Paid by Raindance Communities LLC**

This report summarizes the results of supplementary procedures we performed related to disbursements made by Raindance Communities LLC (Developer) in connection with the construction and installation of Raindance River Resort that is within the boundaries of Raindance Metropolitan District Nos. 1-4 (Districts), which facilities will be acquired by Raindance Metropolitan District No. 1 (District No. 1).

We were requested to read and summarize documentation supporting payments made by the Developer to various consultants and/or contractors. The documentation we received included copies of invoices, checks, and bank statements. We did not review the contracts and did not evaluate quantity and quality measurements of the product of the services which we assumed are covered in the independent engineer's certification.

Upon review of the documentation, we have determined that \$5,883,175.07 is reimbursable to the Developer as summarized below and in the attachment.

Engineer's Certification:	\$5,907,220.42
Less Amount Paid by District#1:	(18,288.95)
Less Check Amount Difference:	(4,793.00)
Less Sales Taxes Paid:	(963.40)
	<u>\$5,883,175.07</u>

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 District No. 1. Accordingly, we do not express such an opinion. Further, our report should not be considered as final authorization for reimbursement. 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 District.

*CliftonLarsonAllen LLP*

CliftonLarsonAllen LLP  
Greenwood Village, Colorado

Attachment

# RainDance Metropolitan District No. 1

Engineer's Certification						
RDC Draw						
Payer	Ref.	Payee	Invoice #'s	Date Paid	Check #	Amount \$
RCLLC	99	GROUND ENGINEERING	190652.0-1	11/25/2019	1556	\$ 3,731.00
RCLLC	100	GROUND ENGINEERING	190652.0-2	12/20/2019	1592	10,028.50
RCLLC	101	GROUND ENGINEERING	190652.0-3	1/20/2020	1621	5,734.00
			190652.0-4			
RCLLC	104	GROUND ENGINEERING	190692.0-1	2/25/2020	1646	9,125.50
RCLLC	105	GROUND ENGINEERING	190652.0-5	3/27/2020	1670	9,005.00
RCLLC	106	GROUND ENGINEERING	190652.0-6	4/17/2020	1692	4,731.50
RCLLC	99	H2O & THINGS THAT GROW	RDC-001	11/25/2019	1557	32,000.00
RCLLC	100	H2O & THINGS THAT GROW	RDC-002	12/20/2019	1593	12,800.00
RCLLC	99	HIGH COUNTRY CONSTRUCT.	11219	11/25/2019	1558	7,721.28
RCLLC	99	HIGH COUNTRY CONSTRUCT.	11225	11/25/2019	1558	1,847.37
RCLLC	100	HIGH COUNTRY CONSTRUCT.	11231	12/20/2019	1594	3,852.66
RCLLC	94	INTEGRITY POOL BLDRS	8942	9/23/2019	1483	201,862.27
RCLLC	98	INTEGRITY POOL BLDRS	9126	10/24/2019	1537	201,862.27
RCLLC	99	INTEGRITY POOL BLDRS	9561	11/25/2019	1559	227,095.06
RCLLC	100	INTEGRITY POOL BLDRS	9565	12/20/2019	1595	564,471.10
RCLLC	101	INTEGRITY POOL BLDRS	9561A	1/20/2020	1625	75,698.35
RCLLC	105	INTEGRITY POOL BLDRS	10246	3/24/2020	1673	99,921.83
RCLLC	105	INTEGRITY POOL BLDRS	10247	3/24/2020	1673	151,396.70
RCLLC	105	INTEGRITY POOL BLDRS	10253	3/24/2020	1673	15,695.85
RCLLC	106	INTEGRITY POOL BLDRS	10404	4/17/2020	1694	202,871.58
RCLLC	106	INTEGRITY POOL BLDRS	10405	4/17/2020	1694	50,465.57
RCLLC	106	LONG VIEW IT	1814	4/17/2020	1696	135.00
RCLLC	106	LONG VIEW IT	1817	4/17/2020	1696	1,350.00
RCLLC	98	NORRIS DESIGN	01-53682	10/2/2019	1511	5,806.58
RCLLC	99	NORRIS DESIGN	01-54856	12/1/2019	1565	1,115.00
RCLLC	100	NORRIS DESIGN	01-55596	12/20/2019	1586	1,465.00
RCLLC	101	NORRIS DESIGN	01-56076	1/20/2020	1606	1,885.00
RCLLC	104	NORRIS DESIGN	01-56588	2/25/2020	1639	3,500.00
RCLLC	105	NORRIS DESIGN	01-57120	3/27/2020	1677	12,697.00
RCLLC	106	NORRIS DESIGN	01-57665	4/17/2020	1697	2,624.00
RCLLC	99	POUDRE VALLEY REA	WO191926	11/25/2019	1567	20,355.00
RCLLC	98	SAMPSON CONSTRUCTION	1	10/25/2019	1539	111,851.10
RCLLC	99	SAMPSON CONSTRUCTION	2	11/25/2019	1568	409,493.70
RCLLC	100	SAMPSON CONSTRUCTION	3	12/20/2019	1599	400,849.00
RCLLC	101	SAMPSON CONSTRUCTION	4	1/20/2020	1626	476,316.94
RCLLC	104	SAMPSON CONSTRUCTION	19077.01	1/20/2020	1626	75,894.00
RCLLC	104	SAMPSON CONSTRUCTION	5	2/25/2020	1659	525,976.08
RCLLC	105	SAMPSON CONSTRUCTION	6	3/27/2020	1681	905,235.90
RCLLC	106	SAMPSON CONSTRUCTION	7	4/17/2020	1700	772,702.55
RCLLC	93	TOWN OF WINDSOR	19WIN-01745	9/12/2019	1470	13,451.16
RCLLC	96	TOWN OF WINDSOR	19WIN-02043	9/23/2019	1471	121,325.37
RCLLC	105	TRI-TECH SECURITY INC	29334	2/25/2020	1652	1,981.50
RCLLC	94	TST, INC	31839	9/23/2019	1473	9,023.35
RCLLC	98	TST, INC	31906	10/24/2019	1510	1,270.00
RCLLC	99	TST, INC	31986	11/25/2019	1572	6,635.10
RCLLC	105	TST, INC	32266	3/27/2020	1684	5,178.30
RCLLC		VFLA ARCHITECTS	0000001	7/9/2019	1406	6,125.00
RCLLC	89	VFLA ARCHITECTS	0000002	8/20/2019	1434	11,653.85
RCLLC		VFLA ARCHITECTS	0000003	9/6/2019	1453	59,516.05
RCLLC	94	VFLA ARCHITECTS	0000004	9/23/2019	1475	19,540.02
RCLLC	100	VFLA ARCHITECTS	0000006	12/20/2019	1590	1,927.17
RCLLC	101	VFLA ARCHITECTS	0000007	1/20/2020	1614	1,263.45
RCLLC	104	VFLA ARCHITECTS	0000008	2/25/2020	1641	1,200.00
RCLLC	105	VFLA ARCHITECTS	0000009	3/27/2020	1685	1,767.50
RCLLC	106	VFLA ARCHITECTS	0000010	4/17/2020	1705	1,620.00
RCLLC	101	XCEL ENERGY		1/23/2020	1627	7,876.40
RCLLC	102	XCEL ENERGY		1/23/2020	1627	3,497.35
RCLLC	102	XCEL ENERGY		1/23/2020	1628	11,199.61

**\$ 5,907,220.42**

Accountant's Review										
Amount on the Check	Eligible Costs	Disallowed	Confirmed Invoice Amount	Confirmed Paid by Developer	Proof of Payment	Comments				
\$ 3,731.00	\$ 3,731.00	\$ -	Confirmed	Confirmed	Cleared bank on 11/29/19					
10,028.50	10,028.50	-	Confirmed	Confirmed	Cleared bank on 1/02/20					
7,481.00	5,734.00	-	Confirmed	Confirmed	Cleared bank on 1/27/20					
4,332.50	4,332.50	4,793.00	Confirmed	Confirmed	Cleared bank on 03/03/20	Check amount is for \$4,332.50.				
12,505.00	9,005.00	-	Confirmed	Confirmed	Cleared bank on 04/06/20					
5,136.50	4,731.50	-	Confirmed	Confirmed	Cleared bank on 04/23/20					
32,000.00	32,000.00	-	Confirmed	Confirmed	Cleared bank on 12/05/19					
12,800.00	12,800.00	-	Confirmed	Confirmed	Cleared bank on 1/02/20					
9,568.65	7,721.28	-	Confirmed	Confirmed	Cleared bank on 12/04/19					
9,568.65	1,847.37	-	Confirmed	Confirmed	Cleared bank on 12/04/19					
6,283.83	3,852.66	-	Confirmed	Confirmed	Cleared bank on 1/02/20					
201,862.27	201,862.27	-	Confirmed	Confirmed	Cleared bank on 09/25/19					
201,862.27	201,862.27	-	Confirmed	Confirmed	Cleared bank on 11/04/19					
227,095.06	227,095.06	-	Confirmed	Confirmed	Cleared bank on 11/26/19					
564,471.10	564,471.10	-	Confirmed	Confirmed	Cleared bank on 12/30/19					
75,698.35	75,698.35	-	Confirmed	Confirmed	Cleared bank on 1/23/20					
267,014.38	99,921.83	-	Confirmed	Confirmed	Cleared bank on 03/30/20					
267,014.38	151,396.70	-	Confirmed	Confirmed	Cleared bank on 03/30/20					
267,014.38	14,732.45	963.40	Confirmed	Confirmed	Cleared bank on 03/30/20	Total includes 963.40 of sales tax, the District is tax-exempt entity.				
253,337.15	202,871.58	-	Confirmed	Confirmed	Cleared bank on 04/22/20					
50,465.57	50,465.57	-	Confirmed	Confirmed	Cleared bank on 04/22/20					
135.00	135.00	-	Confirmed	Confirmed	Cleared bank on 04/21/20					
1,485.00	1,350.00	-	Confirmed	Confirmed	Cleared bank on 04/21/20					
19,994.72	5,806.58	-	Confirmed	Confirmed	Cleared bank on 11/06/19					
1,115.00	1,115.00	-	Confirmed	Confirmed	Cleared bank on 11/29/19					
12,595.26	1,465.00	-	Confirmed	Confirmed	Cleared bank on 1/03/20					
17,915.70	1,885.00	-	Confirmed	Confirmed	Cleared bank on 1/28/20					
7,294.81	3,500.00	-	Confirmed	Confirmed	Cleared bank on 03/03/20					
22,043.67	12,697.00	-	Confirmed	Confirmed	Cleared bank on 04/07/20					
22,863.90	2,624.00	-	Confirmed	Confirmed	Cleared bank on 04/24/20					
20,355.00	20,355.00	-	Confirmed	Confirmed	Cleared bank on 12/04/19					
111,851.10	111,851.10	-	Confirmed	Confirmed	Cleared bank on 11/06/19					
409,493.70	409,493.70	-	Confirmed	Confirmed	Cleared bank on 12/03/19					
400,849.00	400,849.00	-	Confirmed	Confirmed	Cleared bank on 1/03/20					
552,210.94	476,316.94	-	Confirmed	Confirmed	Cleared bank on 1/24/20					
552,210.94	75,894.00	-	Confirmed	Confirmed	Cleared bank on 1/24/20					
525,976.08	525,976.08	-	Confirmed	Confirmed	Cleared bank on 03/05/20					
905,235.90	905,235.90	-	Confirmed	Confirmed	Cleared bank on 04/06/20					
772,702.55	772,702.55	-	Confirmed	Confirmed	Cleared bank on 04/21/20					
13,451.16	13,451.16	-	Confirmed	Confirmed	Cleared bank on 09/30/19					
121,325.37	121,325.37	-	Confirmed	Confirmed	Cleared bank on 09/30/19					
1,981.50	1,981.50	-	Confirmed	Confirmed	Cleared bank on 03/06/20					
18,983.65	9,023.35	-	Confirmed	Confirmed	Cleared bank on 10/01/19					
6,630.61	1,270.00	-	Confirmed	Confirmed	Cleared bank on 11/05/19					
13,220.40	0.00	6,635.10	Confirmed	Paid by MD	Cleared bank on 11/29/19	Paid by Metro District on 12/20/19.				
7,175.45	5,178.30	-	Confirmed	Confirmed	Cleared bank on 04/03/20					
8,225.00	6,125.00	-	Confirmed	Confirmed	Cleared bank on 07/17/19					
15,853.85	0.00	11,653.85	Confirmed	Paid by MD	Cleared bank on 08/26/19	Paid by Metro District on 09/09/19.				
61,116.05	59,516.05	-	Confirmed	Confirmed	Cleared bank on 09/13/19					
22,690.02	19,540.02	-	Confirmed	Confirmed	Cleared bank on 10/01/19					
1,927.17	1,927.17	-	Confirmed	Confirmed	Cleared bank on 1/02/20					
1,263.45	1,263.45	-	Confirmed	Confirmed	Cleared bank on 1/28/20					
1,200.00	1,200.00	-	Confirmed	Confirmed	Cleared bank on 03/04/20					
1,767.50	1,767.50	-	Confirmed	Confirmed	Cleared bank on 04/03/20					
1,620.00	1,620.00	-	Confirmed	Confirmed	Cleared bank on 04/24/20					
7,876.40	7,876.40	-	Confirmed	Confirmed	Cleared bank on 1/29/20					
11,373.75	3,497.35	-	Confirmed	Confirmed	Cleared bank on 1/29/20					
11,199.61	11,199.61	-	Confirmed	Confirmed	Cleared bank on 1/30/20					

**\$ 5,883,175.07 \$ 24,045.35**

**JOINT RESOLUTION  
OF THE BOARDS OF DIRECTORS OF THE  
RAINDANCE METROPOLITAN DISTRICT NOS. 1 & 2**

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

**(Filing 6, Phases 1 & 2; Filing 8; Major General Infrastructure)**

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WHEREAS, the RainDance Metropolitan District No. 1 (“**District No. 1**”), and RainDance Metropolitan District No. 2 (“**District No. 2**”), Town of Windsor, Weld County, State of Colorado, are each a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and existing as a metropolitan districts under §§ 32-1-101, et seq., C.R.S. (the “**Special District Act**”) (District No. 1 and District No. 2 are collectively referred to as the “**Districts**”); and

WHEREAS, the Districts have the power to provide certain public infrastructure, improvements, facilities and services (collectively, the “**Public Infrastructure**”), as described in the Special District Act, and as authorized in the Service Plan for the District approved by the Town Board for the Town of Windsor on March 24, 2014 (the “**Service Plan**”); and

WHEREAS, the Districts were organized for the purpose of providing for the acquisition, financing, construction, and installation of the Public Infrastructure serving the property located within and without the District’s boundaries; 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 District No. 1 and Raindance Development LLC (the “**Developer**”) are parties to an Infrastructure Acquisition and Reimbursement Agreement, Effective January 1, 2020, (the “**Agreement**”); and

WHEREAS, the Agreement establishes the terms and conditions for the acquisition of certain Public Infrastructure financed and constructed or caused to be constructed by the Developer that is to be owned by the District or such other applicable governmental entity, and the reimbursement of Certified District Eligible Costs incurred by the Developer; and

WHEREAS, the Districts entered into that certain Joint Resolution Regarding Intent to Implement Common Plan of Finance dated December 5, 2019, (the “**CPF Resolution**”) wherein the Districts declared their intent to implement the common plan of finance set forth and approved in the Service Plan for the Districts to fund and/or reimburse all or a portion of the cost of Public Infrastructure from the proceeds of District No. 2’s Limited Tax General Obligation Bonds, Series 2019A and its Subordinate Limited Tax General Obligation Bonds, Series 2019B (the “**Bonds**”); and



WHEREAS, pursuant to the CPF Resolution, the Districts will coordinate to approve Certified District Eligible Costs for reimbursement subject to compliance with the terms and conditions of an Infrastructure Acquisition and Reimbursement Agreements, including the Agreement; and

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

WHEREAS, the Developer has furnished the payment information and all other additional information requested by District No. 1; and

WHEREAS, the District No. 1 has received satisfactory Engineer's Cost Certifications, Accountant's Cost Certification, and Engineer's Design Certification (as applicable); and

WHEREAS, the Boards of Directors (the "Boards") of the Districts desire to adopt this resolution declaring satisfaction of the conditions to acceptance as set forth in the Agreement, subject to any variances or waivers which the Boards may allow in its sole and absolute discretion, and with any reasonable conditions the Boards may specify (hereinafter, the "**Acceptance Resolution**").

NOW, THEREFORE, be it resolved by the Boards of the Districts as follows:

1. Incorporation of Recitals. The above recitals are hereby incorporated into and made a part of this Acceptance Resolution.
2. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Agreement; and
3. Acknowledgment of Documents Received. With respect to Dedicated Public Infrastructure, and Acquired Public Infrastructure, the Boards make the following findings.
  - a. TST Inc, Consulting Engineers has reviewed the invoices and other material presented to substantiate the District Eligible Costs and issued Engineer Cost Certifications and Engineer's Design Certifications (as applicable), attached hereto as **Exhibits A-1, A-2, A-3, and A-4**, declaring the total amount of District Eligible Costs associated with the Public Infrastructure proposed for acquisition and/or reimbursement to be \$22,274,656.41, that such costs are reasonable and appropriate for the type of Public Infrastructure being constructed, and that the Public Infrastructure is fit for its intended purpose and was constructed substantially in accordance with its design.
  - b. CliftonLarsonAllen LLP has reviewed the Engineer's Cost Certification and invoices and other material presented to substantiate the District Eligible Costs and has issued an Accountant Cost Certification, attached hereto as **Exhibit B**, declaring the total amount of District Eligible Costs associated with the Public Infrastructure proposed for acquisition/and or reimbursement to be \$17,693,869.36.

4. Acceptance of Certified District Eligible Costs. The Boards, having reviewed the Engineer's Cost Certifications, Accountant's Cost Certification, and Engineer's Design Certifications (as applicable), and all other information as deemed necessary and appropriate, find and determine that the Certified District Eligible Costs to be accepted pursuant to this Acceptance Resolution is \$17,693,869.36. Based on the documentation received, the Boards further find that the applicable requirements set forth in the Agreement have been satisfied, and that Certified District Eligible Costs in the amount of \$17,693,869.36 are hereby accepted and approved for reimbursement by District No. 1 subject to the terms of the Agreement.

5. Acceptance of Additional Certified District Eligible Costs. The Boards, having reviewed the Engineer's Cost Certifications, Engineer's Design Certifications (as applicable), and all other information deemed necessary and appropriate, find and determine upon receipt of one or more additional Accountant's Cost Certification(s) acceptable to the Districts in amounts up to \$4,196,077.61, that the requirements set forth in the Agreement have been satisfied and that additional Certified District Eligible Costs in the amount of up to \$4,196,077.61 are hereby deemed accepted and approved for reimbursement by District No. 1 subject to the terms of the Agreement.

6. Acquisition of Public Infrastructure. To the extent District No. 1 is acquiring Public Infrastructure, the Boards, having reviewed the Engineer's Design Certifications (as applicable) here by find that Developer has provided the information as required by the Agreement, as applicable, in form and substance satisfactory to District No. 1 (or has provided assurance acceptable to District No. 1, that the Developer will provide such information) and District No. 1 hereby approves acquisition of the Public Infrastructure from the Developer.

7. Subject to Annual Appropriations. The obligations of the Districts pursuant to this Acceptance Resolution are subject to annual appropriation and shall not be deemed to be multiple fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution, and may not exceed amounts permitted by the District's electoral authorization and Service Plan.

*Signature page follows.*

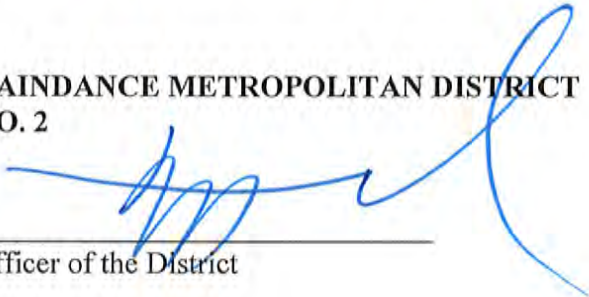
ADOPTED THIS 24<sup>TH</sup> DAY OF SEPTEMBER, 2020.

**RAINDANCE METROPOLITAN DISTRICT  
NO. 1**

  
\_\_\_\_\_  
Officer of the District


  
\_\_\_\_\_

**RAINDANCE METROPOLITAN DISTRICT  
NO. 2**

  
\_\_\_\_\_  
Officer of the District

  
\_\_\_\_\_

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

  
\_\_\_\_\_  
General Counsel to the Districts

**EXHIBIT A-1**

**Engineer's Cost Certification and Engineer's Verification  
(Filing 6, Phase 1 – CERT 2)**



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 Raindance Development LLC, (Developer) within the boundaries of RainDance Metropolitan District Nos. 1-4, which public improvements or facilities may be acquired and/or reimbursed by the RainDance Metropolitan District No. 1 (RDMD No. 1) pursuant to the Infrastructure Acquisition and Reimbursement Agreement (IARA) between RDMD No. 1 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 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, and the Facilities were constructed substantially in accordance with their design.
4. That he found the costs for the Facilities totaling \$ 3,974,648.74 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 21 day of September, 2020
My commission expires: 12/18/24



[Signature]
Notary Public



TST, INC. CONSULTING ENGINEERS



Exhibit A

Client: **Raindance Metro District**

9/14/2020

Project No. 0803.400.00

Project:

By: JAZ

**Item**

**Total Project District Improvements**

General Conditions	\$335,949.11
Erosion Control	\$84,284.50
Earthwork	\$329,157.25
Sewer Main	\$308,623.27
Water Main	\$292,265.37
Irrigation	\$243,931.96
Storm Main	\$583,482.46
Curb/Gutter/Sidewalk	\$710,437.01
Asphalt	\$635,560.00
<b>Total</b>	<b>\$3,523,690.93</b>

Southern Exposure	\$	18,213.70
H2O	\$	22,400.00
HCC	\$	6,637.75
Pudre Valley REA	\$	8,525.24

Change Orders

CO #006 Misc Items	\$289,762.86
CO #007 Add Water/Sewer	\$11,126.58
CO #008 Irrigation Main	\$12,199.15
CO #009 Irrig/Landscape	\$32,436.53
CO #010 SW SG Repair	\$15,537.50
Martin Marietta	\$34,118.50

Change Order Amount: \$395,181.12

**Total Metro District Amount: \$3,974,648.74**

**EXHIBIT A-2**

**Engineer's Cost Certification and Engineer's Verification  
(Filing 6, Phase 2)**

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 Raindance Development LLC, (Developer) within the boundaries of RainDance Metropolitan District Nos. 1-4, which public improvements or facilities may be acquired and/or reimbursed by the RainDance Metropolitan District No. 1 (RDMD No. 1) pursuant to the Infrastructure Acquisition and Reimbursement Agreement (IARA) between RDMD No. 1 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 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, and the Facilities were constructed substantially in accordance with their design.
4. That he found the costs for the Facilities totaling \$ 3,114,266.74 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 21 day of September, 2020
My commission expires: 6/18/24

Joanne R. Milligan
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID# 20124036387
MY COMMISSION EXPIRES 06/18/2024

[Signature]
Notary Public



TST, INC. CONSULTING ENGINEERS



Exhibit A

Client: Raindance Metro District

9/14/2020

Project No. 0803.400.00

Project: Raindance Filing 6 Phase 2

By: JAZ

**Item**

**Total Project District Improvements**

General Conditions	\$227,058.33
Erosion Control	\$162,887.80
Sewer Main	\$316,323.43
Water Main	\$322,979.45
Irrigation	\$167,334.03
Storm Main	\$464,595.25
Curb/Gutter/Sidewalk	\$785,147.37
Asphalt	\$538,102.50
Work Order Deduct	-\$289,762.86
<b>Total</b>	<b>\$2,694,665.30</b>

Pudre Valley REA

\$251,347.50

Xcel Energy

\$133,361.94

Change Orders

CO #013 Subgrade

\$34,892.00

Change Order Amount:

\$34,892.00

**Total Metro District Amount:**

**\$3,114,266.74**

**EXHIBIT A-3**

**Engineer's Cost Certification and Engineer's Verification  
(Filing 8)**



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 Raindance Development LLC, (Developer) within the boundaries of RainDance Metropolitan District Nos. 1-4, which public improvements or facilities may be acquired and/or reimbursed by the RainDance Metropolitan District No. 1 (RDMD No. 1) pursuant to the Infrastructure Acquisition and Reimbursement Agreement (IARA) between RDMD No. 1 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 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, and the Facilities were constructed substantially in accordance with their design.
4. That he found the costs for the Facilities totaling \$ 6,983,193.10 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 21 day of September, 2020
My commission expires: 6/18/24

Joanne R. Milligan
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID# 20124036387
MY COMMISSION EXPIRES 06/18/2024

[Signature]
Notary Public



TST, INC. CONSULTING ENGINEERS



Exhibit A

Client: Raindance Metro District

9/16/2020

Project No. 0803.400.00

Project: Raindance Filing 8

By: JAZ

**Item**

**Total Project District Improvements**

General Conditions	\$1,087,766.03
Erosion Control	\$90,175.00
Landscape-Monument-Wattle	\$789,143.49
Earthwork	\$39,189.25
Sewer Main	\$649,832.88
Water Main	\$777,181.62
Storm Main	\$522,250.85
C/G/SW	\$1,629,295.34
Asphalt Paving	\$1,580,829.19
Irrigation	\$526,343.66
WCR 13 Arterial Improvements	\$196,843.05
<b>Total</b>	<b>\$7,888,850.36</b>

Xcel Energy \$6,910.40

Land Title Check 512667 -\$930,061.92

Change Orders

CO #001 Dry Utility \$17,494.26

Change Order Amount: \$17,494.26

**Total Metro District Amount: \$6,983,193.10**



**EXHIBIT A-4**

**Engineer's Cost Certification and Engineer's Verification  
(General Major Infrastructure)**

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 Raindance Development LLC, (Developer) within the boundaries of RainDance Metropolitan District Nos. 1-4, which public improvements or facilities may be acquired and/or reimbursed by the RainDance Metropolitan District No. 1 (RDMD No. 1) pursuant to the Infrastructure Acquisition and Reimbursement Agreement (IARA) between RDMD No. 1 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 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, and the Facilities were constructed substantially in accordance with their design.
4. That he found the costs for the Facilities totaling \$ 8,202,547.83 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 21 day of September, 2020
My commission expires: 6/18/24

Joanne R. Milligan
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID# 20124036387
MY COMMISSION EXPIRES 06/18/2024

[Signature]
Notary Public



TST, INC. CONSULTING ENGINEERS



Exhibit A

Client: Raindance Metro District

9/14/2020

Project No. 0803.400.00

Project: Raindance Major Infrastructure

By: JAZ

**Item**

**Total Project District Improvements**

General Conditions	\$183,702.40
Erosion Control	\$811,729.75
Earthwork	\$3,490,225.50
Sewer Main	\$1,884,658.13
Water Main	\$262,063.10
Storm Main	\$58,846.52
Non Potable Main	\$308,882.11
Poudre Heights Sanitary Extension	\$791,122.57
DCP Gas Line Removal	\$99,277.50
<b>Total</b>	<b>\$7,890,507.58</b>

Stored Materials \$272,501.72

Change Orders

CO #002 Add 60" Storm Sewer \$7,759.25

CO #003 Add Strom Sewer \$31,779.28

Change Order Amount: \$39,538.53

**Total Metro District Amount: \$8,202,547.83**

**EXHIBIT B**

**Accountant's Cost Certification**



September 22, 2020

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

**Re: Costs of Public Improvements Paid by Raindance Development LLC**

This report summarizes the results of supplementary procedures we performed related to disbursements made by Raindance Communities LLC (Developer) in connection with the construction and installation of public improvements within the boundaries of Raindance Metropolitan District Nos. 1-4 (Districts), which public improvements will be acquired by Raindance Metropolitan District No. 1 (District No. 1).

We were requested to read and summarize documentation supporting payments made by the Developer to various consultants and/or contractors. The documentation we received included copies of invoices, pay applications, checks, lien waivers, and bank statements. We did not review the contracts and did not evaluate quantity and quality measurements of the product of the services which we assumed are covered in the independent Engineer's Certifications.

We received four (4) Engineer's Certifications dated September 21, 2020. The Engineer's Certifications were prepared based on total contract amounts and included portions of contracts not yet paid. The Engineer's Certifications received are as follows:

<b>Filing</b>	<b>Amount</b>
6, Phase 1	\$ 3,974,648.74
6, Phase 2	3,114,266.74
8	6,983,193.10
Major Infrastructure	8,202,547.83
<b>Total Certified</b>	<b><u>\$ 22,274,656.41</u></b>

Upon review of the documentation, we have determined that \$17,693,869.36 (out of the \$22,274,656.41 certified by the Engineer) have been paid by the Developer as summarized below and in the attachments. \$384,709.44 was deemed not eligible for reimbursement. The remaining balance of \$4,196,077.61 will be reviewed at a later date once proof of payment is provided.

<b>Filing</b>	<b>Amount</b>
6, Phase 1	\$ 1,473,529.99
6, Phase 2	2,702,872.67
8	6,983,193.10
Major Infrastructure	6,534,273.60
	<b><u>\$ 17,693,869.36</u></b>

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 District No. 1. Accordingly, we do not express such an opinion. Further, our report should not be considered as final authorization for reimbursement. 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 District No. 1.

*CliftonLarsonAllen LLP*

CliftonLarsonAllen LLP  
Greenwood Village, Colorado

Attachments

RainDance MD No. 1

Documentation Received - Filing 6, Phase 1

Accountant's Review

Payer	Draw Ref.	Payee	Invoice #'s	Date Pd	Check #	Amount \$	Reference	Amount on Check. Lien Waiver	Reimbursable Costs	Disallowed	Confirmed Invoice Amount	Confirmed not paid by RMD1	Check No.	Confirmed proof of payment	Comments
RDD	IBTX PA 7	Crow Creek Construction	6012024202040	5/27/2020	LT509244	\$767,631.32	004-01	767,631.32	767,631.32	-	Confirmed	Confirmed	7090	Confirmed	Obtained lien waver
RDD	IBTX PA8	TST Inc	32387	6/23/2020	LT510821	\$617.50	004-02	617.50	617.50	-	Confirmed	Confirmed	510821	Confirmed	
		Crow Creek Construction	6012024202068	6/23/2020	LT510820	\$386,332.46	004-03	386,332.46	386,332.46	-	Confirmed	Confirmed	510822	Confirmed	Obtained lien waver
RDD	PA 014	TST Inc	32447	8/3/2020	45392206	\$363.00	004-04	363.00	363.00	-	Confirmed	Confirmed	45392206	Confirmed	
		H2O & Things that Grow	100	7/31/2020	P20073001-3305863	\$22,400.00	004-05	22,400.00	22,400.00	-	Confirmed	Confirmed	Bill.com	Confirmed	
		High Country Construction	11272	8/3/2020	45397069	\$6,637.75	004-06	6,637.75	6,637.75	-	Confirmed	Confirmed	45397069	Confirmed	
		Crow Creek Construction	6012024202090	7/31/2020	P20073001-3307157	\$245,940.08	004-07	245,940.08	245,940.08	-	Confirmed	Confirmed	Lien Waiver	Confirmed	
RDD	PA 015	TST Inc	32634/32565	8/28/2020	P20082701-9889531	\$7,326.40	004-08	7,326.40	7,326.40	-	Confirmed	Confirmed	Bill.com	Confirmed	
		Poudre Valley REA	192069	8/31/2020	46194517	\$8,525.24	004-09	8,525.24	8,525.24	-	Confirmed	Confirmed	46194517	Confirmed	
		Southern Exposure	17964	8/28/2020	P20082701-9890644	\$18,260.24	004-10	18,260.24	18,260.24	-	Confirmed	Confirmed	Bill.com	Confirmed	
		Crow Creek Construction	6012024202116	8/21/2020	RDD1064	\$9,496.00	004-11	9,496.00	9,496.00	-	Confirmed	Confirmed	Lien Waiver	Confirmed	Obtained lien waver
<b>Total Submitted</b>						<b>\$1,473,529.99</b>		<b>\$1,473,529.99</b>							

RainDance MD No. 1

Documentation Received - Filing 6, Phase 2

Accountant's Review

Payer	Draw Ref.	Payee	Invoice #'s	Date Pd	Check #	Amount \$	Notes	Reference	Amount on Check/ Lien Waiver	Reimbursable Costs	Disallowed	Confirmed invoice amount	Confirmed Not Paid By RMD1	Check No.	Confirmed Proof of Payment	Comments
RD Development		Crow Creek Construction		6/5/20	1044	\$1,347,332.65	1/2 Contract Filing 6 Phase 2	001-12	\$1,347,332.65	\$1,347,332.65	-	Confirmed	Confirmed	1044	Confirmed	
	CC F6P2 02.2020	Crow Creek Construction	PA 2 - 6012024202000			\$550,169.16		001-01	-	-	-	Confirmed	Confirmed	Lien Waiver		
	CC F6P2 03.2020	Crow Creek Construction	PA 3 - 6012024202020			\$77,260.56		001-02	-	-	-	Confirmed	Confirmed	Lien Waiver		
	CC F6P2 04.2020	Crow Creek Construction	PA 4 - 6012024202038			\$46,326.75		001-03	-	-	-	Confirmed	Confirmed	Lien Waiver		
	CC F6P2 05.2020	Crow Creek Construction	PA 5 - 6012024202054			\$550,169.16		001-04	-	-	-	Confirmed	Confirmed	Lien Waiver		
	CC F6P2 06.2020	Crow Creek Construction	PA 6 - 6012024202087			\$993,012.89		001-05	-	-	-	Confirmed	Confirmed	Lien Waiver		
		Crow Creek Construction		9/1/2020	E-Pay	\$1,347,332.65	2/2 Contract Filing 6 Phase 2	001-12	1,347,332.65	1,347,332.65	-	Confirmed	Confirmed	Wire	Confirmed	Wire support in referenced support
RD Development	RDD PA 010	Harris Winick Harris - 40555	40555	6/9/2020	1046	\$1,005.00	Legal	001-07	1,005.00	1,005.00	-	Confirmed	Confirmed	1046	Confirmed	
RD Development	RDD PA 010	RM Partners Law - 31776	31776	6/9/2020	1048	\$3,281.25	Contract Services	001-08	3,281.25	3,281.25	-	Confirmed	Confirmed	1048	Confirmed	
RD Development	RDD PA 015	Digi-Pix - 8913	8913	8/28/2020	E-Pay	\$3,921.12	Signage for Lots	001-09	3,921.12	3,921.12	-	Confirmed	Confirmed	Bill.com	Confirmed	
RD Development	RDD PA 002 F6P2	Poudre Valley REA	WO192135	4/21/2020	1039	\$251,347.50	F6P2 Electrical Distribution	001-10	251,347.50	-	251,347.50	Confirmed	Confirmed	1039	Confirmed	Dry Utility costs - not Distrcrt eligible
RD Development	RDD PA 002 F6P2	Xcel Energy	Contract 11653822	4/21/2020	1040	\$133,361.94	F6P2 Gas Distribution	001-11	133,361.94	-	133,361.94	Confirmed	Confirmed		Confirmed	Dry Utility costs - not Distrcrt eligible
<b>Total Submitted</b>						<b>\$3,087,582.11</b>				<b>\$ 2,702,872.67</b>	<b>\$ 384,709.44</b>					



RainDance MD No. 1

Documentation Received - Filing 8							Accountant's Review								
Payer	Payee	Invoice #'s	Date Pd	Check #	Amount \$	Notes	Reference	Amount on Check, Lien Waiver	Reimbursable Costs	Disallowed	Confirmed Invoice Amount	Confirmed not paid by RMD1	Check No.	Confirmed proof of payment	Comments
RDD	Crow Creek Construction		2/17/20	1026	\$500,000.00	Orig. Pd on F6P2 but later applied to Filing 8	002-01	500,000.00	\$500,000.00	-	Confirmed	Confirmed	1026	Confirmed	Confirmed 800
RDD	Crow Creek Construction	6012024202042	6/10/2020	LT509875	\$780,392.11		002-02	780,392.11	\$780,392.11	-	Confirmed	Confirmed	Lien Waiver	Confirmed	Obtained Lien Waiver
RDD	Crow Creek Construction	6012024202062	6/30/2020	LT511011	\$2,005,743.67		002-03	2,005,743.67	\$2,005,743.67	-	Confirmed	Confirmed	Lien Waiver	Confirmed	Obtained Lien Waiver
RDD	Crow Creek Construction	6012024202071	6/16/2020	1055	\$467,869.55	Utilities Payment	002-04	467,869.55	\$467,869.55	-	Confirmed	Confirmed	Lien Waiver	Confirmed	Obtained Lien Waiver
RDD	Crow Creek Construction	6012024202085	7/31/2020	LT512667	\$1,626,592.26		002-05	1,626,592.26	\$1,626,592.26	-	Confirmed	Confirmed	Lien Waiver	Confirmed	Obtained Lien Waiver
RDD	Crow Creek Construction	6012024202115	8/28/2020	LT514140	\$1,508,066.36		002-06	3,287,897.12	\$1,508,066.36	-	Confirmed	Confirmed	Lien Waiver	Confirmed	Obtained Lien Waiver
RDD	Great West Properties	IBG 1	7/2/2020	1058	\$300.00		002-07	300.00	\$300.00	-	Confirmed	Confirmed		1058	Confirmed
RDD	Norris Design	01-56588	2/24/2020	1028	\$7,863.25		002-08	25,017.10	\$7,863.25	-	Confirmed	Confirmed		1028	Confirmed
RDD	Norris Design	01-257120	3/27/2020	1033	\$7,249.25		002-09	11,259.00	\$7,249.25	-	Confirmed	Confirmed		1033	Confirmed
RDD	Norris Design	01-57665	4/1/2020	1037	\$8,389.50		002-10	19,223.00	\$8,389.50	-	Confirmed	Confirmed		1037	Confirmed
RDD	Norris Design	01-58404	6/10/2020	LT509876	\$13,867.25		002-11	13,867.25	\$13,867.25	-	Confirmed	Confirmed		509876	Confirmed
RDD	Norris Design	01-58976	7/31/2020	LT512668	\$6,000.75		002-12	6,000.75	\$6,000.75	-	Confirmed	Confirmed		512668	Confirmed
RDD	Norris Design	01-59451	8/28/2020	LT514141	\$3,475.75		002-13	3,475.75	\$3,475.75	-	Confirmed	Confirmed		514141	Confirmed
RDD	Norris Design	01-53682	10/23/2019	1004	\$1,275.00		002-14	3,860.00	\$1,275.00	-	Confirmed	Confirmed		1004	Confirmed
RDD	Norris Design	01-54856	11/25/2019	1009	\$14,803.25		002-15	14,803.25	\$14,803.25	-	Confirmed	Confirmed		1009	Confirmed
RDD	Norris Design	01-55596	12/20/2019	1010	\$13,333.00		002-16	31,743.25	\$13,333.00	-	Confirmed	Confirmed		1010	Confirmed
RDD	Trollco	950	8/28/2020	LT514142	\$233.62		002-17	233.62	\$233.62	-	Confirmed	Confirmed		950	Confirmed
RDD	TST, Inc	31843	9/30/2019	1001	\$31,440.80		002-18	110,359.82	\$31,440.80	-	Confirmed	Confirmed		1001	Confirmed
RDD	TST, Inc	31796	9/30/2019	1001	\$18,299.87		002-18	110,359.82	\$18,299.87	-	Confirmed	Confirmed		1001	Confirmed
RDD	TST, Inc	31909	10/23/2019	1006	\$43,234.50		002-20	95,694.50	\$43,234.50	-	Confirmed	Confirmed		1006	Confirmed
RDD	TST, Inc	31980	11/25/2019	1007	\$63,406.25		002-21	168,517.08	\$63,406.25	-	Confirmed	Confirmed		1007	Confirmed
RDD	TST, Inc	32028	12/20/2019	1012	\$12,571.50		002-22	112,112.50	\$12,571.50	-	Confirmed	Confirmed		1012	Confirmed
RDD	TST, Inc	32105	1/20/2020	1017	\$12,690.90		002-23	86,320.08	\$12,690.90	-	Confirmed	Confirmed		1017	Confirmed
RDD	TST, Inc	32176	2/24/2020	1029	\$17,703.00		002-24	89,287.55	\$17,703.00	-	Confirmed	Confirmed		1029	Confirmed
RDD	TST, Inc	32248	3/27/2020	1035	\$7,554.30		002-25	67,516.40	\$7,554.30	-	Confirmed	Confirmed		1035	Confirmed
RDD	TST, Inc	32355	4/16/2020	1036	\$28,143.50		002-26	69,056.80	\$28,143.50	-	Confirmed	Confirmed		1036	Confirmed
RDD	TST, Inc	32394	6/10/2020	LT509877	\$14,324.50		002-27	14,324.50	\$14,324.50	-	Confirmed	Confirmed		509877	Confirmed
RDD	TST, Inc	32456	7/31/2020	LT512670	\$11,374.75		002-28	38,166.36	\$11,374.75	-	Confirmed	Confirmed		512670	Confirmed
RDD	TST, Inc	32453	7/31/2020	LT512670	\$8,009.00		002-28	38,166.36	\$8,009.00	-	Confirmed	Confirmed		512670	Confirmed
RDD	TST, Inc	32569	7/31/2020	LT512670	\$5,246.31		002-28	38,166.36	\$5,246.31	-	Confirmed	Confirmed		512670	Confirmed
RDD	TST, Inc	32637	8/28/2020	LT514143	\$3,783.05		002-29	8,180.00	\$3,783.05	-	Confirmed	Confirmed		514143	Confirmed
RDD	Xcel Energy	11821548	7/8/2020	1059	\$6,910.40		002-30	6,910.40	\$6,910.40	-	Confirmed	Confirmed		1059	Confirmed
								\$266,954.10			Costs not covered by Engineer Certification, not specifically identified at this time				
<b>Total Submitted</b>					<b>\$7,250,147.20</b>			<b>\$6,983,193.10</b>	<b>\$0.00</b>						

Documentation Received - Filing General Major Infrastructure

Payer	Payee	Invoice #'s	Date Pd	Check #	Amount \$	Notes
RDD	Crow Creek Construction	6012024202016	6/11/20	LT510034	\$2,042,913.36	
RDD	Crow Creek Construction	6012024202039	6/11/2020	LT510034	\$686,003.21	
RDD	Crow Creek Construction	6012024202050	6/23/2020	LT510822	\$677,382.90	
RDD	Crow Creek Construction	6012024202081	7/31/2020	LT512667	\$930,061.92	
RDD	Crow Creek Construction	6012024202117	8/28/2020	LT514140	\$1,779,830.76	
RDD	Crow Creek Construction		5/8/2020	1041	\$100,000.00	Pre-Payment on GMI Contract
RDD	TST Inc	32180	2/24/2020	1029	\$41,204.55	
RDD	TST Inc	32251	3/27/2020	1035	\$34,681.60	
RDD	TST Inc	32356	4/16/2020	1036	\$5,699.90	
RDD	TST Inc	32357	4/16/2020	1036	\$388.00	
RDD	TST Inc	31722	9/30/2019	1001	\$13,042.00	
RDD	TST Inc	31789	9/30/2019	1001	\$7,461.00	
RDD	TST Inc	31844	9/30/2019	1001	\$24,926.15	
RDD	TST Inc	31911	10/23/2019	1006	\$29,844.00	
RDD	TST Inc	31981	11/25/2019	1007	\$49,794.00	
RDD	TST Inc	32030	12/20/2019	1012	\$38,019.00	
RDD	TST Inc	32099	1/20/2020	1017	\$2,932.80	
RDD	TST Inc	32106	1/20/2020	1017	\$25,021.50	
RDD	TST Inc	32160	8/28/2020	E-Pay	\$255.85	
RDD	Norris Design	01-52069	9/30/2019	1002	\$6,896.75	
RDD	Norris Design	01-52574	9/30/2019	1002	\$2,482.50	
RDD	Norris Design	01-53145	9/30/2019	1002	\$2,545.50	
RDD	Norris Design	01-53682	10/23/2019	1004	\$2,585.00	
RDD	Norris Design	01-55596	12/20/2019	1010	\$380.00	
RDD	Norris Design	01-56588	2/24/2020	1028	\$1,485.85	
RDD	Harris Winick Harris	40947	6/15/2020	1054	\$4,560.00	
RDD	Delich Associates	1679-8	3/27/2020	1032	\$4,496.75	
RDD	Delich Associates	1679-7	1/20/2020	1018	\$1,278.75	
RDD	Town of Windsor	RD North	1/20/2020	1016	\$18,100.00	
<b>Total Submitted</b>					<b>\$6,534,273.60</b>	

Accountant's Review

Reference	Amount on Check/ Lien Waiver	Reimbursable Costs	Disallowed	Confirmed Invoice Amount	Confirmed not paid by RMD1	Check No.	Confirmed proof of payment	Comments
003-01	2,728,916.57	\$ 2,042,913.36	-	Confirmed	Confirmed	510034	Confirmed	Obtained lien waiver
003-02	2,728,916.57	686,003.21	-	Confirmed	Confirmed	510034	Confirmed	Obtained lien waiver
003-03	677,382.90	677,382.90	-	Confirmed	Confirmed	510822	Confirmed	Obtained lien waiver
003-04	2,556,654.18	930,061.92	-	Confirmed	Confirmed	512667	Confirmed	Obtained lien waiver
003-05	3,287,897.12	1,779,830.76	-	Confirmed	Confirmed	514140	Confirmed	Obtained lien waiver
003-06	100,000.00	100,000.00	-	Confirmed	Confirmed	1041	Confirmed	
003-07	89,287.55	41,204.55	-	Confirmed	Confirmed	1029	Confirmed	
003-08	67,516.40	34,681.60	-	Confirmed	Confirmed	1035	Confirmed	
003-09	69,056.80	5,699.90	-	Confirmed	Confirmed	1036	Confirmed	
003-09	69,056.80	388.00	-	Confirmed	Confirmed	1036	Confirmed	
003-11	110,359.82	13,042.00	-	Confirmed	Confirmed	1001	Confirmed	
003-11	110,359.82	7,461.00	-	Confirmed	Confirmed	1001	Confirmed	
003-11	110,359.82	24,926.15	-	Confirmed	Confirmed	1001	Confirmed	
003-14	95,694.50	29,844.00	-	Confirmed	Confirmed	1006	Confirmed	
003-15	168,517.08	49,794.00	-	Confirmed	Confirmed	1007	Confirmed	
003-16	112,112.50	38,019.00	-	Confirmed	Confirmed	1012	Confirmed	
003-17	86,320.08	2,932.80	-	Confirmed	Confirmed	1017	Confirmed	
003-17	86,320.08	25,021.50	-	Confirmed	Confirmed	1017	Confirmed	
003-19	86,378.64	255.85	-	Confirmed	Confirmed	Bill.com	Confirmed	Bill.com epayment in referenced support
003-20	10,856.75	6,896.75	-	Confirmed	Confirmed	1002	Confirmed	
003-20	10,856.75	2,482.50	-	Confirmed	Confirmed	1002	Confirmed	
003-20	10,856.75	2,545.50	-	Confirmed	Confirmed	1002	Confirmed	
003-23	3,860.00	2,585.00	-	Confirmed	Confirmed	1004	Confirmed	
003-24	31,743.25	380.00	-	Confirmed	Confirmed	1010	Confirmed	
003-25	25,017.10	1,485.85	-	Confirmed	Confirmed	1028	Confirmed	
003-26	4,560.00	4,560.00	-	Confirmed	Confirmed	1054	Confirmed	
003-27	4,496.75	4,496.75	-	Confirmed	Confirmed	1032	Confirmed	
003-28	1,278.75	1,278.75	-	Confirmed	Confirmed	1018	Confirmed	
003-29	18,100.00	18,100.00	-	Confirmed	Confirmed	1016	Confirmed	
<b>Total Submitted</b>					<b>\$6,534,273.60</b>			

**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 Raindance Development LLC, (Developer) within the boundaries of RainDance Metropolitan District Nos. 1-4, which public improvements or facilities may be acquired and/or reimbursed by the RainDance Metropolitan District No. 1 (RDMD No. 1) pursuant to the Infrastructure Acquisition and Reimbursement Agreement (IARA) between RDMD No. 1 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 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, and the Facilities were constructed substantially in accordance with their design.
4. That he found the costs for the Facilities totaling \$ 3,974,648.74 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 21 day of September, 2020  
My commission expires: 12/18/24

Joanne R. Milligan  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID# 20124036387  
MY COMMISSION EXPIRES 06/18/2024

[Signature]  
Notary Public

**ENGINEER'S CERTIFICATION**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF LaGrange )

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 Raindance Development LLC, (Developer) within the boundaries of RainDance Metropolitan District Nos. 1-4, which public improvements or facilities may be acquired and/or reimbursed by the RainDance Metropolitan District No. 1 (RDMD No. 1) pursuant to the Infrastructure Acquisition and Reimbursement Agreement (IARA) between RDMD No. 1 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 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, and the Facilities were constructed substantially in accordance with their design.
4. That he found the costs for the Facilities totaling \$ 3,114,266.74 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 21 day of September, 2020  
My commission expires: 6/18/24

Joanne R. Milligan  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID# 20124036387  
MY COMMISSION EXPIRES 06/18/2024

[Signature]  
Notary Public



**ENGINEER'S CERTIFICATION**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF Windsor )

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 Raindance Development LLC, (Developer) within the boundaries of RainDance Metropolitan District Nos. 1-4, which public improvements or facilities may be acquired and/or reimbursed by the RainDance Metropolitan District No. 1 (RDMD No. 1) pursuant to the Infrastructure Acquisition and Reimbursement Agreement (IARA) between RDMD No. 1 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 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, and the Facilities were constructed substantially in accordance with their design.
4. That he found the costs for the Facilities totaling \$ 6,983,193.10 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 21 day of September, 2020  
My commission expires: 6/18/24

Joanne R. Milligan  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID# 20124036387  
MY COMMISSION EXPIRES 06/18/2024

[Signature]  
Notary Public

**ENGINEER'S CERTIFICATION**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF LaPlacer )

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 Raindance Development LLC, (Developer) within the boundaries of RainDance Metropolitan District Nos. 1-4, which public improvements or facilities may be acquired and/or reimbursed by the RainDance Metropolitan District No. 1 (RDMD No. 1) pursuant to the Infrastructure Acquisition and Reimbursement Agreement (IARA) between RDMD No. 1 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 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, and the Facilities were constructed substantially in accordance with their design.
4. That he found the costs for the Facilities totaling \$ 8,202,547.83 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 21 day of September, 2020

My commission expires: 6/18/24

Joanne R. Milligan  
 NOTARY PUBLIC  
 STATE OF COLORADO  
 NOTARY ID# 20124036387  
 MY COMMISSION EXPIRES 06/18/2024

[Signature]  
Notary Public